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AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS FOR 2004

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HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTH CONGRESS

FIRST SESSION

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

HENRY BONILLA, Texas, *Chairman*

JAMES T. WALSH, New York
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GEORGE R. NETHERCUTT, JR., Washington
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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

DEPARTMENT OF AGRICULTURE

	Page
Secretary of Agriculture	1
Departmental Administration	341
Office of the Chief Financial Officer	473
Office of the Chief Information Officer	557
Office of the General Counsel	805
Office of Communications	883
Office of Chief Economist	911
National Appeals Division	939
Office of Budget and Program Analysis	953
Homeland Security Staff	973
General Provisions	981
Office of Inspector General	989

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AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS FOR 2004

THURSDAY, FEBRUARY 27, 2003

DEPARTMENT OF AGRICULTURE

WITNESSES

ANN M. VENEMAN, SECRETARY OF AGRICULTURE
JAMES R. MOSELEY, DEPUTY SECRETARY
KEITH COLLINS, CHIEF ECONOMIST
STEPHEN B. DEWHURST, BUDGET OFFICER

OPENING STATEMENT

Mr. BONILLA. The subcommittee will come to order. We are delighted today to have before us the Secretary of Agriculture, Ann Veneman, along with Deputy Secretary Jim Moseley; Chief Economist Keith Collins, and our Budget Officer that is with us at almost every hearing, and we love dealing with him on a regular basis, Steve Dewhurst.

Before we begin, I would like to say that we just finished a very unusual appropriations process that no one on this subcommittee ever intended to be part of. This subcommittee has worked very well in a bipartisan way to produce a bill that has an overwhelming number of votes when we put the final product on the floor, and we are proud of that. We listen very carefully to the interests of everyone and we try to put together a product that is a good solid appropriations bill that everyone can walk out of the room and be proud to support. Unfortunately, we got intercepted last year. We do not expect that to happen this year. We are going to have timely, aggressive hearings that will have us wrapped up by March 20 on the hearing process, and our intent is to have this bill moved by midsummer, and we fully intend to keep to that schedule.

We also would expect the Budget Committee to move quickly on a resolution that will guide our appropriations actions, so we do not anticipate a problem in that area either.

I would like to make note of one matter at the outset. Yesterday we heard from your IG, Phyllis Fong, who did a very good job here. We were very pleased to hear that for the first time the Department and all of its stand-alone agencies received unqualified opinions on their fiscal year 2002 financial statements, and we recog-

nize this is a major accomplishment, and we commend your hard work in bringing that about.

Before we begin with your testimony, I yield to my ranking member, to Congresswoman Kaptur, and then we are joined by the ranking member on the full Committee on Appropriations, Mr. Obey, who would like to make some remarks.

Ms. KAPTUR. Thank you, Mr. Chairman. Welcome back to our very efficiently operating subcommittee, Madam Secretary.

Mr. Chairman, as we spoke before the hearing, the Senate has not even decided to hold their hearings yet, so congratulations to you. As usual the House takes the lead. We are pleased to welcome all of our guests here today, including members of the press.

I obviously come from Ohio, and I am deeply concerned about what is happening in rural America and I know we will get into that during your testimony. With the drought and many of the difficult conditions that farmers face across the country and the bailouts that we have been required to perform here, the continuing diminution of the condition of rural America, not just the fact that we are largely holding up rural America through Federal subsidy—about 75 cents of every farm dollar is Federal subsidy—we are basically holding the farm credit system together, and the way out does not seem clear. I am very interested in your comments that help us find a way forward here so our farmers are not farming their mailbox, but the market.

I am very concerned about what is happening in the social fabric. Yesterday Congresswoman Emerson referenced the number of drug busts in Missouri. If we look at the closures by the DEA in rural America, it is staggering. More labs were closed in Iowa than New York and New Jersey combined. I view those as symbols of a deteriorating social fabric which has really held this country together since our existence.

So you come to us with enormous responsibilities, and we will get into this more during the question period. My fundamental question this morning is how do we make American agriculture competitive in a market sense here at home and begin to heal these communities that are being ripped apart. This is not the world that we inherited and I am not sure that it is the one that we want to pass on to our children and grandchildren.

Thank you for your testimony and being here this morning.

Mr. BONILLA. I yield to Mr. Obey.

Mr. OBEY. I thank the chairman.

I cannot help but note the chairman's remarks about what happened to not just this subcommittee but a number of other subcommittees last year. Quoting my old philosopher friend, Archie the Cockroach, he said now and then people are mourned who are so unlucky they run into accidents that started out to happen to somebody else, and that is sort of what happened to this subcommittee and a number of others last year.

Madam Secretary, ordinarily I would want to talk to you about dairy prices. Last week, as I understand it, the price of blocks of cheddar cheese on the Chicago Mercantile Exchange dropped 11.5 cents below the support price, and that translates into a price of $8.50 per hundredweight for class 3 milk. That is not going to thrill any farmer I know, and I think it is obvious to all but the most

blind that if the purpose of dairy policy is to help keep farmers on the farm, it is not going to work without some substantial changes, but that is not what I want to talk to you about this morning.

Madam Secretary, I have a serious problem that affects the entire State of Wisconsin, and I am going to take a little time to explain it because I have had virtually no help from your agency in dealing with it, and I have to say the response of your agency has led me to conclude that it is the petrified modern-day version of Sleepy Hollow. I have great respect for you, nothing I say is meant to be personal, nothing I say is meant to be political. It is meant to be representational, and let me explain what I mean.

CHRONIC WASTING DISEASE IN WISCONSIN

I want to talk about the absolute uselessness with which USDA has responded to the outbreak of chronic wasting disease in the State of Wisconsin and your agency's failure to sufficiently expand testing capacity to provide hunters with some assurances whether or not the deer they have killed are infected. The rigidity of your department on this matter has led to the use by hunters of unapproved tests for CWD being conducted at uncertified labs who are publishing unconfirmed results, and this I would add is exactly the result that USDA states in its CWD position paper that it seeks to prevent in order to avoid unnecessary public concern and costly regulatory action.

I think people understand what chronic wasting disease is and why it is so feared by the general public and by the farming population. The situation was that on February 28 of 2002 it was announced that routine testing by the Wisconsin Department of Natural Resources turned up three cases of chronic wasting disease among the wild deer population in Wisconsin, the first time it appeared east of the Mississippi, and since then it has been found in other places.

Deer hunting is a major part of the culture in my State, and it is a vital element to Wisconsin's economy. In response to the discovery of the disease, State officials in Wisconsin, led by the State DNR, devised a plan for greater surveillance testing of the deer population to determine the extent of its spread in order to try to control it and eradicate the disease. Until recently the only approved test has been the immunohistochemical test, which is costly, slow, and very labor intensive.

Just before the election last year, the previous Republican Governor of Wisconsin and the USDA jointly announced that as many as 200,000 tests would be conducted on Wisconsin deer in order to provide fee-for-service testing for every hunter who wanted it. Clearly to do that you have to greatly expand testing capacity. In preparation for that, the State of Wisconsin, under the previous Republican Governor, approached the Marshfield Clinic, located in my district, and asked them to become involved in testing for CWD. The Marshfield Clinic is one of the premier medical laboratories in the Nation, and both the Federal Government and the State government work closely with it. The National Cancer Institute spends more than $2 million at that institution. The National Heart, Lung and Blood Institute spends $3.6 million at that institution. CDC is working with them on the West Nile virus and Lyme's disease with

more than $1 million in expenditures. NIOSH is funding $1.3 million in activities at that operation. The EPA, the Navy, the Justice Department are all working with them. It is good enough for all of them, but it is not good enough for USDA.

In 2002, Federal research and development expenditures at that institution totaled $10.7 million with an additional $1.7 million in Federal program support funding. State R&D expenditures that same year amounted to almost a million dollars. Marshfield has been designated the State public health lab for the entire State of Wisconsin by the State. It is good enough for the State of Wisconsin, but it is not good enough for USDA.

In response to the approach from the State, Marshfield invested more than $300,000 to construct bio safety level 2 plus labs to enable it to handle the prions in the way that they have to be handled. It involves creating a self-contained facility with dedicated processing equipment, dedicated waste disposal and distillery equipment for medical and biochemical waste, a dedicated storage facility, specific airflow and venting.

By anybody's standards, except USDA's, Marshfield is one of the leading labs in the Nation. If you don't believe me, ask my predecessor, Mel Laird, who was Secretary of Defense under Richard Nixon. Despite all of this, your agency has made clear that they do not think Marshfield is good enough to participate in testing on the deer population. It is good enough for human medical research, but not good enough for the deer. That is ludicrous.

I cannot understand why instead of utilizing the resources at Marshfield Clinic, USDA prefers to send tens of thousands of possibly highly infectious tissue samples thousands of miles away to less well-equipped laboratories in California or a number of other States rather than treating those samples in Wisconsin. We have the ludicrous situation where you are refusing to approve the premier medical lab in that part of the country, a lab which is approved to do testing on human diseases, but apparently not good enough to do testing on deer diseases.

LABORATORY CAPACITY

In correspondence with your agency, USDA has argued that its policy is to use only public labs. My understanding is that there are currently 14 of those public labs that have been approved to conduct testing. I will address your rationale for that shortly, but the fact is if the public labs you have approved are anything like the State labs in Wisconsin, they leave a little to be desired in contrast to Marshfield Clinic.

For example, there was a news story about the public State lab in Madison, Wisconsin which appeared in the Wausau Daily Herald in March 2002. The story was headed, "Lab lacks money to do tests for deer disease." The article relates the story of the lab's 10-year-old electron microscope, essential for diagnosing viral diseases, a microscope which was purchased at a garage sale and needs repairing at a cost of $320,000. The article states that the public State lab will need $1.3 million to update its core equipment in order to do the testing.

Now, compounding your agency's mishandling of this disease outbreak with respect to bringing on-line qualified private labs such

as Marshfield is your handling of a rapid test that would provide hunters with testing on demand. I understand that Colorado, where CWD originated, has been using a rapid test to provide hunters with testing on demand for the past few years but until last year USDA prohibited its use everywhere else. USDA did provide the go ahead for the rapid test for deer killed in Wisconsin, but when they did it the announcement stated that testing could go on only at those public labs already approved for the IHC test. Unfortunately, according to the company that manufactures that test, none of those labs could actually perform the test because they did not have the necessary staffing, equipment or the funding necessary to acquire them.

So USDA, according to my information, has created a perfect Catch-22. It approves the rapid test only for those labs that can't do the test, and they maintain a prohibition on labs such as Marshfield Clinic that can do the test. I would like to know if outside of Colorado there is currently any testing being done using the rapid test at any of the approved labs.

Finally, in the most recent example of USDA's incompetence, Marshfield received a blanket purchase agreement from USDA dated January 30 indicating that the USDA would be sending tissue samples to Marshfield for testing. Had USDA finally seen the light? Unfortunately, no. Because when Marshfield Clinic responded to USDA's letter, Marshfield was then told, whoops, their letter was a mistake and subsequently it was cancelled by USDA.

So what is the USDA rationale for this ludicrous situation where the finest private labs that are well-equipped, staffed and capable and eager to do the testing are prohibited from doing so? As best I can make out, USDA's argument is as follows: A letter from Bill Hawks, Under Secretary for Marketing and Regulatory Programs, dated December 3, 2002, refers to seven State labs having agreed to conduct CWD testing on a fee-for-service basis for interested hunters and expressing the belief that the additional testing capacity will meet the testing needs of hunters.

I would say if that is so, how do you explain the thousands of hunters who have purchased unapproved private testing kits and sent samples to uncertified labs which have published unconfirmed positive results for CWD. Clearly, if your efforts had been sufficient those hunters would not have felt compelled to purchase those unapproved test kits.

SURVEILLANCE TESTING ON DEER

With respect to surveillance testing, in a letter to the Marshfield Clinic dated February 11, John Clifford, Associate Deputy Administrator in Mr. Hawks' department, said, "Limiting validation to Federal and State laboratories with which we have already established relationships ensures that any necessary regulatory actions can occur swiftly and consistently. Federal and State labs, unlike private laboratories, have a direct reporting relationship and are better integrated with the Federal and State regulatory officials who have the legal authority to institute appropriate disease control measures such as restricting animal movement and ordering animal depopulation.".

He continues, "The validation process for eligible laboratories include several levels of inspection. Our agency's veterinary service program requires inspection of laboratory facilities to ensure the proper bio security protocols are in place for receipt and handling of any restricted pathogen. We also conduct compliance inspections after a laboratory has received restricted pathogens.".

I would like to point out that in July, Marshfield's laboratory was inspected by the USDA, and it was clear from the remarks of the inspecting veterinary medical officer, Dr. Tim DeVoe, that Marshfield laboratories "not only meet but exceed the standards set by USDA for that purpose." yet they are not being approved.

I would also note that the explanation suggests if you want to eradicate a disease the first thing you do is to limit the testing only to public labs. That seems to be counterintuitive. It is exactly backward. Second, with respect to the validation process, I see nothing in USDA's inspection and security reporting protocols that cannot be as easily applied to private labs as they are to public labs.

Furthermore, the central point in this rationale appears to be that necessary regulatory actions can only occur swiftly and consistently with respect to Federal and State labs because of a "direct reporting relationship" with officials who have had the legal authority to institute appropriate control measures.

My questions are: Why can this not be done with private labs? What regulatory actions cannot occur with private labs? What legal authorities don't you have over private labs? What reporting relationship cannot be replicated by private labs? Are you saying that the protocols that Marshfield Clinic has in place for research on sophisticated research on human diseases like cancer, heart disease, West Nile virus, Lyme's disease, all of that work being done with NIH and CDC, are you saying that those protocols are not adequate for testing on deer samples under your pristine and precious agency? I mean, are you saying that labs like Sloan-Kettering and Marshfield and Mayo are not as qualified as some public labs to do this testing? That is ludicrous. How goofy can your agency get?

I don't expect you to reply here because this is frankly an ambush. I have communicated with your agency for 6 months on this issue and gotten no response whatsoever that was anything but gibberish, and neither has Marshfield clinic. You may not be embarrassed by USDA's obtuse actions, but I am. I want to know why your agency is preventing Wisconsin from doing what it wanted to do at the onset of this outbreak, which is to go to the best damn lab in our State for testing to make certain that we did not get the very false positives that your agency says that they do not want to see. Now we have those false positives because there were no sufficient laboratory tests, so farmers and hunters went out and they got these unapproved tests. They developed false positives, and now you have the very public panic that you say you were trying to avoid. I have never seen such incompetence in my life. It is pitiful.

Thank you, Mr. Chairman.

Mr. BONILLA. Mr. Obey in advance of the hearing did ask as a point of privilege to go beyond his normal time that we would allow on the subcommittee. We were happy to indulge.

If the Secretary would like to respond briefly, that is your prerogative.

Secretary VENEMAN. Mr. Obey, we do take your concerns very seriously, and I appreciate the fact that you have put such detail into the record today. I am going to go back and ask APHIS to review your questions and the details that you have outlined.

[The information follows:]

Upon returning to the Department, I reviewed your concerns about USDA's policy regarding pest and disease testing by private laboratories. Accordingly, I have directed USDA's General Counsel to lead a group consisting of the Under Secretary for Marketing and Regulatory Programs, the Under Secretary for Food Safety, and the Under Secretary for Research, Education, and Economics to review that policy and report to me on possible changes.

Mr. OBEY. Why do I have to do this in order to get you to do what I have been asking you to do for months?

Secretary VENEMAN. I appreciate what you are saying. I feel very strongly about strengthening the overall laboratory capacity. This is an issue which has come to the forefront, particularly since the incidents of 9/11. We need to make sure that we have strong laboratory capacity for a whole array of issues. We feel strongly about that. It is part of protecting the infrastructure of agriculture, and it is something that we take very seriously. We will look at this issue and the legal issues that you have raised and the legal questions, and we will get back to you.

Mr. OBEY. That is what I have been asking you to do for over 6 months. It is about time.

Mr. BONILLA. Thank you, Mr. Obey. We will proceed with the 5-minute rule on questioning, and I ask members to abide by that. When I hit the gavel, we will recognize members in order of seniority, and if they arrived later, we will recognize members in that order.

I ask Members to please turn off any electronic devices, such as pagers and cell phones. That helps us proceed. We do not expect to be interrupted in this hearing with any votes at all on the House floor, so we are fortunate in that regard. I do plan on ending this hearing at noon.

Madam Secretary, you may proceed.

BUDGET OVERVIEW

Secretary VENEMAN. Mr. Chairman, thank you very much.

I do appreciate being here with you and the other members of the committee. I would like to thank the subcommittee for your ongoing relationship and your support of our Department. I think that we have a long history of cooperation between this committee and the Department to support American agriculture and the other mission areas that we are involved with.

We have submitted a formal statement for the record and I ask that it be included in the record, but before I provide some of the budget highlights today, I wanted to just touch upon a few issues which have been in the forefront of our Department and on the minds of the farmers and ranchers in recent weeks.

DISASTER ASSISTANCE

First, as you said, we had a very unusual appropriations process. As part of that appropriations process, as part of the 2003 omnibus package, there was additional money added in for disaster assistance. On Thursday, the President signed the legislation, and on that day we also established a disaster assistance working group within USDA to work on the disaster assistance programs. This is going to be patterned after our Farm Bill working group that we believe has worked so effectively as we have worked to implement the Farm Bill that was passed last year. Their charge is very clear. We want to make sure that implementation of the disaster assistance program is a farmer friendly process and make sure that the program benefits reach the producers as quickly as possible.

LIVESTOCK COMPENSATION PROGRAM SIGN-UP

Sign-up for the additional benefits associated with the Livestock Compensation Program will begin April 1. That is for the Livestock Compensation Program, which we started last year. Also the sign-up for tobacco crop losses will begin March 17 with sign-up dates for the other programs in the near future.

The other programs are ones that we are going to have to design and determine exactly what the criteria are. So they will take a bit longer.

USDA has launched a disaster assistance implementation Web site which contains basic program information, and it has announcements on sign-up questions and answers and is inviting public comment onto the Web site on the implementation of the disaster assistance provisions.

FARM BILL IMPLEMENTATION

I also want to touch for a moment on the Farm Bill implementation. I know that has been an issue that many of you and your farmers and ranchers have been concerned about. We continue to make good progress on implementation of the Farm Bill. Sign-up for base and yield adjustments ends on April 1, and our county offices are working very hard to ensure that producers are signed up. I must say that our people out in the field have really been doing yeoman's work to get the farm bill implemented and to get the benefits to our farmers and ranchers. It is not an easy process. There are lots of changes in this Farm Bill, but they continue to do the best job that they can to get the job done as quickly as possible.

This week we made an announcement on many of the 2003 crop loan rates. Those are the earliest that they have been made in recent history.

DAIRY EXPORT INCENTIVE PROGRAM

In addition, not related to the Farm Bill, we also have announced the third allocation this week under the Dairy Export Incentive Program for the 2002–2003 year. This additional allocation will help U.S. dairy farmers improve their competitive position and build sustainable, international markets.

If I can move on to the budget and provide a quick overview of this Administration's proposals before taking questions.

2004 PRESIDENT'S BUDGET

The 2004 budget focuses on key priorities for USDA. Ensuring a safe and wholesome food supply and safeguarding America's homeland, continuing rapid implementation and diligent administration of the 2002 Farm Bill, including providing record amounts for conservation funding and protecting natural resources, providing unprecedented funding for a food and nutrition safety net, expanding agricultural trade, expanding housing for rural citizens, investing in America's rural sector, and improving USDA's program delivery and customer service.

The 2004 budget calls for $74 billion in spending, an increase of $1.4 billion, or about 2 percent above the level requested for 2003. This is approximately $5.4 billion higher than the actual level for 2001, and represents a growth of 8 percent since this Administration took office. Discretionary outlays are estimated at $20.2 billion, about a 1 percent change, or $300 million below the 2003 requested level. The request before this committee for fiscal year 2004 amounts to $15.5 billion.

FOOD SAFETY PROGRAMS

The budget seeks record level support for USDA's Food Safety and Inspection Service, the meat and poultry food safety programs, as well as the increases to strengthen agricultural protection systems. These areas of our budget have been top priorities for this Administration since we came into office, and particularly since the events of September 11.

FSIS funding will increase to a program level of $899 million, an increase of nearly $42 million over the fiscal year 2003 requested level. This represents $117 million, or a 15 percent increase, in these food safety programs since fiscal year 2001, when the Bush Administration took office. The $899 million level for FSIS is comprised of $797 million in appropriated funds and new fees for inspection services beyond an approved inspection shift.

In addition, existing user fees are expected to generate $102 million. This will fund 7,680 food safety inspectors, an increase of 80 inspectors and provide specialized training for the inspection workforce, increase microbiological testing and sampling, strengthen foreign surveillance programs and increase public education efforts.

HOMELAND SECURITY

Regarding homeland security and agricultural protection systems, the budget includes nearly $47 million in new funding to strengthen laboratory security measures, to conduct research on emerging animal diseases, improve biosecurity and develop new vaccines, create new biosecurity database systems, and continued development of the Unified Federal-State Diagnostic Network for identifying and responding to high risk pathogens.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

For the Animal and Plant Health Inspection Service, we are requesting increases of about $30 million above our 2003 request for inspection services, including expanding the availability of foot-and-mouth disease vaccines, providing additional protections

against chronic wasting disease and poultry diseases, and expanding diagnostic and other scientific and technical services.

In addition, $200 million is requested for the National Research Initiative, including funding for genomics research. The President's budget supports the continued implementation of the 2002 Farm Bill. As I indicated before, we have made good progress so far, but we could not have done it without the tremendous efforts of our staff from Washington and in the field. Funds are provided in the budget to support continued implementation efforts.

CONSERVATION PROGRAMS

We are now in the process of implementing the largest and most wide-reaching Farm Bill conservation title ever, which represents an unprecedented investment in conservation that will have significant environmental benefits. Total program level funding for Farm Bill conservation programs increases from about $2.2 billion in 2001, when this Administration took office, to nearly $3.9 billion in 2004. This includes $3.5 billion for financial assistance and $432 million for conservation technical assistance in 2004 in support of Farm Bill implementation, which is an overall increase of $582 million over 2003.

I might add that the Department recently issued the proposed rule for the EQIP program for public comment. We have also issued an Advance Notice of Proposed Rulemaking regarding the Conservation Security Program so we are making good progress in the implementation of some of these major conservation programs.

FOOD AND NUTRITION PROGRAMS

The fiscal year 2004 budget reflects the Bush Administration's continued commitment to the nutrition safety net by including a record $42.9 billion for domestic food assistance programs, a $1.7 billion increase over the requested level for fiscal year 2003. The President has often said this is a compassionate administration, and our continued support for these programs demonstrates that continued commitment. The budget supports an estimated 21.6 million food stamp participants. It supports a record level of 7.8 million low income, nutritionally at risk WIC participants. It supports an average of 29 million school children each day in the National School Lunch Program. Particularly with the WIC and school lunch programs, we are reaching more Americans and helping to educate more people about healthy eating and stressing the importance of balanced diets. It is part of the President's Healthier U.S. Initiative.

The budget also includes a $2 billion contingency reserve for food stamps, and a $150 million contingency reserve for WIC to be available to cover unanticipated increases in participation of these programs. A high priority of the Administration is reauthorization of the child nutrition programs and WIC this year to ensure stable and adequate funding for the programs and to improve the nutritional intake of participants.

This week I unveiled some of the Administration's principles regarding reauthorization, to include ensuring that all eligible people have access to these important programs, working to provide more incentives to schools to provide healthy choices, including exam-

ining innovative approaches to do so, and ensuring continued program integrity.

FOREIGN MARKET DEVELOPMENT PROGRAMS

The fiscal year 2004 budget continues a strong commitment to export promotion and foreign market development efforts by proposing $6.2 billion in spending. Since this Administration took office, these programs have experienced significant growth, increasing by $957 million, or an 18 percent increase over fiscal year 2001. Included in our trade budget is funding for USDA's market development programs, including the market access and cooperator programs, which are increased by $15 million over fiscal year 2003. The budget requests a new centralized fund of $6.6 million to support the agency's work in addressing important cross-cutting trade issues and compliance monitoring, dispute resolution and biotechnology activities within the Department of Agriculture.

The program level of $4.2 billion is provided for the Commodity Credit Corporation export credit guarantee activities. Nearly $1.6 billion is requested for U.S. foreign food assistance activities, including $50 million for the McGovern-Dole International Food for Education and Child Nutrition Program, which builds upon the pilot program, the Global Food for Education Initiative.

RURAL DEVELOPMENT PROGRAMS

We have worked hard in this budget to provide funding to increase rural homeownership and to enhance the economic opportunities and the quality of life in rural America. The Administration proposes spending $11.9 billion for rural development programs. This budget supports the President's Homeownership Initiative with particular emphasis on minority family homeownership. The initiative provides more than a 40 percent increase for single family housing. Nearly $4.1 billion is requested for direct and guaranteed section 502 single family housing loans compared to an estimate of $2.8 billion for fiscal year 2003.

The President's budget will provide 49,000 new homeownership opportunities for low and moderate income families in rural areas. In addition, the water and waste disposal program is maintained at the requested fiscal year 2003 level of $1.5 billion.

USDA STRATEGIC PLAN

The budget supports the Department's strategic plan and supports several management initiatives to better integrate computer systems and technology to provide the Department's constituents with enhanced ability to access records, sign up for crop benefits and other program benefits, to access USDA studies and economic information, and to respond to USDA surveys. These initiatives will also provide USDA employees with the necessary tools to efficiently operate and deliver our services.

Our attention to financial management paid off with—as you recognized, Mr. Chairman, and we appreciate that—the first ever clean opinion on the Department's financial statements and significant reductions in delinquent debt. We are proud of this accomplishment. It has taken a tremendous amount of effort on the part

of our CFO, Mr. McPherson, and the team he has been working with to achieve this. It was not an easy task within USDA.

CIVIL RIGHTS BUDGET

We are also providing increased focus on efforts to eliminate discrimination. The budget requests $800,000 to fund the new Office of the Assistant Secretary for Civil Rights. We appreciate the funding that was provided by the Congress in 2003 for this office. The President recently nominated Mr. Vernon Parker to be the new Assistant Secretary for Civil Rights and we are working with the Senate committee to try to get speedy confirmation for Mr. Parker so he can officially begin his new duties.

That completes my overview of some of the key points of this budget as well as an update of some key priorities within the Department. I thank you, Mr. Chairman, and all of the members of the committee for the opportunity to be here this morning. We look forward to working with the committee.

Our team at the USDA is available in the coming months to provide more budget details and information on the important issues that we are discussing. I thank you again very much, and I will be happy to respond to the committee's questions.

[The prepared statement of Secretary Veneman follows:]

Statement by
Ann M. Veneman
Secretary of Agriculture
Before the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies
Committee on Appropriations, U.S. House of Representatives
February 27, 2003

Mr. Chairman, Members of the Committee, it is an honor for me to appear before you to discuss the fiscal year (FY) 2004 budget for the Department of Agriculture (USDA). I have with me today Deputy Secretary Jim Moseley, our Chief Economist, Keith Collins, and our Budget Officer, Steve Dewhurst.

I want to thank the Committee again this year for its support of USDA programs and for the long history of effective cooperation between this Committee and the Department in support of American agriculture. I look forward to working with you, Mr. Chairman, and all the Members of the Committee during the 2004 budget process.

As you know, the President's Budget was released on February 3rd. Total USDA outlays for 2004 are estimated to be $74.1 billion. This is an increase of $1.4 billion above the level requested in 2003. Departmentwide discretionary outlays are estimated at $20.2 billion, about $300 million below the 2003 requested level. The Department's request for discretionary budget authority before this committee is $15.4 billion.

This year's budget is consistent with this Administration's policy book: Food and Agricultural Policy for the 21st Century and supports the Department's 5-year

strategic plan. This plan outlines long-term goals and strategies for providing leadership in food, agriculture, resource and related issues, and the 2004 budget is designed to help accomplish USDA's strategic goals of: enhancing economic opportunities for agricultural producers; supporting increased economic opportunities and improving quality of life in rural America; enhancing protection and safety of the Nation's agriculture and food supply; improving the Nation's nutrition and health; and protecting and enhancing the Nation's natural resource base and environment.

Because of fiscal realities, this budget is highly constrained. However, it maintains and enhances critical programs that supports the Department's strategic goals by:

For 2004, this budget supports the following key initiatives:

- Providing necessary funding for the continued implementation and administration of new and expanded programs enacted as part of the Farm Security and Rural Investment Act of 2002 (Farm Bill).

- Implementing the largest and most wide-reaching Farm Bill conservation title ever which represents an unprecedented investment in conservation that will have significant environmental benefits.

- Providing record funding to support record levels of participants in the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) and covers the anticipated increases in participation in the Food Stamp Program, including legal immigrants and others newly eligible for benefits under the 2002 Farm Bill.

- Providing record level funding to strengthen protection against harmful bacteria in meat and poultry products. The request funds additional food safety inspectors and supports continued implementation of a science-based food safety inspection system by providing specialized food safety training to inspectors and other food safety professionals, increasing microbiological testing, and enhancing the information available to inspectors for evaluating food safety hazards that threaten the food supply.

- Supporting the Department's strategic goal of expanding international marketing opportunities by providing over $6.0 billion for the Department's international programs and activities.

- Protecting American agriculture from threats to plants and animals and transfers necessary inspection and research functions to support the new Department of Homeland Security (DHS).

- Providing continued support for fundamental and applied sciences in agriculture, including advancing research on agricultural genomics and on animal and plant pests and diseases.

- Providing over $11 billion in loans, grants, and technical assistance for rural development needs, including electric and telecommunications systems, water and waste disposal systems, rural housing, and business and industry.

- Improving the management and delivery of the Department's programs.

With this as an overview, I would now like to discuss the details of our budget proposals for 2004.

Homeland Security

The Department is transferring the border inspection functions of the Animal and Plant Health Inspection Service's (APHIS) Agricultural Quarantine Inspection (AQI) program and the Plum Island Animal Disease Center to the new DHS. The transfer involves $247 million and nearly 2,700 staff years. A Memorandum of Understanding will ensure that USDA has access to AQI employees in the event of future outbreaks of plant and animal pests and diseases.

The budget requests an increase of nearly $42 million over that for FY 2003. It will support 7,680 food safety inspectors, an increase of 80 inspectors, and provide specialized training for the inspection workforce, increase microbiological testing and sampling, strengthen foreign surveillance programs and increase public education efforts. In addition, $30 million will fund efforts by APHIS to expand inspection services, increase the availability of foot-and-mouth disease vaccines, provide protection against chronic wasting disease and poultry diseases, and expand diagnostic and other scientific/technical services. An increase of $47 million will strengthen laboratory security measures, fund research on emerging animal diseases, develop new vaccines, create new bio-security database systems, and continue development of the unified Federal-State Diagnostic Network for identifying and responding to high risk pathogens.

The FY 2002 Emergency Supplemental provided the Department with $328 million for 2002 and 2003 to protect American agriculture and its food supplies from terrorism. The supplemental provided $15 million to APHIS for moving laboratory

operations from a strip mall in Ames, Iowa, to the main National Veterinary Services complex. It is under construction. The supplemental of $50 million to ARS at Ames, Iowa, is being used as part of the $124 million appropriated by Congress in recent years for modernization of the research facility. It is awaiting construction. Another $23 million was allocated to Plum Island, New York. It is being transferred to DHS for laboratory improvements. Funding of $115 million was allocated to improve physical and operational security at USDA labs and facilities, undertake security related research, and improve cyber security. The planning for this effort is largely completed. The remaining $125 million was allocated to improve security for food and agriculture by expanding pest detection and animal health monitoring, emergency preparedness training and exercises and strengthening the regional laboratory network. As of January 2003, $124.6 million has been obligated with the remainder to be spent during 2003.

FARM AND FOREIGN AGRICULTURAL SERVICES

The farm sector in recent years has experienced lower market returns for several major commodities and recurring losses from various diseases, pests and other natural disaster-related causes. While the situation is showing signs of improvement, market returns in some areas of the farm economy are still low. The new Farm Bill enacted in 2002 provides additional financial support for the farm economy if market conditions weaken. The President's budget for 2004 reflects the new Farm Bill which added new countercyclical programs to the farm safety net, reformed other farm programs and substantially expanded the Department's conservation programs. In addition, the budget supports a strong crop insurance program and an aggressive international trade program that will be critical to improving the farm economy in the next few years.

Farm Program Delivery

Farm Service Agency (FSA) salaries and expenses are funded at $1.3 billion in 2004. This would support staffing levels of about 5,900 Federal staff years and 10,800 county non-Federal staff years, including about 1,500 temporary staff years. Temporary staff will be reduced from the high level required in 2003 because of the heavy workload associated with the initial implementation of the new farm programs. However, we expect the workload for FSA to remain at significant levels in 2004, particularly because of Farm Bill requirements in the conservation area. Therefore, permanent county non-Federal staff levels are protected at current levels.

In order to help FSA meet its workload challenges, improve service to farmers, and enhance operating efficiency, the budget provides increased funding of $41.9 million for FSA's information technology efforts related to the Service Center Modernization Initiative. This includes continued installation of geographic information systems (GIS) and other Common Computing Environment (CCE) initiatives to help move the delivery system into the e-Government era. The budget presents these funds as well as funds for the other Service Center agencies under the CCE appropriation to ensure that these activities are well coordinated.

Management initiatives to modernize farm credit program servicing activities and to streamline information technology and related administrative support for the Service Center activities of FSA, the Natural Resources Conservation Service (NRCS), and Rural Development (RD) will also be undertaken in an effort to improve our ability to provide services at less cost.

International Trade

One of the key objectives set forth in the Department's new strategic plan is the expansion of international marketing opportunities. As the strategic plan and our earlier review of the U.S. food and agricultural system in the 21st century make clear, expanding markets is critical to the long-term health and prosperity of American agriculture. With 96 percent of the world's population living outside the United States, future growth in demand for food and agricultural products will occur primarily in overseas markets.

The Department is moving ahead aggressively to achieve our trade expansion objectives. At the center of these efforts is negotiation of trade agreements that will reduce trade barriers and increase market access overseas. At the World Trade Organization, the United States has presented an ambitious proposal for reform of global agricultural trade that will eliminate export subsidies and reduce market access barriers and trade distorting domestic support. At the same time, the Department is actively engaged in efforts to establish regional free trade agreements with countries in Central America and southern Africa, as well as the Free Trade Area of the Americas. Work also has begun to reach comprehensive trade agreements with Australia and Morocco.

Our trade policy activities are not limited to negotiating new agreements, however. As these agreements are implemented, it is essential that we bolster our efforts to monitor compliance and ensure that U.S. rights are protected. These efforts are critical to preserving markets as evidenced by the Department's work over the past year to resolve trade disputes, such as China's restrictions on soybean imports and Russia's ban on U.S. poultry imports.

The Foreign Agricultural Service (FAS) is the lead agency in the Department's international activities and plays a critical role in our efforts to expand and preserve overseas markets. To support its activities, the 2004 budget provides a program level of $145 million for FAS. This is an increase of nearly $10 million above the 2003 request level and supports a number of important trade-related activities. Among these is a trade capacity building initiative that will allow FAS to work with other countries in their implementation of the Cartagena Protocol on Biosafety. The Protocol is intended to provide uniform standards for ensuring the safe transport and use of products derived from biotechnology. Through a series of regional seminars, training sessions, scientific exchanges, and related activities, FAS will work to ensure that the Protocol's provisions are properly interpreted and applied. This is intended to facilitate the adoption of science-based, transparent, and non-discriminatory standards and, thereby, help to avoid potential disruptions in agricultural trade.

The FAS budget also includes funding for a USDA contribution to the Montreal Protocol Multilateral Fund. Established in 1991, the Fund assists developing countries switch from ozone-depleting substances to safer alternatives. Agricultural issues are expected to become increasingly important in the Montreal Protocol process, particularly as the scheduled phase-out date for the use of methyl bromide approaches. The USDA contribution will help to further U.S. agricultural interests in the Protocol implementation process.

Additional funding in support of FAS trade agreement negotiation, enforcement, and standards-setting activities will be made available from funds requested for the Office of the Secretary to conduct USDA cross-cutting trade negotiation and biotechnology activities. These funds also will be available to

bolster efforts by FAS, APHIS, and other USDA agencies to address market access constraints related to biotechnology.

The Department's export promotion and market development programs are another key component in our efforts to expand international marketing opportunities. The 2002 Farm Bill increased funding for many of these programs in order to bolster our trade expansion efforts, and the President's budget fully reflects those increases.

For the Commodity Credit Corporation (CCC) export credit guarantee programs, the budget includes a program level of $4.2 billion which continues the programs near their current level. For the Department's market development programs, including the Market Access Program and Cooperator Program, the budget increases funding to $163 million in 2004. This includes $2 million to continue the Technical Assistance for Specialty Crops Program authorized by the Farm Bill and implemented by FAS last year. The budget also includes $57 million for the Dairy Export Incentive Program and $28 million for the Export Enhancement Program.

The budget supports a total program level for U.S. foreign food assistance activities of nearly $1.6 billion. Of that amount, just over $1.3 billion is provided for the P.L. 480 Title I credit and Title II donation programs. It also includes a projected $151 million for the CCC-funded Food for Progress programs which, based on current price projections, should support 400,000 metric tons of assistance as required by the Farm Bill. The budget also requests $50 million in appropriated funding for the new McGovern-Dole International Food for Education and Child Nutrition Program. As the Committee is aware, the program is funded through CCC in 2003, but beginning in 2004 is to be funded through appropriations. This

funding level will provide continuity to new program activities that will begin to be implemented in late 2003.

Farm Credit

The budget also supports a program level of about $3.7 billion in farm credit programs to enhance opportunities for producers to obtain, when necessary, federally-supported operating, ownership, and emergency credit. The program level is down slightly from last year due to higher subsidy costs for the direct loan programs. In addition, funding has been reallocated from guaranteed operating loans to the direct loan programs to better accommodate the actual demand in these programs. No additional funding is being requested for the emergency loan program. Based on current estimates, the budget assumes that carry-over funding in the emergency loan program will be sufficient to meet demand.

Crop Insurance

The budget also includes full funding for the crop insurance program. The budget includes "such sums as necessary" for the mandatory costs associated with program delivery and the payment of indemnities. The program is delivered by private insurance companies, and the Federal Government reimburses the companies for their delivery costs. The companies may also receive underwriting gains on policies for which they retain the risk of loss.

In 2000, Congress substantially reformed the crop insurance program, in part, by providing for substantial increases in the premium subsidy available to producers, especially at higher levels of coverage. Producers have responded by purchasing higher levels of coverage. As a result, the premium earned per policy

has increased from about $1,500 to over $2,300. However, the number of policies sold has remained virtually steady at about 1.3 million policies, indicating that most policies are renewal business which requires less sales effort than does the solicitation of new customers. In addition, technological advances mandated, in part, by the 2000 reforms have provided producers the opportunity to access information and to apply for crop insurance electronically.

The Administration recently announced that the 2004 book of business would be delivered under the Standard Reinsurance Agreement that has been in place for a number of years. However, the budget includes a proposal to cap the amount of delivery expense reimbursement the companies may receive at 20 percent of the premium. The existing cap of 24.5 percent has been in place since 1998. This proposal is expected to save about $68 million in 2004. These savings are achievable because of improvements in the cost-effectiveness of the delivery system through the establishment of e-commerce procedures, higher premium dollar policies for insuring the same number of acres, and more business being done on a renewal basis.

MARKETING AND REGULATORY PROGRAMS

Marketing and Regulatory Program agencies provide the basic infrastructure to protect and improve agricultural market competitiveness for the benefit of both consumers and U.S. producers.

Pests and Diseases

Helping protect the health of animal and plant resources from inadvertent as well as intentional pest and disease threats has been a primary responsibility of

APHIS. The Department is entering into a Memorandum of Understanding with the DHS regarding the transfer of the AQI border inspections program. In this regard, APHIS will retain responsibility for promulgating regulations to protect against agricultural pests and diseases. DHS will provide access to the AQI inspectors in the event of future outbreaks. USDA will retain the role of inspecting passengers and cargoes traveling from Hawaii and Puerto Rico to the mainland for compliance with specified regulations to protect the health of the agricultural sector on the mainland.

The 2004 budget proposes a program level of slightly more than $800 million for salaries and expenses, an increase of about $10 million from the current comparable 2003 estimate. Notable programmatic increases would double efforts against chronic wasting disease, increase the availability of foot-and-mouth disease vaccines to protect against a potential outbreak, fund a low-pathogenic avian influenza program, enhance the ability to track animals and animal products entering and leaving the country, and expand regulatory enforcement. Further, bio-security and physical and operational security efforts would be bolstered, as would veterinary biologic and diagnostic support for the livestock sector. About $32 million is reduced from specific pest and disease management programs assuming an increase in cost-sharing for emergency pest and disease outbreaks by some cooperators. A proposed rule will be published for comment which will provide the criteria for cost-sharing for all cooperators.

Marketing

Another important proposal in the marketing and regulatory programs area involves the Grain Inspection, Packers and Stockyards Administration (GIPSA). The 2004 budget requests $13 million to help ensure efficient market functioning.

An increase of almost $1 million would fund a new pilot program to audit the top four steer and heifer meatpackers. The audits are anticipated to result in substantially better financial protection to the regulated industries through heightened financial scrutiny. An additional $500,000 would enhance compliance with the Packers and Stockyards Act and fund a review of the Act. GIPSA will implement a General Accounting Office recommendation to provide industry participants with clear information on agency views of competitive activities. The GIPSA budget also proposes user fees to recover the costs of establishing and amending U.S. Grain Standards, as well as license fees to recover costs of the Packers and Stockyards program.

For the Agricultural Marketing Service the budget proposes a program level of $297 million of which over 65 percent will be funded through user fees with the remainder funded through appropriations. An increase of $1 million in appropriated funds for increased pay costs is included in order to maintain existing program operations in Marketing Services and Payments to States.

FOOD SAFETY

USDA plays a critical role in safeguarding the food supply and its policies have contributed to the recent decline in pathogenic contamination of meat and poultry products and the level of foodborne illness as reported by the Centers for Disease Control and Prevention. This Administration believes that continued investment in the food safety infrastructure is necessary to ensure that the appropriate personnel, tools, and information are available to address the emerging food safety hazards that threaten public health and the viability of our agricultural system.

For 2004, the budget for the Food Safety and Inspection Service (FSIS) provides a program level of $899 million, an increase of nearly $42 million over 2003. The budget includes increases for pay and inflation, the resources necessary to support approximately 7,680 meat and poultry inspectors, an increase of 80 inspectors from 2003. These inspectors are necessary to provide uninterrupted inspection services to the growing poultry industry. Increased funding for domestic inspection programs is also requested to take into account Virginia's decision to terminate its State inspection program and Maine's decision to implement a State inspection program.

The budget includes an increase of approximately $16 million to support programmatic improvements aimed at achieving USDA's strategic objective to reduce the prevalence of foodborne hazards from farm-to-table. These program improvements will permit FSIS to continually assess and update food safety systems in order to ensure the highest level of safety possible. The following programmatic improvements will be supported by the budget.

The budget includes an increase of $2 million to intensify the oversight of foreign inspection systems and inspection of the meat and poultry products which are exported to the United States. As more countries seek permission to export meat and poultry products to the United States, greater efforts will have to be made by inspection personnel to determine that their inspection systems ensure the level of safety that we expect here at home. With this funding, the number of countries being evaluated will increase from 33 to 40.

The budget also includes a programmatic increase of $6 million to strengthen FSIS's microbiological testing program. First, consistent with recent directives issued by FSIS concerning the control of E. coli O157:H7 and Listeria

monocytogenes, FSIS will significantly increase the level of testing of meat and poultry products for the presence of these pathogens. With this funding, the number of tests of ready-to-eat meat and poultry products samples for Listeria and Salmonella will increase by 50 percent; environmental sampling for Listeria monocytogenes in firms processing ready-to-eat meat and poultry products will be initiated; and samples of raw ground beef and ground beef products will more than double. This level of sampling will give consumers greater assurance that establishments are effectively controlling or eliminating the presence of pathogens in meat and poultry products.

In order to handle the increased level of testing and to develop the emergency surge capacity in the event of a bioterrorist incident, the budget includes funding to improve the agency's laboratory infrastructure and to increase the number of highly trained chemists and microbiologists. These improvements are necessary to provide FSIS the capability it needs to ensure the safety of the products on a daily basis and to respond effectively to national emergencies involving the products it regulates.

FSIS will also conduct nationwide microbiological baseline studies to provide the long-term data necessary to assess the ongoing risks presented by the products FSIS regulates. Improved risk assessments will make inspection decisions more science-based. Consistent with the Administration's policy on outsourcing, this laboratory testing would be conducted by outside laboratories.

The budget also provides a programmatic increase of $6 million to improve the scientific and surveillance skills of FSIS workforce. This represents approximately a 33 percent increase in FSIS' training budget and a commitment to raising the base level of skill of the FSIS workforce. Training will be provided to in-plant inspectors to enhance the consistency and effectiveness of inspection.

Inspectors highly trained in the latest food safety science and technology, including skills in assessing establishment Hazard Analysis and Critical Control Point systems and Sanitation Standard Operating Procedures, must be the backbone of our food safety infrastructure. In addition, training needs to be provided to food safety professionals, such as microbiologists, toxicologists, and risk assessors, in order to improve the development and enforcement of more science-based regulations.

An increase of approximately $2 million is requested to evaluate and design a mass media campaign aimed at improving the safe food handling practices of consumers. A well educated public is better prepared to understand and address the food safety hazards they face and, therefore, will be more confident in the food they buy and eat.

The 2004 budget also proposes legislation to collect an additional $122 million in user fees annually by recovering 100 percent of the cost of providing inspection services beyond an approved primary shift. Recovering a greater portion of these funds through user fees would result in savings to the taxpayer. These fees will have a minimal impact on prices received by producers or prices paid at retail by consumers.

FOOD, NUTRITION, AND CONSUMER SERVICES

The budget includes $44.2 billion for USDA's domestic nutrition assistance programs, the highest level ever requested. The budget will ensure access to food assistance for all eligible recipients, it will help improve nutritional intakes and reduce obesity, and it will provide support for those recipients working toward economic self-sufficiency.

The Special Supplemental Nutrition Program for Women, Infants and Children is budgeted at $4.8 billion. This is a record high funding request, which funds record levels of at-risk, low-income participants. This request also includes additional funding for program initiatives, including State information systems, breastfeeding peer counselors, and childhood obesity prevention projects. WIC reauthorization is a priority and is assumed in the budget. Ensuring an appropriately funded WIC program with the best possible outcomes is a top Administration priority. Further, the budget includes $20 million for the WIC Farmer's Market Nutrition Program and another $15 million in CCC funds for the Senior Farmers' Market Nutrition Program.

The Food Stamp Program, which is the cornerstone of America's effort to ensure low-income people have access to an adequate diet, is funded at $27.5 billion. This covers anticipated food cost inflation and participation growth of about 1 million participants, including legal immigrants and others newly eligible based on legislative changes in the 2002 Farm Bill. Included is a $2 billion contingency reserve, $1.4 billion for Nutrition Assistance for Puerto Rico, and funds to improve integrity and Electronic Benefit Transfer. Significant progress has been made in reducing over and under payment error in the program such that average State payment accuracy is now 91.34 percent, and overpayment error averages 6.37 percent of benefits. The budget maintains the emphasis on program integrity and seeks to reduce error further.

The Child Nutrition Programs would be funded at $11.4 billion, also a record for these programs. Increases are provided for food cost inflation, growth in the number of meals served and program integrity. Reauthorization of the Child Nutrition Programs is a priority for this coming year, and the Administration believes the focus should be on:

- Ensuring stable and adequate funding for program benefits, especially for eligible meals served to low-income children who are eligible for free or reduced price meals;

- Ensuring access to meals for all children;

- Providing financial incentives to schools that serve meals consistent with *The Dietary Guidelines*; and

- Streamlining program administration, minimizing administrative burden, ensuring adequate resources for program oversight, reducing error and improving program outcomes, while reinvesting any savings in strengthening the programs.

The budget also includes a proposal specifically to explore policy changes to help ensure that all free and reduced price meal eligibles are correctly certified. USDA studies and national survey data suggest that a significant number of children approved for free and reduced price meals are from ineligible households. Correct certifications are a priority not only because they affect about $7 billion in school meal funds, but also because a wide array of Federal, State, and local education resources, totaling considerably more than meal reimbursements, are targeted to low-income children and schools using the same data. More accurate certifications will help ensure that these resources are all targeted correctly. The Administration would fully reinvest any savings that result from improved payment accuracy to strengthen the programs.

NATURAL RESOURCES AND ENVIRONMENT

The 2002 Farm Bill contains many new conservation programs designed to protect and enhance the environment. The Department is now faced with the demanding task of implementing this Farm Bill which provides nearly $17.1 billion in new conservation funding over the next 10 years. The 2004 budget request in the conservation area recognizes the importance of this task, as well as the need to continue to support underlying programs to address the full range of conservation issues at the national, State, local and farm level.

The 2004 budget request for NRCS includes $1.2 billion in appropriated funding, and $1.4 billion in mandatory CCC financial assistance funding for the Farm Bill conservation programs, including $850 million for the Environmental Quality Incentive Program. The appropriated request includes $577 million for conservation technical assistance for the base programs that support the Department's conservation partnership with State and local entities. One new element in the NRCS appropriated account structure, proposed initially in a 2003 budget amendment, is a new Farm Bill Technical Assistance Account that will provide all technical assistance associated with the implementation of all the Farm Bill conservation programs. In 2004, this new appropriated account is funded at $432 million.

The 2004 budget for NRCS will also enable the agency to maintain support for important ongoing activities such as addressing the problems associated with polluted runoff from animal feeding operations and providing specialized technical assistance to land users on grazing lands. In addition, limited increases will be directed to other high priority activities such as addressing air quality problems in noncompliance areas, more fully implementing the Customer Service Toolkit, and

establishing a more effective and meaningful monitoring and evaluation regimen to oversee the implementation of Farm Bill programs.

The budget also proposes certain other changes for the watershed programs. With emergency spending being so difficult to predict, the budget proposes to not seek appropriated funding for emergency work while partially restoring the ongoing watershed planning and PL-566 programs. This will help address the backlog of unmet community needs that these programs are designed to meet. Disaster funding will be addressed as emergencies arise.

The Department's 2004 budget request maintains funding for the 368 Resource Conservation and Development areas now authorized. The ongoing program will continue to improve State and local leadership capabilities in planning, developing and carrying out resource conservation programs.

RURAL DEVELOPMENT

Over 60 million people call rural America home and relatively few of them are farmers and ranchers. USDA must embrace this reality and commit to creating new economic opportunities and improving the quality of life for a diversified rural population. Rural America needs to share in the Nation's economic prosperity, in terms of good jobs and earning potential, homeownership and infrastructure for community services, including telecommunications to participate in a highly technological, global society.

The Administration is committed to bringing new ideas, new solutions and new approaches to rural America. The 2004 budget reflects this commitment. It includes new programs that are being implemented using the mandatory funding

provided by the 2002 Farm Bill; and maintains the traditional loan, grant and technical assistance programs for rural development purposes at realistic levels of funding while offering new ways to operate these programs. For example, on January 29, 2003, USDA announced the availability of over $1.4 billion in loans for broadband telecommunication. This initiative started as a pilot program in 2001 and is on the verge of becoming one of USDA's most important programs. It could make the same difference to rural America as the railroads did in the 19th century and the highway program did in the 20th century.

The 2004 budget proposes $11.9 billion for USDA's rural development programs, including $680 million for administrative expenses. This program level is estimated to cost the Government $2.3 billion in budget authority, which compares to about $2.6 billion in the President's 2003 budget. Because interest rates have declined, the subsidy costs for most direct loan programs are lower than those reflected in the 2003 budget. The 2004 budget maintains these programs at their 2003 levels, which results in a savings in budget authority.

The 2004 budget maintains the water and waste disposal program at an overall program level of $1.5 billion. However, it proposes that the amount of grants included in this level be reduced from $587 million to $346 million. Because the subsidy rate is only about 3.33 percent for direct loans, compared to 100 percent for grants, the shift toward more loans would maintain the same program level as the 2003 President's budget while achieving a substantial savings in budget authority. The lowest interest rates in a decade should allow more communities to repay loans rather than rely on grants. In addition, mandatory funding provided by the 2002 Farm Bill was used to fund a backlog of projects that needed a substantial portion of their funding through grants in order to be viable. Recent applications

indicate that more projects can be funded through loans alone or with only a moderate grant.

Electric loans are maintained at a $2.6 billion level. However, the amount available for direct loans at the 5 percent interest rate would be increased from $121 million to $240 million. This increase is intended to serve areas with low density and high consumer costs as well as other hardships. Further, USDA intends to ask electric borrowers, most of which qualified for eligibility based on service areas defined decades ago, to recertify that they are still serving rural areas, rather than urban or suburban areas.

Loans for broadband access were initiated as a pilot program in 2001. The 2002 Farm Bill provided the statutory authority and mandatory funding for this initiative. The 2004 budget provides for an increase in discretionary funding for broadband loans from $80 million in the 2003 budget to $196 million for 2004. This increase reflects the Administration's support for bringing internet and broadband services to rural areas, and its belief that this activity should compete for funding under the annual budget process. Therefore, the 2004 budget proposes rescinding the mandatory funding for broadband loans that the 2002 Farm Bill makes available for 2004. The mandatory funding relating to the January 29, 2003, announcement is reflected in the budget as being used in 2003. However, this funding remains available until expended.

The 2004 budget also includes $2 million for broadband grants. As has been the policy since 2001 when the program was established, these grants will be used to assist a few small communities that lack the repayment capacity for loans.

With regard to the rest of the telecommunications programs, the budget includes $495 million for telecommunication direct loans, and $50 million in direct loans and $25 million in grants for the distance learning and telemedicine program. These levels are the same as those requested for 2003. Further, the 2004 budget contains the Administration's prior proposal to stop funding the loan-making activities of the Rural Telephone Bank (RTB). The RTB is fully capable of obtaining funds to make loans through commercial channels as soon as it is privatized through the redemption of its Class A stock, which the Government holds.

The business and industry guaranteed loan program is funded at a program level of $602 million, down from $733 million in 2003. The decrease reflects an increase in subsidy costs due to both increased losses on guarantees made in prior years and technical adjustments.

Section 502 direct loans for single family housing would be increased from $957 million in 2003 to almost $1.4 billion in 2004. This increase would contribute to meeting the President's goal of increasing minority homeownership. In addition, the 2004 budget includes $2.725 billion for Section 502 guaranteed loans, including $225 million for refinancing. While there have been shortfalls in demand for these guarantees in prior years, the Administration recently lowered the fees to bring them more in line with what other Federal agencies charge. This change is expected to ensure a strong demand for the program through 2004. Section 502 direct and guaranteed loans are expected to provide about 49,000 homeownership opportunities in 2004.

Consistent with last year's budget proposal, the 2004 budget does not include funding for new construction of Section 515 rural rental housing projects. This proposal reflects concern about the long-term cost of the Government for

maintaining the existing portfolio of 17,800 projects, and the need to find more cost-effective ways to provide housing support for rural residents with very low income. Many of these projects are over 20 years old and in need of repair or rehabilitation. They also require substantial amounts of rental assistance payments to remain viable. USDA has already initiated a review of alternatives for servicing the portfolio and developing options for making loans for new projects at less cost to the Government. Direct loans for repair, rehabilitation and preservation would continue to be made. The 2004 budget would support $71 million for these purposes. Further, the 2004 budget provides $740 million for rural rental assistance payments, which is sufficient to renew all expiring contracts and to support new construction of $59 million of farm labor housing projects.

In addition, the 2004 budget includes an estimated savings of $5 million for sales of loan assets. USDA's RD mission area, along with FSA, will be evaluating the potential for conducting such sales on a regular basis.

RESEARCH, EDUCATION, AND ECONOMICS

Publicly supported agricultural research has provided the foundation for modern agriculture and is an important component of virtually all of our strategic objectives. Research will lead to commercially feasible renewable energy and biobased products with benefits to the environment, national security, and farm income. Genetic and molecular biology hold promise to reduce plant and animal diseases that threaten U.S. agriculture as the movement of plants and animals increases and as bioterrorism becomes a matter of increasing concern. There are technology-based opportunities to make our food supply safer and more wholesome that need to be exploited to address serious human health-related problems.

The 2004 budget for the four Research, Education and Economics agencies is approximately $2.3 billion, nearly the same as 2003 budget level. The 2004 budget follows the general pattern of the 2003 budget with reductions in earmarked programs and program increases in areas where needs and returns are the greatest. The budget also includes increases for pay costs, homeland security related activities, information technology and other infrastructure requirements.

The centerpiece of the 2003 budget was the proposal to move aggressively towards the full authorization level for the National Research Initiative (NRI). The proposal in the 2004 budget is based on the same underlying policy objective, but in a way that is consistent with the greater overall constraints of the 2004 budget. The proposal for $200 million for the NRI will finance work that will have an immediate impact on such issues as emerging diseases of plants and animals, biosecurity, air quality, and food and nutrition. The NRI provides critical support for mapping and sequencing the genomes of organisms of importance to agriculture. These projects are carried out in the major Federal genome sequencing centers in cooperation with other agencies including the National Institutes of Health, the Department of Energy, and the National Science Foundation, where USDA funds are highly leveraged.

The 2004 budget for the Agricultural Research Service (ARS) calls for increases to support participation in genome mapping and sequencing projects and enhance the agency's bioinformatics capacity to transfer this information into research programs. There are increases for work on animal diseases and biosecurity to develop new vaccines, rapid diagnostic tests, and genome data on biosecurity threat agents. The research will lead to improved vaccines and therapeutics against foot and mouth disease and the newly emerging and most

threatening swine disease, known as porcine reproductive respiratory syndrome or PRRS.

The budget includes funds to install security countermeasures in ARS laboratories. Security assessments and initial investments in countermeasures were funded through the 2002 emergency supplemental funding. Assessments of all ARS facilities are being completed and funds in the 2004 budget will be used for the highest priority projects. At this time, such security measures represent the highest priority for the Buildings and Facilities account. Congress has appropriated a total of $124 million in recent years for implementation of the animal health facilities in Ames, Iowa. No funding is proposed in the 2004 budget as security of existing facilities is the higher priority for this year. The Administration will reconsider the full range of options for future modernization of these facilities and present recommendations in the FY 2005 budget.

The 2004 budget for the Cooperative State Research, Education, and Extension Service (CSREES) includes funds to continue the formula programs for the 1862 institutions at current levels and increase formula payments to the 1890 institutions as a step towards funding these programs at the higher authorization levels established in the 2002 Farm Bill. There are also proposed increases in funds for the 1994 Tribal Land Grant schools and an increase in the CSREES graduate fellowship program that will allow more funding for fellowships at the masters degree level which is especially important for recruiting minority graduate students. Finally, there is an increase in the Outreach and Technical Assistance Program authorized under Section 2501 of the 1990 Farm Bill which is now being administered by CSREES. Our goals for the 2501 program are to encourage and assist socially disadvantaged farmers and ranchers own and operate farms and ranches and participate in USDA programs. With increased funding to $4 million

we will be making more awards, for longer periods of time, to a wide range of community-based entities.

The budget for the Economic Research Service (ERS) includes an increase for two initiatives. An increase of $1 million for a Security Analysis System for U.S. agriculture (SAS-USA) to provide information critical for the mitigation of security threats and attacks to the Nation's agriculture and food supply. The system will integrate spatial and economic data with analysis functions to deliver security assessments and recommendations to key decision makers within a short timeframe. An increase of $1.1 million will allow ERS to investigate consumer behavior, particularly in U.S. export markets, towards foods modified by genomic and other agricultural biotechnology innovations.

The budget for the National Agricultural Statistics Service (NASS) includes an increase for three initiatives and a decrease of $16.5 million for the Census of Agriculture, reflecting the decrease in staffing and activity levels to be realized in 2004 due to the cyclical nature of the 5-year census program.

An increase of $4.8 million is requested to help restore and modernize NASS' core survey and estimation program for U.S. agricultural commodities and other economic, environmental and rural data. These data are used by a variety of customers for business decisions, policy making, research, and other issues. They are also necessary for the calculation of national countercyclical payments rates provided under the 2002 Farm Bill.

An increase of $1.6 million for NASS' Locality-Based Agricultural County estimates program continues the improvements included in the 2003 budget request. These local estimates are one of the most requested data sets, and are

especially important to the Risk Management Agency (RMA) for their risk rating process, (affecting premium levels paid by producers), and to FSA for calculating national loan deficiency payments.

Finally, an increase of $3.25 million is requested to support NASS' efforts as the lead agency for two of USDA's enterprise-wide e-Government initiatives, Survey Capability and Data Management. This funding will allow NASS to develop the infrastructure necessary for electronic data reporting for its surveys, thereby reducing the reporting burden on farmers and ranchers.

DEPARTMENTAL MANAGEMENT

The Departmental staff offices provide leadership, coordination and support for all administrative and policy functions of the Department. These offices are vital to USDA's success in providing effective customer service and efficient program delivery. Salaries and benefits often comprise 90 percent or more of these offices' budgets, leaving them little flexibility to reduce other expenditures needed to continue their operations. The 2004 budget proposes funding required to ensure that these offices maintain the staffing levels needed to provide management leadership, oversight and coordination.

These offices also have key responsibilities related to the President's Management Agenda and other departmentwide and agency-specific management reforms, which are crucial to making the Department an efficient, effective and discrimination-free organization that delivers the best return on taxpayers' investments. The Department has made significant progress in improving management. Examples are:

- The Department has a new strategic plan which is being used to communicate and drive our programmatic, budget and management priorities.

- The Department received its first-ever unqualified or "clean" opinion on the FY 2002 financial statements, significantly reduced delinquent debt and all of the Department's agencies now use a single financial information system that meets Federal standards.

- The Department's National Finance Center was one of four winners of a governmentwide competition to streamline payroll service providers. It also helps nearly 3 million Thrift Savings Plan participants manage and track their investments.

- USDA's customers can increasingly conduct business with the Department online, saving them and the Department time and money over the long term.

The FY 2004 budget builds upon that progress by continuing funding levels for these offices and providing key funding increases in order to:

- Provide $6.6 million to appropriate agencies, such as APHIS, FAS, and GIPSA, through the Office of the Secretary to address cross-cutting trade related challenges. Additional resources are needed for trade negotiations and enforcement actions, as well as in solving biotechnology issues related to market access and regulatory standards. This request will allow Secretarial level coordination, flexibility and resource sharing to target current trade issues.

- Meet demands for Departmental coordination of homeland security efforts, including emergency planning and strengthened physical and cyber security in light of the September 11, 2001, attacks.

- Continue efforts to modernize the Service Center agencies (FSA, NRCS, and RD) to improve efficiency and customer service. A key element in these plans is the maintenance of a CCE for the Service Center agencies and RMA acceleration of our efforts to acquire and use Geospatial Information Systems (GIS). The CCE and GIS are critical to providing electronic services to USDA customers.

- Continue renovations of the South Building to ensure that employees and customers have a safe and modern working environment.

- Enable the new Assistant Secretary for Civil Rights to guide civil rights activities. The President has nominated Vernon Parker as the new Assistant Secretary for Civil Rights and we look forward to a quick confirmation.

- Enhance outreach efforts to provide all of our customers with information about our programs.

- Enable the Offices of the General Counsel and the Inspector General to provide needed services to the Department.

That concludes my statement. I look forward to working with the Committee on the 2004 budget so that we can better serve those who rely on USDA programs and services.

OUTSOURCING

Mr. BONILLA. Thank you, Madam Secretary. The first question I have is about the outsourcing of microbiological and chemical testing. The principle is related, but the function is different, but this relates to what Mr. Obey was talking about earlier that dealt with his particular area.

I have been working on this for a while. With the concern that we have now for national security, we need more operations that are available to do this kind of work. It has been done at USDA for a long time, and we appreciate that. We are not trying to eliminate anybody's job. Secretary Murano has been very supportive in this area, so I am stumped on why we cannot move forward on some outsourcing. We have been working on this for a long time. Quite frankly, if it is not done this year expeditiously, we will more than likely try to address it in this bill. I would like to hear your views and why we can't move quickly on this.

Secretary VENEMAN. Mr. Chairman, I appreciate your question, and we are moving to expand our laboratory capacity through partnerships. I must say that there has been, in the Federal Government, or at least in our Department, a bias towards using Federal labs only. I think 9/11 has given us the impetus, as I mentioned in response to Mr. Obey, to look more broadly at laboratory capacity and to look at where the resources are in this country.

Having been in a State Department of Agriculture and knowing the capacity of our state laboratory, which was in conjunction with the University of California at Davis, I know that we have tremendous capacity in laboratories outside the Federal Government. We are continuing to look at opportunities to partner with other laboratories, to utilize resources, and to create the kind of overall infrastructure in this country that we believe we need, particularly if we were to look at some kind of very, very expanded outbreak of a disease, for example, or one that was intentionally introduced. We need to continually look at our lab capacity, and that is one thing that we are working on in the Department. We look forward to hearing from you and working with you.

Mr. BONILLA. Very good. This is not designed to take anyone's position away. With outsourcing, you may need some labs one year, and you may not need them the next year. This makes it also more efficient, makes the whole process more efficient.

I yield to Ms. Kaptur, and I remind members to adhere to the 5-minute rule.

Ms. KAPTUR. Thank you, Mr. Chairman.

NUTRITION LABELING

Two bookkeeping items. Madam Secretary, we commended the Food Safety and Inspection Service for having proposed 2 years ago the amendment of regulations dealing with nutrition labeling of poultry and meat, and I have for you today a letter signed by several Members of Congress, including members of this subcommittee, urging OMB to promptly review the FSIS proposal and issue the final rule this spring, and I am requesting unanimous consent to have a copy of the letter included in the record and in-

vite the Secretary's cooperation in urging OMB to move this quickly.

Mr. BONILLA. Without objection.

[The information follows:]

Congress of the United States

Washington, DC 20515

February 26, 2003

The Honorable Ann M. Veneman
Secretary of Agriculture
Room 200-A
Department of Agriculture
1400 Independence Avenue, S.W.
Washington, D.C. 20250

Dear Secretary Veneman:

We are writing to urge you to accelerate final action on an important nutrition labeling matter now pending at the Department.

In response to a petition filed by the Center for Science in the Public Interest ("CSPI") in August 1997, the Department published on January 18, 2001, a proposed rule to amend its regulations relating to nutrition labeling of ground or chopped meat and poultry products and single-ingredient products. In April 2001 you said: "This proposed rule is important to help consumers make informed dietary decisions. USDA looks forward to working with all interested parties to ensure that the final rule provides consumers accurate nutritional information."

Congress agrees with you on the importance of this proposal. In July 2002 the House Committee on Appropriations said (in its report on the FY 2003 Agriculture appropriations bill): "The Committee commends the Food Safety and Inspection Service (FSIS) for having proposed in January 2001 to amend its current regulations dealing with the nutrition labeling of fresh meat and poultry. The public comment period on this proposal closed on July 17, 2001. The Committee strongly urges FSIS *to issue* final regulations in this matter by April 30, 2003."

We understand that FSIS informed CSPI in December 2002 that it expects the final regulation "will enter clearance outside of FSIS by next spring."

We urge you to promptly review the FSIS proposal when you receive it and also to urge the Office of Management and Budget to promptly review it so that the final rule can be publicly announced this spring. We would like to monitor the Department's progress on this matter and would appreciate being informed when the FSIS proposal is sent to your office and when your review is completed.

Thank you for your cooperation on this important public health matter.

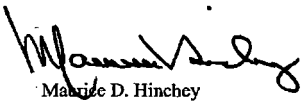
Sincerely,

Nita M. Lowey
Member of Congress

Marcy Kaptur
Member of Congress



Rosa L. DeLauro
Member of Congress



Maurice D. Hinchey
Member of Congress



Sam Farr
Member of Congress



Jose E. Serrano
Member of Congress



Jesse L. Jackson Jr.
Member of Congress



Patrick J. Kennedy
Member of Congress



Bennie G. Thompson
Member of Congress



Henry A. Waxman
Member of Congress



Sherrod Brown
Member of Congress



Janice D. Schakowsky
Member of Congress

Diana DeGette
Member of Congress

Betty McCollum
Member of Congress

James P. McGovern
Member of Congress

Barbara Lee
Member of Congress

Sheila Jackson-Lee
Member of Congress

John W. Olver
Member of Congress

Dale E. Kildee
Member of Congress

Dennis J. Kucinich
Member of Congress

cc: The Honorable Elsa A. Murano
Under Secretary for Food Safety

We are working diligently to evaluate the comments and prepare the regulatory impact analysis for the final rule on nutrition labeling of ground and chopped meat and poultry products. Although we do not anticipate having the final rule ready by April 30, 2003, we do intend to issue the final rule later in the year. I would be happy to keep you informed of our progress and when our review is completed.

BIOFUELS/RENEWABLE FUELS

Ms. KAPTUR. Thank you. I would ask Mr. Collins to get his calculator out. My fundamental question of this panel this morning is what percent of farm income today relates to Federal subsidy as opposed to earning income from the market? You may not have that right at the tip of your fingers, but I am going to say to the Secretary that as I listened to your testimony, I kept thinking back to an article that I read in the Washington Post, the first sentence of which is, "American oil refineries have dramatically increased their reliance on Iraqi crude even as the Bush Administration steps up preparations for a military attack against Baghdad to offset a shortfall in oil imports caused by a recent political crisis in Venezuela."

I have to say in anticipating the numbers that Mr. Collins is going to give us, I am extraordinarily disappointed because we have talked about this before. In your testimony today the whole issue of new industries for agriculture, especially biofuels, is not even mentioned. Not only is it not mentioned, but in the backup material that was submitted to us for the testimony today we asked the Department to prepare for us a budget proposal that goes across every single instrumentality within USDA and essentially the budget you are presenting to us today defunds some of the mandatory funding provided in the new energy title of the farm bill. According to the budget cross-cut we have been presented from your Department's Budget Office, the Departmentwide effort with respect to bio-based products is a reduction of over $70 million from last year's level of $295.2 million, which I considered extraordinarily inadequate to a level of $225.6 million.

When I couple this with the President's national energy plan, which did not have one of its more than 100 recommendations being a specific charge to the U.S. Department of Agriculture, I am of the conclusion now that the Bush Administration does not wish to use the powerhouse of fiber and grain in this country to produce new fuels. I find this appalling. It makes me angry.

I would like to know, Madam Secretary, what you will do, in spite of the budget you presented to us, to demonstrate commitment beyond announcing a few loans and grants for localized projects to help our country move into a new fuels age based in the soil?

Secretary VENEMAN. I appreciate your question because I want to reassure you that this Administration is absolutely committed to renewable fuels.

As you know, the President has continued to support renewable fuels. It was something that was clearly stated in the President's energy plan with regard to the use of renewable fuels. We continue to have more and more capacity for renewable fuels. The California waiver that was requested was not granted on the MTBE issue, which gave more opportunity for ethanol. In addition, the Administration has supported very strongly the renewable fuels standard which was in last year's energy bill that would substantially increase the market for biobased fuels. So we are very, very supportive.

In addition, I think some of the numbers are very interesting, and I will have Dr. Collins follow up on this as well. It is estimated that about 10 percent of our corn production this year will go into the production of ethanol, if I am not mistaken. We think that is a very positive sign for ethanol, and we are going to do everything that we can to continue to support and expand the production of biobased fuels.

The renewable fuels standard, which as I said is in the energy bill, is one of the most important tools that we can have to expand the use of bio-based fuels.

Mr. COLLINS. Ms. Kaptur, our energy strategy takes place on several fronts. One front is through energy legislation, and I think the Department of Agriculture has had a strong voice within the Administration to support many of the provisions which have been in, for example, the Senate energy bill, which has a renewable fuels standard.

The second aspect is our underlying basic research. In 2003, we did ask for increases in our basic research for ARS and the Forest Service for bioproduct and bioenergy research. There were small increases in 2003 and we maintain that level for 2004.

The third aspect, and one where we do have some difficulty, is in the energy title of the Farm Bill. Much of the decline you talked about in spending on energy at USDA is captured in section 9010 of title 9 of the Farm Bill, which is the CCC bioenergy program. The Administration did propose $100 million in funding for that program, as opposed to $150 million in the previous year. So that accounts for a big part of that decline.

The 2003 appropriations bill provides us $115.5 million for that provision so we presumably will be spending more than what we proposed, but less than what is authorized by the Farm Bill. There are other parts of the Farm Bill that we are fully funding. For example, the Biomass Research and Development Act at $14 million a year is fully funded, and is an important program that we run jointly with the Department of Energy.

Ms. KAPTUR. The President's proposal on the hydrogen fuel cell car provides a 120 percent increase to that title in the Department of Energy, but it comes out of the biomass program, which is reduced by 28.5 percent. That is DOE's biomass program.

Mr. BONILLA. Thank you. Mr. Latham.

Mr. LATHAM. Thank you, Mr. Chairman.

AMES, IOWA MODERNIZATION PROJECT

Welcome, Madam Secretary. I know this is going to be a real shock to you to talk about the Ames modernization project for the National Animal Disease Center. The conversation that we had this morning talking about the urgent need for modernization for labs, for capacity, I think really brings to mind how important it is. Obviously, it is of significant concern to me to see in the budget proposal that there is no funding request for the continuation of the modernization.

In a report last May 2002, there is a note that says under the master plan, construction of the animal health facility will be delayed if less than $331 million is appropriated in the 2004 bill. Obviously we have gotten some additional funds since then so the en-

tire $331 million would not be necessary. I would like to know what the justification is, for a zero request, and how long this project is going to be delayed. It is absolutely critical today with the situation we are in following 9/11 that this project be completed on time. I would like to hear your thoughts on it.

Secretary VENEMAN. Congressman, I absolutely agree with you that Ames is a priority for the U.S. Department of Agriculture. We have put a substantial amount of money into the modernization plan. We had about $124 million which has been provided to the Agricultural Research Service by Congress in fiscal year 2001 and fiscal year 2002, and we have aggressively moved ahead. We have moved the shopping center facilities, that have been under some scrutiny, and we also have about $14 million received by APHIS in 2002 to continue that project.

This is a budget that obviously we have to make some difficult priority-setting decisions, and we want to continue to work with you and with the committee to try to set those priorities as we work through this budget process. But certainly Ames continues to be a priority. The money which has been allocated continues to be spent, and the projects are underway. We believe that over time we will need to get additional moneys in the budget to continue to fund the Ames projects that are outlined in the master plan.

Mr. LATHAM. My concern outside of zero in the request is that apparently there has only been about $10 million obligated of all of the money appropriated. Why isn't it moving? I think this is the largest public works project which USDA has attempted, but it does not seem like it is moving.

Secretary VENEMAN. My understanding is that they are moving as quickly as possible under the current plans. Obviously you have seen it since I have, and I will certainly talk to our people about whether or not there is any impediment to them moving more quickly. As you say, there is money in the fund now to continue some of this construction, and we will see if there is anything that we can do to move the construction along more quickly.

Mr. LATHAM. You are aware, obviously, if we do delay this and do not go with the accelerated plan, where we are talking about $430 million, the cost goes to a minimum probably $451 million. From there delays run the cost to $548 million, depending upon the length of delay for this project. With the commitments that I have had from the administration as far as funding the project, I am surprised that there was not enough money in the request.

Thank you, Mr. Chairman.

Mr. BONILLA. Thank you, Mr. Latham.

Mr. Hinchey.

Mr. HINCHEY. Thank you, Mr. Chairman. Good morning, Madam Secretary.

DISASTER ASSISTANCE PROGRAM

I want to ask you about the disaster assistance program. The omnibus appropriations bill contained $3.1 billion in disaster assistance for farmers who lost crops due to bad weather and other conditions last year. The bill was signed by the President in spite of the fact that he criticized that particular portion of it. He said some things that were critical of the disaster provisions in the bill.

Last fall, there was a decision made to compensate livestock producers, and the compensation that was provided to those producers was funded out of disaster provisions, but rather out of section 32 funds. Those section 32 funds are not designed to provide assistance for disaster relief, but they are intended for purchases of surplus fruits and vegetables. I am wondering what the impact of taking that money out of section 32 is and how much money is left in that fund.

At the time the livestock assistance program was announced last fall out in South Dakota, it was estimated that it would cost in the neighborhood of $730 million, but the last estimate has it closer to $1 billion. The disaster assistance provisions in the farm bill replenished only $250 million of that. Obviously it has been depleted by some substantial amount. I wonder if you can tell us how much is left in the section 32 account at this moment.

Secretary VENEMAN. The reason this program was implemented last year is because there had not been any congressional action on disaster, and some of the farmers and ranchers that were most underserved in terms of having crop insurance and risk management tools were the livestock producers.

We looked at constructive ways to try to address some of those needs, and that is where the Section 32 program came into effect. The livestock compensation program has been extended in this disaster provision. It was just added to the 2003 bill, and we will implement that as quickly as possible with sign-up to begin on April 1st for that particular component of the disaster bill.

In the 2003 appropriation, $250 million was added back into Section 32, giving us the ability to meet all of our obligations for the feeding programs and so forth.

Particularly there was some concern about The Emergency Food Assistance (TEFAP) program. We have increased our TEFAP spending; for example, in this Administration, for the last 3 years funding has been close to a billion dollars. That is compared to the previous 3 years before we came into office for a combined 3 year total of just over $600 million.

So we have put a lot of emphasis on these programs. We have continued to work diligently to try to provide for those in need, and we do believe that with the $250 million, we will have adequate resources.

Now, as far as what is in Section 32 at this very moment, I will have Mr. Dewhurst go through the numbers.

Mr. HINCHEY. The comparison is interesting, but in those years the economy was a lot better. So it is a little bit disingenuous to make comparisons based upon the situation that existed then.

Secretary VENEMAN. But I believe these are the highest levels that have ever been put into TEFAP.

SECTION 32 FUNDS

Mr. DEWHURST. Congressman, just for your information, for Section 32 for the current fiscal year, with the addition of the money in the omnibus bill, there is a total of about $1.4 billion available for surplus purchases and other uses of Section 32; $937 million of that is set aside for the Livestock Compensation Program that you talked about. That leaves something in excess of $400 million avail-

able for surplus removal. That is essentially consistent with the historic amounts of money we have used in Section 32 for that purpose. So with the assistance of the bill, we are able to proceed with our business in the normal way.

Mr. HINCHEY. So $400 million is available for such purchases as, say, fruits and vegetables for school lunch programs and things of that nature?

Mr. DEWHURST. Yes, sir.

Mr. HINCHEY. You believe it is adequate?

Mr. DEWHURST. It is consistent with what we have done every year. Yes, it is adequate.

Mr. HINCHEY. The danger, of course, is that the money was spent before we knew that it was going to be reimbursed by Congress. That placed that program in a precarious situation, and the way it was done, frankly, raised a whole lot of questions about political motivation, and where it was announced, the timing of the announcement. I want to make that stipulation, that this is an important program.

Section 32 is important to the people that I represent. And it is important to, I know, people in Washington State and a number of other places across the country. So we would not like to see that fund depleted for political purposes.

Mr. BONILLA. Thank you.

Mrs. Emerson.

Mrs. EMERSON. Secretary Veneman, thanks for being here. Well, there are several questions I have, all over a different scope of issues.

VALUE ADDED GRANTS

But let me ask you first, the Administration has zeroed out the budget for one of the most important rural development programs, I think; that is, the value added development programs. I mean, we are only in the third year of this program. It has held a whole lot of hope for agriculture, for the future of our very rural communities. I really would like to get a justification for why that has been cut.

Secretary VENEMAN. First of all, I agree with you that those value-added grants are a very useful tool for rural America, for farmers and ranchers, to look at new opportunities for marketing their products.

We have some money in the budget, in the discretionary budget, for the value-added grants. There was a program that was included under the 2003 Farm Bill, basically an earmark out of the Farm Bill for a value-added grant program that is not continued into this year.

We have several programs that were in the Farm Bill that were funded for the 2003 fiscal year that didn't carry over in the 2004 budget. However, we did put some money into the discretionary side. But, of course, with just limited discretionary resources, we weren't able to fund it at the level that the mandatory side gave us through the Farm Bill last year. But we do know the value of that program, and have provided some funding for it.

Mrs. EMERSON. Can I take it that if our committee would decide that more money should be placed into that program, that you would not be opposed to that?

Secretary VENEMAN. No. We support this program. We want to work with you on setting the priorities on this budget. Obviously, this is the budget that was developed for the various programs, but we want to work with you.

Mrs. EMERSON. I appreciate that, because I have so many producers who need additional opportunities, and they are—all of the programs combined still don't provide enough resources to help our folks. At least if we are asking them to take that big of a risk, I want to be sure there is a little bit of a safety net there. So I appreciated that.

Now, when you were speaking, and I apologize for having to leave for a few minutes, you mentioned that, you know, things are progressing real well with farm bill sign-up and the like. And I know it has just been a nightmare for everybody; not only your employees, who, I might add, are doing on our local level the most incredible, fantastic job I have ever seen——

Secretary VENEMAN. Thank you for the compliment.

FARM BILL SIGN-UP

Mrs. EMERSON [continuing]. Are way overworked, and we could use some more people to help them. But it has taken lots of my producers, it has taken a half a day to three-quarters to a full day to get their farms signed up in this program. And I am worried about this April 1st deadline. Forgive me if someone else asked that question.

Some of our offices aren't halfway done in my district. How are you going to respond if we can't meet that April 1st deadline?

Secretary VENEMAN. The April 1st deadline is very important. It is not going to change, because we have to have some certainty in the process. I asked my folks this yesterday, and I am informed that the appointment books are not yet full. So there are still appointments available in virtually every place in this country.

Now, if it comes to a point where there are areas of the country where there is a big crunch, and we don't have the people signed up, we will move resources. If a particular county has people that are pretty much finished, we will bring those people over for a week or two to help with areas that may be a little bit more behind the curve, but we are committed to getting this done.

I might add that we asked for considerably more money to implement this Farm Bill, which we were not given, and we have still managed to implement it. As you say, our people are spread to the limit, and I appreciate the fact that you recognize what they have been going through.

We received another $70 million in the 2003 bill that was just passed, but it is going to take some time to hire those people and to train them. Right now we have a lot of temporary staff such as retirees who have come back to help, but we will deploy resources as we need to get the job done.

Mrs. EMERSON. We only have a month left when you think about it.

Secretary VENEMAN. But the pace of sign-up is continuing to increase all of the time. So we are fairly confident that we have got the processes in place to get it done.

Mrs. EMERSON. I hope you will feel that you can ask us for more help, temporarily even, if you need it, because I am very concerned in spite of the fact that they are doing a terrific job.

I will wait for the second round.

Mr. BONILLA. Thank you.

Before I yield to Mr. Farr, Ms. Kaptur asked for a very brief comment.

Ms. KAPTUR. Thank you, Mr. Chairman.

I want to say I associate myself with what Mrs. Emerson has just said. Our office just yesterday received a call from an Ohio producer who said he could not even get an appointment until sometime in May, even though the program sign-up deadline is April 1st.

So many of our States and locations are overbooked. Thank you for bringing that up.

Mr. BONILLA. Mr. Farr.

Mr. FARR. Thank you, Mr. Chairman.

First of all, I want to say how pleased I was that the President appointed you as Secretary of Agriculture after serving as Secretary of Agriculture in the great State of California, which is the biggest producer of agriculture in the United States. And I am sure as the State director you were aware of the myriad of bureaucracy that is in a lot of our delivery programs.

I was impressed in your testimony that you said on page 18 that one of the goals under food and nutrition is ensuring access to meals for all children, and I think that is really important that we focus a little bit on that, and it seems to me that you don't. Sixty percent of the entire USDA budget is in the Food and Nutrition Service, yet we spend the majority of our time talking about commodity programs and emergency payments. We talk a lot about growing and very little on feeding.

NUTRITION PROGRAMS—MEANS TEST

And I want to applaud you on your statement that you wanted meals for all children, because what appalls me is that the economy of this country has put a lot more children into the hunger status, into the poor status, because the economy is so rotten.

These are entitlement programs, and we doled out last year $3.1 billion in emergency aid to farmers who weren't even entitled to it just because they happened to live in a county. We didn't have any means test. We didn't say, do you need the money? Are you poor? Is this going to help you? You just got it because you were in a certain county that was declared a disaster.

But you go on to say on the same page, right after it, that you are going to—the studies of national surveys suggest that a significant number of children approved for free and reduced price meals are from ineligible households. That may be true, but it doesn't say anything about whether these ineligible households feed their children. It doesn't say how the program is administered when the children come through the school lunch line.

I have got a task force at home called the Hunger Task Force. We are involved in every one of the commodity programs, the nutrition programs, and what I am learning is that it is an incredible bureaucracy. What happens in a school is children come to the lunch program, and you have to single them out there as they are standing in line; say, you have to pay for this meal, you don't have to pay, you have to pay. It is absolutely demoralizing. It is ridiculous.

Do you know what teachers do? They take the money out of their pocket, and they pay for the kids. We ought to be eliminating that. If we can give farmers $3.1 billion without even having to show that they are rich or poor, and yet we are singling kids out in line, and your Department is going to go on and find out that there are more accurate certifications to help ensure that resources are targeted correctly. The resources are targeted correctly right now. The problem is this means test. We don't means-test those kids when they get on the bus to go to school. We don't means-test those kids when they go into the library to check out a book. We are going to means-test them when they come and say, I want lunch or breakfast?

Reauthorization is up this year. I hope this Department will come in and say, look, the U.S. Department of Agriculture is about feeding hungry people, and we want to make sure that we feed them from prenatal with WIC to the grave with Meals on Wheels, and that we ought to eliminate the incredible amount of bureaucracy that is in this program, because the people at the local level, and you know this from being a State director, are doing a heck of a job. But their hands are so tied that we would get a waiver so that the kids—the school lunch program and school breakfast program had to be qualified separately, run separately, certified separately. And that waiver is in for two school districts in the entire country. I hope it is lifted for the Nation.

But my question to you is are you really going to put this onus on kids to try to figure out—if they are eligible when we are not means-testing farmers for bailouts?

Secretary VENEMAN. I appreciate your question and your focus on these programs, because, as you say, this is a very, very big part of our budget, and they are also up for reauthorization this year. It is something we are beginning to really focus on in our Department and we want to work with the committees in both the House and the Senate to do that.

This week I made a speech which outlined some very general principles we are looking at in terms of those programs. One is to ensure that all eligible children benefit from the child nutrition programs and receive program benefits, making sure kids who are entitled aren't being left behind, and to focus on streamlining, some of the ways that this program is administered. We are looking at the various aspects of the program to determine how we best do that. We haven't yet made a determination, but, given the work you are doing in your area, I would like to have our folks have the opportunity to visit with the appropriate people and to benefit from the research that you all are doing.

The second aspect is to support healthy school environments, to make sure the children are getting healthy school lunches. We are

talking about how to possibly provide some financial incentives for healthier eating. We have had a pilot program that was part of the Farm Bill for putting more fruits and vegetables in certain schools, and we have done that, in four States, and the Zuni Pueblo in New Mexico. It has been very, very well received, and we have heard very good stories about the fact that children like having access to the fruit.

In fact, a mother in California walked up to me the other day and said, our children—she is a teacher—she said, our children need snacks in schools. I told her about this program that was being piloted. She was very positive about the opportunities to put more snack fruits and vegetables into schools for kids, and about the healthier eating.

And finally, we want to do everything we can to ensure the program integrity, and to be sure that programs are operated properly. So we certainly, given your interests, look forward to working with you and your staff and the people in your district who are working on reauthorization to get your input as we look at the realities.

Mr. FARR. Well, the eligibility ought to be defined as hungry, not wealthy parents.

Secretary VENEMAN. There are means tests now. All school lunches are subsidized to some extent. There are some lunches that are reduced cost, and then there are some that are free. So there is means testing today, but the question is do those definitions need to be changed? Do we need to change the administration of them? No determination yet has been made on those questions.

Mr. BONILLA. Thank you, Mr. Farr.

Mr. Goode.

Mr. GOODE. Thank you, Mr. Chairman.

LIVESTOCK COMPENSATION PROGRAM

Back to the LCP program. With the April 1st deadline now, that will cover all jurisdictions that have a primary designation for 2002, is that correct?

Secretary VENEMAN. Yes.

Mr. GOODE. For 2001 or just 2002? Or 2001?

Secretary VENEMAN. The disaster portions of the bill cover both 2001 and 2002.

Mr. GOODE. Does the LCP cover both years, too?

Secretary VENEMAN. It will cover the eligible counties.

Mr. GOODE. The eligible counties are the primary designated counties by the Governor of the State in 2002, correct?

Secretary VENEMAN. Yes.

Mr. GOODE. All right. And that will cover all of those that did not make the September 9th deadline if the Governor has designated them as primary, correct?

Secretary VENEMAN. That is correct.

Mr. GOODE. I understand. I think you did mighty well with what you had to work with overall.

Secretary VENEMAN. Thank you.

Mr. GOODE. But in Virginia I think you probably wouldn't need additional persons. You can shift them from those counties that made the deadline to those that didn't, if needed. Now, that is not a statewide perspective, that is a southern Virginia perspective.

FREE AND REDUCED LUNCH PROGRAM

Go to the free and reduced lunch program. I would make this observation: Years ago many didn't want to sign up for it, but you have got so many in Virginia, and I am sure the same is true in other States. There is a push to get kids on free and reduced lunch because the more kids you can get on free and reduced lunch, the more aid you can get under an array of State programs in addition to some Federal programs.

And then I read that yesterday about some investigation that said there might be more than a billion dollars was gotten in those programs where the parents weren't eligible. Is that——

Secretary VENEMAN. There have been studies projecting certain amounts of money for schools with high numbers of children certified for free meals. You are exactly right. There are reasons that schools want to sign up children for the school lunch program outside of the areas of eligibility.

Mr. GOODE. Everyone.

Secretary VENEMAN. It does impact what the schools can get under other unrelated-to-USDA programs. And that is one of the issues we are really struggling with in terms of reauthorization, because there is an outside incentive to sign up people for free and reduced price school lunches, regardless of eligibility, and that is where the debate really gets difficult, because we know that there are these other incentives.

Mr. GOODE. I know what Mr. Farr said, but I heard from school persons and parents that most—20 years ago, many didn't want to take a free lunch, but now more people want to take a free lunch than not get a free lunch. So I don't know if there is any embarrassment or not.

Let me say one thing. He said that "I would like to give everybody a free lunch." But I looked into the thing about 4 or 5 years ago. That is a huge cost, as I recall. I don't know, maybe if you give everyone a free lunch, how many people are you going to get rid of that is going to determine who gets a reduced lunch, and that it was pretty staggering.

I mean, that would be great if you could do it, but how much does it cost?

Secretary VENEMAN. Let me just have Steve Dewhurst go into that. That will probably give you some indication.

Mr. DEWHURST. We have about 29 million children who participate in the program on average, total, and about half of those children, something over 14 million, receive free lunches. The rest of the lunches have some degree of subsidy in them. The program is roughly a $10 billion program. So, if you were to go to a universal free lunch, you would take the remaining 14 million children and give them free lunches in place of whatever they are buying now.

Mr. GOODE. That would be 10 billion?

Mr. DEWHURST. I don't think it would be $10 billion, but $5 or $6 billion. It would be some number substantially above the current budget.

Mr. GOODE. The offset from having the situation where you didn't have to check everybody, how much would you save on that, tens of millions?

Mr. DEWHURST. The savings would be in administrative costs.

Secretary VENEMAN. Most of that is done through the schools.

Mr. DEWHURST. We share the administrative costs with the States. I suspect we could make an estimate of administrative cost savings.

Mr. GOODE. If you go to healthy lunches across the board, that is the only free lunch you get, you might have a decrease in the demand for free lunches. I fully support healthy lunches, but I know the tastes of many in America.

Secretary VENEMAN. That is the dilemma of food school service providers.

Mr. BONILLA. Thank you.

Ms. DeLauro.

Ms. DELAURO. I would like to, just make a general statement on the school lunch program. I think it interesting to point out in that article today, it was Eric Bost, the Under Secretary for Food and Nutrition, who said he thinks that the 27 percent estimate of ineligibility is too high; but the problem is significant. So I think it needs to be sifted out.

FOOD SAFETY

I want to move to several questions which have to do with an issue that I am very, very interested in; that is, food safety. These are questions you do not have to answer now, but if you can please answer them, that would be helpful, because I want to get on to some other things.

You talked about $42 million for the Department's food safety activities. My understanding is $15.7 million goes for pay increases, $25.6 million for other programs, including $4.2 million for aiding new inspectors. I know we need more resources for inspectors, but is this enough; with increased line speeds and industry growth, is this sufficient to effectively protect our food supply? Do you need additional resources for more inspectors? If yes, how many inspectors do you need to do the job, and at what cost? And we will get you that question. I don't want you to answer that now.

[The information follows:]

We have assessed our resources and believe that the fiscal year (FY) 2004 budget request of $4.3 million for an increase of 80 inspectors from FY 2003 will allow FSIS to effectively ensure that meat, poultry, and egg products are safe, wholesome and accurately labeled.

Ms. DELAURO. So I want to move to some other areas, primarily the issue of both Nebraska Beef and Supreme Beef. A few weeks ago, I sent a letter to you about my concerns with the USDA settlement in the Nebraska Beef case. I understand the response is forthcoming shortly, and I look forward to that response. I said in the letter that the successful challenge by Nebraska Beef to withdraw USDA's inspection services only heightens concerns raised by USDA's defeat in the earlier Supreme Beef case.

Further, I am concerned that despite these repeated assaults on food safety protections, that the Department has been unwilling to ask Congress for the authority that it needs to protect the public health. From Supreme Beef and Nebraska Beef at a minimum it appears that USDA's basic food safety authority is under a cloud and that another company can easily challenge USDA's authority.

At worst it may be that USDA does not have the authority that it needs to protect our food supply. Between Supreme Beef and Nebraska Beef the Department can no longer shut down a plant for failing salmonella standards, and with Nebraska—we have no authority to stop production in plants with known unsanitary conditions, so that the good work that was done a number of years ago to put into practice safety valves on ensuring the safety of our food supply have been, in fact, undermined I might add, I believe with the complicity of the USDA.

How does the consent decree and order guarantee, that the meat produced at Nebraska Beef is safe? What steps are being taken now to clean and improve the plant's operation? How and when will the Food Safety and Inspection Service evaluate the effectiveness of those steps? In light of Supreme Beef and Nebraska Beef, do you believe that USDA still has the legal authority to close down meat plants that repeatedly fail to comply with USDA's food safety standards?

I might say to some of my colleagues here that a portion of that tainted meat, in terms of the school lunch program, has repeatedly gone to our school lunch program, putting our most vulnerable people in grave danger and in jeopardy.

Given these challenges, do you think it is time to step back and assess whether or not the USDA has the authority that it needs to protect the public health? Is it time for you to have a clear mandate and authority to protect the public health, including pathogen standards and a strong food safety system, and will you work with us in the Congress to give you the authority that you need to protect our food supply?

Secretary VENEMAN. Congresswoman DeLauro, I want to tell you how very, very seriously we take the issue of food safety. Our Department declared a war on pathogens. You know we have a very strong food safety team with Dr. Murano and Dr. McKee, the Administrator of the Food Safety and Inspection Service.

In these cases, let me just say with the Nebraska Beef case, we withdrew inspectors. There was a TRO granted.

Ms. DELAURO. I applaud you for removing the inspectors, by the way. I truly do.

Secretary VENEMAN. I think we have been very proactive in the move to remove inspectors out of plants where we cannot get compliance in areas where we believe we need more compliance. We have not hesitated to remove inspectors. There was a TRO. We believe, and our lawyers tell us, that we would have won that case if it had gone to hearing on the merits.

But the consent decree that was entered into, we believe, gave us so much more control, in that plant, over what was going on that we agreed to the consent decree so that we could get in and make sure that the plant was operating in a way that was efficient and safe for the American people. And we are continuing to evaluate everything that Nebraska Beef does. We have substantially increased the inspections in that plant and the oversight. And so that is how that matter evolved.

I do not believe that that case, in any way, undermines our ability to remove inspectors if we feel that that step is warranted, and

we will not hesitate to remove inspectors. I want to make that clear.

But we will obviously, as you ask, continue to work with the Congress on our food safety issues. We are looking at a whole variety of issues that are impacting the food safety system. We have had a very strong study on BSE. We have taken several steps to protect the meat supply in that regard. We have taken steps with regard to E-coli. We have taken steps with regard to listeria, and we are going to continue to use the best science, the best technology, and the best training to improve our food safety systems.

Ms. DELAURO. I will just say to you that you can have the best training, but if these companies can continue to go to court and undermine what they did with salmonella, that the best training in the world is not going to provide us with the opportunity to be able to contain those difficulties. It is hard to believe that the consent decree could give more power, when, in fact, it is the fox in the chicken coop, because they determine who the independent agency is, they select the internal people to deal with this.

My question ultimately comes down to USDA, and then I have to imagine from your comments, not the Department does not want any authority to be able to deal with a safe food supply, but is willing to go to court to be defeated and water down procedures that many of us here on this committee worked very hard to put into practice. And now they have been rendered essentially ineffective because of these court cases and the unwillingness of the Department to take it on, and to demand from Congress the authority to be able to deal with some of these issues.

Secretary VENEMAN. Congresswoman, I am not saying that we weren't willing to look at the various authorities. We are looking at the authorities available to us. However, I will tell you that even if we had something like mandatory recall authority, I don't believe that would have stopped the company from going in and trying and doing a TRO. Companies can go in and get some kind of TRO against the action that we have taken.

Now, as I said, I believe we still have the ability, and we will continue to use the authority to withdraw our inspectors, which is our most valuable tool in our oversight of the meat and poultry plants.

Mr. BONILLA. Thank you.

Mr. Nethercutt.

Mr. NETHERCUTT. Welcome, Madam Secretary, and gentlemen, and to your team, welcome. I want to comment on food safety. We are a country of 285 million people. My sense is that the incidence of food poisoning and food problems and lack of safety is relatively small. I know you can have a zero tolerance of food safety infractions, but I don't know of any other country on the face of the Earth that has a better food safety inspection than we do.

And I know that we can anecdotically argue about deficiencies, and that is legitimate, but, my goodness, I think that we have a very safe food supply in this country, and I think it is inaccurate to say that we have a dismal food safety record. I think that we have very high, good quality food safety. Would you agree?

Secretary VENEMAN. Absolutely. I believe we have the safest food supply in the world, but we continue to do everything that we can

to make sure that it stays that way. Our consumers have tremendous confidence in our food supply. That is why we haven't had some of the consumer backlash issues that we have seen in Europe, for example, because our consumers do have confidence in the food safety systems that we have.

Again, we are working to continually improve, because we can never rest on our laurels. We have to look at emerging pathogens. We have to look at it hard from every kind of problem that we have, and that is what our commitment is to continue to do.

Mr. NETHERCUTT. I appreciate that. That is a good commitment.

EMERSON TRUST/RISK MANAGEMENT

Let me talk with you, as I mentioned a day or so ago, about an issue on the Emerson Trust, and the problems that I have faced in our district relative to what I think is a flawed policy in the Department of Agriculture for the way these Emerson Trust developments occurred. And I know the inspector general is doing an investigation. I don't know if you have anything to add at this point, but I know you are sensitive to it. I am unhappy with respect to the way it unfolded, because it hit the wheat industry in my district, in my region, and our entire State very hard, and I think it was improper, the way it unfolded.

So I will look forward to what the inspector general comes forward with. I know there is an investigation in process right now. So I just mentioned it for the record, because I am very concerned about the way it happened as it relates to the USDA's obligation to the farmer and producer and the rural communities on the ground.

I want to mention to you, I saw you made a speech just recently on the issue of risk management, and I am an advocate of school lunch programs, and I know Mr. Farr's dedication to this is genuine and heartfelt. But I would just hasten to add that if we don't have a production agriculture industry in this country that can produce food that can go to the school lunch programs and nutrition programs, then we are in a world of hurt in terms of being dependent on other countries of the world to provide us safe food and fiber.

So I am here to advocate for production agriculture, and I don't believe that there is a disproportionate benefit to production agriculture at the expense of school lunch programs or other nutrition programs in our government.

With respect to the social side of agriculture spending, it is monstrous as opposed to the production side of agriculture assistance. We got farmers that need to produce, and the risk management, I think, is a good way to go to assist our farmers in producing effectively and efficiently and competitively around the world. Ross Davidson is doing a good job and has the right idea. That it is not just crop insurance—and you as well—it is giving farmers tools to be better managers, and I think that is part of the equation.

So if you care to comment on the Emerson Trust and risk management, I would be delighted to hear what your testimony is.

Secretary VENEMAN. Well, thank you. And I appreciate the opportunity to talk with you about the Emerson Trust. We are looking at your concerns very closely, and, as you said, the IG is look-

ing at it as well, and conducting an audit on this situation. But there were issues that related to proximity to the shipping points and the type of grain that was required that played into the decision as well. I appreciate you recognizing the risk management initiative that we have taken in the Department.

What I announced at my outlook speech last week is that we are going to take an overall look at risk management from two perspectives; first, to look at risk management tools and risks management gaps in terms of insurance coverage. For example, this year we felt that there was inadequate coverage for livestock producers. That is why we acted with this livestock compensation program. We know there are gaps like that. We know there are gaps in some of the areas in the Northeast, in some of the specialty crop farms, and in some of the more diverse farming operations that involve specialty crops and so forth. So we wanted to take a look at what are the gaps.

We are going to be doing that. And what are some of the new kinds of risk management tools. We have some new products that are being put out before the Risk Management Board. Keith Collins is a member of that. He can talk more about that if we need to. As well, we want to look at what are the operational aspects. Do we need additional authority in terms of oversight of the companies themselves?

We saw the biggest crop insurance company in the country file bankruptcy last year. That is something that we are taking very seriously. We want to make sure that we have the appropriate authorities in place.

So that is the initiative that we have undertaken this year, and we are going to be working on that risk management initiative, and we will look forward to working with you on that.

Mr. NETHERCUTT. Thank you, Mr. Chairman.

Mr. BONILLA. Thank you, Mr. Nethercutt.

Mr. Boyd.

Mr. BOYD. Thank you, Mr. Chairman.

And, Madam Secretary, welcome to you and your team, and thanks for the call earlier to discuss things that might be important to us.

I want to just start maybe with a short opening statement, to tell you that I read your testimony, and I found a lot of good things in it, and some that probably wouldn't surprise you that I felt were inadequate, as I am sure that you probably feel the same way.

I know you have a very difficult job. I am sitting here thinking, listening to the other Members talk about the different programs you have got to administer; the farm program, you have got to focus on marketing, you have got to focus on conservation, you have got to focus on rural development. Obviously we are going through a consolidation, have been, of our agriculture resources, and we will continue to do that, I think. And rural development is a major issue for some of those rural communities. Food safety, which Ms. DeLauro talked about; nutrition, which others have talked about. It is a monumental task. I am not sure I would want your job. And I just want to tell you that we understand this difficult job, we appreciate it.

I do want to echo the words of Mr. Nethercutt and Mrs. Emerson, that given all of those responsibilities, when you boil it down, the wisdom of George Washington when this country was started about never, never let the production agriculture industry in this country die, it is appropriate today. And given the world situation, open borders, trade, economic situations, it is more and more difficult. And so I wanted to focus on that.

And I want to ask you a couple of questions. Number one, you made a statement earlier in answering a question, and you said, we asked for considerably more money to implement the Farm Bill than we were given. I think that is what you said. First of all, my first question is, who did you ask?

And my second question really goes beyond that. And I would remind you that since 1994, we have reduced the FSA employees by 38 percent, permanent employees. We have reduced temporary staffing levels by 41 percent since 1996. The people we have out there are doing a great job. You know, I deal with them. I know them. Many of them I have worked with in my area for 20 plus years, and they really do a great job. Many of us supported the downsizing that went on here in the 1990s. I wasn't here, but, it was something that needed to be done.

But my question is how long can we continue to do that and effectively implement the programs that we have to have in this country to maintain a viable agricultural industry? Are you going to let FSA become an ineffective organization on your watch? I would like to ask you those two questions. Number one is about the statement, who you asked for more money; and secondly, about the FSA employee situation.

Secretary VENEMAN. Thank you, Congressman. I appreciate the question, and I also appreciate you recognizing the diversity of the program mix that we have in the Department of Agriculture. We didn't even cover the Forest Service in this hearing, but that is another large part of our Department having the bulk of the employees.

We have three hundred different programs in USDA covering three different sections of OMB. It is the most diverse Department in government.

On this issue of the Farm Service Agency and the money, as the Farm Bill was negotiated last year, there was a question about how much money USDA would need to implement this Bill, and we gave the Congress that number, and I believe we got about half of that money. We asked for $110 million, and we got $50 million in the Farm Bill.

So the answer to your first question of who we asked for more money is we asked the Congress.

Mr. BOYD. Is that one-shot money you are talking about there?

Secretary VENEMAN. That was the Farm Bill implementation money, yes. And we got $50 million in the Farm Bill, and then we got an additional $70 million in the 2003 appropriations, but we didn't get that until last week. And obviously we haven't been able to hire with that money yet.

Mr. BOYD. The statement you made was regarding the one-shot implementation of the Farm Bill?

Secretary VENEMAN. Right.

Now, there have been reductions in the work force in FSA since the 1996 Bill because many of the farm programs went into the decoupled program. It was a different kind of program. With the new Farm Bill, the programs again require many different decisions on the part of the farmer, requiring more workload within our FSA offices, which is why we have been using additional staff to get this job of implementation done.

But we are also looking at additional tools. We have put a tremendous amount of resources into information technology to help the farmers and ranchers. The people I have talked to really like these calculation tools that we have been able to develop through technology to help them calculate potential program benefits. It will help our Farm Service Agency people better service the farmers. It will get our forms on-line. It will allow the system to be more efficient and will allow us to be able to create those kinds of efficiencies. So that is a priority as well.

But we do appreciate, and I certainly appreciate, the comments that you have made about our employees. They are doing yeoman's work out there. We know it has been difficult. They are now going to have a disaster bill to administer as well. It has not been easy but they are continuing to do a tremendous job for the American farmer.

FARM SERVICE AGENCY OFFICE CONSOLIDATIONS

Mr. BOYD. Are we going to continue to merge offices? We supported the merger of the offices. It is working fairly well in most places, but I think we are a little bit thin in some places. Are we going to continue to do that on your watch? Are we going to be able to have adequate resources to implement the Farm Bill, which obviously takes more staff work, than the old bill.

Secretary VENEMAN. We are continuing to look at where we can have efficiencies within the system with regard to offices. And, I mean, we are looking at the whole range of USDA offices, not just FSA, about where can we have efficiencies, about where can we have collocations, where can we better integrate technology. We are committed to providing the services in the best way that we possibly can for the farmers and ranchers.

Mr. BONILLA. Thank you, Mr. Boyd.

I now yield to Mr. Kingston and then go directly to Mr. LaHood to complete our first round of questioning.

Mr. KINGSTON. Thank you, Mr. Chairman.

And, Madam Secretary, it is great to see you again. I appreciate all of the hard work that you guys do.

I wanted to ask you about four areas that are very sensitive, that I would like to see your commitment to help us broker some peace. And sometimes, generally speaking, there is a reluctance on the administration to get involved with, you know, maybe local turf wars. So if these fall into that category, it would be better to say that we are going to let Congress resolve it rather than take a role.

ORGANIC FARMING STANDARDS

One is, as you know—and these things always drag this bill down. There are the organic farming provisions and the definition of an organic chicken. As you know, there is a study, and if the study says there is plenty of inexpensive organic chickens out there, then one company's definition won't stand up. If there is not, then what they have been calling organic since 1997 is going to continue.

But I think you will find there are people who are pro and con in the Congress who want to work with your office to try to resolve that issue. And so my question to you is do you see yourself playing a role in that, or do you want us to try to resolve it on the Hill?

Secretary VENEMAN. Well, I think that certainly on this issue of organic, there are very strong feelings, as you say. Our position has been that it took over 10 years to implement the organic standards law. It was passed in the 1990 Farm Bill, and it became effective in October of 2002, almost 12 years later. This regulation received the most public comments ever received on any rule that USDA has ever dealt with. So it has been a very, very difficult and long, drawn-out process, and so there is a very strong feeling about not changing those regulations.

Now, as far as working with people in trying to resolve the issues, I think there are some things that we can work together on, one of which is the study in progress. This is the one referenced in the 2003 bill regarding Organic Livestock Farms. We are continuing to work on that study and get it done as quickly as possible.

The other thing that I think we can do is help the companies that feel that they are having difficulty getting the feed to find sources of organic feed. We have tried to be helpful in that regard.

The third is that if it is not possible to reach the certified organic standard, are there other labels which they would qualify for, and, you know, something that is not the USDA national organic certified label? And I think that some of these companies are exploring the opportunity to use either a hormone-free feed or something similar as an alternative to using the labels if they can't meet the requirements.

Mr. KINGSTON. Your role in that, you would be willing to sit down with us and kind of hash out some of this stuff?

Secretary VENEMAN. Absolutely. I directed my people to do that.

COUNTRY OF ORIGIN LABELING

Mr. KINGSTON. Okay. The second one, which is equally as sensitive to my good friend, Mr. Latham. I understand there is a Senator named Grassley who felt similar on stockyard ownership and packing, and, you know we have strong Members in both Houses who feel different ways on this.

Do you see yourself wading into that?

Secretary VENEMAN. I think both of these issues were issues that were debated in the Farm Bill. The country of origin labeling is something we implemented, because it was part of the Farm Bill that was passed as a voluntary program, and then became a mandatory program.

There are a lot of differences of opinion within the various agriculture communities out there. I have been to some of the conventions. I have heard the debate. It is very split in terms of the opinion.

We have a law, however, on country of origin labeling that we are implementing. That is our position at this point. We did not, as an Administration, support that provision during the Farm Bill debate. I think that is a well-known fact.

PACKER CONCENTRATION

On packer concentration, we have had under consideration for some period of time plans to develop a study to look at this whole issue—the economic conditions, the trends, the operational impacts, the economic impacts, but the funding for that study was contained in the 2003 budget, which, of course, was just passed a couple of weeks ago.

We had held up on doing that study, but we are now going to initiate that comprehensive study, using both internal resources, and resources in the private and university sectors.

Mr. KINGSTON. Okay. I have some more questions, Mr. Chairman, for the second round.

Mr. BONILLA. Thank you.

Mr. LaHood.

Mr. LAHOOD. Thank you, Mr. Chairman.

Madam Secretary, notwithstanding what was said earlier, I think you are doing a pretty good job. I think that you have a hard job. I think it is a little unfortunate when a Member has an individual problem, and they bring it to the whole committee and take up all of the time of the committee to do that. That is not the way I would operate. I doubt it is the way that most Members would operate, but I guess that is the way it is.

FARM BILL SIGN UP

Let me touch on four things, and you can comment on them if you would like; and if you don't want to, you don't have to. I have heard a lot from my farmers about the sign-up. I have told them that they need to do it before April 1st. But the FSA offices need more people. I don't know if you can assign more temporary people. I don't know what you can do about it. But if every farmer complies with your requirement to sign up before April 1st, there are just not going to be enough people to do the paperwork.

I think rural development is a good, strong program. I hope you will continue to really do all that you can do to support that in an economy in rural America that is hurting very badly. Rural development is a big, big asset for us, and people are really taking advantage of it.

I have met with Secretary Moseley about my e-file bill that we passed some time ago. I think it would go a long way to cut down on a lot of paperwork. I would encourage the Department to do all you can to keep the jets flaming on that, because I think it would be very helpful.

WAREHOUSE PROVISION

And I guess if you can answer any question, it would be on the warehouse provision, the 6-month extension that was included in the final budget that we passed. Are you going to weigh in on that, or are you going to ask other people to be involved, or what is your feeling? Because, you know, obviously that is going to be a big issue. I don't want the 6 months to elapse and not have anything done.

And thank you for being here.

Secretary VENEMAN. Thank you very much.

On the warehouse extension, we have been working very closely with the National Association of State Departments of Agriculture (NASDA) on that, and we will continue to do so to try to reach some accommodation. This issue involved fixing a regulation that we were told we had to fix by the courts, and that is what our people attempted to do. We know that it has caused some difficulty in a few States, and so we have continued to try to work with those States. We will continue to try to do that during the 6-month extension period. I will certainly commit that to you.

FARM BILL SIGN UP

On the sign-up issue, as I think I said in response to an earlier question, the April 1st date is absolutely firm, and we are going to reallocate resources where we can. We have some additional money now. How many additional people we can actually hire and train before April 1st will maybe take more resources than it is worth. But there may be some people who have some experience that we can hire temporarily and there may be some smaller offices where the sign-up is complete and we can reallocate those resources. We can possibly send some people from Washington to assist. We will try to reallocate resources in areas where we see there are backlogs.

But I was informed, as I said before, yesterday, that there is no county office that we know of that has their appointment books completely full, although I did hear Ms. Kaptur's statement. We will go back and look at that, because she said earlier that there was someone who said that they couldn't get an appointment until May, which doesn't make sense to me, given the circumstances we are under with the April 1st deadline.

But we are very committed to making sure that we get the farmers signed up. I have to say that one of the concerns was that we were very, very surprised at the slow rate at which farmers came in. In other words, we didn't start to see people come in until after the first of the year, despite the fact that we were encouraging them to do so. They didn't really come in until these last few months.

E-FILE TECHNOLOGY PROGRAMS

Let me also address your e-file issue, because, as I said in response to Mr. Boyd's question, we do feel strongly about the technology aspect of what we can do and how much easier it will be for farmers and ranchers if we can truly get good e-file and e-government types of programs up and running.

We have got a very good CIO who is doing an excellent job trying to integrate some of those programs. We have got a project looking at how do we integrate all of our maps and get them digitized. For example, FSA has run a separate set of maps—basically pen and ink maps, and NRCS has a separate set of maps. Once we get all of that digitized and into computers, imagine how much better off we will be in terms of helping our farmers and ranchers do the right thing by enabling them to apply and access conservation programs on-line. So we are very, very much in agreement with you on the importance of this initiative.

RURAL DEVELOPMENT

Finally, on the rural development issues, I had the opportunity yesterday morning to speak to all of our State rural development directors. I think that Under Secretary Dorr is providing a tremendous amount of vision and leadership in this area. We are looking at all kinds of opportunities for rural America. We are looking at the kinds of economic opportunities that rural America needs to sustain itself by looking at our programs very creatively, and by looking at how do we best measure our programs to see what are the most effective programs in terms of rural development. So we have had an initiative to reevaluate regard as well.

So, again, I agree with you that we have to look very broadly at our rural development programs. We need to look at how do we create and provide economic opportunities. We have a broadband initiative that we announced recently that I think holds tremendous promise, because if rural America is going to participate in the economy of the 21st century, they have to have the tools. So things like broadband are very important.

So we will look forward to working with you and this whole committee on ways to strengthen rural America.

Mr. BONILLA. Thank you, Mr. LaHood.

We will now begin our second round of questions, and we do intend, however, to go as long as we can and adjourn at noon.

In light of trying to save a little time, Madam Secretary, I am going to submit my next question about conservation technical assistance and the disagreement, I suppose, of what may have been in the farm bill versus what OMB wants to do and where to get this money—I am going to submit that for the record. If you would get back to us on that, we would appreciate it.

[The information follows:]

CONSERVATION TECHNICAL ASSISTANCE

Mr. Bonilla: In your view Madam Secretary, does the language in the FY 2003 Omnibus appropriations bill sufficiently define that conservation technical assistance costs are to be funded from the CCC?

Response: The FY 2003 Appropriations Act was very specific in mandating that Conservation Operations funds cannot be used to support Farm Bill conservation programs. The Act provides authority to fund technical assistance for Ground and Surface Water Conservation Program, Klamath Basin, Wetlands Reserve Program, and Conservation Security Program from funds available for Environmental Quality Incentives Program, Farmland Protection Program, Wildlife Habitat Incentives Program, and Grassland Reserve Program.

Mr. Bonilla: If you believe that the language contained in the Omnibus appropriations bill is sufficient, would you still need the conservation technical assistance account that is being requested in the fiscal year 2004? If not, what do you need to carry out conservation technical assistance for Farm bill programs the way that Congress clearly intends for them to be carried out?

Response: While we believe the language is sufficient, the President's Budget for FY 2004 requests a new Farm Bill Technical Assistance account that will fund all technical assistance costs associated with the implementation of all the 2002 Farm Bill conservation programs. The new account will be used to plan, design, and oversee the installation of conservation practices, and maximize the amount of dollars available to help farmers and ranchers install on-the-ground conservation projects.

We believe that by establishing a new account and dedicating additional resources for technical assistance, it will provide a long-term solution to the technical assistance issue. It will also improve the accountability and transparency of the conservation programs cost of delivery.

Mr. Bonilla: Has the USDA submitted an apportionment request to the OMB for Farm Bill conservation programs, and has the apportionment request included funds for conservation technical assistance with funds provided through the CCC?

Response: An apportionment request for the Farm Bill conservation programs was submitted to and approved by OMB. The request included funds for conservation technical assistance.

Mr. Bonilla: Has the USDA continued to use the Conservation Operations account to fund Farm bill technical assistance in fiscal year 2003, and if so, how much has been spent in fiscal year 2003 on Farm bill conservation technical assistance out of the conservation operations account?

Response: Technical assistance to implement the Farm Bill programs has been tracked separately for the benefiting program in fiscal year 2003. The obligations as of February 20, 2003, are as follows:

Conservation Reserve Program	=	$8.2
Environmental Quality Incentives Program	=	34.9
Ground and Surface Water Conservation Program	=	2.6
Klamath Basin	=	.5
Farmland Protection Program	=	.3
Wetlands Reserve Program	=	3.6
Wildlife Habitat Incentives Program	=	2.7
Total		$52.8

The work performed in the above programs was on prior year contracts. If NRCS had not continued to perform the work on these contracts, the landowners would not have received their payments.

A January 3, 2003, Memorandum from the Office of Legal Counsel, U.S. Department of Justice, determined that the Conservation Operations account could be used to fund technical assistance for the conservation programs listed in section 1241(a). The Consolidated Appropriations Act, 2003, explicitly prohibits the use of FY 2003 Conservation Operations funds for this purpose. Since February 20, 2003, NRCS has not expended any additional FY 2003 Conservation Operations funds for this purpose.

Mr. BONILLA. Ms. Kaptur.

FARM INCOME

Ms. KAPTUR. Thank you, Mr. Chairman, very much. And I listened to what the Secretary said about the need for economic growth in rural America. With 85 percent of farm families having to work off farm in order to make ends meet, the most popular program in rural America for our farm groups when they get together is stress management.

And looking at the situation with farm income, Mr. Collins, have you been able to locate any numbers for us?

Mr. COLLINS. Yes, Ms. Kaptur, I have. Let me go back and give you 3 years of data. In fiscal year 2000, 48 percent of net farm income came from government payments; in 2001, 45 percent; and in 2002, 40 percent.

Part of the reason for the drop was, as the Secretary mentioned, a lot of producers didn't sign up during the end of 2002 and are signing up now. So government payments fell an unusual amount in 2002.

Ms. KAPTUR. It is close to half.

Mr. COLLINS. It is close to half.

Ms. KAPTUR. A few years ago it was higher than that because of the abysmal prices and what happened with the market. But imagine most workers in our country getting a supplemental income of half from the Government of the United States when they are out there trying to make it in the marketplace. It is the most difficult situation for rural America. It has been continuing for a very long time. And that is why I am going to go back to my original line of questioning, because as I look at our rural development programs, our research programs, billion-dollar rural development, $2 to $5 billion depending upon which accounts you add up, we have to think in billions of dollars.

We have to think in billions, not Federal subsidy, but ways that we use Federal programs to generate billions of dollars of private market income in rural America. Bioenergy and biofuels is absolutely one of the pillars of that new future.

Mr. Chairman, I am going to submit, and ask unanimous consent of the committee to submit, for the record figures on the current budget you are submitting to us which shows that with the Agricultural Research Service we have a decrease of several million dollars for our new uses in that account. We also have a decrease in the CCC in their bioenergy payments.

We have a decrease in the budget of value-added grants that Congresswoman Emerson talked about of over $40 million; a decrease in the renewable energy section of 9006 of the farm bill, $23 million.

I am going to submit this for the record because I am going to ask the Secretary, knowing her personal commitment to this, to see if there is not a way to work with this Congress and to change the way that USDA does business on the energy issue.

[The information follows:]

UNITED STATES DEPARTMENT OF AGRICULTURE
Biobased Products and Bioenergy Programs
Alternative Uses - - Nonfood
(Dollars in Thousands)

Activity	2001 Actual	2002 Actual	2003 Act	2004 Budget
Agricultural Research Service a/				
Nonfood Alternative/New Uses	$40,183	$41,131	$46,531	$43,559
2001 Congressional Earmarks	1,297	1,297	0	0
2002 Congressional Earmarks	0	2,249	0	0
Program terminations proposed in 2003 Budget	0	1,559	0	0
Total, Nonfood Alternative/New Uses	41,480	46,236	46,531	43,559
Biofuels/Biomass	6,867	16,755	19,846	22,255
Congressional Earmarks	0	720	0	0
EO 13101 Implementation	506	506	503	506
Total ARS	48,853	64,217	66,880	66,320
Commodity Credit Corporation				
Bioenergy Incentive Payments	40,684	78,744	115,500	100,000
Cooperative State Research, Education, and Extension Service				
Formula Programs	4,055	4,090	4,071	3,931
National Research Initiative b/	3,703	3,000	4,722	12,620
Special Research Grants-Earmarks	4,989	5,114	5,378	0
Mandatory Funds: Initiative for Future Agriculture and Food Systems	10,307	0	0	0
Total, CSREES	23,054	12,204	14,171	16,551

UNITED STATES DEPARTMENT OF AGRICULTURE
Biobased Products and Bioenergy Programs
Alternative Uses - - Nonfood
(Dollars in Thousands)

Activity	2001 Actual	2002 Actual	2003 Act	2004 Budget
Forest Service				
Nonfood Alternative/New Uses Research	12,000	12,000	12,000	12,000
Biofuels or Biomass Research	450	450	5,450	7,450
Total, FS	12,450	12,450	17,450	19,450
Natural Resources Conservation Service				
Conservation Operations	20	0	0	0
Forestry Incentives Program	6,311	6,811	0	0
Biomass R&D (Sec. 9008, Farm Bill)	0	5,000	14,000	14,000
Resource Conservation and Development:				
Bioenergy Demonstration Projects	728	728	728	728
Total, NRCS	7,059	12,539	14,728	14,728
Office of the Chief Economist				
Nonfood and Biofuels/Biomass	612	612	634	634
Federal Procurement of Biobased Products				
(Sec. 9002, Farm Bill)	0	1,000	1,000	1,000
Biodiesel Fuel Education Program				
(Sec. 9004, Farm Bill)	0	0	1,000	1,000
Total, OCE	612	1,612	2,634	2,634
Office of Procurement and Property Management				
Alternative Fuels and Preferred Products	65	67	69	69
Total, OPPM	65	67	69	69

UNITED STATES DEPARTMENT OF AGRICULTURE
Biobased Products and Bioenergy Programs
Alternative Uses -- Nonfood
(Dollars in Thousands)

Activity	2001 Actual	2002 Actual	2003 Act	2004 Budget
Rural Development				
Renewable Energy Programs:				
Value-Added Grants (Discretionary)	0	0	0	2,000
Value-Added Grants (ARPA)	10,000	0	0	0
Value-Added Grants (Sec. 6401, Farm Bill) c/	0	500	40,000	0
Renewable Energy (Discretionary)	0	0	0	3,000
Renewable Energy (Sec. 9006, Farm Bill) d/	0	0	23,000	0
RCAP/DOE: Matching Funds Grant for an Integrated Ethanol Plant, Feedlot and Animal	0	2,820	0	0
Other	0	927	852	878
Total, RD	10,000	4,247	63,852	5,878
Total, USDA Biobased Products	142,777	186,080	295,284	225,630
RECAP:				
Discretionary	132,470	179,580	216,284	209,630
Mandatory	10,307	6,500	79,000	16,000
Total, USDA Biobased Products	142,777	186,080	295,284	225,630

a/ For ARS, excludes $14 million provided in 2001 under the Agricultural Risk Protection Act of 2000 (ARPA) for the Ethanol Pilot Plant at Southern Illinois University, Edwardsville, IL. ARS is providing a one-time grant to support construction of a corn-based ethanol research pilot plant.
b/ FY 2002 includes estimated NRI until FY 2002 actual awarded NRI grant amounts are finalized.
c/ The 2002 Farm Bill provided $40 million per year for 2002-2007, but a proposed 2003 Budget amendment lowered this to $10 million for 2003 and the 2004 Budget proposes to block funding for 2004.
d/ The 2002 Farm Bill provided $23 million per year for 2003-2007, but a proposed 2003 Budget amendment lowered this to $18 million for 2003 and the 2004 Budget proposes to block funding for 2004.

Ms. KAPTUR. I have a bill, I don't expect the administration to support it, but they should, H.R. 130, called the Biofuels Energy Independence Act. Here is the target. Every year for the last several years America has imported $60 billion worth of petroleum. Our trade deficit in petroleum is growing. It is higher now than it was 20 years ago. In spite of all of our conservation programs, we are more and more dependent on other countries, and we are about to go to war. Some say it isn't for oil, but the money that oil made created and maintains those dictatorships. All of the problems that we are facing are tied to the politics of the oil regions of the world. Terrorism grows out of the insurgency that just happens to be occurring over the oil fields because there is nothing else there. 99 percent of their economy relates to oil. There is no more important issue to this government than to become energy independent.

Agriculture has to be at the table. She is still not there.

I checked the budget of the Department of Energy and the President's proposal for hydrogen fuel cell research. He only budgeted this year $48 million of an increase, not the $1.2 billion that he talked about in the State of Union Address. He took $31 million out of biomass at DOE.

So, Madam Secretary, the target for rural America should be to displace the $60 billion we are importing. The bill that I have would create, modeled on the rural telephone and the rural electric, the kind of national system to create a financing platform to move this industry up. We need your help to do that. It is a political fight, but it is our watch. It is our time. God put us here right now for our country and the world. I am asking you to really look at this.

There are 3.3 million vehicles on the road today in our country that are capable of using E–85. Most places in the country do not have E–85 pumps. Your own Department has 700 vehicles that are E–85 capable. Your Department could do so much, if you can somehow take this spaghetti of different programs that are technically involved with energy and create a real task force inside your agency. I think every single member of this committee would support that. There are Republicans and Democrats interested in this issue. We are not moving the system to help America when she needs us. Tom Osborne of Nebraska was on the floor about this the other night.

I would ask you if you have made any efforts which you have not made us aware in your testimony that will help us dig America out of this hole and move bioenergy up as one of the major priorities at the Department.

Secretary VENEMAN. Again, Congresswoman Kaptur, I want to reiterate that this is a strong priority of our Department and of our President.

As you look at the issue of bioenergy, one of the things that can most help this industry is the demand side, and the thing that can most help the demand side in the immediate near future is the renewable fuels standard that is contained in the energy bill.

We are looking at all of the energy issues. If we look at the dependence on oil, there are promising opportunities out there. There

is a plant that I visited called Cargill-Dow in Nebraska. It is creating polymers out of corn that are replacing plastics that petroleum-based products are now being used for. The promise of agriculture in some of these industrial-use areas is tremendous. We are continuing in our Department to promote that.

A high amount of our corn is now being used in ethanol, I'd say about 10 percent. And, we are seeing a tremendous increase in the number of ethanol plants around the country. The renewable fuels standards would be one of the biggest helps, and we are coordinating all of our alternative fuels in energy programs. Keith Collins has been very involved in looking at how we can continue to better promote and enhance the opportunities for these products.

Ms. KAPTUR. My time is up on this round, but I would ask you to send us a letter, with Mr. Collins, on how we can help you improve the efforts in USDA in this area because I don't believe your budget reflects that commitment.

[The information follows:]

This responds to Ms. Kaptur's request for information on how the Department of Agriculture (USDA) can improve the markets for bioenergy and bioproducts. USDA has a strong commitment to developing new biobased products, to improving the efficiency of production and conversion of biobased feedstocks into energy and products, and building increased market demand for bioenergy and biobased products. The most effective strategy for improving the prospects for bioenergy and bioproducts is a strong, diversified, and balanced thrust in supporting research, demonstration, and development of bioenergy and biobased product capacity. We believe that our FY 2004 budget proposals move in that direction and hope the Congress will support these requests. Moreover, we are working hard to help move bioenergy and bioproducts into broad-based use in the economy. This effort will be good for American farmers, rural communities, the environment and U. S. energy security.

Some examples of what USDA hopes to achieve, with the support of Congress, indicate our strong commitment to make a positive difference in improving markets for bioenergy and biobased products. USDA expects to publish draft regulations this spring to implement Section 9002 of Farm Security and Rural Investment Act of 2002 (FSRIA), preferred procurement of biobased products by Federal agencies. We expect this program will, over time, greatly expand the amount of biobased products used by the Federal government. We are working closely with the Department of Defense, the largest potential market for biobased products in the Federal government, to inform them about the environmental/public health and performance benefits these products can bring. Our Office of Administration is committed to developing a model procurement policy and program to increase the use of biobased products in USDA, and to use that program in working with Office of Management and Budget's Office of Federal Procurement Policy to provide education and training on biobased product procurement across the Federal government. We expect this program and the voluntary biobased labeling program provided for in Section 9002 will highlight the value of biobased products for use by both Federal government and private sector consumers. FSRIA provides for $1 million in funding from the Commodity Credit Corporation for each of the years FY 2002 through FY 2007 to support testing of biobased products to carry out Section 9002.

USDA will soon publish a request for proposals to develop and operate education programs on the benefits of biodiesel fuel use, implementing Section 9004 of FSRIA. This multi-year program can, we believe, substantially increase the amount of biodiesel fuel consumed by public and private sector fleet operators. FSRIA provides for $1 million in funding from the Commodity Credit Corporation for each of the years FY 2003 through FT 2007 to carry out Section 9004.

In our Rural Development mission area, we are proposing to invest $23 million in FY 2003 and another $3.9 million in FY 2004 to support renewable energy development by farmers and rural businesses. This activity will fund loans, loan guarantees and grants for renewable energy development, such as wind energy and biomass for electric power, methane production from

anaerobic digestion of animal waste, and ethanol and biodiesel production. In addition to these programs, Rural Development funds value-added grants to farmers and rural businesses, many of which are linked to developing bioenergy production.

We propose investing $66.3 million in research at the Agricultural Research Service on biofuels and biomass research, and implementation of Executive Order 13101. This investment will produce techniques to lower the cost and improve the energy efficiency of ethanol and biobased products. In addition, new biobased consumer products, hydraulic fluids, composites for automobiles, biodegradable foams for packaging, and other new products are expected to result. These research breakthroughs are essential to broadening the array of biobased products and bioenergy available to consumers.

Under our FY 2004 budget, the Farm Services Agency will provide up to $100 million in incentive payments to support new production of ethanol and production of biodiesel. This program, in past years, has proven to be an important spur to development of the biofuels industry, enabling several states to replace methyl tertiary butyl ether with ethanol without encountering ethanol supply shortages, for example.

Our FY 2004 budget proposal will support over $16.6 million in CSREES special research grants, earmarked funds, and formula funds to support bioconversion of plant and animal feedstocks, the development of new industrial crops for farmers, and improved agronomic practices for farmers.

Our FY 2004 budget proposal will support almost $19.5 million in nonfood alternative/new uses research and biofuels/biomass research in the Forest Service.

FSRIA provided USDA with $14 million in funding for research and development grants authorized under the Biomass Research and Development Act of 2000. This funding, along with $2 million carried over from the previous fiscal year, is currently being offered in a joint request for research, development and demonstration proposals with the Department of Energy (DOE), in which USDA and DOE will each bring funding to support this program. Responses to this solicitation for proposals must be submitted to USDA's Natural Resources Conservation Service no later than 4:00 p.m. on May 16, 2003. This funding will support a broad range of research and development activities and demonstration projects to improve plant physiology, agronomic practices, feedstock handling, bioconversion, and demonstration supporting increased use of bioenergy and biobased products.

We appreciate the Subcommittee's strong interest in developing new markets for agricultural products. We are pleased to work with the Subcommittee to identify and capitalize new opportunities for American agriculture in the area of bioproducts and bioenergy.

Mr. BONILLA. Thank you, Ms. Kaptur.

Would members like a third round of questioning?

Mr. KINGSTON. I would say that the Secretary wanted a third round.

Mr. BONILLA. We want to accommodate the questions. Madam Secretary, would you like to take a break or continue? In spite of what I said earlier, we will probably go past the noon hour.

Secretary VENEMAN. I am okay for the time being.

Mr. BONILLA. I yield to Mr. Latham, and when he concludes, I will ask Mr. Latham to take the Chair, and he will continue the hearing. We will go to a third round.

Mr. LATHAM. Thank you, Mr. Chairman.

Obviously the renewable energy situation is very, very important. I was pleased to see that as far as ethanol, I think we hit the 1 billion gallon production mark. Estimates are that we are adding in most areas 10 to 15 cents a bushel to the price of corn today. The great thing is that it is value added. Most of the plants that are coming on-line today are farmer owned, so the money is staying in the communities rather than going to big conglomerates. We want to continue that growth and make sure that it happens in the future. I think we can be kind of the agricultural Middle East here in the United States.

BUDGET REQUEST—AMES LAB

Just as a question, going back to the Ames Lab, what was your request of OMB, do you know?

Secretary VENEMAN. I don't.

Mr. LATHAM. Can you get that, Mr. Dewhurst?

Mr. DEWHURST. At the time we were doing the budget to finish the accelerated plan, the figure was $306 million. That is what we sent you a year ago, and it was the same number.

Mr. LATHAM. That was your request to OMB to complete the funding, okay. I appreciate that.

BIOTECHNOLOGY

One of the really important things for the future in agriculture, and everybody talks about rural development and economic development in farm country, we have some great opportunities in biotechnology as far as growing pharmaceutical proteins in corn and other agricultural commodities on a very cost-efficient basis.

Last year the Biotechnology Regulatory Service was supposed to release new guidelines for the 2003 crop year for pharmaceuticals and industrial proteins; I think you are drafting a notice of proposed rulemaking on the subject. The importance of this is growing. There is money in the 2003 appropriation bill that was just signed for start-up of a biologics facility. I think that is very, very important. Can you tell me where you are on the guidelines and the protocol? There are models for protocols out there. I think it is a tremendous opportunity for the future.

Secretary VENEMAN. First, I would absolutely agree that it is a tremendous opportunity. It provides a great promise for our farmers.

The guidelines which you are referring to should be out, I believe, within the next couple of weeks, 2 to 3 weeks at the most.

They are in the final stages, but I can't give you an exact date because we cannot guarantee how long all of the clearances will take, but they are in the final stages of drafting at this point.

But I also talked in my outlook speech last week about the importance of another initiative that we are undertaking, and that is looking at all of our biotechnology authorities and regulations to make sure that our regulatory structure is keeping up with the technology. We have seen some things happen, whether it was ProtoGene or others. We have to make sure that we have a strong regulatory system so we do not undermine the promise of this technology. We are committed to making sure that our regulations are appropriate and that we continue to have the kinds of controls on this industry to allow it to grow and thrive.

GENETICALLY MODIFIED AGRICULTURAL PRODUCTS

Mr. LATHAM. That brings up a very important item. My background as a farmer and also my involvement in the seed business, I heard for 20 years before I got in this job about what was going to happen with biotechnology, genetically modified varieties. All of the focus then was on the production side. I sat through hundreds of meetings talking about genetically modified varieties and the potential and the concerns for the future. Never once did consumer acceptance come up. That is the reality of it.

I hope there is some initiative from USDA to bring the public along so that they understand the value of this type of new technology. I think one of the most exciting things in this arena is the orphan drugs, which are expensive for a pharmaceutical company to develop for a small population. The protein can be grown for maybe a 20th of the cost that it would be otherwise in a laboratory. I believe it is important to make sure that the public is brought along with us on this and they understand that there is a real benefit for society and it is not just a matter of farmers wanting to get another market, but there is a real benefit for society. I don't know if you have any initiative like that, or what you can do to help.

Secretary VENEMAN. We have tried to be very proactive on the education side. I think there are a couple of things that have helped consumer acceptance in this country. One is confidence in the regulatory system.

Mr. LATHAM. The Ames Lab would help there.

Secretary VENEMAN. The second thing is getting products with consumer benefit. We have seen products like the vitamin A enriched rice, and there is the promise of tomatoes with increased lycopene, and some other product varieties where there are nutritional benefits for consumers. I think the strict pharmaceutical use of crops will be looked at somewhat differently by the consumer because they are looking at Europe at least at the food uses. There has been no consumer problem with pharmaceutical biotechnology use.

So I think the challenge in some parts of the world, particularly in Europe, is to get consumer acceptance of the fact that this food is certainly beneficial and good for the consumer.

The other thing that has not been well enough addressed and promoted as a public good from this agricultural technology is the environmental benefits. We have seen tremendous increases in

water quality benefits from use of Bt cotton, for example. In some of these areas we are seeing very good results in terms of water quality, but I think a lot of people do not understand the fact that agricultural products are being grown with much less chemical input to the betterment of the environment as a result of some of these technologies, and that is a message that we have tried to get out.

Mr. LATHAM. I would appreciate any efforts you can do to inform the public.

Mr. BONILLA. Mr. Hinchey.

CROP INSURANCE PROGRAM

Mr. HINCHEY. Madam Secretary, I would like to ask you a question about the Crop Insurance Program. Over the course of the last several years we have made some changes in the way that specialty crops are addressed by the Congress and administration in times of disasters. The members of this committee have been very helpful in developing a response to disasters in specialty crops on a fairly bipartisan basis. I am wondering if there are any approaches to crop insurance being taken by the Department which would address the peculiar needs of specialty crops, vegetables, fruits, things of that nature?

Secretary VENEMAN. Absolutely. I announced an initiative last week in which we are taking a two-pronged approach to looking at crop insurance. One, we are looking at where the underserved areas are and where do we need to help develop more risk management tools. Our Crop Insurance Board is continually looking at new products in that regard.

There is a Pennsylvania program that was just approved looking at a whole farm approach because of the difference in agriculture in that area.

There are some creative approaches that are being piloted now to address the kinds of concerns you are talking about, and we are going to be very proactive in addressing some of the risk management needs of our farmers and ranchers in some of the underserved areas.

The second thing that we are doing on the risk management initiative that we have implemented is we are looking also at the operation of the program. As I said earlier, we saw the largest crop insurance company in the world go belly up this year. We want to make sure that we have proper oversight over the companies themselves.

Mr. HINCHEY. I have just been handed an article from the National Journal. It says that you announced that RMA would make $18 million available to reduce the cost of crop insurance by increasing subsidies in 15 States in which participation of the Crop Insurance Program is low. They include a lot of States in the Northeast.

Secretary VENEMAN. That is correct. That program, within the Risk Management Agency, is the kind of program that we are talking about to address some of the needs of some of the underserved areas. The Northeast has been an area that has not had access to as many of the tools in terms of crop insurance, so we are looking

at the Pennsylvania program and we are using that RMA program which you just referenced to address crop insurance needs.

Mr. HINCHEY. Thank you very much.

AMERICAN HERITAGE RIVERS PROGRAM

You support two positions associated with the American Heritage Rivers Program. Those two positions are the Susquehanna and the Hudson River Navigators. I know these are rather parochial programs and they may not have come to your attention. I would appreciate if you would take a look at them if that is the case.

The Hudson River Navigator position has remained vacant for several months. It is an important program that works with local communities and it is a way for the administration to reach out to local communities and help them with their relations with the Federal Government as it relates to navigable waters.

I am wondering if you can tell us at some point what is the status of this position and when we could expect to see it filled?

Secretary VENEMAN. Sir, I would like to get back to you with that answer for the record because I don't have that information at my fingertips.

Mr. HINCHEY. I didn't expect you to have it. I would appreciate if you would get back to me on that.

[The information follows:]

For 2003, NRCS has $225,000 devoted to those two positions, and it is our intention to fill the Hudson River position as quickly as NRCS can get announcements out and applicants applying.

NRCS had a nationwide hiring freeze on until the FY 2003 Appropriations Act was enacted. Now that there is an Act, NRCS expects to be able to lift that hiring freeze and move forward with these and several hundred other positions that have been on hold.

USDA DAIRY POLICY

Mr. HINCHEY. A question on dairy policy, in the President's budget, the OMB expresses concern about the cost of dairy price support programs and they lament "lack of supply response." In other words, the fact that there is an oversupply of milk is keeping prices low. We generally know that. Our producers are just too productive.

As far as we can determine, there are basically only two ways to reduce production if we endorse this idea. One would be to reduce the number of producers, which means putting small family farmers out of business; and the other is to reduce production of farmers through supply management. I am wondering if you would first of all agree that those are the only two ways that this problem could be addressed, and which supply response do we prefer? Do we want to reduce the number of family farmers or do we want to institute a supply management program?

Secretary VENEMAN. I would say that there is another way, and that would be to increase demand for the product. There are lots of new opportunities, and we are seeing lots of innovation in the dairy industry. There are certainly lots of increased consumption of some of our products, and we are even seeing increased dairy exports. So, I wouldn't want to agree with you on those two options you presented because I would like to see increased demand.

Mr. HINCHEY. We have been trying to do that, working with the Department in various ways to try to get milk products into schools; for example, to try to limit the propensity of schools to embrace soft drinks rather than dairy products. I would love to hear what you have in mind to promote consumption and I would like to help you on that and I am sure other members would as well.

Mr. LATHAM [presiding]. Mrs. Emerson.

FSA OFFICE CONSOLIDATION

Mrs. EMERSON. Madam Secretary, I would like to go back to something Mr. Boyd started, and it is difficult to get anything done in 5 minutes. He spoke about consolidation of offices and that sort of thing. I have heard through the grapevine, and hopefully you can tell me I am wrong, hopefully I am wrong, but I have heard that USDA was going to consolidate or close about 200 offices. If that is true, given what we have been talking about since the beginning of this hearing, the fact that the farm bill, trying to deliver the farm bill, deliver disaster aid and conservation programs, how can we ever do with 200 less offices and deliver what we already don't have the manpower to do?

Secretary VENEMAN. We are looking at roughly that number, but not in FSA alone. We are looking throughout government at where we can consolidate offices. I worked on this project when I was Deputy Secretary in the last Bush Administration, and there has been a lot of work done as a result of some of the things we were doing then to look at where all of our offices were, and to consolidate offices for efficiency. It certainly gives farmers a better opportunity to have one-stop shopping for services. We have come a long way in that regard, but we think there are still opportunities where we can consolidate some agency offices.

Rural Development is looking at where their offices are structured given where they are located at this point. We have also seen some regionalization of offices in places like APHIS, for example. So, we are looking at the whole Department in doing this initiative. It also ties back in with more and more of the services that we can ultimately deliver on-line.

We know that we have a herculean task with this Farm Bill and with the disaster assistance, but the initial sign-ups are where the real infusion of resources needs to take place. Once the farmers make their elections under this Farm Bill, it should not take the kind of additional resources required currently in FSA to run the continued program.

Mrs. EMERSON. But then we have the Conservation Security Program.

Secretary VENEMAN. Much of this will be done out of the NRCS program. We have a very innovative program there which uses technical service providers and partnering with the private sector to help us with some of the conservation assistance.

Mrs. EMERSON. By contracting with the private sector, that brings up a question I was not going to ask, by contracting with the private sector, do you actually save money?

Secretary VENEMAN. I don't know exactly how much money we save.

Mr. MOSELEY. Yes. We save a little bit of money. It is marginal.

Mrs. EMERSON. Can you show me that? Can you show me where you save money because in other agencies in other departments of the government, not USDA related, it oftentimes is more expensive to contract out. I would like to see some background to back that up, if you don't mind.

Mr. MOSELEY. We can attempt to provide that. The issue here is it is part of competitive sourcing. We competitively source this. If it is less costly to use private sector, we use private sector. You develop an experience with it as you start to accomplish the goal.

[The information follows:]

NRCS is pursuing potential opportunities to reduce costs and improve program delivery through the use of private-sector Technical Service Providers and competitively sourcing other work currently performed by NRCS employees.

Competitive Sourcing provides for a cost comparison between government performance of an activity and private sector performance before a decision is made to outsource. Outsourcing will only occur when private sector performance is shown to be more cost effective. Whether or not any activities will actually be outsourced, and the related cost savings, will not be known until the competitive sourcing studies are completed. To date, no studies have been completed and no activities have actually been outsourced.

The innovative system which is using technical service providers and partnering with the private sector was authorized in the Farm Security and Rural Investment Act of 2002, Public Law 107–171, (2002 Farm Bill). It requires that USDA establish a system for approving individuals and entities to provide technical assistance to carry out Food Security Act conservation programs and establish the amounts and methods for payments for that assistance.

As advertised in FedBizOpps, NRCS is seeking to identify sources and receive information on past and current market prices from individuals and entities providing conservation technical assistance. NRCS intends to use this pricing data to establish payment rates for technical service providers. Therefore, since NRCS is in the process of developing rules and rates for technical service providers we currently have no established cost savings for this activity.

Mrs. EMERSON. Do you let your former employees who have done a task to rebid and recompete themselves to do the same task?

Mr. MOSELEY. Yes.

COMMODITY ASSISTANCE PROGRAM

Mrs. EMERSON. With regard to the School Lunch Program or Breakfast Program, the Commodity Program is a great assistance to the School Lunch Program and obviously agriculture as well. How do you feel about enacting a modest commodity program for school breakfast, maybe 5 cents in commodities for each breakfast served?

Secretary VENEMAN. Do you mean in terms of purchasing products?

Mrs. EMERSON. Yes. In other words, using the Commodity Program for the School Breakfast Program, which we currently do not do, maybe just 5 cents in commodities for each breakfast served?

Secretary VENEMAN. That is something we might look at in reauthorization. I have to say I have not looked at that issue.

Mrs. EMERSON. I know that you all have done a really good job around the country getting prepared for the child nutrition reauthorization, but I would ask if you would look at that perhaps as something that might be beneficial.

Another question that I have with regard to school lunches, we have in my district specifically but I am sure it is elsewhere, we have a lot of families who actually cannot afford the 40 cents for

the reduced fee or for the reduced price school lunch. It has been suggested to me, and I want your opinion about this whether you think it would be a doable thing, it has been suggested to me that all children with family income below 185 percent of poverty, which is the WIC level, would receive a free lunch. What do you think about that idea?

Secretary VENEMAN. Again, we want to make this program as efficient as possible in terms of serving those who are eligible to be served. We are looking at all of that in reauthorization. I suspect that the proposal you are putting forward would have a considerable cost associated with it, and I think as the reauthorization takes place there are going to be issues of whether certain kinds of changes in the program create additional cost on the program. It may be something to be considered, but I can't respond at this point.

Mrs. EMERSON. I have a couple of families who have lots of children and when you add 40 cents up for each child, it is more than they can afford.

Secretary VENEMAN. So you are saying we should look at families with larger numbers of children and see if there could be some additional assistance? We will put that in the mix.

Mrs. EMERSON. Thank you, and I would love to work with you on that.

Mr. FARR. Thank you for asking those questions because that is where I was going with my earlier questions.

I wish Mr. Nethercutt was here because he stated we are about production agriculture and thought I was putting too much emphasis on the feeding side. I think it all does relate to production agriculture, but what I think is patently unfair in the United States and the administration of the program is that the majority of the money goes to a small number of producers producing a very small number of crops in the total array of crops. Almost none of it goes to those producers which are in the fresh fruits and vegetables area. Logically you can store the commodity programs, you can store corn, cotton, wheat and soybeans. We have historically had an inability to ship or store or package fresh fruits and vegetables, but that has changed with these new atmospheric conditions. They can put in a bag and keep lettuce on the shelf for a month.

I am interested, in light of the fact that the Federal Government has produced these nutritional standards, we ought to start moving some of our money where our mouth is, and I think Congresswoman Emerson's questions about using some of those commodities, particularly in the dairy area, might be good for the Breakfast Program.

What we need to do is put a lot more into purchasing fresh products. I asked this last year and I am not going to go back into it, but it was appallingly lacking any efforts. We do a lot of canned and meats, but it is still packaged. I am wondering if the Department can provide for us the data, because as you pointed out in your testimony, this is not just a USDA purchase, but the State and local governments also purchase.

Could we get a report on the amount of fresh fruits and vegetables that are purchased at the Federal, State and local level?

Secretary VENEMAN. We will do our best to provide you with that kind of report.

Mr. FARR. For the School Lunch Program.

Secretary VENEMAN. Yes.

[The information follows:]

Within the National School Lunch Program, the dollar amount spent on fruits and vegetables, in any form, is substantial. In fiscal year (FY) 2001, schools received about $248 million of fruits and vegetables from USDA. Generally, about 15 to 20 percent of commodity fruits and vegetables are provided to schools as fresh produce. USDA's partnership with the Department of Defense (DoD) has provided a mechanism for delivering a greater variety of fresh fruits and vegetables in smaller delivery windows. The FY 2002 Farm Bill provides $50 million of Section 32 money to be used by schools to purchase fresh fruits and vegetables through the DoD Fresh program.

It should be noted that USDA-donated commodities only supplement the food items purchased by schools at the local level with Federal meal reimbursements. The "School Food Purchase Study: Final Report", published in October 1998, provided estimates of all food items acquired by public school districts participating in the National School Lunch Program during school year 1996/97. These schools purchased food valued at more than $4.6 billion with 83 percent purchased commercially. Fruits and vegetables accounted for about 20 percent of the dollar value of total food acquisitions. Roughly 5 percent of the total dollar value of school food acquisitions, or about $237 million, was spent on fresh or dried fruits and fresh vegetables, divided relatively evenly between fruits and vegetables. The volume of fruits and vegetables acquisitions is expected to increase as schools adapt their menus to include more fruits and vegetables.

SCHOOL FOOD PURCHASE STUDY:
STATISTICAL APPENDICES (October 1998)
1996- 1997 School Year
Fresh Fruit

Code	Name	$ Total Acquisitions	Purchased Foods	Donated Commodities
200015	Apples	37,367,725	31,682,277	5,685,448
202011	Apricots	4,502	4,502	
203018	Avocado	112,151	112,151	
204016	Bananas	16,492,781	16,336,696	156,085
204115	Plantains	187,084	187,084	
205014	Blackberries	1,492	1,492	
206012	Blueberries	34,958	34,958	
211012	Coconut	824	824	
212019	Cranberries	5,282	5,282	
222018	Grapefruit	271,662	158,201	113,460
224014	Grapes	12,120,803	11,819,820	300,983
225012	Jicama	313,536	313,536	
226019	Kiwi	1,906,541	1,785,250	121,290
226118	Kumquats	2,432	2,432	
227017	Lemons	355,490	352,683	2,807
228015	Limes	7,754	7,754	
229013	Mangoes	4,107	4,107	
230012	Watermelons	2,776,858	2,658,941	117,917
230111	Cantaloupes	2,803,780	2,622,706	181,075
230219	Honeydew	749,404	721,633	27,771
230318	Other Melons	13,408	13,408	
232017	Nectarines	1,859,887	1,845,529	14,358
233015	Oranges	23,453,536	21,169,604	2,283,932
233112	Oranges Mandarin	26,436	26,436	
234013	Peaches	891,648	818,110	73,538
236018	Papayas	291	291	
238014	Pears	6,719,402	4,450,223	2,269,179
240011	Pineapple	266,665	250,081	16,583
242016	Plums	1,087,444	1,074,917	12,527
243014	Prunes	200,825	4,866	195,959
244012	Pomegranates	296	296	
246017	Raspberries	1,136	1,136	
250019	Starfruit	6,306	6,306	
251017	Strawberries	2,110,558	2,018,439	92,118
252015	Tangeloes	102,835	102,835	
253013	Tangerines	2,295,123	2,209,444	85,679
261016	Fresh Mix Fruit	299,068	299,068	
		$114,854,030	**$103,103,318**	**$11,750,709**

SCHOOL FOOD PURCHASE STUDY:
STATISTICAL APPENDICES (October 1998)
1996- 1997 School Year
Fresh Vegetables

Code	Name	$ Total Acquisitions	Purchased Foods	Donated Commodities
300013	Asparagus	4,186	4,186	
301011	Artichoke	320	320	
302018	Bean Sprouts	38,546	38,372	174
304014	Green Beans	3,427	3,427	
314013	Broccoli	4,359,701	4,290,299	69,402
318014	Cabbage Head	2,140,903	2,100,705	40,198
318113	Cabbage Shredded	543,763	534,341	9,422
318212	Cabbage Shredded w/other Vegetables	1,265,443	1,262,667	2,776
320011	Carrots	2,826,717	2,764,676	62,041
320077	Carrots Individual Serving	190,465		
320119	Carrot Sticks/Baby/Shredded	13,602,373	12,611,013	991,360
322016	Cauliflower Heads	1,657,783	1,656,239	1,544
322115	Cauliflower Florettes	989,031	911,573	77,458
324912	Celery	2,323,697	2,306,553	17,145
324111	Celery Sticks/diced	4,116,679	3,918,883	197,796
327016	Cilantro	44,000	43,753	247
330019	Corn on the cob	4,011	3,318	692
334011	Cucumbers	4,308,555	4,264,412	44,142
336016	Eggplant	2,889	2,889	
338012	Kale	208,630	208,630	
340018	Lettuce Heads	19,316,352	19,235,979	80,373
340117	Lettuce Shredded	10,173,021	9,964,209	208,813
340216	Lettuce Salad Mix	16,370,877	15,723,868	647,009
342014	Mushrooms	445,052	440,071	4,981
346015	Okra	17,767	17,767	
348011	Onions Green	308,048	308,048	
349018	Onions	2,069,159	2,049,546	19,613
363019	Parsley	28,305	28,084	221
366013	Peppers	2,814,913	2,767,717	47,196
370015	Potatoes	8,049,031	7,369,631	679,400
372011	Radish	708,507	687,973	20,535
373018	Rutabagas	787	787	
374016	Spinach	633,796	620,892	12,904
375014	Alfalfa sprouts	186,812	180,825	5,988
376012	Squash	443,686	443,241	444
377019	Sweet Potatoes	34,310	34,310	
378017	Tomatoes	19,106,858	18,809,593	297,265
378116	Tomatoes Cherry	1,160,623	1,104,073	56,550
380014	Turnips	1,788	1,788	
381012	Turnip Greens	2,185	2,185	
390013	Mix Vegetables	742,879	167,432	575,447
[redacted]		**$121,245,875**	**$116,884,275**	**$4,171,136**

SCHOOL FOOD PURCHASE STUDY:
STATISTICAL APPENDICES (October 1998)
1996 - 1997 School Year
Dry Fruits

Code	Name	$ Total Acquisitions	Purchased Foods	Donated Commodities
211045	Coconut Dry	262,884	262,884	
214048	Dates	286,921		286,921
216044	Figs	11,161		11,161
261041	Mixed Fruit Dry/Dehydrated	2,416	2,416	
[redacted]		$563,382	$265,300	$298,082

[redacted]		$236,663,287	$220,252,893	$16,219,927

NATIONAL ORGANIC STANDARDS PROGRAM

Mr. FARR. Let me move to something else, because some of those purchases might be organic.

Mr. Kingston raised the point about the organic snafu that went into the omnibus appropriations bill. Most of us were appalled by it and have endorsed efforts to repeal it. Senator Leahy introduced legislation as well as Congressman Kind and myself here, and I was very pleased to read in today's National Journal your statement regarding USDA standards remaining in place, and that you are concerned that the language inserted in the Omnibus Appropriations Act weakens the National Organic Program.

Can you do something to make sure that that language does not get implemented?

Secretary VENEMAN. No, that is your job.

Mr. FARR. Well, it is both of our jobs. I mean, as you stated, you worked 10 years in the Department, got a record number of responses. This is really undermining a program, and I think in response to another question, what we have to have is confidence in the regulatory system.

Secretary VENEMAN. I said that tongue-in-cheek. As my statement I put out yesterday said, we did work long and hard on this, and we believe we ought to maintain the organic standards that were agreed to.

The provision that is in the fiscal year 2003 Bill requires us to conduct a study to determine whether or not there is available organic feed. We have been in the process of conducting such a study for some time, so we are already engaged in that process. But we are currently doing everything we can. Under the current organic law, we are continuing to implement the organic standards as they were put forward and implemented in October of 2002.

Mr. FARR. And in that study, you can also determine whether there is quantity versus cost, and you can take a long time on that study, can't you, and the provision in the omnibus runs out at the end of this fiscal year?

Secretary VENEMAN. Well, I don't know when the study is going to be completed, but we are engaged in looking at the whole feed sector, and whether or not sufficient organic feed is available.

Mr. FARR. I want assurances that all of the hard work that went into creating the organic standards are not going to be undermined by this latest effort by not allowing you to enforce the rule.

Secretary VENEMAN. I understand your concerns, and my statement indicates that I have some of the same concerns.

As I said earlier to Mr. Kingston, we are also outreaching to the people who have a concern with this, to try to give them access to the names of feed suppliers, to address the problem that they believe that they have in terms of access to supply by providing information on where they can get the kind of feed that they need.

Mr. FARR. Could you supply us with that information also?

Secretary VENEMAN. Certainly.

[The information follows:]

We have compiled a preliminary list of organic feed suppliers based on information from the Organic Trade Association, the National Sustainable Agriculture Information Service, and others that we will post on the National Organic Program website at *www.ams.usda.gov/nop*. Certifying agents are required to send USDA a

list of all operations that they certify. As we compile this information, we will add to our list of organic feed suppliers.

Mr. LATHAM. Thank you, Mr. Farr.

Ms. DeLauro.

Ms. DELAURO. Thank you, Mr. Chairman.

PRODUCT DISTRIBUTION DISCLOSURE

Madam Secretary, I would just like to continue talking about disclosure. Last year E. coli 0157:H7 tainted ground beef produced by a Colorado plant resulted in a recall of approximately 19 million pounds of product. Colorado and other State public health officials that wanted to inform their citizens where the contaminated product was sold were not able to get the product distribution information from USDA because the Department only shares a plant's customer list with States that sign a memorandum of understanding promising not to release the information to the public. Some States have open record laws that prevent them from signing such an MOU.

The USDA's approach to providing distribution lists seems to be counterintuitive as consumers urgently need to know if the meat in their refrigerator came from a contaminated or an implicated product. These were articles that appeared in the Denver Post in August of 2002. State health officials asked Conagra for its list of distributors from a second 18.3 million pound recall so State inspectors could track which restaurants and grocery stores got the meat. Conagra said no. USDA regulations said it is the company's choice. It said a recent change in that rule will not help Coloradoans.

My questions to you on this issue from the Department's perspective, explain to us the logic behind USDA's policy not to release distribution information to States that will tell consumers where the recalled product is sold?

Is there any legal barrier to the Department's release of this information to State public health officials that is responding to a recall, and what do you think we can do to ensure that the information is passed on to consumers in a timely manner? As I understand it, there was lag time, 8–10 days, in which this product was on the shelf being eaten and consumers could not get the benefit of the information.

Secretary VENEMAN. I am not completely aware of all of the details of what you are describing, but I am generally aware of this disclosure issue. I know that we have looked at the lessons learned out of this recall and the need to disclose certain information, and we have implemented some new procedures which I can get to you on the record to provide better information sharing to both States and consumers. I agree with you, people need to know what product is being recalled.

We realized that there were some difficulties within the system. Again, I don't know whether or not there are legal impediments, but I can commit that we are making sure if there is a lag in getting information out, we are trying to correct deficiencies that we may have detected in that recall.

In every one of these situations, we always try to learn from what happens and make the system better if there is an issue.

Ms. DELAURO. I appreciate that information. So you are amenable to providing distribution lists to State officials and public health officials with these occurrences to allow consumers to understand where the product is being sold, and not purchase from a supplier, or at least not purchase for the period of time when we understand that the meat is tainted or it is being recalled. Because that information does not get to the consumer and it is being prevented both by the industry and the USDA.

Secretary VENEMAN. Again, I don't know what the impediments are, but we will get something back to you.

[The information follows:]

There are no barriers to the Department's release of distribution information to the States.

Ms. KAPTUR. Would the gentlelady yield?

Yesterday we were informed by the Inspector General that only 12 percent of recalls are ever recovered, which means that 88 percent of the bad stuff is still out there in the system.

Secretary VENEMAN. I think that is an interesting issue that you bring up because it is different than the one that Ms. DeLauro brought up, and that is what the definition of a recall is. It is not that it is still in the system.

When we announce the amount of the recall, it was the amount produced on that day. Obviously a tremendous portion has already been consumed.

There have been some meetings with consumer and industry groups to determine what we should be defining as a recall because when you say that you are recalling a certain amount of product, it is the amount that was produced that day. Obviously not all of it is still in the system. That is where the IG gave you that number, I believe.

Ms. DELAURO. I will follow up on that later.

Mr. LATHAM. Mr. Boyd.

Mr. BOYD. Madam Secretary, I want to follow up on a question asked earlier by Ms. Kaptur related to research and development by the United States Government Department of Agriculture, and I want to speak in macro terms but also specifically.

CITRUS CANKER RESEARCH AND DEVELOPMENT

It will not surprise you that I want to address citrus canker in that question. We all realize that we would not be where we are today if the people that went before us did not invest a lot of money in research and development to make us the best agricultural production country in the world. I think a lot of our folks are worried about that now because they see trends, like I do, that the numbers are down. I am trying to compare apples to apples here, and maybe Mr. Dewhurst can argue, but there is a 15 percent reduction in the ARS budget from 2002 actual to this budget request, and about a 4 percent in the CSREES. I know that we are in difficult times, but farmers are not like the folks that ran Enron and Global Crossing. They do not farm with their eye on the next quarterly financial statement or tomorrow's stock price. They are visionary, and they want their kids to take this farm and run with it

down the road. But with today's global economic environment, we cannot do that unless we invest in research and development.

I have spent my entire life farming. I still do. I could not do it if we did not have the technological advances provided to some extent by industry, but mostly by the United States Government and our State governments. It is our watch, as Ms. Kaptur said. We cannot let our research and development capacity decline. That is like mortgaging our children's future. That is my little lecture, and I apologize for that in taking your time to lecture, but we need to be visionary on this.

Let me be specific. Citrus canker, and you know that issue well. It came into this country in 1989 through the Miami Airport, was planted in a residential yard a quarter of a mile from the Miami Airport. We discovered it in 1995. We have spent hundreds of millions of dollars of this Federal Government's money, matched by the State of Florida. In addition to the economic loss suffered by the farmers, the industry, and I am not sure that we are winning the battle. You have been very, very helpful in that, and I am grateful to you. I sometimes feel I have worn my knees out begging Mr. Bonilla, Mr. Obey, Mr. Young and Ms. Kaptur and your office to work through this. We have to keep the commercial industry cooperative to fight this battle. It is a legal quagmire, and you know that.

Have you guys weighed into that or would you consider weighing in if we continue to have legal problems on that issue?

Secretary VENEMAN. I have to say I honestly do not know if we have intervened in that case or not, and I can have my lawyers to look at the possibility. I thought the case had gotten to the point where it allowed us to resume the program.

Mr. BOYD. That is true, but they are appealing. Of course what the folks are fighting, the cities and counties and some individuals in south Florida, are challenging the 1,900-foot rule. Actually the last ruling is a positive one, and so we are in pretty good shape. But if we get stopped again, we desperately need the Department to step up legally. I don't know what the legal terms are, but present a brief to the court.

Secretary VENEMAN. We will look at the feasibility of doing that. I don't know without talking to my lawyers whether or not we can do that. But we will certainly look at it.

Mr. BOYD. My second question goes to the macro issue, and that is what is the administration's long-term strategy on the research and development side for maintaining the technological edge that the United States of America has on the agricultural production side? That is a very simple question, and there should be a strategy in place and if there is, I would like for you to share it with us.

Secretary VENEMAN. I absolutely agree that research and development has been critical to the food and agriculture industry in this country and it continues to be. A lot of people think of agriculture as a low tech business, but as you know, it is a very high tech business and without new technology we would not be the most efficient producers in the world.

The interesting thing about research and development is that it has continued to grow, and I don't have the absolute numbers, but more and more research has been done by the private sector. It

used to be, when the Department of Agriculture was formed over 100 years ago, that 100 percent of agricultural research was done by the government. Today over 60 percent is done by the private sector.

One of the things that we have tried to do is to look at where the research priorities are from a public perspective. How do we help farmers address both the short and long-term issues that they are facing today, be it environmental issues or food safety issues or genomic mapping opportunities which will give us information to determine things like food safety strategies or strategies to fight pests and diseases. There are tremendous new opportunities in research. We want to make sure that our priority setting is right in this regard.

We are working closely with the Office of Science and Technology. We are trying to leverage resources by partnering with other research institutions. For example, when we were in China this summer, Dr. Jen, our Under Secretary for Research Education and Economics, had negotiated a joint partnership to do genomics research on pigs with China and to share that work because the underlying research of that project will be so important in dealing with the industry itself.

I think there are new ways we can look at research. We would love to have unlimited resources to put into some of these projects, but we have to make priorities in the budget and so it becomes difficult. I do think that when we look at research we are looking at the whole range of issues. The pest and disease issues are also ones that agriculture is continually confronting on the research area.

Mr. LATHAM. Thank you, Mr. Boyd. I had one comment. Mr. Farr brought up the fact that most of the commodity dollars go to a few crops and few farmers, and I would just suggest that one of the policy changes made in the new farm bill, which I strongly disagree with, is that it very much limits the opportunity for different crops to come in because now it is by commodity rather than by the land. Before you had flexibility to grow anything on that land, today you don't if you want to get subsidies. So that policy part of the farm bill is only going to make things worse.

Mr. FARR. That is the point, that you do not really help all farmers in need.

Mr. LATHAM. Exactly. I am in total agreement with you.

PACKER CONCENTRATION

One question that I have, in the fiscal year 2004 request, the Department would like $1 million to implement a new pilot program to audit the top four meat packers. I just want to know what types of things you will be reviewing with the audit and what you intend to do with the results? Does this have to do with mandatory price reporting?

Secretary VENEMAN. This is a request through our Packers and Stockyards Administration under GIPSA. There has been a lot of questions raised about concentration in the meat packer industry and what impacts this is having, and so this is an attempt to audit the largest of those packers and do a complete audit. So we have requested money for that purpose.

Mr. LATHAM. Very good.

Ms. Kaptur.

FOOD SAFETY

Ms. KAPTUR. Thank you, Mr. Chairman. I wanted to move to the subject of food safety and inspection.

I would like to place in the record and ask unanimous consent to do so the following figures relating to food safety of the Department. First of all, the appropriated levels since 1997, which have been increasing, the fact that as of September 30 last year there were fewer inspectors on board 7,560. That is down from 2001, 7,645.

Recalls have doubled, the amount of pounds recalled. In fact, it has more than doubled since 1997. It was 27 million pounds recalled in 1997. Last year it was 56 million pounds. And finally, the recalls for class 1 violations by number, which has had a sixfold increase since 1997. Class 1 health violation recalls were 16 in 1997, and for the fiscal year 2002, 98. That is a sixfold increase, and it is an increase that is very serious, and I want to emphasize sixfold, six times more than 5 years ago.

LISTERIA RULE

I want to move to the issue of listeria, and I am only going to pick out one piece of this and one plant, the Wampler plant in Pennsylvania, owned by Pilgrim's Pride. I am going to be asking the Secretary about why the listeria rule was changed.

This particular plant's bad practices led to the deaths of seven people and miscarriages and many hospitalizations. The problem was tainted turkey.

Now the Department in response to that situation issued a strong rule which the Secretary herself called aggressive, but something happened on the way to the implementation of the rule and that is what I want to get at. I also want to put in the record an article from Time Magazine of this week, "Can Cold Cuts Kill?" sub-headline, "The USDA may be dragging its feet on inspections and favoring the industry.".

I also want to place on the record the fact that Wampler's Pilgrim's Pride was the 18th largest agribusiness campaign contributor to Federal elections, all on one side of the aisle. 100 percent of their campaign contributions went not to my side of the aisle. The National Food Processors Association is quoted in this Time Magazine article as having persuaded the USDA to weaken the listeria rule, gave $150,000 in soft money only to the majority party. The head of the Food Marketing Institute, which has led the industry's effort to weaken E. coli testing, was one of President Bush's $100,000 Club contributors.

It is very interesting that that particular organization also did contribute to some Democrats, but the ratio was 6 to 1. Food Marketing Institute favored the majority party 6 to 1. I don't know if that has any relationship to the number of class 1 violations, but 6 to 1 seems to be an interesting ratio here.

Madam Secretary, my question is the White House denied, in press reports at least, any role in changing the final listeria rule. However, Under Secretary Murano acknowledged consulting both

the White House and the industry on the final rule, claiming it was only fine-tuned.

I would like you to explain what happened with the progress of that aggressive rule you had originally introduced; and also, as I understand it, the final rule drops any fines for plants that violate. No fines for companies and also limits testing only to plants with the riskiest products and plants that do not do their own testing. What happened?

Secretary VENEMAN. We do not have a listeria final rule yet. There is a proposed listeria rule which has been out for public comment for some time and under which a risk assessment has been going on.

However, after the Wampler issue, I said we cannot wait for the listeria rule to come out; what else can we do? I want to be aggressive on this.

We issued a directive to our meat plants identifying what we were going to require them to do on listeria. This was more complete than was the proposed rule for listeria and more aggressive.

We are in the process of completing the final listeria rule. Yesterday there was a meeting with all interested parties, including consumer groups, industry and so forth, on the listeria rule risk assessment. Unfortunately, I didn't have a chance to get briefed on how that meeting went, but that was then shared with what they found out about the risk assessment, and from these inputs the final rule will be written and we are working on an aggressive time frame to get that rule done.

This directive was done as an interim step because we did not want to wait for the rulemaking process to be complete. In addition, on the E. coli issue, we have taken directives to implement steps on reducing E. coli. We have taken steps to implement processes to protect against Bovine Spongiform Encephalopathy (BSE). We have been very aggressive on these food safety issues, and we are going to continue to be.

I would be happy to have our Under Secretary Elsa Murano and our food safety inspection people talk to you about the steps that we have taken and the steps that we will continue to take on these issues.

Ms. KAPTUR. Will your final rule include fining companies where violations are found?

Secretary VENEMAN. I cannot comment on what the final rule will contain.

Mr. HINCHEY. Madam Secretary, you are 30 minutes beyond the allotted time. We have some tough questions now coming up.

LIVESTOCK COMPENSATION PROGRAM

In Congress, we are not allowed to put items on web sites 60 days before elections. We cannot send out mass mailings 60 days before the election, either primary or general election. But those restrictions do not apply to the executive branch unless they impose them upon themselves. The executive branch behaves differently according to the administration that is in office. I know someone in your position is asked to do some things that you might not do on your own, but nevertheless you are asked to do them by higher ups.

One of the things that irritated a lot of people last September was the announcement of the livestock compensation program, and the way it was handled. There were no Democrats invited to the announcement when it was made at a campaign appearance in South Dakota. There were only Republicans present, and it was telecast via closed circuit TV to various places around the country. One of the candidates for election in South Dakota was given a very prominent role, and he just coincidentally happened to be in a very tight race with an incumbent out there. I wonder what the Department's policy is with regard to political events how you feel about them?

Secretary VENEMAN. Well, again this was the announcement of the Livestock Compensation Program. It had been a program that had been conceived and requested by some Members. When we finally determined that we were going to do this program, and again, keep in mind that despite calls for disaster assistance, Congress had not acted. The sector that was in most need because of lack of risk management tools; i.e., crop insurance, was the livestock sector. So we did implement this program and include some of the Members which had requested the program itself in the announcement.

We often bring Members of Congress to the Department for these kinds of announcements, either on radio or TV, sometimes it is one party, sometimes it is bipartisan. Certainly it is a common practice that we include Members of Congress in the things that we do and the announcements that we make, depending on their level of interest.

Mr. HINCHEY. I know that. I also know that the appropriations process broke down completely last year. We had a budget which could not fit the appropriations in it, and people here who were responsible for carrying out that activity were made very uncomfortable, and I hope that they were embarrassed about how that process went. We did not finish it up the funding for 2003 until just recently. The President just signed the bill last week.

So yes—through no fault of this committee because this subcommittee and the committee as a whole carried out its responsibilities in a very timely fashion—there was no appropriation for FY 2003 until recently. The leadership of the House was not able to fit everything together and as a consequence, as you indicate, the appropriations process just fell apart.

Because there was this problem with livestock you had to respond, and I think you responded in an interesting way. I thought that funding the program from that particular source was not a good idea because section 32 is a source that is important to farmers where I live. Section 32 is generally dedicated to purchases of specialty crops, and it was being used here for livestock which was totally out of the context. But that is really not my question at this particular point.

I know this is not a question that you want to answer, but the fact of the matter is that particular event was held in a political way. It was designed to benefit a political candidate, running for public office at the time. However, it was done in a very partisan way. It was done to benefit specifically candidates of the Republican Party. You made a major announcement, almost $1 billion in

livestock compensation. A lot of people would have been interested in attending if they had been invited.

I am not saying that these things happen only while you have been Secretary of agriculture. Other people may have done similar things in the past, but this particular event received a lot of attention. There was big a story in the New York Times about it. It is the kind of thing that we hope will not happen again. And when there are announcements like that, we hope that Democrats will be invited as well.

Secretary VENEMAN. I appreciate your concern.

Mr. LATHAM. Mr. Farr.

Mr. FARR. Thank you, Mr. Chairman.

POLLUTED RUN-OFF

Madam Secretary, I thank you for your interest in responding to last year's concerns raised by this committee and addressing problems associated with polluted runoff. We brought that up, and you pointed out in your testimony that through NRCS, you are going to support the important activities addressing those problems not only with polluted runoff from animal feeding operations, but also for providing specialized technical assistance to land users on grazing lands.

What wasn't in your budget, and I am hopeful that we can get it in there, is some $600,000 that was appropriated for the last two fiscal years for an NRCS study that is going on in California in conjunction with the National Marine Sanctuaries. Essentially NRCS is doing the work on the land, and it is a six-county area, essentially the territory from southern San Francisco to Santa Barbara. It has gotten all of the State agencies involved, and what is unique about it is the agricultural agencies, particularly the State Farm Bureau and local farm bureaus, are very excited about it because it is not mandatory. They are just volunteering access to their lands and sharing information so that we can find out how to best manage runoff. It is probably one of the largest areas of the United States that this is being done in, and certainly one of the most comprehensive studies. So for a very little amount of money we are getting a big bang for the buck. It is being written up in a lot of journals, and the Farm Bureau is very excited about it. They said they would participate as long as the program did not develop regulations that would make them mandate to do practices that they would just rather incorporate voluntarily if something was broken and needed fixing, and that is the way it is working.

I commend you for your interest in that, and encourage you to continue to support that effort at NRCS.

Secretary VENEMAN. Actually I will look at this. I know the unique issues relating to the coast terrain and some of the watershed areas there.

I would note with regard to animal waste issues we have a very large increase in the EQIP program as a result of last year's Farm Bill which will certainly help with some of these issues. We also just had the release of the new Confined Animal Feeding Operations (CAFO) rule which USDA and EPA worked in strong cooperation on to make sure that we had a rule that could be implemented by farmers and ranchers so it would produce the kind of

results that we want. We are very proud that we were able to work so cooperatively with EPA in developing that final rule to further protect the CAFOs.

Mr. FARR. I had hoped one of the things that we could start doing is really develop a policy that, if we are going to help in the process of keeping people in agriculture, that we also get a commitment that those lands stay in agriculture, working cooperatively with the American Farm Land Trust. We have local farm land trusts. Because with urban sprawl going on in California, and it is going to hit other States as well, if we are going to take the most productive land in agriculture, perhaps in the world, out of agriculture production, we are killing the goose that lays the golden egg, the goose that provides a plus side on our balance of payments, trade payments, and for all of the reasons you know. I do think that we need to have a bigger role by the USDA in the preservation of ag land; not just we will help you stay in agriculture until the day you want to convert to housing.

Secretary VENEMAN. We do have farmland preservation moneys within our budget. But I absolutely agree. Some of the land preservation trusts that have been set up, particularly in California, which has been a leader, are the Range Land Trust, and the Farm Land Trust, which I think have been great models for keeping land in production and creating the kinds of long-term investments in ag land that you are talking about.

Mr. FARR. Thank you for your help.

Mr. LATHAM. Ms. DeLauro.

Ms. DELAURO. Thank you, Mr. Chairman.

LISTERIA RULE

Madam Secretary, if I could, I would like to go back to follow up on a couple of things that Ms. Kaptur talked about with regard to listeria. Last year when Dr. Murano was here, I asked her about the listeria rule and when we would have it finalized. She indicated that she thought that they were going to have a rule, and that 2003 was the earliest time for us to have a rule.

I understand what you said about the directive in order to try to speed up the process, but it is pretty much March of 2003 and we do not know when we are going to have a rule on listeria. Let me quote from the article that Ms. Kaptur put into the record because I think it is important with the questions that Ms. Kaptur brought up.

A few days ago Time Magazine published an article that an industry newsletter stated that a number of key USDA personnel have bought into much of industrial proposals. Further, the directive was averted as a result of industry efforts made at the White House level.

Leaving that there for a second, one of the critical points here is that the industry says or is potentially saying that there is no need to rush a final listeria rule because the directive is forcing plants to test for listeria. But the directive is no substitute for a final rule because a directive is only an instruction to FSIS inspectors telling them when and where to test, and if we do not get the dollars to deal with the testing, the industry has no incentive to do their own testing.

I might add the issue of the fines that Ms. Kaptur brought up, and I think it is important to quote your predecessor, Secretary Glickman, "We can fine circuses for mistreating elephants, but we cannot fine companies that violate food safety standards."

We can never get to holding an industry accountable for tainted meat in our food supply. All of these questions are trying to figure out why, what is the reason. Your directive is no replacement for a rule and it is now 2003. Where is the listeria rule? We are going to watch it carefully to see whether or not it has been watered down to continue to protect the industry.

Secretary VENEMAN. Ms. DeLauro, I can only say that we did this directive as an interim step because I did not want to wait for the listeria rule to get done. We are going to get this rule out as quickly as possible. The risk assessment was presented to the interested parties yesterday. I can honestly say that I have pushed very hard to get this rule out as quickly as possible. We are doing simultaneous clearances on it. We are working the rulemaking process as quickly as we can. I am committed to getting this rule out.

Ms. DELAURO. Do you believe, as your predecessor Secretary Glickman believed, that we ought to be able to fine these companies? What is your personal view of this?

Secretary VENEMAN. I haven't looked at the legal authorities on fines. I have to be honest, I have not looked at those legal authorities, but I certainly think that it is something that needs to be considered and looked at in the mix.

Ms. DELAURO. Do you believe that the fines to be applied to these companies will be in the process?

Secretary VENEMAN. I don't understand what you are talking about, elimination of fines?

Ms. DELAURO. In the first round in looking at this effort, I understood that we were going to apply fines to companies who were in violation.

Secretary VENEMAN. I am quite sure that could not have been done in a directive.

Ms. DELAURO. I would go back and look at that as well. The issue remains, and I go back to what Secretary Glickman pointed out. It was his strong view that we ought to have fines. I was asking your own personal view as the Secretary of Agriculture, the kind of authority that you would like as it has to do with both rulemaking and with mandatory recall and with fining companies that violate some very fundamental rules.

Secretary VENEMAN. As I mentioned, one of the things that I have asked for is a complete review of all of our authorities. I am going to look at all of those authorities and determine whether or not we believe we have the authorities that allow us to do our job.

Ms. DELAURO. Thank you, Mr. Chairman.

Thank you, Madam Secretary.

Mr. LATHAM. Mr. Boyd.

Mr. BOYD. Madam Secretary, I am the last one so I will try to wind this up on a more pleasant note. You have been very diligent and kind to sit here for over 3 hours and answer our questions.

CITRUS CANKER RESEARCH

Back to the previous point that we were talking about, citrus canker. I did want you to know that we earmarked money for citrus canker research. This is one of those earmark programs that you talked about in your testimony where maybe the needs and returns are not the greatest. However, I certainly think that research on citrus canker is something we have to do. Even if it takes us 5, 8, 10 years, we have to do it. Nobody else is going to do it. I hope next year when we get our budget request from you we will see some request for ARS money into citrus canker research. It is a $9 billion industry for our State, and it is really important to us.

RISK MANAGEMENT ISSUES

Now, I want to wind up with one question on the Risk Management Agency, and I have a recommendation for a way to save some money. Isn't that great?

From the way I understand it, the FSA compiles acreage and production data on producers in order to calculate losses and determine payments for crops insurance, as does the RMA collecting data also. If there is a discrepancy, the RMA always uses the FSA numbers; is that accurate and fair?

Secretary VENEMAN. Mr. Collins.

Mr. COLLINS. RMA only collects loss data if there is a disaster. RMA collects loss data through loss adjustment. Private companies hire loss adjusters to determine the size of the losses, so they are really independent systems.

Mr. BOYD. Independent systems doing basically the same thing?

Mr. COLLINS. Historically they have been independent systems. Under an act implemented in 2000, we have been directed to work those two systems together, and that is what we have been doing over the last couple of years. It is not easy because a Farm Service Agency farm, for payment purposes, is different than a Risk Management Agency farm. When a farm comes in to buy crop insurance, they may not buy it on the same farm definition or same piece of land that we make program payments on. They can elect to carve up their farm in different ways. They can provide insurance for what is called a basic unit. They can buy an optional unit or enterprise unit. There is a lot of ways that they can construct their crop insurance policy.

Mr. BOYD. I believe farmers can game that system better than any way that you guys can dream up.

Mr. COLLINS. I know that for a fact.

Mr. BOYD. I deal with them every day.

I guess my question, Madam Secretary, in this day of tight budgets and reduction in FSA staff is why are we basically duplicating the efforts? Although they may need some fine-tuning, and there might be some technical differences. It might be a way to save some money. Risk crop insurance is something that, if we are going to stay in the farming business in this country, we have to figure out how to make it work. Honestly, at some other point in time I want to talk with you and your people because it is not working very well. We still have difficulties. They are not ready to give up, but we have to figure out how to make it work.

Secretary VENEMAN. We appreciate the opportunity to do that. We are looking at where are the gaps in the system and where are the areas where the program not working, and we want to make new products available and make adjustments to the program where it is not working, and that is part of the initiative. We would be happy to work with you and our risk management people on that issue.

We have these technical problems of different definitions of farms, but we are working on a technology project to try to bring these systems together in a more comprehensive way so that the data can be compared and shared even with the differences in farm definitions.

Mr. BOYD. I would submit that ultimately each organization is compiling production data, loss data, yield data, and how you format it, we ought to be able to figure that out so as not to duplicate efforts.

Mr. COLLINS. I agree, and we are looking at that. We have a big data mining effort going on between FSA and RMA.

In addition to that, related to your concern about how crop insurance is working in Florida, we did award a contract to the University of Florida in 2002 to look at the problems with crop insurance in Florida. We got that report late in 2002. That is part of the Secretary's initiative to look at the gaps in crop insurance.

Right now we have 32 pilot programs going on for crop insurance, many of them in specialty crops; citrus tree insurance is an example of one of those pilots. In addition, we awarded 40 contracts for research projects during 2002 to improve the portfolio of products in the Risk Management Agency. There is a lot of stuff in process, but it has got to be brought together.

Mr. BOYD. Mr. Chairman, there was some language in the omnibus bill about the citrus nursery relative to the risk management and crop insurance. Are you familiar with that?

Mr. COLLINS. No, I am not. In fiscal year 2003?

Mr. BOYD. Yes, in the fiscal year 2003 bill.

Mr. COLLINS. I don't remember that.

Mr. BOYD. Because of that language, the USDA said that they have to scrap the whole rule that we put in place 3 or 4 years ago on the citrus canker compensation, the loss production. Maybe it is something that we can talk about outside of this setting. As it was represented to me it was a matter of wanting to scrap something that we already have in place because something was going to be added. You will endanger the whole Canker Program if we do not continue that part of it, that crop insurance part of it.

Mr. LATHAM. If you want to submit something for the record, please feel free to do so.

Mr. BOYD. Thank you, Mr. Chairman.

[The information follows:]

The Consolidated Appropriations Resolution for fiscal year 2003 provided that the Secretary not use more than $18,200,000 of the funds of the Commodity Credit Corporation, to remain available until expended, to compensate commercial citrus and lime growers in the State of Florida for lost production with respect to trees removed to control citrus canker, and with respect to certified citrus nursery stocks within the citrus canker quarantine areas. This language does not affect risk management and crop insurance programs of the Department. Indemnities paid under

citrus and citrus tree insurance policies are not affected by any compensation paid for tree removal as a result of citrus canker.

Mr. LATHAM. Ms. Kaptur.

Ms. KAPTUR. Thank you, Madam Secretary, for remaining longer than you anticipated, along with all of your associates.

USDA WEBSITE

I have this comment and then I have an additional one that I want to ask on our international food programs. In your prior comments you referenced your Web site and I am going to be placing on the record the Department of Agriculture Web site as of October 30, 2002, just a few days before election. This Web site includes photos of 21 Republicans and 3 Democrats in this Congress. We know this institution is about equally divided, but my question and concern goes to the fact that some Members who were in heavily contested races, David Phelps and John Shimkus, for example, the only photo on your Web site was of John Shimkus. And the same was true of a Member from Connecticut. It was obvious that there was favoritism shown on the Web site. We have tabbed the Republicans who have photos and the Democrats who have photos. No Democrat was pictured alone. The Democrats were always surrounded by three or four Republicans. I know that Republicans have a little edge on us here, but that is quite a significant disparity.

My question is: Do you believe this to be an appropriate use of taxpayer funds on the USDA Web site?

Secretary VENEMAN. Congresswoman, what the Web site has is pictures of the activities that we participate in. I think you mentioned Mr. Shimkus. I did a visit in his district, and we often have photos of events when we travel around the country. We chronicle those and make them available. They are public events. They are events for which the press is invited, and certainly it is only a recap of the event that we participated in.

Ms. KAPTUR. Do you think that it is appropriate to have pictures of contested candidates a week before election on the Government of the United States Web site and it is a 7 to 1 ratio in favor of the party which appointed you?

Secretary VENEMAN. I wasn't aware of the ratio. All I am saying is that it is about chronicling the things that we are doing. These were not events that were outlined or put on there at that period of time. They were left on our Web site.

Ms. KAPTUR. I regret that I have to place this in the record. The photos cannot be included, but we will include the names. If it is true that the photos represent the districts into which you are going, then it is seriously disproportional, and the Department receives enormous support from both sides of the aisle in Congress. I know my comments will be taken into consideration.

[The information follows:]

USDA UNITED STATES DEPARTMENT OF AGRICULTURE

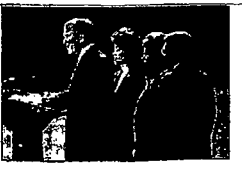
Events



- Former Secretaries of Agriculture
- Secretary's Biographical Sketch
- USDA's Photography Center

Veneman Marks Implementation of USDA National Organic Standards

Video News Release
National Organic Program [AMS]



White House Photo by Tina Hager

President's Remarks on West Coast Ports

Statement by Agriculture Secretary Ann M. Veneman Regarding the Intervention of President Bush in the West Coast Port Work Stoppage

President George W. Bush discusses his decision to seek an injunction under the Taft-Hartley Act to stops the lockouts of America's western ports during a press conference on the South Lawn of the White House Tuesday, Oct. 8. Accompanying the President are Secretaries Elaine Chao, left, Ann Veneman, center, and Norm Mineta. "Americans are working hard every day to bring our economy back from recession," said the President. "This nation simply cannot afford to have hundreds of billions of dollars a year in potential manufacturing and agricultural trade sitting idle."



Agriculture Secretary Ann M. Veneman discusses the President's Healthy Forests Initiative with Chuck Leavell of the rock music group, The Rolling Stones.

Forest Service's Healthy Forests Initiative website

USDA Photo No. di100202-30



USDA Photo No. 02di1353-10

Veneman Announces $752 Million In Immediate Assistance For Livestock Producers

- Questions and Answers
- Livestock Compensation Program

Recorded Multimedia Webcast of Secretary Ann M. Veneman Announcing **Emergency Drought Relief For Farmers and Ranchers.** Secretary Veneman was joined by Congressman John Thune of South Dakota, Congressman Tom Osborne of Nebraska, Senator Craig Thomas of Wyoming and Congressman Jerry Moran of Kansas. **Transcript**

real ONE [Download needed]



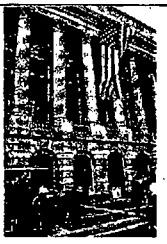
USDA Photo No. 02di1350-6

Agriculture Secretary Ann M. Veneman and Interior Secretary Gale A. Norton delivering to Congress a legislative proposal that would implement key elements of the President's Healthy Forests Initiative. **Testimony**

USDA And DOI Deliver Legislation To Implement President's Healthy Forests Initiative

Forest Service's Healthy Forests Initiative website

Healthy Forests : An Initiative for Wildfire Prevention and Stronger Communities

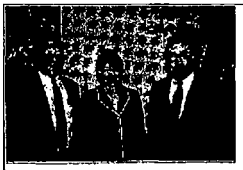
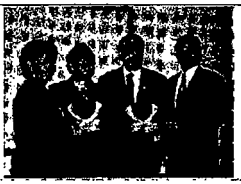


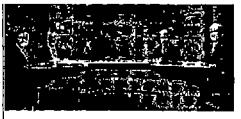
USDA Photo No. 02di1352-14

President Bush has declared September 11th as "Patriot Day" in remembrance of the terrorist attacks on our Nation that occurred one year ago. Deputy Secretary James Moseley watches during the U.S. Department of Agriculture's observance of Patriot Day as the flag is unfurled on the facade of the Jamie L. Whitten Building, at the same time a flag is being unfurled by the President at the rebuilt Pentagon.

Recorded Multimedia **Webcast** of Patriot Day - September 11th Observance at USDA.

Remarks by Deputy Secretary Jim Moseley from USDA's Patriot Day Event

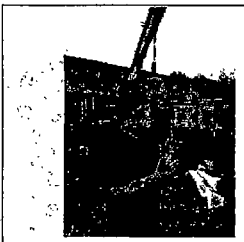
	Remarks by Secretary Ann M. Veneman at the September 11th Tribute at the San Francisco City Hall in San Francisco, CA
 USDA Photo 02cn0062-05	Agriculture Secretary Ann M. Veneman with John Stencel, (left) President and Dale Petty of the Rocky Mountain Farmers Union after the Secretary spoke before the National Farmers Union in Washington, DC. Transcript
	Agriculture Secretary Ann M. Veneman and HHS Secretary Tommy Thompson are honored by United Fresh Fruit and Vegetable Association by Chairman-elect Karen Caplan, (far left) and Chairman Steve Grinstead (far right). USDA Photo di090502-33 **Secretaries Thompson And Veneman Announce "Walk For Better Health" Initiative**
	**Recorded Audio Webcast** of Agriculture Secretary Ann M. Veneman (top right), Under Secretary J.B. Penn (lower right), Chief Economist Keith Collins (top left) and Press Secretary Alisa Harrison (lower left) on food and agriculture issues. (**Transcript**)
	Recorded Audio Webcast of Agriculture Secretary Ann M. Veneman , Under Secretary J.B. Penn , Chief Economist Keith Collins and Press Secretary Alisa Harrison on food and agriculture issues.(**Transcript**)
THE PRESIDENT'S ECONOMIC FORUM	Recorded **audio webcast** of Secretary Ann M. Veneman and U.S. Trade Representative Robert Zoellick at the President's Economic Forum in Waco, Texas on August 13. Transcript



USDA 02di1346-2

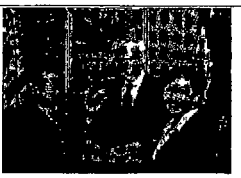
Deputy Under Secretary Hunt Shipman, Under Secretary J.B. Penn, Secretary Ann M. Veneman, Chief Economist Keith Collins and Deputy for Director of Communications Larry Quinn discussing Farm Bill, International Trade and President Bush's Economic Forum.

Recorded **Multimedia Webcast** of Secretary Ann M. Veneman discussing Farm Bill, Trade and Economic Issues from 11:30 a.m. EDT on August 12. Transcript.



USDA Photo No. di081402-05

Congressman John Shimkus and the Secretary Ann M. Veneman talking to the press after the Town Hall Meeting on the campus of Southern Illinois University at Edwardsville.



USDA Photo No. 02di1345-08

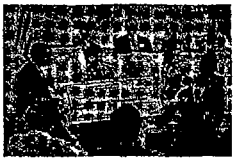
Agriculture Secretary Ann M. Veneman swears in Undersecretary for Rural Development Tom Dorr in her office at the U.S. Department of Agriculture in Washington, DC. Looking on is Mr. Dorr's wife Ann.



USDA Photo No. 02di1344-28

Agriculture Secretary Ann M. Veneman speaks to interns in the Jefferson Auditorium at the U.S. Department of Agriculture in Washington DC. Behind the Secretary are interns left to right Estavan Ramirez, Jasper Sage, Melinda Collier and Katy Poth.

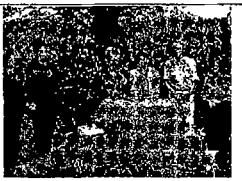
Recorded **Multimedia Webcast** of Secretary Ann M. Veneman speaking to USDA Summer Interns at 2:00 p.m. on August 8, 2002. **Transcript**



USDA Photo No. di080602-p.

Secretary Veneman Tours Farming Operations in Connecticut

Mayor David Mischke of Plymouth, Secretary Ann M. Veneman, State Director of Rural Development David Tuttle and Congresswoman Nancy Johnson.



USDA Photo No. di080602-8.

Secretary Veneman Tours Farming Operations in Connecticut

Secretary Ann Veneman touring Graywall Farms in Lebanon, CT. from Left to Right - Emily Colli & Sara LaRose (both Leaders of Tomorrow and FFA Officers), Graywall Farms owner Robin Chesmer, Secretary Ann M. Veneman, U.S. Congressman Rob Simmons, and Shirley Ferris (Connecticut Commissioner of Agriculture).



President Signing the Trade Act of 2002. White House Photo video screen capture by Monty Haymes.

President Signs Trade Act of 2002

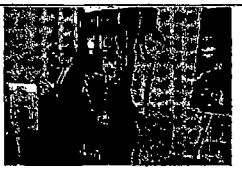
Policy in Focus: Trade

Video from the Trade Act of 2002 Signing

Audio from the Trade Act of 2002 Signing

WORLD TRADE ORGANIZATION

More information on WTO



USDA Photo No. 02di1343-12

Press Conference at the National Press Club on "American Frontiers: A Public Lands Journey."





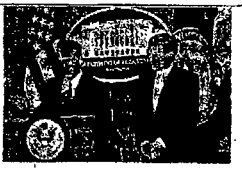
Transcript of Secretary of Agriculture Ann M. Veneman's Press Conference at the conclusion the visit to China Beijing, China

Secretary of Agriculture Ann M. Veneman answers a reporter's question at a press conference in Beijing July 30 at the conclusion of her trip.

Secretary of Agriculture Ann M. Veneman meeting with officials from China's Ministry of Agriculture in Beijing on July 29.

Transcript by Agriculture Secretary Ann M. Veneman Before the American Chamber of Commerce Beijing, China

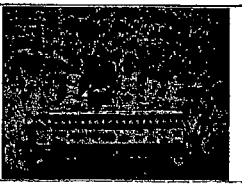
Transcript of Secretary of Agriculture Ann M. Veneman's Press Conference - Following The Conclusion Of The Quint Meeting in Nara, Japan



L-R: Ambassador Allen Johnson, USTR Chief Agriculture Negotiator and U.S. Trade Representative Robert B. Zoellick during a press conference to discuss the U.S. agenda for the World Trade Organization negotiations. USDA Photo No. 02cn0819-35

Transcript of Press Conference with Ambassador Robert T. Zoellick - July 25, 2002

Recorded **Multimedia Webcast** of U.S. Trade Representative Zoellick Unveiling U.S. Agriculture Trade Agenda in the WTO from Thursday, July 25 at 11:00 a.m. EDT.



U.S. Secretary of Agriculture Veneman's Luncheon with Japanese Consumer Leaders

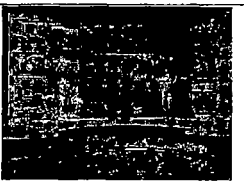
Secretary of Agriculture Ann M. Veneman with students of Akasaka Elementary School at an event organized by the school's PTA and USMEF.



Secretary of Agriculture Ann M. Veneman purchases an "O-bento" lunch box, an organic and naturally prepared meal, including California rice at JR Tokyo Station.



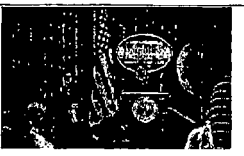
Secretary of Agriculture Ann M. Veneman prepares dishes using American beef and pork with students of Akasaka Elementary School at an event organized by the school's PTA and USMEF.



USDA Photo No. 02di1338-13

Agriculture Secretary Ann M. Veneman and U.S. Trade Representative Robert Zoellick discussing agricultural trade issues, the U.S. agenda for the World Trade Organization negotiations and Trade Promotion Authority with media. In addition, Secretary Veneman will discuss her upcoming trip to Japan and China.

Recorded **Multimedia Webcast** from July 22 event. Transcript.



USDA Photo No. 02di1338-10

Secretary Ann M. Veneman and Under Secretary for Food Safety Dr. Elsa Murano (left) address the media on the Food Safety recall. USDA Photo No. 02di1338-10

Colorado Firm Recalls Beef Trim And Ground Beef Products For Possible E. coli O157:H7

FSIS Recall Information Center

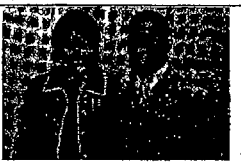
Recorded **Multimedia Webcast** of Secretary Ann M. Veneman Discussing Food Safety Recall on July 19. **Transcript**



USDA Photo No. 02di1333-6

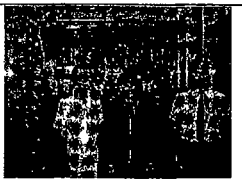
Agriculture Secretary Ann M. Veneman discusses 2002 Farm Bill implementation, Trade and other related issues. Joining the Secretary was (l-r) Deputy Under Secretary for Farm and Foreign Agricultural Services Hunt Shipman, Chief Economist Keith Collins and Natural Resources Conservation Services Chief Bruce Knight. Deputy Director for Communications Larry Quinn moderated the discussion.

Transcript

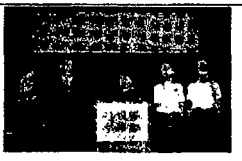


USDA Photo No. 02di1335-26

Agriculture Secretary Ann M. Veneman with Aaron R. Morris at an awards luncheon for the 2002 USDA/1890 National Scholars held in Washington, D.C.



Secretary Ann M. Veneman poses with USDA employees who are also Reservists! Pictured are SSGT Brian LaFlamme, U.S. Air Force Reserve, USDA Rural Housing Service, Program Support Staff; CAPT Mike Neruda, U.S. Navy Reserve, Deputy Under Secretary for Rural Development; SSG Junius Scott, U.S. Army Reserve, USDA Rural Development, Human Resources; USDA Secretary Ann M. Veneman; CSM Leroy Jones, U.S. Army Reserve, Rural Development, Financial Management Division; and LTC Enrique (Rick) Perez, U.S. Air Force Reserve, Rural Development, Information Technology.



USDA Photo No. 02di1331-30

National Youth Summit

Agriculture Secretary Ann M. Veneman presenting remarks at the National Youth Summit in Washington, D. C. Accompanying the secretary are from left to right are FFA (Future Farmers of America) members Alex Brandes, NE, Heather Crabtree, Jamestown, IN,and 4H members Andrea and Allison Miller from Calvert County, MD.



USDA 02di1330-27

Bush Administration Remains Committed to Increasing Trade Opportunities for U.S Agriculture

Agriculture Secretary Ann M. Veneman and U. S. Trade Representative Robert B. Zoellick (center) today reaffirmed the Bush Administration's commitment to open new markets for U. S. Agricultural goods and announced the release of over $100 million in Market Access Program and Quality Samples Program funds to promote U. S. Agriculture products overseas. They are accompanied by left Terry Stokes, CEO National Cattlemens Beef Association and far right Rodger Wasson, President California Strawberry Commission.

Recorded **Multimedia Webcast** of the Agricultural Trade News Conference on June 26, 2002. **Transcript**
[Download needed]

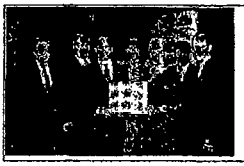


USDA Photo No. 02di1329-13

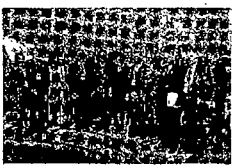
USDA, DOI and DOL Sign Agreement For First-Ever Interagency Fire Apprentice Training Program

(Left to Right) Secretary of Labor Elaine Chao, Secretary of the Interior Gale Norton and Secretary of Agriculture Ann M. Veneman sign an agreement for first ever Interagency Fire Appenticeship Training Program at the Department of Agriculture in Washington, DC.

Recorded **Multimedia Webcast** of the National Interagency Joint Apprenticeship Program for Wildland Fire Signing Ceremony on June 25, 2002. **Transcript**
[Download needed]



The White House "Closing the Circle" Awards.



USDA Photo No. di061102-02

Food and Agriculture Organization of the United Nations (FAO) is hosting a global meeting at its Rome headquarters June 10-13, 2002, to review progress towards ending hunger. The meeting, the **World Food Summit: five years later** (FAS), is meant to track progress achieved since the 1996 World Food Summit and consider ways to accelerate the process.

For more information

Secretary Ann M. Veneman in Rome, Italy for the World Food Summit, organized a meeting with members of the inter-american institute for cooperation on agriculture (IICA). Agriculture ministers representing 23 nations joined the secretary for discussions on hunger, biotechnology, food and agriculture issues.

Secretary Veneman Discusses Key Issues with Foreign Leaders at World Food Summit

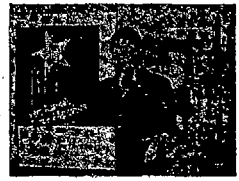


USDA Photo No. di060702-8

USDA Announces Opening of 2002 Farmers Market Season

2002 Farm Bill Provides $20 Million Increase for Senior and WIC Farmers Market Programs

Agriculture Secretary Ann M. Veneman announcing the opening of the 2002 Farmers Market season outside the USDA complex in Washington, DC.



USDA Photo No. di053102-11.



USDA Photo No. di053002-3.



USDA Photo No. di053102-22

USDA Releases $43.5 Million To States For Strengthening Agriculture Homeland Security Protections

Updated Homeland Security State Allocation Chart (05/31/02)

Agriculture Secretary Ann M. Veneman announcing in Stockton, California that USDA is releasing more than $43 million in state grants and cooperative agreements to bolster food and agricultural homeland security protections. The resources are part of $328 million approved by President Bush and the Congress earlier this year to strengthen USDA's homeland security preparedness

USDA Photo No. di053102-11.

Agriculture Secretary Ann M. Veneman announcing in Detroit, Michigan that USDA is releasing more than $43 million in state grants and cooperative agreements to bolster food and agricultural homeland security protections. The resources are part of $328 million approved by President Bush and the Congress earlier this year to strengthen USDA's homeland security preparedness

USDA Photo No. di053002-3.

Agriculture Secretary Ann M. Veneman with (r-l) Colorado State Representative Lynn Hefley, Representative Joel Hefley and Senator Wayne Allard announcing in Colorado Springs, Colorado that USDA is releasing more than $43 million in state grants and cooperative agreements to bolster food and agricultural homeland security protections.

USDA Photo No. di053102-22.jpg.

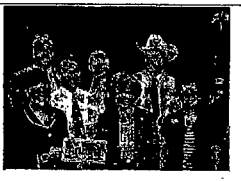


USDA Photo No. di052802-11

Historic Comprehensive Plan Outlines Long-Term Wildland Fire Management Strategy

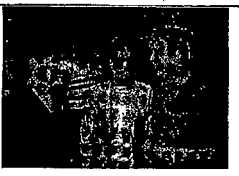
Bush Administration Officials and Governors Hear from Scientists and Community Leaders and Discuss Ecosystem Health and Management Strategies at Wildland Fire Conference

Agriculture Secretary Ann M. Veneman with members of the Boise National Forest in Idaho City, Idaho.



Veneman Designates Arizona as Drought Disaster Area Governor Hull and Veneman Tour Fire Areas and Assess Damage in Prescott National Forest Areas

Agriculture Secretary Ann M. Secretary Veneman with Arizona Governor Jane Hull, Carmen Auza, sheep rancher and farmer from Casa Grande. Rancher Jeff Menges, Arizona Farm Bureau President Ken Evans of Payson and others. Ms. Auza is the chairperson of the Arizona Farm Bureau Women's Leadership Committee.



USDA Photo 02di1319-16

Agriculture Secretary Ann M. Veneman speaks with members of the audience after addressing USDA employees regarding the 2002 Farm Bill and the role of USDA in implementing the various programs and services. The event took place in the Jefferson Auditorium at the U.S. Department of Agriculture in Washington, DC.



Accompanied by Congress members, President George W. Bush signs the Farm Security and Rural Investment Act of 2002 in the Dwight D. Eisenhower Executive Office Building May 13. "This bill is generous, and will provide a safety net for farmers. And it will do so without encouraging overproduction and depressing prices. It will allow farmers and ranchers to plan and operate based on market realities, not government dictates," said the President.



USDA Photo No. 02di1317-15

L to R U. S. Department of Agriculture Under Secretary for Food Safety and Inspection Service, Dr Elsa A. Murano, Agriculture Secretary Ann M. Veneman after presentation of the 2002 FSIS Bauman Award for Food Safety to Kay Rose and Victoria Zobel. They are the first recepients of the award named in honor of their father Dr. Howard E. Bauman. The ceremony took place at Georgetown University in Washington, DC



J.B. Penn, Undersecretary for Farm and Foreign Agricultural Services, along with Deputy Under Secretary Hunt Shipman and FSA Administrator James Little discuss implementation of the 2002 farm bill with Virginia FSA State Director John Johnson, and Essex County CED Glen Ransone.

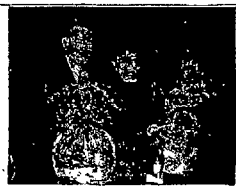
For story line [FSA]



Earth Day 2002

Agriculture Secretary Ann M. Veneman celebrated Earth Day by promoting "conservation where you live" activities at a demonstration house at USDA's Forest Products Laboratory.

"America's farmers and ranchers are the best stewards of the land and this Earth Day we are highlighting some of these successes," said Veneman. "These programs, many of which are partnerships with local communities, demonstrate the Bush Administration's strong commitment to protecting the environment."



USDA Photo No. 02di1315-9

Secretary Ann M. Veneman and Secretary of Health and Human Services Tommy Thompson hold baskets of fruits and vegetables while announcing a public/private partnership with the 5 a day program to promote healthy eating.

Public/Private Partnership Expands to Boost Promotion of Healthy Eating to Reduce the Risk of Disease

Remark of U.S. Department of Agriculture Secretary Ann Veneman U.S. Department of Health and Human Services Secretary Tommy Thompson



USDA Photo No. 041902-1

Agriculture Secretary Ann M. Veneman launched a new Conservation Reserve Enhancement Program (CREP) to safeguard more than 4,000 fragile watershed acres in the state of West Virginia.

USDA Announces $10 Million For Rural Development in Ohio
Funds to Assist With Economic and Community Development

Ohio Drinking Water Protected By USDA Partnership
Veneman Highlights Bush Administration Environmental Record as part of Earth Day Activities

USDA Announces $7.5 Million for Rural Development in West Virginia
Funds to Assist With Economic and Community Development

USDA Partnership to Protect West Virginia Watersheds
Veneman traveling to three states as part of Earth Day Activities

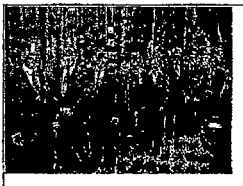


USDA Photo 02dl1312-3

Remarks by USDA Secretary Ann M. Veneman--Tax Issues--Monday, April 15, 2002

Secretary Ann M. Veneman, Agriculture Chief Economist Keith Collins and Deputy Director of Communications Larry Quinn discuss Bush Administration tax policies that are helping farmers and ranchers in a live broadcast from the USDA Radio Center.

U.S. Agriculture Benefits From Bush Administration Tax Relief And Economic Stimulus Policies



USDA Photo 02cn0020-5

Veneman Names Expanded Federal Crop Insurance Board

Secretary Ann M. Veneman administers the oath of office to the new board members of the Federal Crop Insurance Corporation. J.B. Penn, Under Secretary for Farm and Foreign Agricultural Services and Keith Collins, Agriculture Chief Economist were elected as board members.



USDA Photo 02dl1311-13

Bush Administration Creates New Interagency Wildland Fire Leadership Council ***New council to provide cabinet-level coordination of wildland firefighting***

Agriculture Secretary Ann M. Veneman and Interior Secretary Gale Norton today signed a memorandum of understanding creating a new Interagency Wildland Fire Leadership Council to further implement the National Fire Plan. "The objective of this council is to provide a coordinated seamless management structure to all aspects of wildland fire policy," Veneman said. Norton added, "This agreement formalizes the efforts already underway at Agriculture and Interior to coordinate our wildland fire management strategies and ensure implementation of the National Fire Plan."



USDA Photo 02dl1310-01

Veneman Honors 4-H Leaders at 72nd National 4-H Conference

Agriculture Secretary Ann M. Veneman (center) along with Deputy Secretary James R. Moseley (L) after presenting awards to honorees at the Centennial Assembly of the National 4-H Conference. The ceremony took place at the US Department of Agriculture's Jefferson Auditorium in Washington, DC.



During two-days of meetings and discussions on various food and agricultural trade issues, United States Secretary of Agriculture Ann M. Veneman and Mexican Secretary of Agriculture, Livestock, Rural Development, Fisheries and Food Javier Usabiaga pledged continued cooperation to strengthen Mexican-U.S. agricultural trade.
USDA Photo No. di040502-32

Veneman travels to Mexico

Secretaries Usabiaga and Veneman Pledge Continued Cooperation to Strengthen Mexican-U.S. Agricultural Trade *Agreement Reached to Allow U.S. Stone Fruit into Mexico*

MOU Between USDA and USTR , and the Secretariat of Agriculture and the Secretariat of Economy of Mexico Regarding Areas of Food and Agricultural Trade

Remarks of Secretary of Agriculture Ann M. Veneman to the 2nd Annual Agriculture, Food and Fisheries Outlook Forum Mexico City, Mexico

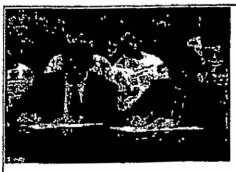
Secretary Veneman and Ambassador Zoellick Announce Formation of US-Mexico Consultive Committee on Agriculture



USDA Photo No. di032702-20

Additional Photos

Senator Susan M. Collins of Maine, Agriculture Secretary Ann M. Veneman and FFA member Aaron Morris at the Chicago Mercantile Exchange.

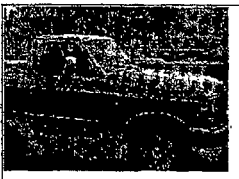
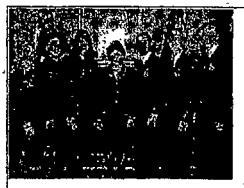
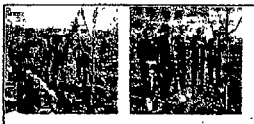


USDA Photo No. di032002-5

Remarks by Agriculture Secretary Ann M. Veneman at the Celebration of National Agriculture Day Washington, D.C. March 20, 2002

Secretary Veneman Celebrates National Agriculture Week with "Leaders of Tomorrow"

Secretary Ann M. Veneman and President of the Junior Achievement of the National Capital Area Ed Grenier signing a partnership to encourage local elementary children to pursue a career in agriculture.

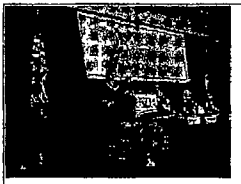
	National Agriculture Week Proclamation [pdf] More Information on Leaders of Tomorrow
 USDA Photo No. di032002-4	Remarks by Agriculture Secretary Ann M. Veneman To the Food Group Washington, D.C. on March 20, 2002 Secretary Ann M. Veneman departs USDA in the Missouri Soybean Development Council's bio-diesel truck. This eco-friendly vehicle has traveled throughout the United States during the last ten years, accumulating 315,000 miles.
 USDA Photo No. di031902-3. Additional Photo	Secretary Ann M. Veneman meeting with the National FFA leaders.
 [75th Anniversary of the U.S. National Arboretum]	Veneman Launches Arboretum 75th Anniversary Celebration
 USDA Photo No. 02di1305-90	Larry Quinn, Deputy Director of Communications introduces Secretary Ann M. Veneman and Orion Samuelson, WGN, U.S. Farm Report, to 4-H members Lucas Shivers of Kansas, Marcus Cook of Florida, and Brita Thomas of Minnesota during a radio interview with farm broadcasters celebrating the 4-H Centennial.



USDA Photo No. 022602-0169

Vice President Cheney speaking to local farmers in Fresno California. Also pictured from left to right are Congressman George Radanovich, Fresno Mayor Alan Autry, Agriculture Secretary Ann M. Veneman and Senator Chuck Poochigian.

Transcript - February 20, 2002



USDA Photo No. P2210008

Recorded Audio Streaming from the Agricultural Outlook Forum 2002

Remarks by Secretary of Agriculture Ann M. Veneman 78th Agricultural Outlook Forum

Highlights From Secretary Veneman's Agricultural Outlook Forum Remarks Veneman Reviews First Year in Office Looks Ahead To New Issues And Opportunities For American Agriculture

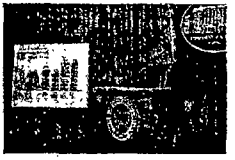
Remarks by Deputy Secretary of Agriculture Jim Moseley Agricultural Outlook Forum

Dr. J. B. Penn Undersecretary for Farm and Foreign Agricultural Services at the 78th Agricultural Outlook Forum

The Outlook for the U.S. Farm Economy Keith Collins, USDA Chief Economist



Secretary of Agriculture Ann Veneman joined USA Rice officials in graduation ceremonies for the Rice Leadership Development Program.

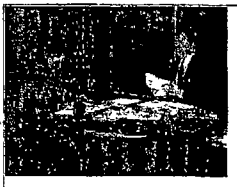


USDA Photo 02di1303-12

Secretary Ann M. Veneman answers reporters questions at a press conference releasing details of the Bush Administration's proposed FY2003 USDA budget. The FY 2003 budget calls for $74.4 billion in spending.

Agriculture Budget Proposes Increases in Key Areas
Veneman Points to Increases in Farm Program Spending, Homeland Security, Food Safety, Trade and Feeding Assistance Programs

More Budget Information



USDA Photo kh100-0044.

Secretary Ann M. Veneman appearing on The Washington Journal on C-Span on Jan. 24 discussing agriculture spending in the upcoming budget, the status of the farm bill and homeland security issues.

Recorded Video available at C-Span.



President George W. Bush addresses employees and media at Cecil I. Walker Machinery Co. in Charleston, WV, Jan. 22. White House Photo by Tina Hager.

President Discusses Energy Plan, Economic Stimulus in West Virginia
"We can create more opportunities by selling more products overseas. I spent a lot of time as the governor of Texas with the farmers. The agricultural sector is an incredibly important part of our economy. And one of the benefits we have as a nation is we can feed ourselves. That's good for the national security interest, by the way. But we produce more food than we need. We ought to be selling it overseas. The more markets available for U.S. products, the more likely it is somebody is going to find work."



USDA Photo 02di1301-11

President Bush and Secretary Veneman Kick-Off 4-H Centennial Anniversary
President George W. Bush receives a 4H National Recognition for Outstanding Service Award from Jared Locklear, Texas 4H Council, 2nd Vice President as Secretary Ann M. Veneman and Deputy Secretary Jim Moseley look on.



USDA Photo 011402-0019

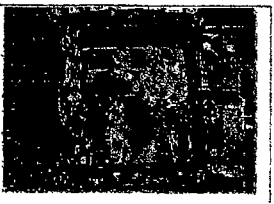
Secretary Ann M. Veneman visits with Missouri FFA leaders at local feed mill with President George W. Bush.



AP Photo by J. Scott Applewhite

President Discusses Economic Growth at John Deere Facility

President Bush visits the Midwest to promote his economic agenda, Monday, January 14, 2002. With his first stop in East Moline, Ill., Bush visits workers at the John Deere factory, the nation's largest manufacturer of agricultural machinery. With the president at left is Deere Chairman and Chief Executive Officer Bob Lane. At right are Agriculture Secretary Ann M. Veneman and Commerce Secretary Don Evans.



White House photo by Eric Draper.

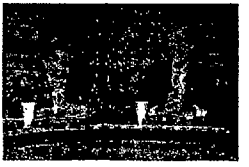
President Discusses Economic Growth at John Deere Facility

President George W. Bush talks with assembly worker Deborah Davis after starting up a combine with a gold-plated ignition key at John Deere Harvester Works in East Moline, Ill., Monday, Jan. 14, 2002. "I'm confident in the American farmer," said the President, addressing about 1500 employees and supporters. "I know the American farmer is more efficient, and can raise more crop than anybody, anywhere in the world."

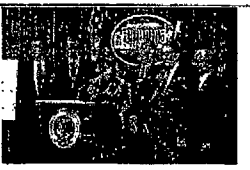


USDA Photo DSC_0012

Secretary Ann M. Veneman and Senator Pat Roberts from Kansas discussing Farm Policy with Farm Radio Broadcasters on December 20, 2001.



USDA Photo DSC_0024



USDA Photo 01dl1547-9

Secretary Ann M. Veneman released USDA funding to benefit rural community schools, forest stewardship, and road projects. Also, attending were Senators Gordon Smith, OR, Ron Wyden, OR, Larry Craig, ID, and Congressmen Bob Goodlatte, VA, and Peter DeFazio, OR. The payments are a result of legislation passed by congress last year and will benefit public schools, forest stewardship, and road projects in rural communities hosting national forests in 41 states.



Secretary Ann M. Veneman with Senators Pat Roberts of Kansas and Thad Cochran of Mississippi respond to questions about farm bill proposals and Trade Promotion Authority from farm broadcasters across the nation during a live broadcast from USDA . USDA Photo 01dl1545-8



USDA Photo 01dl1542-37

President George W. Bush addressing farmers and agribusiness leaders at the sixth annual Farm Journal Forum in Washington Wed. Nov. 28th. Farm Journal President and CEO Andrew Webber and Agriculture Secretary Ann M. Veneman are seated on the far left.



DOHA Agriculture Negotiations at the WTO

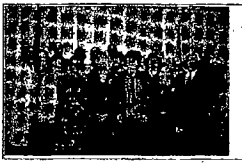
"President Bush, U.S. Trade Representative Zoellick and I have made agriculture a top priority for the new round of international trade talks. We are hopeful that these meetings will set the stage for further reductions in tariffs on U.S. agricultural products and a stronger science-based dispute settlement process. These areas will help increase access to world markets for U.S. farmers, ranchers and food producers." -- Secretary Ann M. Veneman



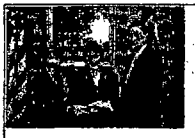
The President intends to nominate Nancy Southard Bryson to be General Counsel of the Department of Agriculture. See White House release.



Secretary Ann M. Veneman visits Duane Fire Station, where Forest Service workers have been supporting the tremendous efforts of the New York Fire Department. (October 4, 2001)



Secretary Ann M. Veneman and Brian Wing, New York State Commissioner for the Office of Temporary and Disability Assistance, visit the FNS New York Field Office. The Secretary had lunch with the employees, toured the Field Office, and listened to how FNS employees continue to assist those families affected by the events of September 11th. (October 4, 2001)



Secretary Ann Veneman sweers in Edward R. McPherson as the Chief Financial Officer for the United States Department of Agriculture. McPherson will oversee all financial management activities relating to operations and programs of the Department of Agriculture.
USDA Photo 01di1539.01

Biographical Sketch



Veneman Swears In Sub Cabinet Members

Agriculture Secretary Ann M. Veneman announced that three of the four members of her subcabinet, who were recently confirmed by the U.S. Senate have been officially sworn into office. During a private ceremony today, Veneman administered the oath of office to (l to r) Elsa A. Murano, as under secretary for food safety; Mark Rey, under secretary for natural resources and environment; and Hilda G. Legg, as administrator for the Rural Utilities Service. USDA Photo 01CN0115-17



U.S. Trade Representative Robert Zoellick and Agriculture Secretary Ann M. Veneman at the Cairns Group 22nd Ministerial Meeting in Punta del Este, Uruguay, Sept. 4, 2001.

Transcript from the Cairns Group 22nd Ministerial Meeting in Punta del Este, Uruguay Sept. 4, 2001



USDA Photo 01di1532-15

New Smokey Bear Exhibit at the New Forest Service Information Center

Agriculture Secretary Ann M. Veneman and Forest Service Chief Dale Bosworth look over the new Smokey Bear Exhibit after cutting the ribbon opening the new Forest Service Information Center located in the Yates Building, U. S. Department of Agriculture, Washington, DC.



USDA Photo 01di1533-02

Agriculture Secretary Ann M.Veneman meets with the Secretary of Agriculture for Mexico Javier Usabiaga at the U. S. Department of Agriculture in Washington, DC, Sept. 6, 2001.

Statement By Secretary Of Agriculture Ann M. Veneman Regarding Agreement With Mexico Over U.S. Stone Fruit Exports September 5, 2001



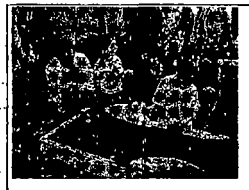
Ag Secretary Breaks Ground on $4.2 Million Migrant/Seasonal Housing Facility in Immokalee

$6.9 million in USDA funds announced for other community and business development efforts in rural Florida

IMMOKALEE, FL, August 29, 2001 – Agriculture Secretary Ann M.Veneman joined state and local officials to break ground on a 304-bed farm worker housing complex, to be built in Immokalee, Florida. While in Florida, Secretary Veneman announced the approval of an additional $450,000 for construction of sidewalks, water and utility infrastructure at the Immokalee housing site, and another $6.9 million in funding for other community and business development efforts in rural Florida.

At Dakotafest, USDA Secretary Veneman Highlights Trade; Announces $764,000 to S.D. in Rural Development Assistance

MITCHELL, SD, August 22, 2001 – At DakotaFest, South Dakota's largest farm show, Agriculture Secretary Ann M. Veneman emphasized the importance of agricultural trade to farm income and reiterated the need for Trade Promotion Authority to ensure that American farmers can compete in today's global marketplace.



At Iowa State Fair, Agriculture Secretary Veneman Emphasizes Trade

DES MOINES, IA, August 17, 2001 – At the Iowa State Fair, Agriculture Secretary Ann M. Veneman visited agricultural exhibits and spoke with farmers, fair goers and the press about the importance of agricultural trade. Iowa ranked second among all 50 states in 1999 with agricultural exports estimated at $3.2 billion.



Secretary Veneman takes Trade Promotion Authority Campaign to Georgia

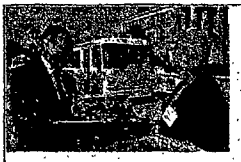
WASHINGTON, DC, August 16, 2001 – Farmers are benefiting from steadily expanding foreign demand that has doubled U.S. exports over the past 15 years to $53.5 billion for the current fiscal year. In fact, 53 percent of U.S. wheat will be exported, 47

percent of cotton, 42 percent of rice, 35 percent of soybeans, and 21 percent of corn.



Supplemental Payments to Farmers Begin; Secretary Helps Issue First Payments

LUBBOCK, TEXAS, August 14, 2001 – Agriculture Secretary Ann M. Veneman, during a tour of Farm Service Agency facilities in Lubbock, Texas., announced USDA will begin making more than $5 billion in supplemental payments to about 1.4 million producers this week as a result of President Bush signing into law the agricultural economic assistance package yesterday.



USDA Photo No. 01di1527-23

USDA to Expand Use of Biodiesel, Ethanol Fuels

Dr. Joseph J. Jen, Under Secretary for Research Education and Economics receives a packet of information on Biodiesel powered vehicles from Dr. Phyllis Johnson, head of the Henry A. Wallace Agricultural Research Center in Beltsville, MD. Dr. Jen made opening remarks at a Biodiesel Outreach Seminar.

News Release
The Energy and Environment Program
Bioenergy and Energy Alternatives



USDA Photo No. 01di1525

Secretary Ann M. Veneman swears in Deputy Secretary Jim Moseley

Secretary Ann M. Veneman swears in Deputy Secretary James Moseley at a ceremony on July 17, 2001.

Biography



Secretary Ann M. Veneman swears in Under Secretary for Research, Education and Economics Joseph Jen

Secretary Ann M. Veneman swears in Under Secretary for Research, Education and Economics Joseph Jen at a ceremony on July 17, 2001.

Biography

USDA Photo No. 01d1526



USDA Photo 01d1523-22

Jim Moseley and Joseph Jen Confirmed by U.S. Senate

Deputy Secretary James Moseley and Under Secretary for Research, Education, and Economics Joseph Jen, responding to questions delivered during their Senate Agriculture Subcommittee hearing. Moseley, an Indiana farmer also served as Assistant Secretary of Agriculture for Natural Resources and Environment under Former President George Bush. Jen is widely recognized as an agricultural scientist and educator.

President Bush announces another nomination for a USDA leadership position

Dr. Elsa Murano is nominated for Under Secretary for Food Safety by President Bush.

Audio Radio Clip



USDA Photo 01d1682-4

Agriculture Secretary Ann M. Veneman meets with the Japanese Minister of Agriculture Tsutomo Takebe in Washington, DC.



USDA Photo 01d1529-14

Agriculture Secretary Ann M. Veneman speaks at the Trade Promotion Authority Press conference with Members of Congress at Upper Senate Park in Washington, DC on June 26, 2001.

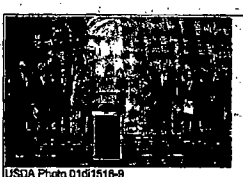
Statement by Secretary of Agriculture Ann M. Veneman on the Introduction of Trade Promotion Authority Legislation
Remarks by Secretary of Agriculture Ann M. Veneman AgTrade Event

More Information on Trade



USDA Photo 01dl1519-4

The National Watermelon Queen and her court of state queens recently paid a visit to Sec. Ann Veneman during the National Watermelon Association's public awareness visit to Washington. The young women act as public relations ambassadors serving hundreds of producers, handlers, shippers, and other elements of the industry in over 30 states and Canada.



USDA Photo 01dl1518-9

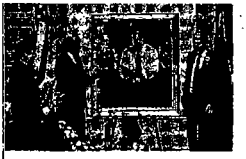
Secretary Ann M. Veneman speaks at the AgTrade kick-off event held at the U. S. Department of Agriculture.



Secretary Ann M. Veneman meeting members of the Forest Service's Lassen Hotshots at a firefighter training facility near Redding, CA. Secretary Veneman took an aerial tour of the states's fire-torn areas in addition to visiting the Northern California Fire Center. She presented three National Fire Plan grants intended to help reduce the undergrowth and invasive grasses that could fuel a major fire.

Senior smokejumper and training supervisor Josh Mathiesen shows Agriculture Secretary Ann Veneman how parachutes are maintained as rookie smokejumper Ben Sundal makes repairs.

Smokejumper Deborah Yoder demonstrates for Agriculture Secretary Ann Veneman how to properly pack a parachute. In the background are Lyle Laverty, National Fire Plan Coordinator; Bill Pauli, President of the California Farm Bureau; Josh Mathiesen, senior smokejumper and training supervisor; and Brad Powell, Regional Forester for the Pacific Southwest Region of the Forest Service.



USDA Photo 01dl1515-3

Dan Glickman Portrait Unveiling Ceremony

Agriculture Secretary Ann M. Veneman, artist John Boyd Martin ... applaud former Agriculture Secretary Dan Glickman at the ceremony unveiling of his portrait in the U.S. Department of Agriculture Washington, DC.



Agriculture Secretary Ann Veneman (left) and Forest Service Chief Dale Bosworth (right).
USDA Photo 01dl1510-23

USDA UPHOLDS ROADLESS PROTECTIONS RULE

WASHINGTON, DC, May 4, 2001-- Agriculture Secretary Ann M. Veneman today announced the U.S. Department of Agriculture will implement the Roadless Area Conservation Rule, restricting logging and road building activities in 58.5 million acres of national forest lands. The Secretary also announced additional actions to address reasonable concerns raised about the rule that will ensure implementation in a responsible, common sense manner.

Full Release

Remarks by Secretary of Agriculture Ann M. Veneman on Roadless Area Conservation Rule

Audio WebCast



USDA PHOTO 01dl1508-7

Edward R. Madigan U. S. Agricultural Export Excellence Award

Agriculture Secretary Ann Veneman (Left), and Mrs Edward R. Madigan (Right) presents the Edward R. Madigan U. S. Agricultural Export Excellence Award to Louis A. Prange of Trans-World Genetics, Ltd (center) at a ceremony held at the White House

Full Release



USDA Photo No. 01dl1507-18

National Association of Farm Broadcasters

Agriculture Secretary Ann Veneman meets with the National Association of Farm Broadcasters at the Department of Agriculture in Washington, DC.



USDA Photo No. 01d1607

Arbor Day

Secretary of Agriculture Ann M. Veneman and Arbor Day Poster winner Allison Sauls. The occassion is the planting of the National Tree, the Oak, recently selected in a national balloting by the Arbor Day Foundation on the internet.

Recorded Streaming of USDA's 2002 Budget Overview.

WASHINGTON, DC, April 9, 2001– USDA officials provided a briefing regarding USDA's 2002 budget.



USDA Photo 01DI1311-006

USDA Secretary Veneman Highlights Ag Education with Students in Celebrating National Agriculture Week

Agriculture Secretary Ann Veneman speaks with second and third grade students from Van Ness School at the Smithsonian Natural History Museum in Washington, DC for National Agriculture Day.

Agriculture Secretary Ann M. Veneman Announces National Agriculture Week - March 18-24, 2001 (Recorded Streaming)

National Agriculture Week Proclamation



Agriculture Secretary Ann M. Veneman discusses an overview of the Department of Agriculture's budget priorities before the House Committee on the Budget.
USDA Photo 01DI1310BN

Agriculture Secretary Ann M. Veneman: Farmers Have a Stake in Budget Goals

USDA Secretary to Travel to Nebraska to Discuss Budget Priorities And Agricultural Issues



USDA Secretary Travels to Indiana and Wisconsin to Discuss President's Budget and USDA Priorities, March 5-6, 2001

Agriculture Secretary Ann M. Veneman joins (l-r) local farmers Brenda and Steve Martin, Wisconsin Secretary of Agriculture Ben Brancel, and Congressman Mark Green during a discussion on the President's budget and other agricultural issues at the Martin's farm in Pulaski, WI.

Remarks by the President and Secretary of Agriculture Ann Veneman During Swearing-In Ceremony

Prepared Remarks of Secretary of Agriculture Ann M. Veneman, Oval Office, March 2, 2001



Secretary Ann M. Veneman outlines Budget Blueprint
USDA Photo No. 01DI1308-2

Statement of Ann M. Veneman, Before the Committee on Agriculture, Nutrition and Forestry, United States Senate

USDA's FY 2002 Budget Information

- FY 2002 Budget Blueprint for USDA Information (html)
- FY 2002 Budget Blueprint for USDA Information (WordPerfect)
- FY 2002 Budget Blueprint for USDA Information (Microsoft Word)
- FY 2002 Budget Blueprint Chart Note: print in landscape

Audio/Video Highlights

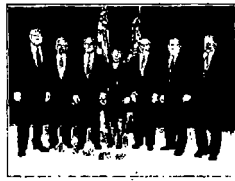
- Recorded Video Streaming of Secretary Ann M. Veneman Press Conference on Budget Blueprint Overview from 12:15 p.m. Eastern Time (available after 4:00 p.m. EST)
- Recorded Streaming of Agriculture Secretary Designate Ann Veneman's Congressional Hearing



Remarks by Secretary Ann M. Veneman Agricultural Outlook Forum February 22, 2001 Arlington, Virginia

WASHINGTON, Feb. 22, 2001"Thank you for the opportunity to join you here today. It seems only appropriate that I deliver my first public address in my new position at USDA's annual Outlook Conference. Over the years, this meeting has grown in importance not only in the U.S., but also around the world. "It is a tremendous honor to have been chosen by President Bush to serve in his Cabinet. The President has put together a solid and experienced team and we have all pledged to work together to accomplish his objectives. I, too, am working hard to assemble a talented and dedicated team at USDA to help deliver on the priorities the President has outlined as they pertain to agriculture.

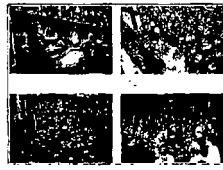
USDA Photo Number DSC_0028



Secretary Ann Veneman (center) is joined by fellow cabinet-level colleagues during their collective swearing-in ceremony on January 20. Joining her are from left to right, Secretary of State Colin Powell, Secretary of the Treasury Paul O'Neill, Secretary of Defense Donald Rumsfeld, Secretary of Commerce Donald Evans, Secretary of Energy Spencer Abraham, and Assistant to the President and Secretary to the Cabinet Albert Hawkins.

Photo by Hyungwon Kang

Secretary's Full Biography



Agriculture Secretary Ann Veneman speaks to USDA employees in the Patio of the Whitten Building.

USDA Photo Numbers 01dl1305-03, 01dl1305-05, 01dl1305-07, and 01dl1306-12.

Recorded Streaming of Agriculture Secretary Ann Veneman Greeting USDA Employees.



Veneman, Ann

Ann M. Veneman was confirmed by the Senate and later sworn in as the 27th Secretary of the U.S. Department of Agriculture on January 20, 2001. In her Senate confirmation hearing, she repeated President Bush's belief that, "The spirit of the American farmer is emblematic of the spirit of America, signifying the values of hard work, faith and entrepreneurship." The new Secretary has pledged to work to foster an atmosphere of teamwork, innovation, mutual respect and common sense within the Department and focus our delivery systems on quality service to our customers."





Photos from the Confirmation Hearings

Agriculture Secretary nominee Ann M. Veneman greeted prior to her Senate Agriculture Committe confirmation hearing by current Chairman Tom Harkin (D, Iowa) and incoming chairman Richard Luger (R, Indiana) USDA Photo 01D130431.

Agriculture Secretary nominee Ann M. Veneman greeted prior to her Senate Agriculture Committe confirmation hearing by Senator Chuck Grassley, (R, Iowa) and Senator Pat Roberts (R, Kansas) USDA Photo 01D130432.

- Former Secretaries of Agriculture

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Comments, Questions to vic.powell@usda.gov

GLOBAL FOOD AID

Ms. KAPTUR. I want to move to a final question on global food aid and to ask the help of the USDA in countering a major enemy that the United States now faces in the form of terrorism globally, particularly as it regards new terrorists that are being born every day. Even if we take Iraq, we are not going to be out of the sands there until long after I die.

One of the major ways that the terrorists are being produced is through the madrasas, hundreds, thousands of them, largely funded by the Saudis all over that part of the world. The lure that they have for the boys to come in—they do not educate the girls—is wheat and food. One of our major tasks in securing a more stable future is to feed children in that part of the world and displace the madrasas with schools that educate and feed.

Thus, it is with surprise to me that I see that the Global Food for Education Program, although you mention it in your testimony, is one-sixth of the size that it used to be. It used to be funded at about $300 million. It was reduced to $100 million. Your budget calls for $50 million. In addition to that, there is no increase in funding for the PL–480 program, and because of the lack of surplus last year the 416 program, which is one of my very favorites, is nonexistent in terms of your budget.

We are told by the World Food Program that needs are going to be increasing. For instance, even with Iraq we have 24 million people we are going to have to feed there. I happened to be at a conference the other day with the head of AID, and I asked him if he had ever had a long meeting with you, and he had not. I said he would never get the money in his budget. I said the money to do feeding is through USDA and you and Secretary Veneman have to sign an agreement. He seemed to hear what I said to him.

My question to you is how do you intend to meet the needs that are out there in view of the shortfalls in your own budget?

Secretary VENEMAN. Well, I certainly appreciate your concern because food aid is very important, particularly in the world in which we now live, and I also appreciate your concern for what is now the McGovern-Dole International Program, which is the Global Food for Education Initiative's successor after this Farm Bill.

The difficulty in this budgeting process is that in last year's budget the $100 million came out of mandatory funds, and the way the Farm Bill left it was to say that the next year's budget; i.e., fiscal year 2004, had to come out of appropriated or discretionary funds, which is why it was difficult to put that amount of money into the budget. So certainly we recognize the value of feeding children, of getting them into the schools, of creating the exact kinds of things that you have talked about.

We are working closely, and as you know, this is an interagency process. The interagency meets and determines the needs and where the resources are going to be requested and where they are going to come from. We work closely in the interagency process, which includes State, AID, USDA and other agencies, to address the food aid needs and we will continue to do that. We have money budgeted for PL–480. We have increased substantially our PL–480 funding over the last couple of years primarily so we are not so de-

pendent on 416 commodities to have them come from appropriated funds, but we continue to look within the interagency process at the whole food aid need around the world.

Ms. KAPTUR. Do you intend to request a supplemental on this whole international food arena?

Secretary VENEMAN. I cannot speak on behalf of the Administration in that regard. If that becomes necessary, we will work with the interagency and with the President to do that.

Ms. KAPTUR. Mr. Chairman, I am going to submit an article that was released this week, "Plummeting food aid: World Food Program urges more to combat hunger," which gives the international parameters and why this budget is inadequate. We look forward to a supplemental, Madam Secretary.

Thank you for your testimony today.

[The information follows:]

News Release

25 February 2003

PLUMMETING FOOD AID: WFP URGES MORE TO COMBAT HUNGER

WASHINGTON, D.C. - James T. Morris, Executive Director of the United Nations World Food Programme today warned the US Congress that the world was not doing enough in the battle against hunger.

"While WFP funding has risen, global food aid has not," Morris continued. "In fact, during the last three years it has actually dropped by a third from 15 million to 10 million metric tons (1999-2002). Emergency food aid needs are up and food aid is down. More funds are essential. All the major donors need to make a political commitment to a food aid system that works and is not dangerously reliant on surpluses, last minute appeals or a single donor."

"We have succeeded in averting famine and starvation in emergencies like those in Afghanistan, North Korea and Africa so far, but we still have a gigantic task there. Equally, much more needs to be done in the battle against the chronic hunger that bedevils the lives of hundreds of millions of people - who are not the victims of war or natural disasters," said Morris.

Among other things, he called for "stronger and more consistent funding for humanitarian aid."

WFP's Executive Director, who took over the world's largest humanitarian agency last year, told the Senate Foreign Relations Committee that hunger today was rooted in politics: "There are really no obstacles to prevent us from ending hunger soon - other than lack of political will. There is more than enough food worldwide. People are hungry because governments have made the wrong political choices."

During his four-day trip to Washington, D.C., Morris will also address the House International Relations Committee on February 27, where he will remind his audience that with more than 800 million people chronically hungry in the world, rising food aid emergencies mean "the worst is yet to come."

Up to the early 1990s, WFP used most of its food aid in food for work, nutrition and education projects to help the chronically undernourished people, but in recent years it has been forced to become an "ambulance service for the starving" because of natural and man-made disasters. Nearly 80 percent of WFP current operations are emergency-driven.
Calling for more funding to feed more children at school, he said: "If we are to make a real difference and bring down the number of hungry people in the world, we must start with more commitment to school feeding projects. The three hundred million hungry children cannot wait for good governance, sound investment and even the wisest of aid projects to reach their villages and towns."

Morris noted that hunger was still the greatest threat to life. Despite poverty being reduced by 20 per cent worldwide during the 1990s, the number of hungry people (excluding China) actually rose by 50 million across the developing world. Added to this, the number of victims of natural disasters has tripled compared to the 1960s, averaging 136 million a year - and the poorest among them need food assistance.

Morris cited weather as a major cause behind many food crises. The scale of WFP's activities has risen in line with increasingly abnormal weather phenomena. The past two years have brought the highest number of weather related disasters in the decade. Against a backdrop of an alarming trend of declining official development assistance for agriculture - from US$14 billion in 1988 to barely US$8 billion in 1999 - any hope of food security for future generations is dependent on massive new investment by governments.

WFP's Executive Director noted that HIV/AIDS has wreaked havoc on the food security of Africa. "In many poor communities, the first thing AIDS victims ask for is not medicine, not money, but food for their families, food for their hungry children," said Morris.

"For those AIDS victims lucky enough to receive medical treatment, nutrition is critical. For the HIV positive, good nutrition is crucial in helping them ward off opportunistic infections and stay productive as long as possible," said Morris, adding that more than 11 million children are orphaned by AIDS in sub-Saharan Africa.

However, there are some grounds for optimism: "The international community has successfully countered potential famines now for nearly two decades," said Morris, giving as an example the US Agency for International Development (USAID), which has been particularly generous and aggressive in fighting hunger. The US, the largest single contributor to WFP, donated US$917 million worth of food to various WFP operations around the world in 2002 - more than 50 percent of all donations received by the agency.

Morris will address the National Press Club on Wednesday, February 26 at 3 p.m. regarding international humanitarian aid, and he will address the Center for Strategic and International Studies on the impact of HIV/AIDS on food security. The WFP chief will also meet with members of Congress and officials of the US State Department.

* * *

WFP is the world's largest humanitarian agency. Every year WFP feeds around 80 million people in 82 countries including most of the world's refugees and internally displaced people.

WFP Global School Feeding Campaign -- As the largest provider of nutritious meals to poor school children, WFP has launched a global campaign aimed at ensuring the world's 300 million undernourished children are educated.

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World Food Programme © 2003

Mr. LATHAM. We will proceed with Ms. DeLauro.

Ms. DELAURO. I would like to make two final comments, one which has to do with food safety, and I want to mention the School Lunch Program.

FOOD SAFETY

We spent a fair amount of time talking about food safety and meat contamination. One of the things that I would like to work on, and will be trying to look at in the future, is how we focus on the primary causes of meat contamination, the feed that is being given to our cattle, the overcrowding of the feed lots, poorly trained workers, and I will continue to look at the lack of stringent government oversight in this area. I think we need to put our focus on some of the primary causes rather than what happens at the end of the process and how we deal with it.

SCHOOL LUNCH PROGRAM

We are aware that there is data that suggest some ineligible children may be receiving the free or reduced School Lunch Program. All of us support efforts to make sure that the subsidies go to those children which are eligible. I have a cautionary approach in how the changes get made. There was similar documentation and requirements which were evaluated in a more rigorous demonstration project conducted by USDA in the 1980s, and that evaluation found when income documentation was required at the time of application, five eligible students were deterred from participating for every ineligible student that was deterred.

The fact of the matter is we do not have a sense of how many ineligible children are certified for free or reduced price meals. We should not use documentation to drive away those youngsters who are eligible. In the absence of some tested policies which increase the accuracy of school meal applications while harming eligible children, widespread income verification requirements maybe should not be adopted. We want to look at that before we make any wholesale changes and have eligible kids who cannot get the School Lunch Program.

Thank you.

Secretary VENEMAN. Let me make two comments. I am familiar with that study. Our people are familiar with that study, and it is the kind of thing that tells us that it is not easy to address this issue. Obviously we do not want to create a disincentive for eligible families, but we do have the other outside incentives which prompt schools to enroll students regardless of eligibility, which is why this is such a hard issue.

Also on the issue of looking at the whole food chain with regard to food safety, I could not agree more. We want to look at the science that relates to the whole food chain and where are the points where we may have difficulties. We have strongly supported a science-based system. More and more both industry and consumer groups are coming together and saying yes, we need this approach. We have seen in the past some not willing to look at the whole food chain, but I see much more of a focus now on looking at the whole food chain in determining where are the points that we need to address.

I mean, as I often say in my speeches, the issue of food safety is important to every part of the food chain. It is important to the producers because if people do not buy their product, they lose. It is important to producers and consumers. This is a very important issue, and one that we will continue to take very seriously.

Ms. DELAURO. Thank you, Madam Secretary.

Mr. LATHAM. Madam Secretary, thank you very much for your patience here today. We have gone much longer than anticipated. We appreciate your staff's participation, and we look forward to working with you. Don't forget Ames, Iowa.

The committee is adjourned until 9:30 on March 5, when we will have the Farm and Foreign Agricultural Service testify for agriculture appropriations. With that, we are adjourned.

SECRETARY OF AGRICULTURE

QUESTIONS SUBMITTED BY MR. BONILLA

PUBLIC AFFAIRS ACTIVITIES

Mr. Bonilla: Please update the table that appears in last year's hearing record, showing the number of professional and clerical staff from each agency assigned to public affairs activities, and the cost by agency, to include projections for fiscal year 2004.

Response: The information is submitted for the record.

[The information follows:]

United States Department of Agriculture
Public Affairs Activities
(Dollars in Thousands)

Agency	2002		2003		2004	
	Employment	Staff Years	Employment	Staff Years	Employment	Staff Years
Office of Communications:						
Professional	29	29	29	29	29	29
Clerical	0	0	0	0	0	0
Budget Authority	$2,275		$2,372		$2,419	
Location of Staff:						
Washington	29	29	29	29	29	29
Field	0	0	0	0	0	0
Office of the Chief Economist:						
Professional	1	1	1	1	1	1
Clerical	0	0	0	0	0	0
Budget Authority	$122		$126		$130	
Location of Staff:						
Washington	1	1	1	1	1	1
Field	0	0	0	0	0	0
ARS:						
Professional	43	41	43	41	43	41
Clerical	3	3	3	3	3	3
Budget Authority	$4,110		$4,199		$4,199	
Location of Staff:						
Washington	46	44	46	44	46	44
Field	0	0	0	0	0	0
CSREES:						
Professional	7	6.5	7	7	7	7
Clerical	1	0.5	1	0.5	1	0.5
Budget Authority	$615		$665		$675	
Location of Staff:						
Washington	8	7	8	7.5	8	7.5
Field	0	0	0	0	0	0
NASS:						
Professional	1	1	1	1	1	1
Clerical	0	0	0	0	0	0
Budget Authority	$50		$53		$56	
Location of Staff:						
Washington	1	1	1	1	1	1
Field	0	0	0	0	0	0
FAS:						
Professional	13	13	12	12	12	12
Clerical	3	3	3	3	3	3
Budget Authority	$1,298		$1,338		$1,373	
Location of Staff:						
Washington	16	16	15	15	15	15
Field	0	0	0	0	0	0
FSA:						
Professional	18	17.07	18	17.07	18	17.07
Clerical	0	0	0	0	0	0
Budget Authority	$1,466		$1,553		$1,625	
Location of Staff:						
Washington	18	17.07	18	17.07	18	17.07
Field	0	0	0	0	0	0
RMA:						
Professional	6	6	6	6	6	6
Clerical	4	4	4	4	4	4
Budget Authority	$750		$819		$796	
Location of Staff:						
Washington	9	9	9	9	9	9
Field	1	1	1	1	1	1
RD:						
Professional	11	10.75	11	10.75	11	10.75
Clerical	2	2	2	2	2	2
Budget Authority	$917		$1,023		$1,044	
Location of Staff:						
Washington	13	12.75	13	12.75	13	12.75
Field	0	0	0	0	0	0

Agency	2002		2003		2004	
	Employment	Staff Years	Employment	Staff Years	Employment	Staff Years
NRCS:						
Professional	144	140	140	140	140	140
Clerical	10	10	10	10	10	10
Budget Authority	$14,172		$14,164		$14,524	
Location of Staff:						
Washington	17	18	18	18	18	18
Field	137	132	132	132	132	132
APHIS:						
Professional	17	17	15	15	16	16
Clerical	3	3	2	2	2	2
Budget Authority	$1,495		$1,347		$1,407	
Location of Staff:						
Washington	16	16	13	13	14	14
Field	4	4	3	4	3	4
GIPSA:						
Professional	3	2.5	3	3	3	3
Clerical	1	0.1	1	0.1	1	0.1
Budget Authority	$203		$312		$318	
Location of Staff:						
Washington	4	2.6	4	3.1	4	3.1
Field	0	0	0	0	0	0
AMS:						
Professional	6	6	6	6	6	6
Clerical	1	1	1	1	1	1
Budget Authority	$589		$671		$671	
Location of Staff:						
Washington	7	7	7	7	7	7
Field	0	0	0	0	0	0
FSIS:						
Professional	12	12	12	12	12	12
Clerical	4	4	4	4	4	4
Budget Authority	$1,268		$1,304		$1,329	
Location of Staff:						
Washington	16	16	16	16	16	16
Field	0	0	0	0	0	0
FNS:						
Professional	44	40.65	44	40.65	44	40.65
Clerical	8	7.27	8	7.27	8	7.27
Budget Authority	$3,433		$3,651		$3,709	
Location of Staff:						
Washington	28	25.17	28	25.17	28	25.17
Field	24	22.75	24	22.75	24	22.75
TOTAL, Agriculture Bill:						
Professional	355	343.47	348	341.47	349	342.47
Clerical	40	37.87	39	36.87	39	36.87
Budget Authority	$32,763		$33,597		$34,275	
Location of Staff:						
Washington	229	221.59	226	218.59	227	219.59
Field	166	159.75	160	159.75	160	159.75

CONGRESSIONAL RELATIONS ACTIVITIES

Mr. Bonilla: Please update the table that appears in last year's hearing record showing a breakout of congressional relations activities to include projections for fiscal year 2004.

Response: The information is submitted for the record.

[The information follows:]

U.S. DEPARTMENT OF AGRICULTURE
CONGRESSIONAL LIAISON ACTIVITIES
(Dollars in Thousands)

	2002				2003			
AGENCY	Employment	Staff Years	Total Staff Years	% of Staff Years	Employment	Staff Years	Total Staff Years	% of Staff Years
OSEC:								
Professional	8	8			9	9		
Clerical	3	3			4	4		
Total	11	11	63	17.46%	13	13	82	15.85%
Schedule C Positions	8	8			9	9		
Average Cost:								
Professional	$129				$154			
Clerical	$46				$50			
Budget Authority		$1,170				$1,586		
ARS:								
Professional	1	1			1	1		
Clerical	1	0.2			1	0.1		
Total	2	1.2	8,180	0.01%	2	1.1	8,374	0.01%
Schedule C Positions	0	0			0	0		
Average Cost:								
Professional	$120				$125			
Clerical	$9				$4			
Budget Authority		$129				$129		
CSREES:								
Professional	2	1.1			2	1.1		
Clerical	1	0.1			1	0.1		
Total	3	1.2	377	0.32%	3	1.2	451	0.27%
Schedule C Positions	0	0			0	0		
Average Cost:								
Professional	$104				$107			
Clerical	$42				$43			
Budget Authority		$120				$120		
FAS:								
Professional	2	1.5			3	1.5		
Clerical	2	1			1	0.7		
Total	4	2.5	971	0.26%	4	2.2	985	0.22%
Schedule C Positions	0	0			0	0		
Average Cost:								
Professional	$85				$87			
Clerical	$45				$47			
Budget Authority		$183				$183		

AGENCY	2002 Employment	2002 Staff Years	2002 Total Staff Years	2002 % of Staff Years	2003 Employment	2003 Staff Years	2003 Total Staff Years	
RMA:								
Professional	0	0			1	0.6		
Clerical	0	0			0	0		
Total	0	0	510	0.00%	1	0.6	568	0.11%
Schedule C Positions	0	0			0	0		
Average Cost:								
Professional	0				$71			
Clerical	0				0			
Budget Authority		0				$71		
FSA:								
Professional	3	2.4			3	2.85		
Clerical	1	0.7			1	1		
Total	4	3.1	5,861	0.05%	4	3.85	5,861	0.07%
Schedule C Positions	1	1			1	1		
Average Cost:								
Professional	$80				$85			
Clerical	$44				$46			
Budget Authority		$302				$305		
RD:								
Professional	4	2.9			4	3.5		
Clerical	1	0.5			1	0.5		
Total	5	3.4	6,812	0.05%	5	4	7,024	0.06%
Schedule C Positions	1	0.3			1	0.3		
Average Cost:								
Professional	$81				$86			
Clerical	$14				$15			
Budget Authority		$250				$315		
NRCS:								
Professional	2	1			2	1		
Clerical	1	1			1	1		
Total	3	2	11,510	0.02%	3	2	12,572	0.02%
Schedule C Positions	0	0			0	0		
Average Cost:								
Professional	$93				$96			
Clerical	$50				$51			
Budget Authority		$143				$148		
APHIS:								
Professional	3	1.3			3	1.3		
Clerical	1	0.1			1	0.1		
Total	4	1.4	5,215	0.03%	4	1.4	5,978	0.02%
Schedule C Positions	1	1			1	1		
Average Cost:								
Professional	$57				$59			
Clerical	$33				$35			
Budget Authority		$101				$101		

AGENCY	2002 Employment	2002 Staff Years	2002 Total Staff Years	2002 % of Staff Years	2003 Employment	2003 Staff Years	2003 Total Staff Years	
AMS:								
Professional	3	2			3	2		
Clerical	0	0			0	0		
Total	3	2	3,447	0.06%	3	2	3,450	0.06%
Schedule C Positions	0	0			0	0		
Average Cost:								
Professional	$100				$105			
Clerical	0				0			
Budget Authority		$201				$209		
FSIS:								
Professional	3	1.8			3	2.6		
Clerical	1	0.4			1	0.9		
Total	4	2.2	9,579	0.02%	4	3.5	9,680	0.04%
Schedule C Positions	0	0			0	0		
Average Cost:								
Professional	$63				$72			
Clerical	$31				$34			
Budget Authority		$250				$250		
FNS:								
Professional	4	2.8			4	2.8		
Clerical	0	0			0	0		
Total	4	2.8	1,509	0.19%	4	2.8	1,672	0.17%
Schedule C Positions	1	1			1	1		
Average Cost:								
Professional	$97				$101			
Clerical	0				0			
Budget Authority		$269				$268		
TOTAL, Agriculture Bill:								
Professional	35	26			38	29		
Clerical	12	7			12	8.4		
Total	47	33	54,034	0.06%	50	38	56,697	0.07%
Schedule C Positions	12	11.3			13	12.3		
Budget Authority		$3,118				$3,685		

DELIQUENT LOANS

Mr. Bonilla: Please update the information on delinquent million dollar loans provided in last year's hearing record.

Response: The information is submitted for the record.

[The information follows:]

FARM SERVICE AGENCY
Delinquent Million-Dollar Farm Loans, as of September 30, 2002

DELINQUENT MILLION DOLLAR BORROWERS BY FLAG

STATE	ACL	BAP	CAP	FAP	NONE	SAA	51-S	TOTAL
ALABAMA	0	0	0	0	4	0	0	4
ALASKA	0	0	0	0	3	0	0	3
ARIZONA	0	1	2	0	3	0	0	6
ARKANSAS	1	0	0	2	4	0	0	7
CALIFORNIA	0	2	2	1	5	2	3	15
COLORADO	0	0	0	1	4	0	0	5
FLORIDA	0	0	0	1	7	0	0	8
GEORGIA	2	0	1	0	2	0	0	5
HAWAII	0	0	0	0	5	0	0	5
IDAHO	0	0	0	1	0	0	0	1
ILLINOIS	0	0	0	0	1	0	0	1
INDIANA	0	0	0	0	1	0	0	1
IOWA	0	1	0	0	0	0	0	1
KANSAS	0	0	0	0	0	1	0	1
KENTUCKY	0	0	0	0	4	0	0	4
LOUISIANA	0	0	0	4	4	1	0	9
MAINE	0	0	0	4	2	0	0	6
MARYLAND	0	0	0	0	1	0	0	1
MASSACHUSETTS	1	0	0	0	0	0	0	1
MICHIGAN	0	0	0	0	5	0	0	5
MISSISSIPPI	4	1	4	0	5	1	0	15
MISSOURI	0	0	0	0	1	0	0	1
MONTANA	0	0	0	2	3	0	0	5
NEBRASKA	0	1	0	0	1	0	0	2
NEW JERSEY	0	1	0	8	0	0	0	9
NEW MEXICO	0	0	0	0	3	0	0	3
NEW YORK	0	1	0	6	3	0	1	11
NORTH CAROLINA	0	1	0	0	1	1	0	3
NORTH DAKOTA	5	0	0	0	0	0	0	5
OHIO	0	0	0	0	2	1	0	3
OKLAHOMA	0	0	0	2	1	1	1	5
OREGON	0	0	0	0	2	0	0	2

PENNSYLVANIA	0	0	0	1	3	0	0	4
PUERTO RICO	1	1	0	2	8	0	0	12
SOUTH CAROLINA	0	0	1	2	0	0	1	4
SOUTH DAKOTA	0	0	0	0	1	1	0	2
TENNESSEE	0	0	0	1	4	1	0	6
TEXAS	4	2	3	5	5	1	0	20
UTAH	0	0	0	1	0	0	0	1
VIRGINIA	0	0	1	1	7	0	0	9
WASHINGTON	0	0	0	0	0	0	1	1
WEST VIRGINIA	0	0	0	0	1	0	0	1
WISCONSIN	0	0	0	0	2	0	0	2
WYOMING	0	0	0	0	1	0	0	1
TOTAL	**18**	**12**	**14**	**45**	**109**	**11**	**7**	**216**

LOANS

Mr. Bonilla: Please update the tables that appeared in last year's hearing record, showing the amount of direct farm loans, direct housing loans, and rural development insurance fund loans that have been written off the books since fiscal year 1990 to include fiscal year 2002.

Response: The information is submitted for the record.

[The information follows:]

Direct Farm Loans Written Off
Fiscal Years 1990 - 2002
(Dollars in Thousands)

Fiscal Year	Principal Outstanding	Losses (Principal and Interest)	Losses as Percent of Principal
1990	$19,535,045	$2,906,832	14.88
1991	17,457,646	1,935,285	11.09
1992	15,530,621	1,803,630	11.61
1993	13,770,762	1,651,208	11.99
1994	12,618,171	1,282,399	10.16
1995	11,722,845	978,079	8.34
1996	10,728,012	1,286,221	11.99
1997	10,006,203	742,747	7.42
1998	9,297,047	665,032	7.15
1999	9,035,418	517,558	5.73
2000	8,710,486	473,178	5.43
2001	8,481,201	349,942	4.13
2002	7,922,653	446,967	5.64

Direct Housing Loans Written Off
Fiscal Years 1990 - 2002
(Dollars in Thousands)

Fiscal Year	Principal Outstanding	Losses (Principal and Interest)	Losses as Percent of Principal
1990	$28,560,266	$106,258	0.37
1991	29,244,452	139,484	0.48
1992	29,702,405	196,794	0.66
1993	29,775,695	185,152	0.62
1994	30,144,158	158,934	0.53
1995	30,472,328	138,676	0.46
1996	29,560,025	116,730	0.39
1997	29,514,624	48,203	0.16
1998	28,954,759	15,978	0.06
1999	28,552,686	94,872	0.33
2000	28,419,262	97,589	0.34
2001	27,879,074	243,251	0.87
2002	27,082,418	268,606	0.99

Rural Development Insurance Fund Loans Written Off
Fiscal Years 1990 - 2002
(Dollars in Thousands)

Fiscal Year	Principal Outstanding	Losses (Principal and Interest)	Losses as Percent of Principal
1990	$5,380,735	$123,502	2.30
1991	5,581,410	76,855	1.38
1992	5,847,952	62,121	1.06
1993	6,037,834	41,261	0.68
1994	6,311,732	70,763	1.12
1995	6,585,900	16,530	0.25
1996	7,381,274	27,985	0.38
1997	8,652,188	28,030	0.32
1998	9,681,995	29,867	0.31
1999	9,999,153	13,992	0.14
2000	11,035,043	44,743	0.40
2001	11,796,279	32,935	0.28
2002	12,701,689	50,364	0.40

Mr. Bonilla: What is the current error rate in processing loan servicing applications?

Response: Overall program compliance on direct loan servicing (DLS) is the basis for determining the error rate. While the data for FY 2002 has not been fully compiled, the overall application processing compliance with statutory, regulatory, and service quality requirements in DLS is over 87 percent for 2001. We expect that this compliance level will also be representative of FY 2002.

Mr. Bonilla: What are the principal reasons for this error rate?

Response: The noncompliance rate in direct loan delinquency servicing is primarily caused by input error and failure to verify non-farm and other farm income data for the farm and home plan. FSA continues working to reduce errors through training that addresses the challenges of the complexity and scope of the loan servicing statutes and regulations; the extreme diversity of agricultural operations; and availability of experienced personnel during the high-workload planting season.

TOBACCO PROGRAM

Mr. Bonilla: Please provide a copy of the most recent updated tobacco table that shows the related administrative expenses for carrying out the tobacco program.

Response: The information is submitted for the record.

[The information follows:]

UNITED STATES DEPARTMENT OF AGRICULTURE
PROGRAM - BY - PROGRAM SUMMARY
Estimated Costs Related to Tobacco Activities
(Dollars in Thousands)

DIRECT OUTLAYS a/	2001 Actual	2002 Actual	2003 Act	2004 Budget
Agency/Activity:				
Cooperative State Research, Education, and Extension Service:				
Special Research Grant: Alternative Uses of Tobacco (MD)	0	$360	$358	0
Economic Research Service:				
Forecasting and Projection	$98	103	108	$120
National Agricultural Statistics Service:				
Agricultural Statistics	241	242	242	242
Foreign Agricultural Service:				
World Market Analysis	155	173	180	187
Agricultural Marketing Service:				
Market News	765	739	817	830
Standardization	201	186	205	203
TOTAL, Agricultural Marketing Service	966	925	1,022	1,033
Farm Service Agency:				
Administrative Expenses of Price Supports b/	17,561	20,665	21,395	24,114
Risk Management Agency/FCIC:				
Crop Insurance: c/				
Indemnities	43,457	103,342	47,548	48,933
Producer-paid premiums (applied to indemnity payments)	-18,561	-18,724	-19,315	-19,895
Net Indemnities d/	24,896	84,618	28,233	29,038
Administrative Expenses for Delivery of Insurance:				
Delivered by Private Insurance Companies	9,996	10,303	10,621	10,936
Total, Crop Insurance	34,892	94,921	38,854	39,974
TOTAL DIRECT OUTLAYS (EXCLUDING THE COMMODITY CREDIT CORPORATION)	53,913	117,029	61,801	65,670

DIRECT OUTLAYS a/	2001 Actual	2002 Actual	2003 Act	2004 Budget
Agency/Activity:				
Commodity Credit Corporation:				
1. Price Support Program: e/				
Loans Made	114,692	110,006	168,210	95,300
Repayments	-263,053	-233,028	-303,010	-199,619
Tobacco Quota Payments to States f/	471,154	5,808	0	0
Tobacco Payment Program g/	0	0	55,000	0
Storage & Handling	1,215	3,230	3,279	3,328
Other Receipts and Outlays	63,007	-23,224	0	0
TOTAL CCC Net Outlays and Receipts (-) c/	387,015	-137,208	-76,521	-100,991
2. Realized Losses	610,127	-14,160	58,279	3,328

Footnotes:

a/ Direct outlays include spending for all USDA tobacco-related activities except lending and realized losses. Direct outlays are not likely to be recovered in future years. Loans, however, will normally be repaid in future years.

b/ These are costs that are related to administering the CCC tobacco price support programs at the Farm Service Agency (FSA) county office level. These administrative costs include activities related to:
- o Determining and maintaining tobacco farm allotments, quotas, history records and issuing marketing cards;
- o Preparing and conducting producer referenda by mail; and,
- o Measurement services and farm visits.

FSA Federal administrative expenses are not readily available.

c/ Numbers with minus (-) sign denote receipts.

d/ Reflects primarily Government paid premium subsidies and any excess gain or loss.

e/ CCC estimates in the FY 2004 President's Budget Request.

f/ Includes FY 2002 Tobacco Quota Holder Assistance payments made available by P.L. 107-76.

g/ Includes FY 2003 Tobacco payments made available by P.L. 108-7.

Research is supported by USDA which uses tobacco as a model plant system for studies in plant physiology, molecular biology, and biochemistry.

OSEC STAFFING

Mr. Bonilla: Provide tables similar to the ones provided in last year's hearing record that list current staff in each of the OSEC offices, the position title, the grade level, the pay costs associated with each position, the identity of the appointment, and how they are funded for fiscal years 2002 and 2003. Also, please list by name each staff and those that are used by OSEC and costs that are paid by agencies.

Response: The following table lists current staff on board in each of the OSEC offices, the position title, the grade level, the pay costs associated with each position. The table also identifies Presidential Appointments with Senate Confirmation-PAS, Schedule C, Non-career, Career positions, and how they are funded. The table reflects staff on board as of September 30, 2002, for fiscal year 2002 and as of March 28, 2003 for fiscal year 2003.

OFFICE OF THE SECRETARY - IMMEDIATE OFFICE
FISCAL YEAR 2002

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Secretary of Agriculture	EX-I	$166,700	$41,675	OSEC	PAS
Deputy Secretary of Agriculture	EX-II	150,000	37,500	OSEC	PAS
Chief of Staff	ES-5	138,200	34,550	OSEC	Non-Career
Special Assistant to the Secretary	ES-6	138,200	34,550	OSEC	Non-Career
Assistant to the Deputy Secretary	ES-4	138,200	34,550	OSEC	Non-Career
Senior Advisor for Food Policy	ES-1	125,972	31,493	OSEC	Non-Career
Confidential Assistant	GS-14	80,873	20,218	OSEC	Schedule C
Confidential Assistant	GS-14	80,873	20,218	OSEC	Schedule C
Confidential Assistant	GS-14	80,873	20,218	OSEC	Schedule C
Confidential Assistant	GS-13	68,436	17,109	OSEC	Schedule C
Program Support Specialist	GS-12	55,694	13,924	OSEC	Career
Confidential Assistant	GS-13	68,436	17,109	OSEC	Schedule C
Office Assistant	GS-9	47,365	11,841	OSEC	Schedule C
Staff Assistant	GS-12	55,694	13,924	OSEC	Career
Office Assistant	GS-9	49,924	12,481	OSEC	Career
Staff Assistant	GS-9	38,406	9,602	OSEC	Schedule C
White House Fellow	EF-15	82,583	20,646	OSEC	Schedule C
Deputy Chief of Staff	ES-5	138,200	34,550	OSEC/OC	Non-Career
Special Counsel to the Secretary for Trade	ES-6	138,200	34,550	OSEC/FAS	Non-Career
Special Advisor for Codex & International Food Safety	SL	138,200	34,550	OSEC/FAS	Non-Career
Confidential Assistant	GS-11	46,469	11,617	OSEC	Schedule C
Confidential Assistant	GS-12	61,263	15,316	OSEC	Schedule C
Homeland Security Staff:					
Confidential Assistant	ES-4	138,200	34,550	OSEC	Non-Career

OFFICE OF THE SECRETARY - IMMEDIATE OFFICE
FISCAL YEAR 2003

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Secretary of Agriculture	EX-I	$171,900	$42,975	OSEC	PAS
Deputy Secretary of Agriculture	EX-II	154,700	38,675	OSEC	PAS
Chief of Staff	ES-5	142,500	35,625	OSEC	Non-Career
Special Assistant to the Secretary	ES-6	142,500	35,625	OSEC	Non-Career
Assistant to the Deputy Secretary	ES-4	142,500	35,625	OSEC	Non-Career
Senior Advisor for Food Policy	ES-1	131,342	32,836	OSEC	Non-Career
Special Assistant	ES-1	131,342	32,836	OSEC	Non-Career
Special Assistant	ES-1	131,342	32,836	OSEC/FSA/RD/NRCS	Non-Career
Confidential Assistant	GS-14	87,043	21,761	OSEC	Schedule C
Confidential Assistant	GS-14	87,043	21,761	OSEC	Schedule C
Confidential Assistant	GS-14	81,602	20,401	OSEC	Schedule C
Program Support Specialist	GS-12	60,006	15,002	OSEC	Career
Confidential Assistant	GS-13	69,054	17,264	OSEC	Schedule C
Office Assistant	GS-9	49,388	12,347	OSEC	Schedule C
Staff Assistant	GS-12	60,006	15,002	OSEC	Career
Office Assistant	GS-9	52,058	13,015	OSEC	Career
Staff Assistant	GS-11	48,451	12,113	OSEC	Schedule C
White House Fellow	EF-15	85,150	21,288	OSEC	Schedule C
Special Counsel to the Secretary for Trade	ES-6	142,500	35,625	OSEC/FAS	Non-Career
Special Advisor for Codex & International Food Safety	SL	142,500	35,625	OSEC/FAS/FSIS	Non-Career
Confidential Assistant	GS-12	63,877	15,969	OSEC	Schedule C
Homeland Security Staff:					
Executive Assistant for Homeland Security	ES-4	142,500	35,625	OSEC	Non-Career
Deputy Director Homeland Security Staff	GS-15	95,987	23,997	OSEC	Career
Special Assistant	GS-15	95,987	23,997	OSEC	Schedule C
Special Assistant	GS-15	111,985	27,996	OSEC	Schedule C
Special Assistant	GS-12	58,070	14,518	OSEC	Schedule C
Administrative Specialist	GS-9	46,718	11,680	OSEC	Career

ASSISTANT SECRETARY FOR ADMINISTRATION
FISCAL YEAR 2002

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Assistant Secretary	EX-IV	$130,000	$32,500	OSEC	PAS
Deputy Assistant Secretary	ES-6	138,200	34,550	OSEC	Career
Associate Assistant Secretary	ES-5	138,200	34,550	OSEC	Career
Secretary	GS-11	52,663	13,166	OSEC	Career

ASSISTANT SECRETARY FOR ADMINISTRATION
FISCAL YEAR 2003

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Assistant Secretary	EX-IV	$134,000	$33,500	OSEC	PAS
Deputy Assistant Secretary	ES-6	142,500	35,625	OSEC	Career
Associate Assistant Secretary	ES-5	142,500	35,625	OSEC	Career
Secretary	GS-11	54,913	13,728	OSEC	Career

ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS
FISCAL YEAR 2002

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Congressional Relations Activities:					
Assistant Secretary	EX-IV	$130,000	$32,500	OSEC	PAS
Deputy Asst Secretary	ES-1	125,972	31,493	OSEC	Non-Career
Confidential Assistant	GS-14	83,482	20,871	OSEC	Schedule C
Confidential Assistant	GS-14	80,873	20,218	OSEC	Schedule C
Confidential Assistant	GS-13	66,229	16,557	OSEC	Schedule C
Confidential Assistant	GS-12	55,694	13,924	OSEC	Schedule C
Confidential Assistant	GS-12	55,694	13,924	OSEC	Schedule C
Confidential Assistant	GS-11	46,469	11,617	OSEC	Schedule C
Secretary	GS-10	54,986	13,747	OSEC	Career
Secretary Typing	GS-9	46,085	11,521	OSEC	Career
Motor Vehicle Operator	WG-7	38,547	9,637	OSEC	Career
Intergovernmental Affairs activities:					
Director, Intergovernmental Affairs	ES-1	125,972	31,493	OSEC	Non-Career
Secretary	GS-10	43,984	10,996	OSEC	Career

ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS
FISCAL YEAR 2003

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Congressional Relations Activities:					
Assistant Secretary	EX-IV	$134,000	$33,500	OSEC	PAS
Deputy Asst Secretary	ES-4	142,500	35,625	OSEC	Non-Career
Confidential Assistant	GS-14	89,764	22,441	OSEC	Schedule C
Confidential Assistant	GS-14	84,323	21,081	OSEC	Schedule C
Confidential Assistant	GS-13	75,961	18,990	OSEC	Schedule C
Confidential Assistant	GS-13	69,054	17,264	OSEC	Schedule C
Confidential Assistant	GS-11	50,067	12,517	OSEC	Schedule C
Confidential Assistant	GS-11	48,451	12,113	OSEC	Schedule C
Confidential Assistant	GS-11	48,451	12,113	OSEC	Schedule C
Secretary	GS-10	57,329	14,332	OSEC	Career
Secretary Typing	GS-9	48,053	12,013	OSEC	Career
Motor Vehicle Operator	WG-7	39,736	9,934	OSEC	Career
Office Automation Clerk (P/T)	GS-5	26,429	6,607	OSEC	Schedule C
Intergovernmental Affairs activities:					
Director, Intergovernmental Affairs	ES-1	142,500	35,625	OSEC	Non-Career
Secretary	GS-10	51,449	12,862	OSEC	Career

UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS
FISCAL YEAR 2002

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Under Secretary	EX-III	$138,200	$34,550	OSEC	PAS
Deputy Under Secretary	ES-4	138,200	34,550	OSEC	Non-Career
Staff Assistant	GS-11	54,212	13,553	OSEC	Career
Secretary	GS-7	35,584	8,896	OSEC	Career
REE Budget Coordinator	ES-3	137,901	34,475	ARS/CSREES/ ERS/NASS	Career
Communication/ Legislative Director	GS-15	98,198	24,550	ARS/CSREES/ ERS/NASS	Schedule C
Special Assistant	GS-15	95,129	23,782	ARS/CSREES/ ERS/NASS	Career
Secretary	GS-11	55,760	13,940	ARS/CSREES/ ERS/NASS	Career

UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS
FISCAL YEAR 2003

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Under Secretary	EX-III	$142,500	$35,625	OSEC	PAS
Deputy Under Secretary	ES-4	142,500	35,625	OSEC	Non-Career
Staff Assistant	GS-11	56,529	14,132	OSEC	Career
Secretary	GS-7	37,102	9,276	OSEC	Career
REE Budget Coordinator	ES-3	142,500	35,625	ARS/CSREES/ ERS/NASS	Career
Communication/ Legislative Director	GS-15	99,186	24,797	ARS/CSREES/ ERS/NASS	Schedule C
Special Assistant	GS-13	69,054	17,264	ARS/CSREES/ ERS/NASS	Career
Secretary	GS-11	58,145	14,536	ARS/CSREES/ ERS/NASS	Career

UNDER SECRETARY FOR MARKETING AND REGULATORY PROGRAMS
FISCAL YEAR 2002

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Under Secretary	EX-IV	$138,200	$34,550	OSEC	PAS
Deputy Under Secretary	ES-4	138,200	34,550	OSEC	Non-Career
Staff Assistant	GS-9	43,525	10,881	OSEC	Schedule C
Staff Assistant	GS-9	50,756	12,689	OSEC	Career
Secretary	GS-9	46,085	11,521	OSEC	Career

UNDER SECRETARY FOR MARKETING AND REGULATORY PROGRAMS
FISCAL YEAR 2003

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Under Secretary	EX-IV	$142,500	$35,625	OSEC	PAS
Deputy Under Secretary	ES-3	142,500	35,625	OSEC	Non-Career
Staff Assistant	GS-9	48,053	12,013	OSEC	Schedule C

UNDER SECRETARY FOR FOOD SAFETY
FISCAL YEAR 2002

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Under Secretary	EX-III	$138,200	$34,550	OSEC	PAS
Deputy Under Secretary	ES-4	138,200	34,550	OSEC	Non-Career
Special Assistant	GS-14	80,873	20,218	OSEC	Schedule C
Executive Assistant	GS-10	45,115	11,279	OSEC	Career
Secretary	GS-8	42,887	10,722	OSEC	Career
Special Assistant	GS-15	101,267	25,317	FSIS	Career
Special Assistant	GS-15	119,682	29,921	FSIS	Career

UNDER SECRETARY FOR FOOD SAFETY
FISCAL YEAR 2003

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Under Secretary	EX-III	$145,500	$35,625	OSEC	PAS
Deputy Under Secretary	ES-4	142,500	35,626	OSEC	Non-Career
Special Assistant	GS-14	84,323	21,081	OSEC	Schedule C
Executive Assistant	GS-10	47,039	11,760	OSEC	Career
Secretary	GS-8	43,506	10,877	OSEC	Career
Special Assistant	GS-15	105,586	26,397	FSIS	Career
Special Assistant	GS-15	124,783	31,196	FSIS	Career

UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES
FISCAL YEAR 2002

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Under Secretary	EX-III	$138,200	$34,550	OSEC	PAS
Deputy Under Secretary	ES-3	137,901	34,475	OSEC	Non-Career
Special Assistant	GS-15	92,060	23,015	OSEC	Schedule C
Secretary	GS-12	72,400	18,100	OSEC	Career
Special Assistant	GS-14	83,482	20,871	RMA	Career
Secretary	GS-11	51,115	12,779	FSA	Career
Secretary	GS-7	38,725	9,681	FSA	Career
Staff Assistant	GS-7	31,397	7,849	FAS	Schedule C

UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES
FISCAL YEAR 2003

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Under Secretary	EX-III	$142,500	$35,625	OSEC	PAS
Deputy Under Secretary	ES-4	142,500	35,625	OSEC	Non-Career
Deputy Under Secretary	ES-2	137,543	34,386	OSEC	Non-Career
Special Assistant	GS-15	95,987	23,997	OSEC/FAS	Schedule C
Secretary	GS-12	75,492	18,873	OSEC/FAS	Career
Special Assistant	GS-14	89,764	22,441	RMA	Career
Secretary	GS-11	53,298	13,325	FSA	Career
Secretary	GS-7	40,376	10,094	FSA	Career

UNDER SECRETARY FOR RURAL DEVELOPMENT
FISCAL YEAR 2002

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Under Secretary	EX-III	$138,200	$34,550	OSEC	PAS
Deputy Under Secretary	ES-1	125,972	31,493	OSEC	Non-Career
Deputy Under Secretary	ES-1	125,972	31,493	OSEC	Non-Career
Management Analyst	GS-15	119,682	29,921	RBS	Career
Budget Analyst	GS-15	113,543	28,386	RHS	Career
Staff Assistant	GS-10	45,115	11,279	RHS	Career
Staff Assistant	GS-8	41,728	10,432	RHS	Career

UNDER SECRETARY FOR RURAL DEVELOPMENT
FISCAL YEAR 2003

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Under Secretary	EX-III	$142,500	$35,625	OSEC	PAS
Deputy Under Secretary	ES-1	131,342	32,836	OSEC	Non-Career
Confidential Assistant	GS-11	51,682	12,921	OSEC	Schedule C
Management Analyst	GS-15	124,783	31,196	RBS	Career
Budget Analyst	GS-15	118,384	29,596	RHS	Career
Staff Assistant	GS-9	48,053	12,013	RHS	Career

UNDER SECRETARY FOR NATURAL RESOURCES & ENVIRONMENT
FISCAL YEAR 2002

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Under Secretary	EX-III	$138,200	$34,550	OSEC	PAS
Deputy Under Secretary	ES-1	125,972	31,493	OSEC	Non-Career
Deputy Under Secretary	ES-4	138,200	34,550	OSEC	Non-Career
Special Assistant	GS-14	78,265	19,566	OSEC	Schedule C
Secretary	GS-11	49,566	12,392	NRCS	Career
Secretary	GS-11	51,115	12,779	FS	Career
Secretary	GS-9	44,805	11,201	NRCS	Career
Secretary	GS-7	33,491	8,373	NRCS	Career

UNDER SECRETARY FOR NATURAL RESOURCES & ENVIRONMENT
FISCAL YEAR 2003

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Under Secretary	EX-III	$142,500	$35,625	OSEC	PAS
Deputy Under Secretary	ES-1	131,342	32,836	OSEC	Non-Career
Deputy Under Secretary	ES-4	142,500	35,625	OSEC	Non-Career
Special Assistant	GS-14	84,323	21,081	OSEC	Schedule C
Program Analyst	GS-12	58,070	14,518	NRCS	Career
Executive Assistant	GS-12	58,070	14,518	FS	Career
Information Specialist	GS-9	46,718	11,680	NRCS	Career
Executive Assistant	GS-9	45,383	11,346	NRCS	Career

UNDER SECRETARY FOR FOOD, NUTRITION AND CONSUMER SERVICES
FISCAL YEAR 2002

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Under Secretary	EX-III	$138,200	$34,550	OSEC	PAS
Deputy Under Secretary	ES-1	125,972	31,493	OSEC	Non-Career
Secretary	GS-12	63,119	15,780	OSEC	Career
Secretary	GS-11	55,760	13,940	OSEC	Career

UNDER SECRETARY FOR FOOD, NUTRITION AND CONSUMER SERVICES
FISCAL YEAR 2003

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Under Secretary	EX-III	$142,500	$35,625	OSEC	PAS
Deputy Under Secretary	ES-1	131,342	32,836	OSEC	Non-Career
Secretary	GS-12	65,813	16,453	OSEC	Career
Secretary	GS-11	58,145	14,536	OSEC	Career

ELECTRONIC BENEFITS TRANSFER AND WIC ELIGIBLES

Mr. Bonilla: What percentage of Food Stamp benefits is currently being delivered by EBT? Please submit a copy of the Department's most recent estimate of WIC eligibles.

Response: In December 2002, about 89 percent of all Food Stamp Program benefits were delivered through electronic benefits transfer (EBT) systems.

Estimates for WIC eligibles are based on a methodology that has been in use since the early 1990's. USDA has recognized that this methodology should be revised. At our request, the National Research Council's Committee on National Statistics (NRC/CNSTAT) has convened a panel to review the methodology. A report of the first phase of their review, *Estimating Eligiblity and Participation for the WIC Program*, was submitted to Congress in September 2001. The report concludes that the current methodology substantially underestimates the number of people eligible for WIC. Phase II of the review will investigate improvements to the methodology. A final report is expected in the spring of 2003. An estimate of WIC eligibles for fiscal year 2000 using FNS' historical estimation approach will be provided for the record.

[The information follows:]

OSEC STAFFING

Mr. Bonilla: Provide tables similar to the ones provided in last year's hearing record that list current staff in each of the OSEC offices, the position title, the grade level, the pay costs associated with each position, the identity of the appointment, and how they are funded for fiscal years 2002 and 2003. Also, please list by name each staff and those that are used by OSEC and costs that are paid by agencies.

Response: The following table lists current staff on board in each of the OSEC offices, the position title, the grade level, the pay costs associated with each position. The table also identifies Presidential Appointments with Senate Confirmation-PAS, Schedule C, Non-career, Career positions, and how they are funded. The table reflects staff on board as of September 30, 2002, for fiscal year 2002 and as of March 28, 2003 for fiscal year 2003.

OFFICE OF THE SECRETARY - IMMEDIATE OFFICE
FISCAL YEAR 2002

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Secretary of Agriculture	EX-I	$166,700	$41,675	OSEC	PAS
Deputy Secretary of Agriculture	EX-II	150,000	37,500	OSEC	PAS
Chief of Staff	ES-5	138,200	34,550	OSEC	Non-Career
Special Assistant to the Secretary	ES-6	138,200	34,550	OSEC	Non-Career
Assistant to the Deputy Secretary	ES-4	138,200	34,550	OSEC	Non-Career
Senior Advisor for Food Policy	ES-1	125,972	31,493	OSEC	Non-Career
Confidential Assistant	GS-14	80,873	20,218	OSEC	Schedule C
Confidential Assistant	GS-14	80,873	20,218	OSEC	Schedule C
Confidential Assistant	GS-14	80,873	20,218	OSEC	Schedule C
Confidential Assistant	GS-13	68,436	17,109	OSEC	Schedule C
Program Support Specialist	GS-12	55,694	13,924	OSEC	Career
Confidential Assistant	GS-13	68,436	17,109	OSEC	Schedule C
Office Assistant	GS-9	47,365	11,841	OSEC	Schedule C
Staff Assistant	GS-12	55,694	13,924	OSEC	Career
Office Assistant	GS-9	49,924	12,481	OSEC	Career
Staff Assistant	GS-9	38,406	9,602	OSEC	Schedule C
White House Fellow	EF-15	82,583	20,646	OSEC	Schedule C
Deputy Chief of Staff	ES-5	138,200	34,550	OSEC/OC	Non-Career
Special Counsel to the Secretary for Trade	ES-6	138,200	34,550	OSEC/FAS	Non-Career
Special Advisor for Codex & International Food Safety	SL	138,200	34,550	OSEC/FAS	Non-Career
Confidential Assistant	GS-11	46,469	11,617	OSEC	Schedule C
Confidential Assistant	GS-12	61,263	15,316	OSEC	Schedule C
Homeland Security Staff:					
Confidential Assistant	ES-4	138,200	34,550	OSEC	Non-Career

OFFICE OF THE SECRETARY - IMMEDIATE OFFICE
FISCAL YEAR 2003

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Secretary of Agriculture	EX-I	$171,900	$42,975	OSEC	PAS
Deputy Secretary of Agriculture	EX-II	154,700	38,675	OSEC	PAS
Chief of Staff	ES-5	142,500	35,625	OSEC	Non-Career
Special Assistant to the Secretary	ES-6	142,500	35,625	OSEC	Non-Career
Assistant to the Deputy Secretary	ES-4	142,500	35,625	OSEC	Non-Career
Senior Advisor for Food Policy	ES-1	131,342	32,836	OSEC	Non-Career
Special Assistant	ES-1	131,342	32,836	OSEC	Non-Career
Special Assistant	ES-1	131,342	32,836	OSEC/FSA/R D/NRCS	Non-Career
Confidential Assistant	GS-14	87,043	21,761	OSEC	Schedule C
Confidential Assistant	GS-14	87,043	21,761	OSEC	Schedule C
Confidential Assistant	GS-14	81,602	20,401	OSEC	Schedule C
Program Support Specialist	GS-12	60,006	15,002	OSEC	Career
Confidential Assistant	GS-13	69,054	17,264	OSEC	Schedule C
Office Assistant	GS-9	49,388	12,347	OSEC	Schedule C
Staff Assistant	GS-12	60,006	15,002	OSEC	Career
Office Assistant	GS-9	52,058	13,015	OSEC	Career
Staff Assistant	GS-11	48,451	12,113	OSEC	Schedule C
White House Fellow	EF-15	85,150	21,288	OSEC	Schedule C
Special Counsel to the Secretary for Trade	ES-6	142,500	35,625	OSEC/FAS	Non-Career
Special Advisor for Codex & International Food Safety	SL	142,500	35,625	OSEC/FAS/ FSIS	Non-Career
Confidential Assistant	GS-12	63,877	15,969	OSEC	Schedule C
Homeland Security Staff:					
Executive Assistant for Homeland Security	ES-4	142,500	35,625	OSEC	Non-Career
Deputy Director Homeland Security Staff	GS-15	95,987	23,997	OSEC	Career
Special Assistant	GS-15	95,987	23,997	OSEC	Schedule C
Special Assistant	GS-15	111,985	27,996	OSEC	Schedule C
Special Assistant	GS-12	58,070	14,518	OSEC	Schedule C
Administrative Specialist	GS-9	46,718	11,680	OSEC	Career

ASSISTANT SECRETARY FOR ADMINISTRATION
FISCAL YEAR 2002

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Assistant Secretary	EX-IV	$130,000	$32,500	OSEC	PAS
Deputy Assistant Secretary	ES-6	138,200	34,550	OSEC	Career
Associate Assistant Secretary	ES-5	138,200	34,550	OSEC	Career
Secretary	GS-11	52,663	13,166	OSEC	Career

ASSISTANT SECRETARY FOR ADMINISTRATION
FISCAL YEAR 2003

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Assistant Secretary	EX-IV	$134,000	$33,500	OSEC	PAS
Deputy Assistant Secretary	ES-6	142,500	35,625	OSEC	Career
Associate Assistant Secretary	ES-5	142,500	35,625	OSEC	Career
Secretary	GS-11	54,913	13,728	OSEC	Career

ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS
FISCAL YEAR 2002

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Congressional Relations Activities:					
Assistant Secretary	EX-IV	$130,000	$32,500	OSEC	PAS
Deputy Asst Secretary	ES-1	125,972	31,493	OSEC	Non-Career
Confidential Assistant	GS-14	83,482	20,871	OSEC	Schedule C
Confidential Assistant	GS-14	80,873	20,218	OSEC	Schedule C
Confidential Assistant	GS-13	66,229	16,557	OSEC	Schedule C
Confidential Assistant	GS-12	55,694	13,924	OSEC	Schedule C
Confidential Assistant	GS-12	55,694	13,924	OSEC	Schedule C
Confidential Assistant	GS-11	46,469	11,617	OSEC	Schedule C
Secretary	GS-10	54,986	13,747	OSEC	Career
Secretary Typing	GS-9	46,085	11,521	OSEC	Career
Motor Vehicle Operator	WG-7	38,547	9,637	OSEC	Career
Intergovernmental Affairs activities:					
Director, Intergovernmental Affairs	ES-1	125,972	31,493	OSEC	Non-Career
Secretary	GS-10	43,984	10,996	OSEC	Career

ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS
FISCAL YEAR 2003

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Congressional Relations Activities:					
Assistant Secretary	EX-IV	$134,000	$33,500	OSEC	PAS
Deputy Asst Secretary	ES-4	142,500	35,625	OSEC	Non-Career
Confidential Assistant	GS-14	89,764	22,441	OSEC	Schedule C
Confidential Assistant	GS-14	84,323	21,081	OSEC	Schedule C
Confidential Assistant	GS-13	75,961	18,990	OSEC	Schedule C
Confidential Assistant	GS-13	69,054	17,264	OSEC	Schedule C
Confidential Assistant	GS-11	50,067	12,517	OSEC	Schedule C
Confidential Assistant	GS-11	48,451	12,113	OSEC	Schedule C
Confidential Assistant	GS-11	48,451	12,113	OSEC	Schedule C
Secretary	GS-10	57,329	14,332	OSEC	Career
Secretary Typing	GS-9	48,053	12,013	OSEC	Career
Motor Vehicle Operator	WG-7	39,736	9,934	OSEC	Career
Office Automation Clerk (P/T)	GS-5	26,429	6,607	OSEC	Schedule C
Intergovernmental Affairs activities:					
Director, Intergovernmental Affairs	ES-1	142,500	35,625	OSEC	Non-Career
Secretary	GS-10	51,449	12,862	OSEC	Career

UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS
FISCAL YEAR 2002

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Under Secretary	EX-III	$138,200	$34,550	OSEC	PAS
Deputy Under Secretary	ES-4	138,200	34,550	OSEC	Non-Career
Staff Assistant	GS-11	54,212	13,553	OSEC	Career
Secretary	GS-7	35,584	8,896	OSEC	Career
REE Budget Coordinator	ES-3	137,901	34,475	ARS/CSREES/ ERS/NASS	Career
Communication/ Legislative Director	GS-15	98,198	24,550	ARS/CSREES/ ERS/NASS	Career
Special Assistant	GS-15	95,129	23,782	ARS/CSREES/ ERS/NASS	Schedule C
Secretary	GS-11	55,760	13,940	ARS/CSREES/ ERS/NASS	Career

UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS
FISCAL YEAR 2003

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Under Secretary	EX-III	$142,500	$35,625	OSEC	PAS
Deputy Under Secretary	ES-4	142,500	35,625	OSEC	Non-Career
Staff Assistant	GS-11	56,529	14,132	OSEC	Career
Secretary	GS-7	37,102	9,276	OSEC	Career
REE Budget Coordinator	ES-3	142,500	35,625	ARS/CSREES/ ERS/NASS	Career
Communication/ Legislative Director	GS-15	99,186	24,797	ARS/CSREES/ ERS/NASS	Schedule C
Special Assistant	GS-13	69,054	17,264	ARS/CSREES/ ERS/NASS	Career
Secretary	GS-11	58,145	14,536	ARS/CSREES/ ERS/NASS	Career

UNDER SECRETARY FOR MARKETING AND REGULATORY PROGRAMS
FISCAL YEAR 2002

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Under Secretary	EX-IV	$138,200	$34,550	OSEC	PAS
Deputy Under Secretary	ES-4	138,200	34,550	OSEC	Non-Career
Staff Assistant	GS-9	43,525	10,881	OSEC	Schedule C
Staff Assistant	GS-9	50,756	12,689	OSEC	Career
Secretary	GS-9	46,085	11,521	OSEC	Career

UNDER SECRETARY FOR MARKETING AND REGULATORY PROGRAMS
FISCAL YEAR 2003

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Under Secretary	EX-IV	$142,500	$35,625	OSEC	PAS
Deputy Under Secretary	ES-3	142,500	35,625	OSEC	Non-Career
Staff Assistant	GS-9	48,053	12,013	OSEC	Schedule C

UNDER SECRETARY FOR FOOD SAFETY
FISCAL YEAR 2002

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Under Secretary	EX-III	$138,200	$34,550	OSEC	PAS
Deputy Under Secretary	ES-4	138,200	34,550	OSEC	Non-Career
Special Assistant	GS-14	80,873	20,218	OSEC	Schedule C
Executive Assistant	GS-10	45,115	11,279	OSEC	Career
Secretary	GS-8	42,887	10,722	OSEC	Career
Special Assistant	GS-15	101,267	25,317	FSIS	Career
Special Assistant	GS-15	119,682	29,921	FSIS	Career

UNDER SECRETARY FOR FOOD SAFETY
FISCAL YEAR 2003

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Under Secretary	EX-III	$145,500	$35,625	OSEC	PAS
Deputy Under Secretary	ES-4	142,500	35,626	OSEC	Non-Career
Special Assistant	GS-14	84,323	21,081	OSEC	Schedule C
Executive Assistant	GS-10	47,039	11,760	OSEC	Career
Secretary	GS-8	43,506	10,877	OSEC	Career
Special Assistant	GS-15	105,586	26,397	FSIS	Career
Special Assistant	GS-15	124,783	31,196	FSIS	Career

UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES
FISCAL YEAR 2002

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Under Secretary	EX-III	$138,200	$34,550	OSEC	PAS
Deputy Under Secretary	ES-3	137,901	34,475	OSEC	Non-Career
Special Assistant	GS-15	92,060	23,015	OSEC	Schedule C
Secretary	GS-12	72,400	18,100	OSEC	Career
Special Assistant	GS-14	83,482	20,871	RMA	Career
Secretary	GS-11	51,115	12,779	FSA	Career
Secretary	GS-7	38,725	9,681	FSA	Career
Staff Assistant	GS-7	31,397	7,849	FAS	Schedule C

UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES
FISCAL YEAR 2003

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Under Secretary	EX-III	$142,500	$35,625	OSEC	PAS
Deputy Under Secretary	ES-4	142,500	35,625	OSEC	Non-Career
Deputy Under Secretary	ES-2	137,543	34,386	OSEC	Non-Career
Special Assistant	GS-15	95,987	23,997	OSEC/FAS	Schedule C
Secretary	GS-12	75,492	18,873	OSEC/FAS	Career
Special Assistant	GS-14	89,764	22,441	RMA	Career
Secretary	GS-11	53,298	13,325	FSA	Career
Secretary	GS-7	40,376	10,094	FSA	Career

UNDER SECRETARY FOR RURAL DEVELOPMENT
FISCAL YEAR 2002

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Under Secretary	EX-III	$138,200	$34,550	OSEC	PAS
Deputy Under Secretary	ES-1	125,972	31,493	OSEC	Non-Career
Deputy Under Secretary	ES-1	125,972	31,493	OSEC	Non-Career
Management Analyst	GS-15	119,682	29,921	RBS	Career
Budget Analyst	GS-15	113,543	28,386	RHS	Career
Staff Assistant	GS-10	45,115	11,279	RHS	Career
Staff Assistant	GS-8	41,728	10,432	RHS	Career

UNDER SECRETARY FOR RURAL DEVELOPMENT
FISCAL YEAR 2003

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Under Secretary	EX-III	$142,500	$35,625	OSEC	PAS
Deputy Under Secretary	ES-1	131,342	32,836	OSEC	Non-Career
Confidential Assistant	GS-11	51,682	12,921	OSEC	Schedule C
Management Analyst	GS-15	124,783	31,196	RBS	Career
Budget Analyst	GS-15	118,384	29,596	RHS	Career
Staff Assistant	GS-9	48,053	12,013	RHS	Career

UNDER SECRETARY FOR NATURAL RESOURCES & ENVIRONMENT
FISCAL YEAR 2002

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Under Secretary	EX-III	$138,200	$34,550	OSEC	PAS
Deputy Under Secretary	ES-1	125,972	31,493	OSEC	Non-Career
Deputy Under Secretary	ES-4	138,200	34,550	OSEC	Non-Career
Special Assistant	GS-14	78,265	19,566	OSEC	Schedule C
Secretary	GS-11	49,566	12,392	NRCS	Career
Secretary	GS-11	51,115	12,779	FS	Career
Secretary	GS-9	44,805	11,201	NRCS	Career
Secretary	GS-7	33,491	8,373	NRCS	Career

UNDER SECRETARY FOR NATURAL RESOURCES & ENVIRONMENT
FISCAL YEAR 2003

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Under Secretary	EX-III	$142,500	$35,625	OSEC	PAS
Deputy Under Secretary	ES-1	131,342	32,836	OSEC	Non-Career
Deputy Under Secretary	ES-4	142,500	35,625	OSEC	Non-Career
Special Assistant	GS-14	84,323	21,081	OSEC	Schedule C
Program Analyst	GS-12	58,070	14,518	NRCS	Career
Executive Assistant	GS-12	58,070	14,518	FS	Career
Information Specialist	GS-9	46,718	11,680	NRCS	Career
Executive Assistant	GS-9	45,383	11,346	NRCS	Career

UNDER SECRETARY FOR FOOD, NUTRITION AND CONSUMER SERVICES
FISCAL YEAR 2002

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Under Secretary	EX-III	$138,200	$34,550	OSEC	PAS
Deputy Under Secretary	ES-1	125,972	31,493	OSEC	Non-Career
Secretary	GS-12	63,119	15,780	OSEC	Career
Secretary	GS-11	55,760	13,940	OSEC	Career

UNDER SECRETARY FOR FOOD, NUTRITION AND CONSUMER SERVICES
FISCAL YEAR 2003

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	IDENTITY OF APPOINTMENT
Under Secretary	EX-III	$142,500	$35,625	OSEC	PAS
Deputy Under Secretary	ES-1	131,342	32,836	OSEC	Non-Career
Secretary	GS-12	65,813	16,453	OSEC	Career
Secretary	GS-11	58,145	14,536	OSEC	Career

ELECTRONIC BENEFITS TRANSFER AND WIC ELIGIBLES

Mr. Bonilla: What percentage of Food Stamp benefits is currently being delivered by EBT? Please submit a copy of the Department's most recent estimate of WIC eligibles.

Response: In December 2002, about 89 percent of all Food Stamp Program benefits were delivered through electronic benefits transfer (EBT) systems.

Estimates for WIC eligibles are based on a methodology that has been in use since the early 1990's. USDA has recognized that this methodology should be revised. At our request, the National Research Council's Committee on National Statistics (NRC/CNSTAT) has convened a panel to review the methodology. A report of the first phase of their review, *Estimating Eligiblity and Participation for the WIC Program*, was submitted to Congress in September 2001. The report concludes that the current methodology substantially underestimates the number of people eligible for WIC. Phase II of the review will investigate improvements to the methodology. A final report is expected in the spring of 2003. An estimate of WIC eligibles for fiscal year 2000 using FNS' historical estimation approach will be provided for the record.

[The information follows:]

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

ELIGIBILITY AND COVERAGE ESTIMATES 2000 UPDATE - U.S. and Outlying Areas

These estimates are based on a methodology which has been in use since the early 1990s. It does not reflect more recent additional information on nutritional risks and income variation in the WIC population. At the request of USDA, the National Research Council's Committee on National Statistics (NRC/CNSTAT) has convened a panel to review the methodology. A report of the first phase of their review, *Estimating Eligiblity and Participation for the WIC Program*, was submitted to Congress in September, 2001. The report concludes that the current method substantially underestimates the number of people eligible for WIC. Phase II of the review will investigate improvements to the methodology. A final report is expected in the Winter of 2002-2003. The USDA Food and Nutrition Service expects to revise the estimation methodology following receipt of the NRC/CNSTAT Phase II report in late 2002.

Accordingly, the numbers presented in this update are provided only to allow tracking of changes over time in estimates using the traditional methodology.

Overview

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) is a Federal-State nutrition and health assistance program for low-income childbearing women, infants and young children. To be eligible, an applicant must meet three basic criteria:

1) Categorical -- Participants must be pregnant women, breastfeeding women up to 1 year after delivery, non-breastfeeding postpartum women up to 6 months after delivery, infants up to 12 months of age, or children up to their fifth birthday.

2) Income -- The maximum income limit is 185 percent of the U.S. HHS Poverty Guidelines (e.g., $31,543, in the continental U.S. for a family of four as of July 1, 2000). In addition, individuals are automatically considered income-eligible if they receive benefits under the Federal Medicaid, Temporary Assistance for Needy Families (TANF)[1], or Food Stamps Program (FSP). Income limits for the TANF and FSP are below the WIC income cutoff; however, in some cases, Medicaid serves persons over 185% of poverty.

3) Nutritional Risk -- Participants must be certified to be at nutritional risk. Three major types of risk are recognized: medically based risk, such as anemia, underweight, maternal age, history of pregnancy complications or poor outcomes, etc.; diet-based risk -- inadequate dietary patterns, as determined by 24-hour food recall or food-frequency analysis, and predisposing risk conditions, such as homelessness and migrancy.

[1] The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) replaced Aid to Families with Dependent Children (AFDC) with the Temporary Assistance for Needy Families (TANF) program.

Estimate of WIC Eligible (#s in thousands) Using the Traditional Methodology

1999 Income	1,146	819	1,527	6,352	9,844
1999 Fully	1,046	753	1,451	4,777	8,027
1999	757	980	1,892	3,630	7,259
1999 Coverage[1]	72%	130%	130%	76%	90%
2000 Income Eligible	1,138	814	1,517	5,993	9,462
2000 Fully Eligible	1,039	748	1,441	4,506	7,735
2000 Participation (CY)	757	1,003	1,900	3,551	7,212
2000 Coverage (CY) [1]	73%	134%	132%	79%	93%

[1] See discussion below concerning coverage rates greater than 100%.

Estimates of persons eligible for the WIC program are used for several purposes. They provide an indication of the number of persons who would participate in WIC if funds were available. As such, the eligibles estimates are an important component in developing program budget estimates used in the President's budget request and the Congressional budget process. Finally, the eligibles estimates provide a basis for estimating program coverage -- that is, for determining what share of the eligible population the program is currently reaching. Based on the March 2000 Current Population Survey (CPS), the traditional methodology estimates that 7.8 million women, infants and children were fully eligible for the WIC Program in 2000, a 3 percent decrease from the number estimated eligible in 1999. A total of about 9.5 million women, infants and children fell below the WIC income eligibility limit in 2000, vs. an estimated 9.8 million in 1999.

Program Coverage

The traditional methodology estimates that overall program coverage has increased from 90 percent in 1999 to 93 percent in 2000. Estimated coverage of pregnant women is approximately 73 percent for 2000. This represents the proportion of women at all stages of pregnancy who are participating in WIC. Because women are very unlikely to participate in WIC for a full 40 weeks of pregnancy, this rate should be expected to be significantly below 100 percent. For example, if all eligible pregnant women were to participate for six months of their pregnancy, the calculated participation rate would equal 65 percent.

Estimated coverage rates for infants and breastfeeding/postpartum women were over 100% in 2000. These extremely high coverage rates are likely attributable to some disparities between the traditional methodology used to estimate income-eligibles and the certification practices in the WIC program, as well as the imprecision inherent in any survey-based

estimate. Recent Medicaid expansion and income variability during pregnancy and the postpartum period may also be important factors. Estimated coverage of children rose from 1999 to 2000, from 76 percent to 79 percent.

The estimate of 7.8 million WIC eligible persons in 2000 assumes that about 4 out of 5 income eligible persons are also at nutritional risk and thus fully eligible for the WIC Program. The estimates of pregnant, postpartum and breastfeeding women are based on the count of infants from the CPS and relationships found in the 1990 Decennial Census.

WIC PROGRAM PARTICIPATION

Mr. Bonilla: Update the table that appears in last year's hearing record showing the monthly participation levels of the WIC program to include fiscal year 2002, and to date in fiscal year 2003.

Response: The information is submitted for the record.

[The information follows:]

OVERVIEW - WIC by the Month

TOTAL for All Participants (1,000s)

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Oct	3,470.0	3,834.4	4,491.8	4,628.7	5,291.3	5,659.1	6,260.2	6,849.3	7,083.4	7,485.2	7,425.3	7,449.9	7,198.3	7,301.3	7,537.2	7,658.2
Nov	3,436.1	3,848.5	4,493.6	4,670.8	5,261.8	5,635.3	6,265.5	6,836.1	7,100.9	7,419.9	7,271.6	7,341.1	7,158.8	7,249.5	7,482.1	7,526.0
Dec	3,442.8	3,873.8	4,388.9	4,487.6	5,149.1	5,625.1	6,202.6	6,743.5	6,888.8	7,287.7	7,236.9	7,275.8	7,071.6	7,108.0	7,331.9	7,428.6
Jan	3,473.6	3,974.5	4,558.9	4,740.3	5,294.1	5,741.5	6,297.5	6,846.2	7,101.7	7,500.7	7,332.3	7,306.7	7,126.0	7,266.6	7,520.6	
Feb	3,537.0	4,028.9	4,563.2	4,757.6	5,284.5	5,743.5	6,298.2	6,813.6	7,091.2	7,442.6	7,315.3	7,263.1	7,109.9	7,179.6	7,421.2	
Mar	3,624.6	4,131.3	4,632.0	4,815.5	5,379.8	5,911.1	6,456.1	6,925.2	7,169.3	7,448.0	7,397.0	7,377.7	7,240.9	7,297.1	7,451.7	
Apr	3,641.8	4,143.5	4,580.9	4,905.2	5,398.5	5,990.1	6,489.9	6,858.4	7,205.5	7,449.8	7,420.4	7,359.7	7,160.6	7,274.7	7,498.1	
May	3,678.4	4,229.7	4,536.2	5,005.7	5,380.9	6,004.8	6,562.5	6,905.4	7,243.4	7,385.2	7,360.9	7,268.7	7,225.0	7,358.2	7,522.4	
Jun	3,724.5	4,241.0	4,412.8	5,042.9	5,532.4	6,091.2	6,642.8	6,968.0	7,230.6	7,367.5	7,404.8	7,292.6	7,264.0	7,381.1	7,474.0	
Jul	3,664.1	4,307.0	4,472.2	5,144.8	5,573.8	6,176.3	6,663.3	6,916.0	7,326.9	7,378.4	7,412.7	7,250.1	7,206.0	7,374.5	7,517.6	
Aug	3,699.4	4,410.6	4,557.9	5,236.9	5,619.8	6,243.5	6,789.5	7,085.3	7,377.0	7,346.9	7,414.9	7,286.2	7,307.5	7,481.7	7,574.2	
Sep, EOY	3,721.6	4,397.1	4,504.1	5,275.4	5,674.8	6,232.1	6,798.2	6,983.7	7,410.6	7,370.5	7,416.9	7,262.7	7,242.0	7,394.7	7,560.3	
Average	3,592.8	4,118.4	4,516.0	4,892.6	5,403.4	5,921.1	6,477.2	6,894.2	7,185.8	7,406.9	7,367.4	7,311.2	7,192.5	7,305.6	7,490.9	7,537.6
Change:																
Avg FY to CY	163.4	525.5	397.7	376.6	510.8	517.7	556.1	417.0	291.6	221.1	-39.5	-56.2	-118.7	113.0	185.4	46.6
% Change	4.8%	14.6%	9.7%	8.3%	10.4%	9.6%	9.4%	6.4%	4.2%	3.1%	-0.5%	-0.8%	-1.6%	1.6%	2.5%	0.6%
Sep PY to CY	304.7	675.4	107.1	771.3	399.4	557.3	566.1	185.5	426.9	-40.1	46.4	-154.2	-20.7	152.7	165.6	na
% Change	8.9%	18.1%	2.4%	17.1%	7.6%	9.8%	9.1%	2.7%	6.1%	-0.5%	0.6%	-2.1%	-0.3%	2.1%	2.2%	na
Infants Calendar Year:																
U.S.	3,930	4,010	4,043	4,091	4,067	4,012	3,953	3,969	3,984	3,965	4,009	4,026	4,125	4,089	na	na
WIC	1,131	1,299	1,444	1,602	1,697	1,758	1,796	1,817	1,835	1,869	1,893	1,892	1,900	1,926	1,933	na
% WIC	28.8%	32.4%	35.7%	39.2%	41.7%	43.8%	45.4%	45.8%	46.1%	47.1%	47.2%	47.0%	46.1%	47.1%	na	na
Program Level																
$ Mil.	1,797.5	1,910.7	2,122.5	2,301.1	2,596.8	2,828.9	3,169.2	3,430.4	3,685.4	3,834.5	3,881.2	3,931.9	3,969.9	4,133.7	4,335.8	1,094.8
Food Package																
Avg/Mo.	$33.28	$30.14	$30.20	$29.84	$30.20	$29.77	$29.91	$30.41	$31.20	$31.67	$31.76	$32.52	$33.05	$34.31	$34.74	$34.71
Change, PY to CY	1.8%	-9.4%	0.2%	-1.2%	1.2%	-1.4%	0.5%	1.7%	2.6%	1.5%	0.3%	2.4%	1.6%	3.8%	1.3%	-0.1%
Change in TFP PY to CY	8.9%	5.4%	5.2%	-1.3%	2.6%	2.9%	2.9%	3.7%	2.0%	2.5%	1.8%	1.8%	4.2%	2.9%	0.1%	2.1%

ADVISORY COMMITTEES, PANELS, TASK FORCES, AND COMMISSIONS

Mr. Bonilla: For the record, please provide a list of all advisory committees, panels, task forces, and commissions that were funded in fiscal year 2003. Indicate those that are mandated by law and those that are discretionary as well as the funding level of each. Also list each advisory committee, panel, task force and commission that you propose to operate in FY 2004 and the proposed budget for each.

Response: I will supply the information on all advisory committees; panels, task forces, and commissions for fiscal year 2003. Funding for fiscal year 2004 will be considered after final Congressional action.

[The information follows:]

AUTHORITY AND FUNDING OF USDA ADVISORY COMMITTEES IN EXISTENCE DURING FY 2003		
Committee Title	Authority Statutory (S) or Discretionary (D)	FY 2003 Funding
FOOD, NUTRITION AND CONSUMER SERVICES:		
National Advisory Council on Maternal, Infant and Fetal Nutrition	S 42 U.S.C. 1786	$50,000
FOOD SAFETY:		
National Advisory Committee on Meat and Poultry Inspection	S 21 U.S.C. 601	67,000
National Advisory Committee on Microbiological Criteria for Foods	D Departmental Regulation 1043-28	40,000
RESEARCH, EDUCATION, AND ECONOMICS:		
Forestry Research Advisory Council	S 16 U.S.C. 582a	26,000
National Genetic Resources Advisory Council	S 7 U.S.C. 5843	25,000
Advisory Committee on Agriculture Statistics	S 5 U.S.C. App. 2	35,000
USDA/Hispanic Association of Colleges and Universities	D Memorandum of Agreement dated 10/96	20,000

AUTHORITY AND FUNDING OF USDA ADVISORY COMMITTEES IN EXISTENCE DURING FY 2003		
Committee Title	Authority Statutory (S) or Discretionary (D)	FY 2003 Funding
MARKETING AND REGULATORY PROGRAMS:		
Advisory Committee on Foreign Animal and Poultry Diseases	D Departmental Regulation 1043-31	25,000
General Conference Committee of the National Poultry Improvement Plan	D Departmental Regulation 1043-8	12,000
National Wildlife Services Advisory Committee	D Departmental Regulation 1043-27	18,000
National Organic Standards Board	S 7 U.S.C. 6518	90,000
Fruit and Vegetable Industry Advisory Committee	D Departmental Regulation 1042-139	60,000
Federal Grain Inspection Advisory Committee	S P. L. 103-156 7 U.S.C. 87i	34,000
USDA/American Indian Higher Education Consortium	S P.L. 104-127	42,000

AUTHORITY AND FUNDING OF USDA ADVISORY COMMITTEES IN EXISTENCE DURING FY 2003		
Committee Title	Authority Statutory (S) or Discretionary (D)	FY 2003 Funding
FARM AND FOREIGN AGRICULTURAL SERVICES:		
Agricultural Policy Advisory Committee for Trade	D Departmental Regulation 1042-68	14,000
Ag. Tech. Adv. Comm. For Trade in:		
Animals & Animal Products	D Departmental Regulation 1042-68	14,000
Fruits and Vegetables	D Departmental Regulation 1042-68	14,000
Grains, Feed & Oilseeds	D Departmental Regulation 1042-68	14,000
Sweeteners and Sweetener Products	D Departmental Regulation 1042-68	14,000
Tobacco, Cotton, Peanuts, and Planting Seeds	D Departmental Regulation 1042-68	14,000
Advisory Committee on Emerging Markets	S P.L. 104-127	33,000
Edward R. Madigan Agricultural Export Excellence Award Board	S P.L. 104-127	15,000
Advisory Committee on Beginning Farmers and Ranchers	S P.L. 102-554	70,000
NATURAL RESOURCES AND ENVIRONMENT:		
Task Force on Agricultural Air Quality Research	D Departmental Regulation 1042-126	75,000
USDA 1890 Task Force	D Deputy Secretary's Memorandum dated 8/29/88	15,000

OUTSIDE LEGAL COUNSEL

Mr. Bonilla: Please provide the name and firm of any outside counsel hired by the Department in FY 2002, the total amount paid for their services, and the reason they were hired.

Response: The information is submitted for the record.

[The information follows:]

U.S. DEPARTMENT OF AGRICULTURE
FY 2002
Outside Legal Counsel
(Dollars in Thousands)

Agency	Name	Firm	Funding Level	Reason/Purpose for Hiring Outside Legal Counsel
APHIS	Ken D. Mann, Esq.	Shaw, Cochran, LLP.	$44.5	Representation services for National Association of Agriculture Employees (NAAE) and promotion of the "Legal Counsel's Report" articles for the NAAE Newsletter.
	Herbert N. Bernhardt	Herbert N. Bernhardt, Arbitrator	9.5	Arbitrator for grievances presented to the Agency.
	David Weinstein	David Weinstein	1.0	Arbitration services
	Peter J. Leubert	Peter J. Leubert, Atty. At Law	65.0	Representation services
	Jane Kirkland	Kirkland, Chad & Newman	2.0	Representation services
	Robert Adams	Robert Adams	60.0	Representation services
AMS	Dr. Lang, Atty.	Law Office of Sapiro & Padgett	98.0	Contract litigation to act as agency representatives in the resolution of EEO complaints.
	Ernest Hadley, Atty.	Law Office of Ernest Hadley	30.7	Contract litigation to act as agency representatives in the resolution of EEO complaints.
	Mary Chitwood	Employment Law Office	25.9	Contract litigation to act as agency representatives in the resolution of EEO complaints.
		American Court Reporting Services	1.0	
OGC	Pearson Baker	Pearson Baker	186.0	Litigation support and representation services
AAS	Shelly D. Hayes & Associates	S & H Consulting, LLC	150.0	Litigation support and representation services
FSIS	Dennis Pates	University of S. Carolina-School of Law	9.0	Blanket Purchase Agreement for Arbitration Services.
	Grace Speights	Morgan Lewis Counselors	90.0	Contract for litigation support services in reference to Area Base v. Veneman. EEOC No. 01A10660.
		Morgan Lewis Counselors	90.0	Contract for litigation support services in reference to Area Base v. Veneman. EEOC No. 01A10660; reimbursable agreement to FSIS from several Departmental agencies.
ERS	Thomas Reinert	Morgan, Lewis & Bockius	0.3	ERS utilizes outside legal counsel to represent the Agency or witness being heard before administrative law judges at the Equal Employment Opportunity Commission and the Merit Systems Protection Board.
	Jonathan Pitts	Morgan, Lewis & Bockius	8.0	Representation services
	D.J. Frey	Morgan, Lewis & Bockius	16.0	Representation services
	M.J. Bettencourt	Morgan, Lewis & Bockius	42.0	Representation services
	R.A. Rinaldo	Morgan, Lewis & Bockius	7.5	Representation services
		Morgan, Lewis & Bockius	46.4	Representation services
FWS	Federal Dispute Resolution Center	Michael J. Beattie & Associates	26.0	Litigation support and representation services
OGC/RUS	Lee Mercer	Arnold & Porter	83.2 *	*Contract to provide expert legal advice to the Rural Utilities Service. The fees were paid by the utility involved and the services were provided at no cost to the Government under section 12(e) of the Rural Electrification Act of 1936.
	Deborah Bussel	Thelen, Reid & Priest	71.2 *	
	John Vogel	Patton Boggs	498.2 *	
	Day Morley	Winston & Strawn	71.6 *	
	Filiberto Agusti	Steptoe & Johnson	108 *	
OGC/FSIS	Agricultural Paralegals	Paralegals & Associates	20.0 **	**FSIS contracts for private attorneys are authorized under section 510(d) of the Housing Act of 1949.
	G. Lee Crosby	Crosby & Gladney	35.2 **	
	Rick Sherman	Rick Sherman Law Office	27.5 **	
	Gerald Street	Twilley & Street, P.A.	13.5 **	
	Neal E. Young		9.0 **	
		Bennett & Dunlap	90.6 **	
	Mark S. Beggs	McCully & Beggs, P.C.	45.6 **	
	Roger Kaiz		1.2 **	
	Cynthia Miller	Miller Smith-Hill & Associate Attorney	1.6 **	
	Lisa Holmes	Holmes Law Office	14.5 **	
	Susan Weber		4.6 **	
	Lamar E. Wellington	Wellington, Gibbs & Buckwalter Schorten	2.0 **	
	Jeffrey L. Fisher	Jeffrey L. Fisher	13.1 **	
	James Kiely	Kiely Law Office	20.5 **	
	Linda Delahaye	Chaves and Delahaye	66.5 **	
	Gregory R. deKeyzer		61.0 **	
	Donald L. Floyd		20.8 **	
	W. James Lonnie, Sr.		16.5 **	
	William D. O'Regan, III		25.0 **	
	M. Gregory Walker, Jr.	Walker, Freeman & Mathieu	1.3 **	
	Bradley L. Drell	Walker, Freeman & Mathieu	2.5 **	
	Jack Wise	Wise and Wise	0.1 **	
	Richard H. Frederick	Frederick & Frederick	236.0 **	
	Brad Webb	Mathews, Johnson, Levis & Webb, LLC	143.7 **	
	Jon Davis	Stanton & Davis	34.0 **	
	Stephen Shechtman	Shechtman, Halperin, Savage	39.0 *	
	Robert A. Thurman		39.0 **	
		Schroeder & Zlata	77.2 **	
		Wellington & Shed	33.8 **	
	Patsy Sotos-Meyers		36.2 **	
		Parkcrest Law Office	26.0 **	
		Cabeza Associates	33.8 **	
		The Foreclosure Group	7.0 **	
		Manning, Wise, Reed & Phillips	15.0 **	
	Michael D. Bonfiglio	Spear & Hoffman, P.A.	177.0 **	
	John C. Miller	Mottaman, Walworth & Miller	34.1 **	
	Rich Lewelch	Lewelch & Associates	58.0 **	
		Elizabeth Mason, PC	119.5 **	
	Stephen D. Miles	Stephen D. Miles, Atty.	100.0 **	
	Gilbert L. Regge	Regge, Spencer, Carpenter & Daugher	66.4 **	
	Walter J. Sheffield		13.4 **	
	Samuel J. White		99.8 **	
	D. Wayne Moore		2.0 **	
	Linda Tiller	Tiller & Tiller, Attorneys	8.0 **	
	Thomas Dean		2.0 **	
	Robert W. Haley		3.0 **	
	Henry Coale	Curtis, Lewis, & Dix, P.C.	1.3 **	
	C. Ridley Bain	Slayton, Bain, & Clary, P.C.	8.0 **	
	Kenneth Wm. Jorr	Jorr Law Office	51.5 **	
	Sam Cox	Haywood, Cox & Anderson	20.3 **	
	Marvin v. Daniel	Daniel Law Office	2.0 **	
OGC/FSA	Gregory R. deKeyzer		5.0 ***	***FSA is authorized to contract for private attorneys under section 331 © of the Consolidated Farm and Rural Development Act. Louisiana is the only state which uses FSA contract attorneys.
	Donnie L. Floyd		4.0 ***	
	H. Farrar Lemle		4.0 ***	
	William D. O'Regan		3.5 ***	
	Kellise T. Saloom, III and Gregory J. Saloom	Saloom & Saloom	1.5 ***	

CONSERVATION RESERVE PROGRAM

Mr. Bonilla: Please update the table that appears in last year's hearing record showing the total cost of the CRP program since its inception to include fiscal year 2002 actuals and fiscal year 2003 estimates.

Response: The information is submitted for the record.

[The information follows:]

CONSERVATION RESERVE PROGRAM
(Dollars in thousands)

Fiscal Year	Cash Outlays	CCC Commodity Certificates 1/	Total
1986	$23,146	$0	$23,146
1987	267,024	409,969	676,993
1988	291,477	759,067	1,050,544
1989	1,372,205	-13,509	1,358,696
1990	1,513,092	-3,507	1,509,585
1991	1,630,977	0	1,630,977
1992	1,669,275	-178	1,669,097
1993	1,689,602	-251	1,689,351
1994	1,735,587	-268	1,735,319
1995	1,732,343	-237	1,732,106
1996 2/	1,732,194	-50	1,732,144
1997 3/	1,690,960	-44	1,690,916
1998 4/	1,731,326	0	1,731,326
1999 5/	1,513,849	0	1,513,849
2000 6/	1,530,130	0	1,530,130
2001	1,656,833	0	1,656,833
2002	1,785,309	0	1,785,309
2003 (estimated)	1,882,592	0	1,882,592
TOTAL	$25,466,871	$1,150,992	$26,617,863

1/ Negative sign (-) reflects accounting adjustments.
2/ Outlays in FY 1996 include funds from the appropriated account ($1.730 billion) and the CCC account ($1.946 million).
3/ Outlays in FY 1997 include funds from the appropriated account ($20.3 million) and the CCC account ($1.671 billion).
4/ Outlays in FY 1998 include funds from the appropriated account ($38.4 million) and the CCC account ($1.693 billion).
5/ Outlays in FY 1999 include funds from the appropriated account ($52.3 million) and the CCC account ($1.462 billion).
6/ Outlays in FY 2000 include funds from the appropriated account ($19.7 million) and the CCC account ($1.511 billion).

APHIS AND FARM SERVICE AGENCY COMPENSATION PAYMENTS BY FISCAL YEAR

Mr. Bonilla: How much has been spent to date on Karnal Bunt compensation, by fiscal year?

Response: The information is submitted for the record.

[The information follows:]

KARNAL BUNT COMPENSATION PAYMENTS			
Fiscal Year	FSA Payments	APHIS Payments	Total Paid
1996	4,192	699	4,891
1997	13,051	2,273	15,324
1998	9,513	126	9,639
1999	1,455	950	2,405
2000	1,397	420	1,817
2001	103	122	225
2002	6,316	425	6,741
2003*	40	0	40
TOTAL	36,067	5,015	41,082

* as of March 1, 2003

FUND FOR RURAL AMERICA

Mr. Bonilla: Please provide a table showing the obligation of funding, both program level and budget authority, for the activities of the Fund for Rural America to date and plans for obligation in fiscal years 2003 and 2004.

Response: A table showing obligations for activities under the Fund for Rural America follows. The 2001 Appropriations Act blocked the use of 2001 funds in 2001. In 2002, Congress blocked the use of funds to carry out the Fund, with the exception of funds needed to pay for oversight and administration of grants awarded and obligated prior to enactment of the 2002 Agriculture Appropriations Act. The 2002 Farm Bill repealed the Fund for Rural America in Sec. 6403 and therefore no obligations were incurred in 2002 and none are planned for 2003 or 2004.

[The information follows:]

Fund for Rural America
(Dollars in Millions)

	FY 1997	FY 1999 Carryover Spent in FY 2000	FY 2000 Carryover Spent in FY 2001
Rural Development Activities:			
Rural Housing Service:			
Farm Labor Loans	$0.6	0.0	$1.5
Program Level	(1.2)	(0.0)	(2.9)
Farm Labor Grants	1.4	$2.5	0.0
Section 502 Housing Loans	15.5	0.0	0.0
Program Level	(109.3)	(0.0)	(0.0)
Community Facility Grants	0.0	2.0	0.5
Total, Rural Housing Service	17.5	4.5	2.0
Rural Business-Cooperative Service:			
Guaranteed Business and Industry Loans	0.0	1.3	0.0
Program Level	(0.0)	(41.8)	(0.0)
Rural Business Enterprise Grants/Rural Business Opportunity Grants	6.6	1.0	6.0
Intermediary Relending Program	0.0	0.0	3.0
Program Level	(0.0)	(0.0)	(5.9)
Rural Economic Development Loans and Grants a/	0.0	0.0	3.0
Program Level	(0.0)	(0.0)	(8.7)
Cooperative Development Services	1.1	0.0	0.0
EZ/EC Technical Assistance	0.6	0.0	0.0
Cooperative Development Grants	0.0	0.0	2.0
Total, Rural Business-Cooperative Service	8.3	2.3	14.0
Rural Utilities Service:			
Distance Learning and Medical Link Grants	6.5	0.0	0.0
Water and Waste Disposal Loans	0.4	0.0	0.0
Program Level	(4.2)	(0.0)	(0.0)
Water and Waste Disposal Grants	4.2	28.0 a/	0.0
Total, Rural Utilities Service	11.1	28.0	0.0
Office of Outreach:			
Outreach for Socially Disadvantaged Farmers	4.5	5.2	3.0
Farm Service Agency:			
Beginning Farmer Loan Program	2.0	0.0	0.0
Program Level	(9.5)	(0.0)	(0.0)
Alternative Agricultural Research and Commercialization Corporation	0.5	0.0	0.0
Natural Resources Conservation Service:			
Resource, Conservation and Development Technical Assistance	0.0	0.0	1.0
Subtotal, Rural Development Activities	43.9	40.0	20.0
Research, Education and Extension Grants:			
Core Initiative	26.1	0.0	0.0
Secretary's Initiative (food safety, food security, human disease prevention, livestock and poultry industry concentration issues)	7.8	0.0	0.0
Telecommunications Infrastructure Research	2.2	0.0	0.0
Fund for Rural America Center Grants	0.0	20.0	0.0
Economic Opportunity and Value-added Processing	0.0	0.0	10.0
Subtotal, Research, Education and Extension Grants	36.1	20.0	10.0
TOTAL, Fund for Rural America	$80.0	$60.0	$30.0

a/ Rural Development has the flexibility to allocate funding among loans and grants.

STAFF YEAR REDUCTIONS

Mr. Bonilla: Please update the table that appeared in last year's hearing record that shows, by fiscal year and agency, the staff year reductions that have occurred, including how much has been spent through the use of early outs and buyouts.

Response: The Department did not experience staff year reductions in fiscal year 2002 and there are no planned staff year reductions for fiscal year 2003. In addition, the Department did not make use of early out or buyout authority in fiscal year 2002 and has no plans to exercise this authority in fiscal year 2003.

DAIRY OPTIONS PILOT PROGRAM

Mr. Bonilla: How much has the Department spent to date in administration, subsidies and other costs on the Dairy Options Pilot Program and what are the projections through FY 2004?

Response: The information is submitted for the record.

[The information follows:]

Dairy Options Pilot Program
FY 1999 – FY 2004

Fiscal Year		Administrative Costs	Subsidies
1999	Round I	$552,624	$ 746,544
2000	Round II	231,223	241,940
2001	Round III	724,060	2,778,749
2002	Round IV (est.)	610,000	697,500
2003	Round IV Wrap-up (est.)	250,000	750,000
2004	No Program	0	0
	TOTAL (est.)	**$2,367,907**	**$5,214,733**

The statutory authorization for the program ended on December 31, 2002.

CODEX ALIMENTARIUS

Mr. Bonilla: What does USDA plan to spend on Codex Alimentarius activities in fiscal years 2003 and 2004?

Response: USDA plans to spend approximately $3.4 million in 2003 and $3.5 million in 2004 for Codex Alimentarius activities.

Mr. Bonilla: What agencies fund Codex Alimentarius activities?

Response: Within USDA, FSIS, FAS, AMS and GIPSA participate in Codex Alimentarius activities. The following table identifies funding by agency:

[The information follows:]

USDA Funding for Codex Alimentarius
(Dollars in Thousands)

Agency	2003	2004
FSIS	$2,573	$2,677
FAS	425	425
AMS	249	257
GIPSA	45	47
Total, USDA	3,375	3,506

SUBSIDY COSTS FOR USDA LOAN PROGRAMS

Mr. Bonilla: Please explain any changes in subsidy costs by program in the Department's loan programs that are proposed in the budget. We realize that economic assumptions are dictated by OMB, but you are the one before us and we need to ask you to explain their thoughts.

Response: The subsidy rates for federal loan programs are affected annually by changes in technical assumptions such as default rates, prepayments, or fees and also by the economic assumptions for interest rates for the term of the loan. The technical assumptions for every program are updated annually to reflect the most recent year's performance of these loan programs. Additionally, new interest rates used by these programs are set by OMB annually. The change in interest rates affects all Federal credit programs and is not unique to USDA. These changes are routine upward or downward changes that reflect the cost of borrowing by the Federal government to finance its credit programs. I will provide for the record a more detailed summary of the changes by program.

[The information follows:]

The change in the subsidy rates for the following Rural Development (RD) and Farm Service Agency (FSA) programs is due primarily to the change in interest costs. Some changes, generally of a much smaller significance, were due to technical changes.

Increased Subsidy Rate from 2003 to 2004:
- Rural Telecommunications FFB Program;
- Local Television Loan Guarantee Program;
- Guaranteed Section 502 Single-Family Housing Loans;
- Guaranteed Business and Industry Loans; and
- FSA Subsidized Guaranteed Farm Operating Loans.

Decreased Subsidy Rate from 2003 to 2004:
- Direct Electric Hardship Program;
- Direct Electric Treasury Rate Program;
- Direct Electric Municipal Rate Program;
- Rural Electric FFB Program;
- Direct Telecommunications Hardship Program;
- Rural Telecommunications Treasury Program;
- Rural Telephone Bank;
- Rural Economic Development Loans;
- RDLF Intermediary Relending Program;
- Direct Community Facility Loans;
- Direct Water and Waste Disposal Loans;
- Section 504 Very Low-Income Housing Repair Loans;
- Section 524 Housing Site Developing Loans;
- Section 523 Self-Help Land Development Loans;
- Multi-Family Housing Credit Sales of Acquired Property Loans;
- FSA Indian Land Acquisition Loans; and
- FSA Boll Weevil Eradication Loans.

The change in the subsidy rate for the following RD and FSA programs is due primarily to changes in technical assumptions such as defaults, fees, and prepayments. Changes were also due to the interest rate change, but that change did not account for the primary shift in cost.

Increased Subsidy Rate from 2003 to 2004:
- Guaranteed Section 538 Multi-Family Housing Loans;
- Treasury Distance Learning Program;
- FSA Direct Farm Ownership Loans; and
- FSA Unsubsidized Guaranteed Farm Operating Loans.

Decreased Subsidy Rate from 2003 to 2004:
- Direct Section 502 Single-Family Housing Loans;
- Direct Section 515 Multi-Family Housing Loans;
- Single-Family Credit Sales of Acquired Property Loans;

Guaranteed Community Facilities Loans;
Guaranteed Water and Waste Disposal Loans;
Guaranteed Electric Program;
NADBank Guaranteed Business and Industry Program;
FSA Direct Farm Operating Loans; and
FSA Unsubsidized Guaranteed Farm Ownership Loans.

The methodology for estimating loss assumptions for the Guaranteed Section 538 Multi-Family Housing Loan program was revised to more accurately project losses based on proxy data. In addition, the FY 2004 assumptions include an increase in the percentage of program level receiving interest assistance resulting in a slightly higher subsidy rate.

The Treasury Distance Learning Loan Program has a higher subsidy rate due to the decrease in prepayments based on updated historical data.

The methodology for estimating payment assistance for the Direct 502 Single-Family Housing Loan program was changed to more accurately project payment assistance resulting in a lower subsidy rate.

It was determined that all future Single-Family Credit Sales of Acquired Property Loans will be made to program borrowers without eligibility for program assistance, and this assumption was incorporated into the payment assistance assumption resulting in a lower subsidy rate.

The Guaranteed Community Facilities Loans Program has a lower subsidy rate due to a change in the default curve based on historical data.

The Guaranteed Water and Waste Disposal Loan Program has a lower subsidy rate due to increased upfront fees collected.

The Guaranteed Electric Program has a lower subsidy rate due to a decrease in estimated defaults in a few of the early years based on historical data.

In 2004, RD implemented a new cash flow model for the Section 514 Farm Labor Housing Loan Program, which resulted in a decreased Subsidy Rate from 2003 to 2004.

Methodologies used by this model for calculating defaults, recoveries, payment assistance, and scheduled collections differ from the old model. Program performance assumptions used by this new model are based on historic program performance and proxy data from comparable programs run in other Federal agencies.

CONSERVATION RESERVE PROGRAM ACREAGE ENROLLMENT

Mr. Bonilla: For the record, please provide the estimated Conservation Reserve Program acreage enrollment anticipated for fiscal years 2003 and 2004, the estimated technical assistance costs, and an explanation of how these costs will be funded in each year.

Response: The Department has not finalized its decisions on the size and timing of a Conservation Reserve Program (CRP) general signup in FY 2003 and FY 2004. It is premature, therefore, to provide estimates of CRP technical assistance costs.

The Consolidated Appropriations Resolution, P.L. 108-7, prohibits use of Conservation Operations account funds for Farm Bill programs and amends the authority to use 2002 Farm Bill conservation program funds for technical assistance (Section 213). This amendment allows funds for CRP (and Wetlands Reserve Program) technical assistance to be taken out of the funds made available for Environmental Quality Incentives Program, Wildlife Habitat Incentives Program, Farmland Protection Program, and Grassland Reserve Program in FY 2003. Section 213 further stipulates that these funds are not subject to the limitations under Section 11 of the CCC Charter Act. Currently, FSA and NRCS are developing technical assistance funding requirements based on FY 2003 Appropriation guidance.

FY 2003 technical assistance for Forest Service has been requested on the CCC Section 11 apportionment.

The President's Budget for FY 2004 requests a new Farm Bill Technical Assistance account that will fund all technical assistance costs associated with the implementation of all the 2002 Farm Bill conservation programs. We believe that by establishing a new account, it will provide a long-term solution to the technical assistance issue and also improve the accountability and transparency of the conservation programs cost of delivery.

WETLANDS RESERVE PROGRAM ACREAGE ENROLLMENT

Mr. Bonilla: For the record, please provide the estimated Wetlands Reserve Program acreage enrollment anticipated for fiscal years 2003 and 2004, the estimated technical assistance costs, and an explanation of how these costs will be funded in each year.

Response: The estimated Wetlands Reserve Program acreage enrollment for fiscal year 2003 is 200,000 acres with estimated technical assistance costs of $21.1 million and for fiscal year 2004 is 200,000 acres with estimated technical assistance costs of $25.5 million. As authorized in the FY 2003 Appropriations Act, the technical assistance costs would be funded from the Environmental Quality Incentives Program, the Farmland Protection Program, the Grassland Reserve Program and the Wildlife Habitat Incentives Program.

TECHNICAL ASSISTANCE COSTS FOR CRP AND WRP

Mr. Bonilla: Please describe for the record the methodology that is used to document and calculate the technical assistance costs for CRP and WRP.

Response: CRP and WRP technical assistance costs are documented in the NRCS' time and cost accounting system by field employees who record the time they spend on these programs. That information is used to calculate the costs including salaries, benefits, support and overhead of these two programs. Future technical assistance requirements are projected

using a model which uses workload and cost data. It is validated against actual cost data in the accountability system. The model also includes current and future year technical assistance costs for prior year contracts.

CCC SECTION 11 ALLOCATIONS

Mr. Bonilla: Please provide for the record a detailed listing of the CCC Section 11 transfers and reimbursements reflected in the fiscal year 2004 budget for fiscal years 2002, 2003 and 2004.

Response: Allocations of the Section 11 cap have not been finalized for fiscal years 2003 and 2004. Details of actual usage in fiscal year 2002 are shown in the following table.

[The information follows:]

CCC Section 11 Transfers and Reimbursements
Amount Obligated, FY 2002

AGENCY	DESCRIPTION	AMOUNT OBLIGATED FY 2002
Foreign Agricultural Service	To support the annual operating costs of the CCC Computer Facility and FAS IRM activities.	$10,386,000
Natural Resources Conservation Service	Conservation Reserve and Wetlands Reserve Technical Assistance	5,450,000
Risk Management Agency	To provide administrative support for the Dairy Options Pilot Program.	625,000
U. S. Geological Survey	To continue long-term evaluations of Conservation Reserve Progrm (CRP) enrollment and cover management practices on wildlife.	102,700
Agricultural Research Service	To determine and evaluate the efficacy of Propargyl Bromide.	590,000
Foreign Agricultural Service	To support the acquisition of high-resolution multi-spectral satellite imagery from federal agencies and related support costs.	1,000,000
Grain Inspection, Packers and Stockyards Admin.	To perform contamination tests on processed grain commodities and implement the Total Quality System Audit (TQSA).	60,000
Service Center Implementation Team	To reimburse OCIO/National FAC for FSA's share of the tri-agency costs to provide support for the Service Center Business Process Re-engineering initiative projects as approved by the National Food and Agricultural Council	1,827,210
Office of Chief Information Officer	Reimburse OCIO/SCMI/CCE to fulfill FSA's portion of FSA's SCIT commitments.	777,790
Agricultural Marketing Service	To reimburse AMS Statistics Branch for sub-licensing of statistical software products.	12,500
Forest Service	Conservation Reserve Prgm Technical Assistance	500,000
Department of Energy	To provide technical support in the areas of hazardous waste assessments in former CCC/USDA sites for operations and maintenance.	4,800,000
National Agricultural Statistics Service	To prepare and provide county estimates for the wheat and feed grain program	100,000
General Services Administration	To reimburse FEDSIM for Continuing the complete development of the new system supporting the General Sales Manager (GSM).	700,000
Office of the Secretary	To reimburse the Office of the Secretary for CCC's share of the operating costs spent on Contract disputes.	106,767
Agricultural Research Service (OPMP)	To develop & analyze data needed to support the registration/re-registration of insecticides for stored small grains on farms & small country elevators.	250,000

AGENCY	DESCRIPTION	OBLIGATED FY 2002
National Agricultural Statistics Service	To collect, prepare and provide data to help establish a National rental value database for dryland and irrigated crop land cash rental rates paid by U.S. producers.	0
Agricultural Marketing Service	To provide transmission of electronic class card data for the 2000 and 2001 crop year of cotton.	450,000
Economic Research Service	To determine the estimated cost for transporting U.S. cotton to northern Europe for AWP	5,000
Agricultural Marketing Service	To reimburse AMS for reinspection and salmonella testing of CCC Dairy Price Support Products.	700,000
Grain Inspection, Packers and Stockyards Administration	To reimburse GIPSA/AMS for inspection production site, port, or vessel to determine plant cabability.	150,000
Agricultural Marketing Service	To reimburse GIPSA/AMS for inspection production site, port, or vessel to determine plant cabability.	50,000
National Agricultural Statistics Service	To provide new price data for programs authorized in 2002 Farm Bill	800,000
Natural Resources of Illinois	To reimburse CREP mapping costs	150,000
Economic Research Service	To provide economics of wheat	130,000
Pennsylvania Game Commission	To reimburse CREP field work on productivity & avian use	150,000
Farm Services Administration (FSA)	To transfer loan service charge fees collected	19,894,027
FSA Warehouse	Tp provide examination & licensing activities of warehouses	5,000,000
National Aerial Photography	To provide high altitude photography	500,000
Total Reimbursable Agreements		$55,266,994

CCC SECTION 11 ACTIVITIES

Mr. Bonilla: What activities are not being funded through CCC Section 11 that, under current law, would fall within that funding authority? How are these activities being funded?

Response: There is adequate funding available for the current requests from agencies under Section 11.

Mr. Bonilla: Please provide the Committee with an explanation of CCC funded conservation programs that are funded from the CCC Charter Act Section 11 authorities that may potentially be short of funding for technical assistance costs in fiscal year 2003.

Response: The only conservation program technical assistance that we expect to fund under Section 11 during fiscal year 2003 is Forest Service support for the Conservation Reserve Program. While the total need for this assistance will depend on the number and type of acres enrolled, we expect to be able to meet these technical assistance needs in fiscal year 2003 given current estimates.

CONSERVATION RESERVE PROGRAM TECHNICAL ASSISTANCE

Mr. Bonilla: Please provide for the record, the total amount of reimbursement that the NRCS submitted for CRP technical assistance and how much the CCC reimbursed NRCS for CRP technical assistance for fiscal year 2002.

Response: In fiscal year 2002, the NRCS submitted a bill and was reimbursed $3,170,300 in CCC reimbursements under Section 11 of the CCC Charter. In addition $13 million was also provided from the Environmental Quality Incentives Program to support CRP technical assistance.

SERVICE CENTER MODERNIZATION

Mr. Bonilla: Please update the Service Center Modernization table that appeared in last year's hearing record.

Response: Following is a table providing agency funding by category of spending for FY 2002-2004.

[The information follows:]

Service Center Modernization Funding Sources and Levels (Dollars in Thousands)

Activity	Actual FY 2002	Estimate FY 2003	President's Budget FY 2004
I. BPR/Management			
A. Business Process Reengineering:			
CCE	--	--	--
FSA Agency Specific Funding [a/]	--	$17,195	$40,527
FSA	$14,532	11,158	8,070
NRCS	0	0	0
RD	0	140	2,315
Sub-Total	**14,532**	**28,493**	**50,912**
B. Change Mgt./Program Mgt:			
OSEC [a/]	1,438	207	--
CCE	3,969	2,369	2,369
FSA Agency Specific Funding [a/]	--	--	7,864
RD Agency Specific	--	--	3,000

Funding [3/]			
FSA	185	191	194
NRCS	360	360	406
RD	150	148	162
Sub-Total	**6,102**	**3,275**	**13,995**
Total, BPR/CM	**20,634**	**31,768**	**64,907**
II. Integrated Technology			
A. Common Computing Environment:			
OSEC [1/]	6,125	--	--
CCE	28,439	56,614	44,000
FSA Agency Specific Funding [3/]	--	15,360	9,250
NRCS Agency Specific Funding [3/]	--	4,000	4,000
OCIO E-Gov Specific Funding [3/]	--	4,000	4,000
RD Agency Specific Funding [3/]	--	--	4,000
RMA Agency Specific Funding [2/]	--	--	8,674
FSA	5,828	130	0
NRCS	4,100	5,437	8,266
RD	5,573	5,793	5,757
Sub-Total	**50,065**	**91,334**	**87,947**
B. Telecom/LAN/WAN/Voice:			
CCE	27,045	--	--
FSA Agency Specific Funding [3/]	--	3,000	3,000
NRCS Agency Specific Funding [3/]	--	6,000	6,000
RD Agency Specific Funding [3/]	--	1,200	1,200
FSA	3,652	2,787	2,742
NRCS	3,336	1,922	2,100
RD	1,482	1,191	1,273
Sub-Total	**35,515**	**16,100**	**16,315**
Total, Integrated Technology	**85,580**	**107,434**	**104,262**

III. Base Data Acquisition (BDA)			
CCE	--	--	--
FSA Agency Specific Funding [a/]	--	20,031	36,830
NRCS Agency Specific Funding [a/]	--	3,000	3,000
FSA	1,285	0	0
NRCS	7,500	7,500	16,000
TOTAL BDA	**8,785**	**30,531**	**55,830**
Funding Source Totals			
OSEC [b/]	7,563	207	--
CCE	59,453	58,983	46,369
FSA Agency Specific Funding [a/]	--	55,586	97,471
NRCS Agency Specific Funding [a/]	--	13,000	13,000
RD Agency Specific Funding [a/]	--	1,200	8,200
RMA Agency Specific Funding [c/]	--	--	8,674
OCIO E-Gov Specific Funding [a/]	--	4,000	4,000
0.065% rescission applied to Agency Specific Funding [d/]	--	-480	--
FSA	25,482	14,266	11,006
NRCS	15,296	15,219	26,772
RD	7,205	7,272	9,507
GRAND TOTAL	**114,999**	**169,253**	**224,999**

(a) Beginning in FY 2003, agency-specific funding related to the Service Center Modernization Initiative is included in the CCE account. This funding is needed to accelerate the implementation of GIS, to meet basic Service Center implementation commitments, to modernize specific agency systems and implement e-Government. Funding is requested under the central CCE account in lieu of individual agency budgets in order to ensure appropriate coordination and cross-agency collaboration.

(b) Office of the Secretary amounts are from the FY 2000 no-year direct appropriation of $12,600,000.

(c) Infrastructure investment funding for the Risk Management Agency (RMA) are included under the CCE account for FY 2004 in order to facilitate coordination and data

exchange ability with Service Center Agency systems. RMA has basically adopted the CCE architecture and regularly participates in common hardware and software acquisitions of CCE. RMA is also collaborating with the CCE on GIS technologies and working with CCE agencies on data compatibility issues.

(d) The FY 2003 rescission of 0.65% has not been applied to the individual investments from the CCE Fund. We anticipate applying the rescission equally to all CCE Fund investments.

COMMON COMPUTING ENVIRONMENT

Mr. Bonilla: In relation to the Common Computing Environment how will the fiscal year 2003 and 2004 funding priority decisions be made as they relate back to the ongoing work in individual agencies?

Response: Priorities for the use of the FY 2003 and 2004 funding for the Common Computing Environment (CCE) are set by the Interagency Technology Working Group (ITWG), which includes the Office of the Chief Information Officer's Senior Policy Advisor for the Service Center Modernization Initiative and the Chief Information Officers of each of the 3 Service Center Agencies. These priorities are set in consultation with Service Center agency heads and Deputy Administrators for Management and then approved by the USDA Chief Information Officer. This participatory process ensures that agency programs and administrative needs are fully considered, while at the same time ensuring that all technology investment decisions are coordinated and build towards a shared CCE for the Service Center Agencies.

FSA ADMINISTRATIVE FUNDING

Mr. Bonilla: Is there any workload that will not be completed because FSA lacks sufficient administrative funding? Please explain in detail, using workload descriptions, staffing number needs, and areas impacted.

Response: We believe sufficient administrative funding has been provided in FY 2003 to meet FSA's workload requirements.

AGRICULTURAL CREDIT INSURANCE FUND

Mr. Bonilla: Please provide for the record a table showing loan program level and budget authority for the loans under the Agricultural Credit Insurance Fund for fiscal years 2002 actual, 2003 current estimates, and 2004.

Response: The information is submitted for the record.

[The information follows:]

FARM SERVICE AGENCY
Agricultural Credit Insurance Fund
Summary of Loan Program Level and Budget Authority
FY 2002 Actual, FY 2003 Current Estimate, and FY 2004 Budget
(Dollars in Thousands)

	FY 2002 Actual		FY 2003 Current Estimate		FY 2004 Budget	
	Program Level	BA	Program Level	BA	Program Level	BA
Direct Loans:						
Farm Ownership	$177,861	$4,678	$129,155	$14,995	$140,149	$30,945
Farm Operating	668,070	59,659	606,282	104,644	650,000	93,730
Emergency a/	57,609	7,748	139,014	28,345	132,639	18,344
Indian Land Acquisition	74	4	1,987	178	2,000	0
Boll Weevil Eradication	99,995	0	100,000	0	60,000	0
Guaranteed Loans:						
Farm Ownership, Unsubsidized	1,101,193	4,955	1,041,900	7,814	1,000,000	5,400
Farm Operating, Unsubsidized	1,053,259	36,969	1,709,739	54,199	1,400,000	46,620
Farm Operating, Subsidized	496,408	67,313	401,324	47,356	266,249	34,000
Total, Loans	$3,654,468	$181,326	$4,129,401	$257,531	$3,651,037	$229,039

a/ $18 million in budget authority is expected to carry over into 2004.

FARM LOANS

Mr. Bonilla: Provide an explanation by program of the assumptions used to compute the program level and budget authority for each loan category.

Response: The program level for each category is determined based on anticipated need. The budget authority required to support these loan levels is calculated by applying the appropriate subsidy rate to each loan level. The subsidy rates are determined by using the Office of Management and Budget's credit subsidy calculator, which incorporates economic assumptions and a number of technical factors as shown in the following table:

[The information follows:]

FARM SERVICE AGENCY
FY 2004 President's Budget
Farm Loan Program Assumptions
(Dollars in thousands)

	Direct					Guaranteed		
Item	Ownership	Operating	Emergency	Indian Tribe Land	Boll Weevil	Ownership Unsubsidized	Operating Unsubsidized	Operating Subsidized
Loan Level	$140,149	$650,000	$132,639[1]	$2,000	$60,000	$1,000,000	$1,400,000	$226,249
Number of Loans	1,200	14,225	2,175	80	9	3,550	9,000	1,475
Subsidy rate (%)	22.08	14.42	13.83	-0.78	-6.07	0.54	3.33	12.77
Average Interest rate charged borrower (%)	5.46	5.23	3.85	4.54	6.17	2/	2/	2/
Lifetime defaults (% of disbursement)	0.01	4.00	0.03	0.00	0.00	0.01	0.03	0.01
Disbursement rate in year 1 (%).	94	98	99	100	100	89	93	95
Cash inflow rates (exclude schedule payments)	0.36	0.73	0.28	0.00	0.00	0	0	0
Fees to government (%)	0.00	0.00	0.00	0.00	0.00	0.01	0.01	9.28
Maximum loan term (years)	40	7	40	40	7	40	7	7
Average loan term (years)	34	11	16	34	7	18	4	6

[1] The President's Budget assumes that $18 million in budget authority is expected to carry over into 2004. This would support a $132.6 million loan level in fiscal year 2004.

AMES, IOWA BIOCONTAINMENT FACILITIES

Mr. Bonilla: We recognize the need for substantial funding for Ames, IA biocontainment facilities. Please provide for the record the total estimated needs and a time frame of when this funding is programmed.

Response: Congress has appropriated a total of $157 million in recent years for implementation of the animal health facilities in Ames, IA. No funding is proposed in the 2004 budget as security of existing facilities is the higher priority for this year. The Administration will reconsider the full range of options for future modernization of these facilities and present recommendations in the fiscal year 2005 budget.

BIOTECHNOLOGY RISK ASSESSMENT

Mr. Bonilla: How does the world-wide concern for genetically modified crops impact the research being conducted and proposed for ARS and CSREES in fiscal years 2003 and 2004?

Response: To address the public's concern, ARS has formally initiated a new organized program of biotechnology risk assessment research. The program was funded at $2.4 million for FY 2002 (its first year), $5.4 million for 2003 and $8 million is requested for FY 2004. This research program will identify, characterize, and help to eliminate potential risks from the introduction of genetically engineered plants and other organisms into commercial use.

Additionally, a competitive research grants program that supports biotechnology risk assessment and risk management is co-administered by ARS and CSREES. This program was initiated in 1992 and through fiscal year 2002 was funded by a one percent set-aside on all biotechnology-related research in USDA. Legislation in the 2002 Farm Bill increased the set-aside for this program to two percent of all biotechnology-related research in USDA. Thus, the budget for the program is expected to double to approximately $3 million in fiscal year 2003.

BIOBASED PRODUCT STUDIES

Mr. Bonilla: How much is ARS currently spending on biobased product studies? What is the nature of these studies?

Response: In 2003, ARS estimates that $66.9 million is available for research on biobased products/bioenergy. Research related to biobased products focuses on developing industrial and consumer products that expand markets for farm products, replace imports and petroleum-based products, and offer opportunity to meet environmental needs. Activities include development of biobased degradable plastics, adsorbents and absorbents, improved and lower cost fuels and fuel additives, biopesticides, composites, cotton-based fabrics with versatile new and improved properties, encapsulating agents, fiber crops for specialized uses, polymers and polymer blends, soy ink, and ingredients for lubricants, specialty chemicals, paints, and health care products.

HUMAN NUTRITION INITIATIVE STUDIES

Mr. Bonilla: Please provide some examples of how past and existing studies under the Human Nutrition Initiative have impacted human health in individuals.

Response: The five vital concerns listed in the Human Nutrition Initiative have led to research within ARS and through CSREES that has greatly impacted the scientific understanding of human health. Briefly, research has identified specific plant nutrients that are protective against various cancers and distinguished nutritional deficits which influence cognitive decline and depression in the elderly. Other work has delineated the ability of particular compounds to promote fracture healing and bone quality in models that mimic osteoporotic fractures in postmenopausal women. These studies, just to name a few, have great implications for improving human health. I will provide extensive information on the Human Nutrition Initiative for the record.

[The information follows:]

1. Food, Phytonutrients and Health

Women differ from men in their ability to adapt to low iron diets Premenopausal women absorbed 4-5 times more iron from a high bioavailability diet, compared with a low bioavailability diet, and, in contrast with men, their adaptation to dietary iron bioavailability was minimal according to ARS researchers in Grand Forks, ND. Concerns about iron deficiency or excess may be moderated if people are able to adapt their iron absorption to differences in dietary iron bioavailability. These findings demonstrate the benefit of diets containing lean meat and foods rich in vitamin C (known to enhance iron absorption), without, excessive amounts of phytic acid (which can bind iron) from legumes, whole grains, and tea, in allowing menstruating women to meet their high iron requirements.

Interactive multimedia nutrition education program developed that increased fruit & vegetable consumption in children The Squire's Quest! interactive multimedia nutrition education game was designed to help 4th grade children increase their consumption of fruit, 100% juice and vegetables (FJV) for chronic disease prevention by researchers in Houston, TX. Children randomly assigned to participating in the 5-week program increased their consumption of FJV by 1.3 servings per day in comparison to those not participating in the program. Thus, psycho-educational interactive multimedia nutrition education game technology holds promise for enabling children to eat more FJV and reduce chronic disease risk.

Soy protein isolate reduced incidence of chemically induced colon cancer Researchers in Fayetteville, AR studied the effects of soy protein isolate (SPI), a form of protein used widely in foods and in formula that is fed to 25% of infants. SPI is thought to have important health benefits, many of which are not clearly defined. The researchers induced colon cancer in rats and found that SPI reduced the incidence of chemically induced colon cancer by 80%. If animal data results can translate to people then it is conceivable to develop a diet that can prevent or delay colon cancer.

Flavonoids as inhibitors of glucose uptake ARS investigators at the Beltsville Human Nutrition Research Center (BHNRC) identified flavonoids as inhibitors of glucose uptake and characterized a moiety of flavonoid structure as a putative binding site for the glucose transporter. More than ten flavonoids were investigated in U937, HL-60, and Jurkat cells to identify potent blockers for glucose transport. Data indicated that flavonoids are potent inhibitors of glucose uptake; and flavonoids may have the potential to attenuate the surge of glucose in plasma of hyperglycemic patients.

Compounds found in blueberries and cranberries have health benefits. ARS researchers at the Human Nutrition Research Center on Aging (HNRCA) showed that polyphenolics isolated from blueberries and cranberries protected endothelial cells against stressor induced oxidation and inflammation. These compounds may have beneficial actions against the development of vascular diseases and may contribute to the reduction of age-related deficits in neurological impairment.

2. Healthy Body Weight to Avoid Diabetes and Other Diseases

Factors contributing to weight regain in cyclic dieters ARS investigators at the Western Human Nutrition Research Center found that the resting metabolism of women who are cyclic dieters was very similar to that of women who were not cyclical dieters under both normal and restrictive dietary intake conditions. However, after eating a mixed meal, cyclical dieters favored the use of carbohydrate for energy and had a decreased capability to use fat. This finding may be indicative of a metabolism that favors storage of fat and contributes to the ease of weight regain in cyclic dieters.

Body size and behavioral traits play role in dietary intake reporting It has been shown that dietary assessment methods have a strong bias toward underestimation of habitual energy intake. In a study with normal weight and obese women conducted at the Western Human Nutrition Research Center, ARS found that body size and behavioral traits played a role in the ability of women to accurately self-report energy intake. Body mass index was predictive of underreporting of energy intake by normal weight women, and emotional factors related to depression were a determinant of underreporting in obese women. This research is important to understanding what factors can influence the validity of dietary methods when applied to overweight and normal weight populations.

3. Brain Function and Resistance to Mental Decline

Zinc status is predictive of mood disturbances and behavior problems Hair zinc concentration was negatively associated with teacher-reported anxiety and depression, withdrawal and total adjustment problems, indicating that problems associated with lower zinc status were personality rather than conduct in nature in a study conducted by investigators at the Grand Forks Human Nutrition Research Center in collaboration with investigators from Texas. Their findings provide the first evidence that zinc status is predictive of mood disturbances and behavior problems in school-aged children, and point to the need for further study to determine whether increased zinc intakes might prevent or help alleviate mood and behavior problems that directly affect school performance, cognitive and social development, and quality of life for many children.

Early nutritional deficits affect learning ability Investigators at the Arkansas Children's Nutrition Center found that elementary children and junior high school children who were undernourished at a younger age had slower reaction times which point to less automated work recognition, and differences in neurophysiology of specific brain areas, frontal sites, that are often linked to post-decisional information processing. These results are important because they suggest that early nutritional deficits can produce problems related to information processing that can impair learning ability.

Memory function associated with folate status. Researchers at HNRCA showed that lower memory function was associated with lower folate levels and higher homocysteine levels. Depression was also found to be more common in those with low folate and high homocysteine blood levels. These findings provide further evidence that inadequate folic acid status and vitamin B12 nutrition are related to cognitive decline and depression in elders.

4. Bone Growth and Protection from Osteoporosis

New findings on age-dependent risk for developing osteoporosis Induction of the vitamin D receptor in an in vitro cell model was shown to alter calcium transport response to vitamin D. These in vitro observations made by researchers in Beltsville, MD and Boston, MA, demonstrate that physiologically-relevant differences in vitamin D receptor concentration in intestinal cells result in important changes in the effects of vitamin D on gene expression and physiological function. Age-dependent changes in vitamin D receptor expression may influence calcium absorption and balance as well as possibly the risk of developing osteoporosis.

New sources of vitamin K identified Researchers in Boston, MA and Beltsville, MD analyzed approximately 500 representative foods from different food groups for two forms of vitamin K as part of the National Food and Nutrient Analysis Program. This is the first time that numerous foods, including certain mixed dishes, snack foods, berries, and sauces, have been identified as potentially important dietary sources of vitamin K. These data will be incorporated into the USDA Nutrient Databank System, the most widely used nutrient database.

Substantial portion of American children have inadequate calcium intakes Researchers in Houston, TX wanted to determine the effects of low calcium intakes on children, so they conducted a study in which healthy children were given diets with low and high calcium intake and they measured how much calcium they absorbed and retained in their bodies. Preliminary data showed that, when calcium intake in girls was very low, they adapted by increasing calcium absorption; however, this adaptation was inadequate to meet the deficiency associated with the low intake. This demonstrates that a substantial proportion of American children are not receiving a healthy amount of calcium in their diet, and that the recent dietary intake recommendations for calcium are crucial to meeting bone calcium requirements.

Peak rates of bone calcium deposition early in adolescence Investigators at the Children's Human Nutrition Research Center at Baylor College of Medicine showed that increased calcium absorption and bone calcium deposition are most dramatic during early puberty and that the changes were associated with maturation of the hypothalamic-pituitary axis and physical changes

of breast development. These early changes lead to peak rates of bone calcium deposition prior to menarche in girls. These studies led to recent revisions of the dietary guidelines for children, which now recommend increased calcium intake beginning at age 9.

Association between dietary magnesium and potassium: An association between dietary magnesium and potassium, and fruit and vegetable intakes and bone mineral density in the original Framingham elder cohort was identified. These foods and nutrients were associated with bone mineral density among both men and women and significantly predicted lower bone loss over a four year follow-up among men. These results support the hypothesis that alkaline-producing dietary components contribute to bone maintenance.

5. Food to Fight Infectious Diseases

Selenium deficiency increases the virulence of human influenza A virus: ARS researchers in Beltsville, MD, in collaboration with researchers at the University of North Carolina showed that virulence of a mild strain of human influenza A virus is increased in mice deficient in selenium. This increased virulence was accompanied by 29 changes in the gene for the virus matrix protein, a region of the viral genome that is usually thought to be quite stable. These findings could have significant implications for practical public health as well as for theoretical ideas concerning the effects of nutrition on viral gene structure and function.

Nutrient shown to correct a fundamental age-related change in an immune cell: Dysregulation of the immune response is the most significant and reproducible age-related change reported across all species. Researchers in Boston, MA, showed that T lymphocytes from old mice exposed to vitamin E showed significant increases in the ability of naive cells to progress through multiple cell cycles. T lymphocytes exhibit the most dramatic age-related changes. This is the first time that a nutrient has been shown to correct a fundamental age-related change in T cells. This finding may have significant implications for improving the overall health status of the aged by improving immune function.

BIOTERRORISM

Mr. Bonilla: How much of a threat is there in bio-terrorism through agriculture and the nation's food supply? Is the science available to support the necessary diagnostic tests?

Response: The threat of bioterrorism through agriculture to the food supply is real. For example, in 1984 the Rajneeshee cult spread salmonella over a salad bar in order to affect a local election and poisoned 751 people in Oregon. Although there were no fatalities in that incident, it demonstrates how easily such an attack could occur. In early February of this year, three men were arrested in London on charges of attempting to develop the poison ricin and introduce it into the food supply of a British barracks. During the Department's ongoing series of *Crimson Sky* exercises, intended to assess the threat from bioterrorism and improve Department-wide response, a simulated intentional introduction of toxins into the food supply resulted in significant losses of life. With Al-Qaeda and other terrorist organizations around the world actively working to develop biological and chemical weapons capable of being introduced into the food supply we must consider the risk to the food supply very great indeed.

The science dealing with rapid diagnostic tests, including instrumentation and assay development, is a well established, mature technology. Further advancements and refinements of the technology will come from increases in sensitivity, specificity and speed. The President's budget includes an increase of $11.5 million for biosecurity research. This technology is the most critical component in reducing disease spread by definitively diagnosing infected animals and allowing all available resources to be concentrated on isolation and elimination of the threat.

CONGRESSIONAL EARMARKS

Mr. Bonilla: We note that once again, the fiscal year 2004 budget proposes to zero out most of the ARS and CSREES projects initiated by Congress. What mechanism do you propose for Congress to assert its prerogatives?

Response: We strongly believe that many of the research priorities identified by the Administration in FY 2004 also address the same problems being raised to Congressional members by their respective constituencies. We believe that the research and extension program proposals in the Administration's fiscal year 2004 Budget respond appropriately to emerging needs and opportunities for science and expressed stakeholder interests for work to address specific problems. In an environment of projected budget deficits for the next few years, resulting from this Nation's war on terrorism which requires large outlays of funds, the Administration has to concentrate limited resources on broad-based priority initiatives of national importance.

Furthermore, we believe that the ARS and CSREES budgets, which are submitted to Congress as part of the President's budget, are comprehensive statements of how the agencies can and should proceed with a comprehensive research plan for addressing the issues confronting American agriculture. These issues are identified by interactions with our customers and stakeholders and the Congress. For grants, we also believe the most effective use of taxpayer dollars is through a competitively-awarded process that ensures grants meet National goals. Alternative funding from formula programs, State and local governments, and private sources could be used to support aspects of programs deemed to be of a priority at State and/or local levels.

WIC CARRYOVER

Mr. Bonilla: Based on the latest USDA data, what would be the fiscal year 2003 end-of-year carryover amount in the WIC program? What was the fiscal year 2002 end-of-year carryover in the WIC program?

Response: Based on the fiscal year 2003 appropriation level of $4.696 billion, we estimate that $186 million will be carried over from fiscal year 2003 to fiscal year 2004. Additionally, $125 million in contingency funds will be carried over. For fiscal year 2002, we estimate the end of year carryover amount to be $108 million. However, States are currently in the grant reconciliation and closeout period for fiscal year 2002 and we do not expect a final carryover number until the spring of 2003.

WIC PROJECTED PARTICIPATION

Mr. Bonilla: Provide for the record a detailed month by month projected participation in the WIC program for fiscal year 2003 broken down by women, infants, and children.

Response: In the first quarter of fiscal year 2003, monthly participation in WIC averaged 7.54 million, comprised of an average of 1.82 million women, 1.93 million infants, and 3.78 million children during the period.

The Food and Nutrition Service projects participation to grow through fiscal year 2003, reaching an average monthly participation of 7.68 million by year's end, and expects the distribution across the categories of women, infants and children to be very similar to the current distribution through the year. However, because monthly and seasonal fluctuations in both the total and categorical participation are expected to continue through the year, an accurate monthly participation projection by category for fiscal year 2003 is not available.

SUGAR

Mr. Bonilla: To what extent have sugar companies forfeited sugar to the government in lieu of repaying their government loans?

Response: A total of 5.459 million short tons of sugar (raw value) was placed under loan for the 1999 through 2001 crops of beet and cane sugar. About 0.921 million short tons of this sugar have been forfeited, basically due to low prices in 2000. The loans on the remaining balance of 4.538 million short tons have almost been repaid.

CRP CONTINUOUS SIGNUP PROGRAM

Mr. Bonilla: How many acres are enrolled in the CRP continuous signup program? What is the value of the contracts enrolled in the CRP continuous signup program?

Response: As of January 2003, over 2.1 million acres were enrolled in the continuous signup program of the CRP, including 453,489 acres under Conservation Reserve Enhancement Program agreements and 76,261 acres under farmable wetland pilot program provisions.

The average annual rental payment of $98 per acre is over twice the $44 per acre average rental payment for general signup acreage. Rental payments for continuous signup are estimated to be $228 million in FY 2004. One-time, up-front incentive payments established to increase participation in selected continuous signup practices were first offered in May 2000. FY 2003 incentive payments through the end of February totaled about $39.5 million. In FY 2002, these incentive payments totaled $113.8 million.

Lands enrolled in CRP's continuous signup program are primarily conservation buffer practices yielding high environmental benefits without removing entire fields from agricultural

production. Practices such as filterstrips and riparian buffers provide valuable wildlife habitat near rivers, streams, and other water bodies, while protecting them from runoff of pollutants from agricultural activities occurring in adjacent fields. Other buffer practices such as windbreaks and grass waterways also protect water and air quality, reduce soil erosion, and provide wildlife habitat.

FOOD STAMP PROGRAM PARTICIPATION

Mr. Bonilla: What is the current participation level of the food stamp program? Does the estimated participation assume a decreased level, or increased participation level for 2004?

Response: In December 2002, participation in the Food Stamp Program reached 20.52 million persons – up from 19.78 million participants in September 2002. This rapid increase reflects general economic trends especially unemployment, which is projected to peak in fiscal year 2003 and decline slightly in fiscal year 2004. Changes in Food Stamp Program participation tend to lag changes in unemployment, so the impact of rising unemployment in fiscal year 2003 will not be fully realized until fiscal year 2004. Therefore, participation is projected to rise to an average monthly level of 21.6 million persons in fiscal year 2004 – up almost 1 million from the average in fiscal year 2003.

ESTIMATES OF ELIGIBLE NON-PARTICIPANTS IN THE FOOD STAMP PROGRAM

Mr. Bonilla: How many people does USDA estimate are eligible for the food stamp program, but not participating?

Response: The Food and Nutrition Service (FNS) estimates that 11.5 million people were eligible for food stamp benefits, in September 2000, but not participating. An estimated 28.2 million people were eligible that month but, based on data reported to FNS by the States, only 16.7 million eligible persons participated; a participation rate of 59 percent. FNS is nearing completion of an update for 2001, using the most recent data from the Census Bureau's Current Population Survey.

FACILITATING ACCESS TO THE FOOD STAMP PROGRAM

Mr. Bonilla: Provide specific examples of the initiatives that have been launched to help make sure that those who are eligible for food stamps know that they can participate. How much did USDA spend on these initiatives in fiscal year 2002 and what is the projected expenditure level in fiscal years 2003 and 2004?

Response: The Department is firmly committed to facilitating access to the Food Stamp Program (FSP) by those eligible but not participating. The fiscal year 2002 and 2003 budgets made available $10 million each year to the Food and Nutrition Service for the purpose of conducting national efforts to educate the public about the nutrition benefits of the FSP, which specifically includes projects of outreach, access and nutrition education. For the past 3 years

(2001 thru and 2003), we committed $2 million each year to national nutrition education efforts, leaving $8 million for access, outreach and public education. In fiscal years 2001 and 2002, all available funding was expended, and fiscal year 2003 plans call for total expenditure of available funds as well. It is important to note that, where this $10 million is devoted to Federal efforts, States also devote considerable administrative funding resources to outreach, access and nutrition education. The Federal government reimburses half of these State costs.

Initiatives underway or completed by the Department, some of them supported by the $8 million in annual funding, are designed to facilitate, complement and supplement State and local efforts, and include the following:

- Competitive awards for 33 grants to communities to test innovative outreach strategies to underserved populations.
- A Food Stamp Educational Campaign under the slogan, "Food Stamps Make America Stronger. Aspects of this campaign include:
  - Development of outreach and public education materials made available to FNS regional and field organizations, State and local cooperators, and service organizations for use in their food stamp projects. Materials are free and can be ordered online. CD ROMs are also free upon request and States may use these to create a more customized version of the materials for their State. Materials are also downloadable from the web for local reproduction.
  - Development and production of table top exhibits and the related rental fees to exhibit materials. The first exhibit was displayed at the FNS-sponsored national nutrition conference in February 2003.
- A national outreach media campaign. A general media public relations campaign is being developed to promote the FSP based on the materials and messages developed for the current Food Stamp Education Campaign.
- One-minute radio spots disseminating information to Spanish-speaking audiences about the FSP began airing on the Hispanic Radio Network in March 2003. Fifty different radio spots are scheduled to continue for several months.
- Operation of a national toll free information line in English and Spanish for callers interested in finding out more about the program and how to apply. Live operators staff the line, and arrange for mailing of information and referral to State toll free numbers for more direct assistance. Mailings to callers are completed within 24 hours of the call during the business week. The monthly average number of calls is about 500.
- Development of a web-based eligibility prescreening tool for use by interested people and by service organizations to determine probable eligibility and estimated benefit level. This tool is set for release early spring 2003. The tool will refer users to State-specific tools if they exist in the user's State for a more specific calculation.
- Translation of six basic program informational materials into 34 languages. The first round of translations is being field tested with native language speakers and are targeted to be available on the FNS web site in spring 2003.
- Funding of outreach initiatives especially directed to retailers, such as presentation materials and an exhibit geared toward the role retailers can play in outreach.

- Funding for more in depth onsite review by FNS regional office staff of State access practices in local agencies.
- Funding for a literature review of existing documents and research on barriers to participation and effective strategies to overcome barriers. This project is underway.
- Funding for regional office staff to work with States aggressively to promote State development of formal outreach plans.
- Funding of five pilot projects to test various strategies for reaching elderly people.
- Other projects underway may not necessarily require funding, and include the development of strong partnerships with interested parties from both the public and private sector, including the Departments of Education, Defense, Health and Human Services, other FNS programs, Veterans' Administration, and Internal Revenue Service. Also, we have active partnerships with faith-based organizations, advocacy groups, private industry and others to promote mutual goals. Through these partnerships, we share resources and capitalize on our partners' reach into the eligible community to communicate messages of outreach to eligible people. FNS is also working with States to implement the Farm Bill legislation that allows States to better serve their eligible populations.
- FNS has hired a contractor to work with 6 to 8 States annually to help them improve their application forms. Many States have already streamlined their forms, but the Agency will continue to work with those States that have not yet taken such steps. Best practices will be shared with all States.
- Section 4116 of the Farm Bill authorizes up to $5 million per year, for fiscal years 2003 through 2007, for grants aimed at developing and implementing simplified application and eligibility determination systems, and measures to improve access to food stamp benefits by eligible households. In response to a January 2003 Request for Applications issued by FNS, responses have been received and FNS expects to announce awards in May 2003.
- FNS and the Social Security Administration (SSA) have signed a Memorandum of Understanding to expand the Combined Application Project (CAP) demonstration to three additional States over the next year. The CAP demonstrations are a joint FNS-SSA initiative that tests streamlined procedures for providing food stamp benefits to one-person households eligible for both food stamps and Supplemental Security Income (SSI). These projects are currently operating in three States -- South Carolina, Mississippi and Washington. A modified version of the project that is currently operated in Texas will also be tested in additional States.

FOOD STAMP ERROR RATES

Mr. Bonilla: Tell the Committee what USDA is doing to reduce food stamp program error rates.

Response: The Food and Nutrition Service (FNS) implemented a priority project plan in fiscal year (FY) 2001 to reduce error rates (improve payment accuracy) and assure program integrity. The intended outcome was to achieve, for fiscal year 2001, a payment accuracy rate of at least 90.8 percent. The Agency exceeded its payment accuracy goal, by achieving an accuracy

rate of 91.34 percent in fiscal year 2001. Preliminary State reported data for fiscal year 2002 suggest there has been further improvement.

FNS strives to employ effective and efficient strategies and activities to improve payment accuracy and assure program integrity. FNS also allocates nearly $400,000 annually to support State travel to conferences, workshops, and other meetings between States, to facilitate the sharing of best practices of effective and efficient program management techniques.

Fiscal year 2003 activities include:

- Continuation of successful efforts by FNS Regional Offices to work with all states to analyze error data and provide technical assistance in support of corrective action and payment accuracy efforts.
- The creation of a national team of experts to monitor and evaluate payment accuracy progress, analyze error rate data, and exchange information on payment accuracy best practices and program improvement strategies.
- The establishment of tiers for States (based on error rate performance) to support effective and consistent deployment of limited FNS resources for intervention and technical assistance.
- The continued exchange of best practices information through the State Exchange Program, the Internet (we have established a site focused on Quality Control and Payment Accuracy) and the publication of a Best Practice Guide.

AVERAGE WIC PARTICIPATION IN FY 2003

Mr. Bonilla: What is the monthly average WIC participation rate to date in fiscal year 2003?

Response: Preliminary data shows that WIC participation averaged 7.538 million participants per month during the first quarter of fiscal year 2003 – up from 7.450 million participants during the same quarter of fiscal year 2002.

WIC EBT IMPLEMENTATION

Mr. Bonilla: How much is being requested to further State implementation of WIC EBT? How much was spent in fiscal year 2002 and what are the estimated expenditures for fiscal year 2003 and 2004?

Response: The William F. Goodling Child Nutrition Reauthorization Act of 1998, P.L. 105-336, requires a proportion of WIC's appropriated funds be used for breastfeeding promotion, special projects, and infrastructure development. Since 1997, WIC has set aside infrastructure funds for WIC EBT project design, development and implementation. The amount that may be requested by State agencies for EBT projects varies from year to year.

In fiscal year 2002, approximately $3.4 million was awarded as grants to State agencies pursuing EBT as well as for technical assistance to further WIC's EBT implementation efforts.

In fiscal year 2003, FNS plans to make available approximately $3 to $4 million to support EBT development efforts. Expenditures for WIC EBT in fiscal year 2004 will depend upon the fiscal year 2004 WIC appropriation and available multi-purpose funds remaining once other funding obligations are met.

MANDATORY PRICE REPORTING

Mr. Bonilla: How much is included in the fiscal year 2004 budget request for mandatory price reporting? How much do you expect to spend in fiscal year 2003?

Response: The fiscal year 2004 budget request includes $6.2 million for mandatory price reporting. We expect to spend $6.1 million on mandatory price reporting in fiscal year 2003.

NATIONAL ORGANIC STANDARDS

Mr. Bonilla: How much has been spent, to date, by USDA since 1992 on national organics standards? How much is included in the fiscal year 2004 request for national organics standards?

Response: Funds spent for fiscal years 1992 through 2002 and estimates for 2003 and 2004 will be provided for the record.

[The information follows:]

Fiscal Year	Staff Years	Total Cost
1992	2	120,000
1993	2	45,646
1994	5	557,571
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	11	1,626,683
2003 est.	15	1,023,000
2004 est.	15	1,034,000
Total	133	$10,611,972

COMMON COMPUTING ENVIRONMENT

Mr. Bonilla: Describe your 2002 and 2003 activities and costs for common computing environment implementation.

Response: The information is submitted for the record.

[The information follows:]

Management and Planning

- An integrated technology architecture has been developed, tested, piloted and essentially implemented.
- An interagency IT management structure operating under OCIO (the Information Technology Working Group) has been put into place to oversee the implementation of the CCE along with an OCIO project management office.
- A Blueprint Plan for CCE has been developed.
- An Integrated Project Plan has been developed.
- Performance based contracting as a standard procurement strategy was implemented. Penalties and incentives for late or early contract performance were placed in many CCE contracts resulting in a better alignment of government/vendor expectations and a first-year savings of nearly $1 million for the government.

Telecommunications

- Shared, integrated phone systems and local and wide area networks have been installed.
- Internet access for most employees has been provided.
- A plan to upgrade telecommunications capacities for Service Centers has been developed and is in implementation.

CCE Hardware/Software/Operations

- A shared information technology lab and test facility has been established.
- About 46,000 modern/interchangeable and security capable workstations have been acquired and deployed.
- Common office automation (word processing, spreadsheet, etc.) software has been provided that is compatible with customer and partner software. Employees can now share word processing and other documents with each other and with customers and partners.
- Over 14,500 printers have been acquired and deployed.
- A shared help desk support system has been established.

- Three Web Farms built around common technologies have been implemented to support Web based applications and e-Gov implementation. This core infrastructure enabled the Service Center Agencies (SCA) to meet Freedom to e-File deadlines and e-Gov objectives.
- A common GIS Enterprise Software License has been acquired and deployed.
- Common security hardware, software, tools, data management approaches and configuration management processes have been implemented which have reduced security intrusions into SCA systems by 60%.
- Approximately 2,400 Global Positioning System (GPS) receivers have been purchased by the agencies to support GIS with contracts put in place for future acquisitions.
- Approximately 2,400 digital cameras have been purchased by the agencies with contracts put in place for future acquisitions.
- A migration platform (AS 400) for FSA has been acquired and installed to support rewriting of COBOL applications to the new CCE languages.
- A local Service Center application server solution was chosen and a local database management system was selected and acquired.
- Shared Network Servers to support common e-mail, remote systems management, local data storage and security enhancements have been acquired and deployed.
- An interagency GIS and digital camera training course was developed and delivered.
- The SCA GIS implementation strategy update was initiated.
- A detailed architecture for a Geospatial Data Warehouse has been completed along with a pilot that demonstrated technical aspects of the warehouse (tested technologies and procedures for managing, protecting and serving geospatial data).
- A draft technical architecture, and implementation plans have been developed for an SCA Enterprise Data Storage Architecture (EDARCH) that will implement a common data storage solution for Web Farms and Data Centers.

The CCE improvements have significantly helped the SCA in terms of meeting the new Farm Bill requirements, Freedom to E-File legislation and other legislative mandates. The ability to move data electronically and communicate with and do business electronically with customers as well as efficiencies in staff use has helped the agencies with this new workload. As GIS is fully implemented, greater efficiencies and improved services will further result from these new shared technologies that the CCE has provided to the SCA.

Completion of the initial CCE is planned for FY 2003 and a regular annual "refreshment" cycle will be started to keep the CCE current. All of the acquisitions of shared server technologies and related enterprise software will be completed by the end of the year and the SCA will have a fully operational shared technology infrastructure in place. These remaining components will enable shared management of the infrastructure, provide infrastructure standards for development organizations, provide adequate training for new employees on new technologies, and finish the acquisition of CCE peripheral devices such as printers, plotters, GPS units, scanners, digital cameras, etc. Specific plans for FY 2003 follow.

Network Servers/Application Servers

Network servers acquired in FY 2001 will be upgraded to accommodate database and application services for the field offices. Hardware enhancements for the network servers to support applications running in each of the county offices were purchased at the end of last fiscal year and are being installed at this time. Additional application and data servers are needed to run the more demanding GIS and other complex applications and to manage data and provide mirroring and disaster recovery functions. The deployment of the network servers represented the first shared server for the Service Centers. These and other servers will support a common e-mail system, provide local data storage, provide large and small office solutions, add needed security tools, host some limited applications and provide the ability to monitor and manage the local network and CCE workstations from an offsite location. This shared technology will be installed during the fourth quarter of FY 2003. The decisions on what servers are needed, how many and where they will be located are currently being made and are directly tied to the decision regarding upgrading telecommunications capacity. Those major CCE architectural issues are expected to be resolved in the second quarter and integrated with the USDA-wide Enterprise Architecture with follow-on procurement actions taking place late in the second quarter or early in the third quarter.

Workstations

All CCE workstations will be migrated from the Windows NT Operating System to Windows XP to provide additional functionality and security. Also, the 17,000 original CCE workstations acquired in FY 1998 will be replaced; this is the first CCE workstation refresh.

Peripheral Devices

Acquire additional peripheral devices such as; printers, plotters, scanners, GPS units, PDAs, digital cameras. These devices will enable field staff to gain the full benefits of the base technologies currently deployed. This equipment will be a shared resource available to any SCA employee on a needs basis.

Telecommunications Upgrade

A nationwide upgrade of telecommunications capacity for the Service Center Agency Network is planned for completion in August 2003. The telecommunications upgrade will increase capacity by twenty-four times at most Service Centers, thus relieving congestion and providing a sound infrastructure to support increasing Web applications and e-Government traffic volume. Larger, high demand field offices will be targeted early in the process to alleviate already congested situations. Increased telecommunications capacity for Service Center offices will be integral to the Department's plans for a Universal Telecommunications Network (UTN).

The hardware phase of the Service Center Agency Network Upgrade was completed in the first quarter of FY 2003. This included the acquisition and shipment of all Cisco 2651 Routers.

A Work Order Authorization Statement of Work (SOW) and Network Installation Guide were completed, and a Support Services contract was awarded to SAIC for installation of the Network Upgrade equipment. Installations were completed at about 2,700 sites by December 2002, a month ahead of what was originally planned. The switches and routers were installed concurrently by the Support Services Contractor to minimize office disruptions and to save costs. The Windows Switch and Router (WINSR) web site was established to allow users to track the installation process in near-real time.

Head-End Routers were delivered and installed at the web farms in Ft Collins, St Louis, and Kansas City. The three SCA and the OCIO Telecommunications Support Organization (TSO) installed and configured the routers, prior to going into the final phase of the upgrade.

Electronic Access

Additional investments will be made in the three Web Farms established in FY 2001 to provide high availability, secure and fully functional web services for internal and external customers. Geospatial Data Warehouses (GDW) will be provided. Also, an infrastructure that will provide a common data storage solution for Data Centers and Web Farms will be implemented in 2003. This will include infrastructure to support disaster recovery, mirroring, failover, load balancing, etc.

The Electronic Access Initiative Central Authentication and Authorization Facility (WebCAAF) continues full operations in the three SCA web farms. The beta version of Electronic Loan Deficiency Payment (eLDP) application was made available for the 2002 Crop Year, with nationwide eLDP deployment scheduled to begin later in 2003.

Work has begun on a Web Farm Continuity of Operations Plan (COOP), which incorporates the results of the gap analysis performed in FY 2002. The COOP will bolster already existing procedures for disaster recovery and continuity of operations.

Security

SCMI-IT will provide enhanced security features for service center agency systems and data. SCMI-IT will perform risk assessments, conduct penetration testing and develop common policies and training approaches to ensure the security of CCE systems and the privacy of customer information.

Penetration Testing (PT) has been completed on the FSA Web farm. The Enterprise Access Initiative (EAI) Team Leader is addressing potential vulnerabilities and risks pointed out by the assessment. A SOW for the RD and the NRCS assessment has been started, with a plan to initiate assessments in FY 2003.

Work has begun on an Enterprise Security Architecture Strategy to ensure that all aspects of security for SCMI-IT are comprehensively addressed.

A web based interactive security awareness training program was purchased in FY 2002, and training for approximately 50,000 partner agency employees, contractors, and co-op partners will begin in FY 2003. In addition, a Karta IT Security Training Library has been procured and tested for 2003 usage that is NSA certified as a Center of Academic Excellence in Information Assurance Education and complies with NIST 800-16 guidelines. Karta Library licenses have been received and distributed to agencies and team leaders.

Plans for performing a risk assessment for the telecommunication solutions in Texas have been finalized with a start date early in the second quarter of FY 2003.

Geographic Information Systems

Accelerate the implementation of labor saving/service enhancement GIS applications. Critical GIS data layers will be made available in 50% of the counties this fiscal year. The GIS software has been distributed to all Service Center Offices. The agencies have developed common data standards and are migrating their GIS Data to the network servers so that the data can be shared. The GIS Team established both a GIS Team and a Geodata Administrator at the State level to work together to manage geospatial data as a shared resource in Service Centers. The GIS and Data Management Teams have provided cross-agency training on geospatial data management. RD has provided introductory GIS training to their State Environmental Coordinators.

The following chart indicates the FY 2002 and FY 2003 funding levels for CCE activities:

FY 2002 Activities and Costs
Funding ($000's)

Item	CCE Fund	Agency Funds	Total
1. Technical Architecture maintenance, program management and project operations	$3,369	–	$3,369
2. Network Servers/Related software/Installation	11,951	–	11,951
3. Workstations – memory upgrades, spare units	963	–	963
4. Enterprise License payments	13,031	–	13,031
5. Application hardware/software (includes Congressional earmark for data storage, disaster			

recovery, etc.)	4,121	–	4,121
6. Electronic Access hardware/software	1,526	3,000	4,526
7. Security – risk assessments, testing	835	–	835
8. InterOperability Lab Operations	–	3,300	3,300
9. Data Management	3,632	3,008	6,640
10. Training	–	3,000	3,000
10. LAN/WAN/Voice Operations	–	6,289	6,289
11. Telecommunication Upgrade	27,045	1,725	28,770
TOTAL FY 2002 SCMI-IT	$66,473	$20,322	$86,795

FY 2003 Activities and Estimated Costs
Funding ($000's)

	CCE Fund	Agency Funds	Total
Base Infrastructure			
1. Technical Architecture maintenance, program management and project operations	$2,369	–	$2,369
2. Technology Refresh Fund to replace early CCE equipment	25,000	–	25,000
3. Enterprise license payments	11,000	–	11,000
4. Security and other enhancements to the Web farm infrastructure	4,000	3,600	7,600
5. Acquisition of equipment including: GPS devices, digital cameras, plotters and scanners, etc. to complete CCE	14,953	–	14,953
6. Security – risk assessments, testing	995	390	1,385
7. InterOperability Lab Operations	186	4,836	5,022
8. Data Management Administration, Warehousing	866	8,032	8,898
9. Training	–	725	725
10. LAN/WAN/Voice Operations	–	5,900	5,900
11. $6.110 million of FSA's contribution to shared basic infrastructure activities was incorrectly included in FSA's Contribution to the CCE Fund.	–	-6,110	-6,110
12. 0.65% rescission*	-386	-113	-499
Subtotal, Base Infrastructure	**58,983**	**17,260**	**76,243**
Agency Specific Funding			
1. FSA – Accelerate acquisition and use of GIS data	27,750	–	27,750
2. FSA - Continue the Financial Management Information System (FMIS) initiative which began in FY 2002 to			

reengineer the FSA/CCC Payment and Receipt systems	8,738	--	8,738
3. FSA - Develop Web-based system(s) that will centralize the Farm Loan Program data and make it accessible over the Intranet/Internet	2,058	--	2,058
4. FSA - Shared costs of overall Service Center Modernization Technology activities	6,140	--	6,140
5. FSA - Implementation of the Service Center Information Management System to capture and store common customer information to be used by the Service Center agencies	4,790	--	4,790
6. FSA – Part of FSA's contribution to shared base infrastructure costs.	6,110	--	6,110
7. NRCS – Telecommunications Costs – These funds will be used to cover increased service charges for high bandwidth	6,000	--	6,000
8. NRCS – GIS Implementation - Accelerate the digitizing of soil survey, hydrologic and climactic data as well as the acquisition of digital orthophotography in cooperation with FSA and others. $3 million of this increase will be used for that purpose. The remaining $2 million will be used to complete the Natural Resource Data Warehouse infrastructure	5,000	--	5,000
9. NRCS – Improve security program by supporting security clearance updates, training security personnel, and the acquisition of security technology	1,000	--	1,000
10. NRCS – Electronic Access - support the continued development and operation of the service center agency web farms	1,000	--	1,000
11. RD – Increased telecommunications costs associated with service center modernization activities	1,200	--	1,200
12. E-Gov – Support for service center agency projects implementing e-Government	4,000	--	4,000
13. 0.65% rescission*	-480	--	-480
Subtotal, Agency Specific Fundings	**73,306**	**--**	**73,306**
TOTAL FY 2003 SCMI-IT	**$132,289**	**$17,260**	**$149,549**

* The FY 2003 rescission of 0.65% has not been applied to the individual investments from the CCE Fund. We anticipate applying the rescission equally to all CCE Fund investments.

OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS

Mr. Bonilla: What actions has the Department taken to review the funding and management requirements for the Outreach for Socially Disadvantaged Farmers program?

Response: The Cooperative State Research, Education, and Extension Service has been delegated the competitive grants program under the Outreach for Socially Disadvantaged Farmers Program, also known as 2501. A request for applications was developed and released. The solicitation received an excellent response with 85 proposals. Currently, peer review of these proposals is taking place. Staff within the Cooperative State Research, Education, and Extension Service anticipate that the awards will be completed in early summer. Monitoring of grant recipients will involve submission of annual progress reports and standard procedures common to the monitoring of all grant recipients from the agency.

UNAUTHORIZED APPROPRIATIONS

Mr. Bonilla: Provide for the record a list of any unauthorized appropriations included in the fiscal year 2004 budget request.

Response: The information will be provided for the record.

[The information follows:]

Programs and last year of authorization	Authorization Level	Appropriations in last year of authorization (in thousands)		2004 Appropriations request (in thousands)
Authorization of Appropriations Expiring on or Before September 30, 2003				
P.L. 105-336 William F. Goodling Child Nutrition Reauthorization of 1998				
Food and Nutrition Service:				
National School Lunch and Related Programs FY 2003	Indefinite	$5,861,488		$6,683,704
School Breakfast Program FY 2003	Indefinite	1,680,563		1,797,923
Summer Food Service Program FY 2003	Indefinite	288,212		308,653
Child and Adult Care Food Program FY 2003	Indefinite	1,925,111		2,019,045
WIC Program FY 2003	Indefinite	4,696,000		4,769,232
Special Milk Program FY 2003	Indefinite	15,357		15,270
Commodity Distribution Program FY 2003	Indefinite	646,377	*	421,936
Information Clearing House FY 2003	Indefinite	166		166

* Approximately $200 million in unobligated balances are being used in FY 2003 to replace funds that would have come from Section 32. The Section 32 funds provided funding for the Livestock Assistance Program administered by the Farm Service Agency in FY 2003.

EXPANDING INTERNATIONAL TRADE

Mr. Bonilla: Please tell the Committee how the Department will attempt to expand world trade, and what kind of impact USDA can have on opening new markets.

Response: The Department is working aggressively to increase U.S. food and agricultural exports to global markets by sharpening the focus of our programs, services, education, and information toward high economic growth areas in international markets, while working actively to maintain existing markets. The greatest potential for expanding trade and opening new markets will be achieved by addressing food demands in middle-income and developing countries, where both population and income are growing relatively more rapidly.

Additionally, we are aggressively pursuing bilateral and multilateral trade objectives that will create opportunities for greater access for U.S. agricultural exports by reducing unfair trade barriers. At the same time, we are continuing negotiations and enforcement of existing multilateral, regional, and bilateral trade agreements.

Together, these activities represent a significant Departmental effort to open and expand markets for U.S. agricultural exports. To bolster these activities, the President's budget proposes to establish a fund within the Office of the Secretary to address important cross-cutting trade-related issues. The requested funding of $6.6 million will be available to support the work of USDA agencies in their trade negotiation, compliance monitoring, and enforcement activities.

EMERGENCY PEST AND DISEASE PROGRAMS

Mr. Bonilla: What are the Department's plans for making pest and disease prevention and eradication programs a priority? What are you doing to make it a priority for OMB?

Response: One of the Department's strategic goals is to enhance protection of the Nation's agriculture. One of our specific objectives is to reduce the number and severity of agricultural pest and disease outbreaks. We continue to work with OMB to aggressively respond to pest and disease outbreaks.

DEPARTMENT-WIDE NUTRITION EDUCATION FUNDING

Mr. Bonilla: Please provide a table listing the resources spent for nutrition education by the Department for fiscal years 2002, 2003 and the anticipated amount for 2004. List each agency amount separately, and include a Department-wide total for each year.

Response: I will provide the information on the resources spent for nutrition education by the Department for fiscal years 2002, 2003 and the anticipated amount for 2004, for the record.

[The information follows:]

UNITED STATES DEPARTMENT OF AGRICULTURE
Human Nutrition Research, Education and Related Activities
(Dollars in Thousands)

	2002 Actual	2003 Act	2004 Budget
Human Nutrition Research and Monitoring Program:			
Agricultural Research Service	$76,695	$78,253	$75,616
Congressional Earmarks	1,080	0	0
Cooperative State Research, Education and Extension Service	11,702	15,664	20,405
Congressional Earmarks	1,932	0	0
Economic Research Service	3,400	3,400	3,400
TOTAL	94,809	97,317	99,421
Human Nutrition Education, Evaluation and Demonstrations:			
Agricultural Research Service	640	636	636
Cooperative State Research, Education and Extension Service	82,042	81,865	84,441
Economic Research Service	9,200	5,000	9,200
Food and Nutrition Service	439,865	507,785	541,503
Food Safety and Inspection Service	173	199	200
TOTAL	531,920	595,485	635,980
TOTAL, Research, Education, Evaluations, and Demonstrations	626,729	692,802	735,401

BIOTERRORISM

Mr. Bonilla: There are concerns about the vulnerability of our food supply to attack. What has the Department determined about the risk of an attack on the food supply? Are there resource shifts or increases in the proposed budget that reflect that risk assessment?

Response: Through ongoing assessments of food processing plants and other food-supply facilities, as well as through exercises intended to examine the risk from bioterrorism and the Department's readiness to combat any attacks to the food supply, the Department has determined that the risk of an attack on the food supply is considerable. Within the FY2004 budget is an increase of $42 million to increase the number of food safety inspectors, increase microbiological testing and sampling, strengthen FSIS surveillance of foreign food safety programs and operations, and improve public education efforts; $30 million for APHIS to expand inspection services, increase the availability of FMD vaccines, and expand diagnostic/other scientific services; and an increase of $47 million to fund research on emerging diseases, develop new vaccines, create a new biosecurity database system, continue development of the unified Federal-State Diagnostic Network for identifying and responding to high risk pathogens.

Mr. Bonilla: Please describe what USDA is doing to detect biological and chemical attacks on the food supply, and how that will enhance our readiness.

Response: To enhance the nation's ability to detect biological and chemical attacks on the food supply the Department has obligated $43.4 million in the form of grants to States and universities in order to establish a network of diagnostic laboratories, strengthen state capabilities to respond to animal diseases, and increase the ability of states to detect plant and animal pests and diseases. Twenty additional food safety inspectors were hired at major U.S. ports of entry. In addition, $55 million was provided for bioterrorism and border security related activities including: enhancements to smuggling interdiction efforts by APHIS, development of new technologies for animal disease and plant pest detection, and animal health monitoring services. The development of field-use rapid detection technologies will greatly enhance the ability of food safety inspectors to identify potential biological or chemical toxins, and the establishment of database networks linking USDA, State, University, and Local health offices and laboratories will improve response readiness for intentional introductions of toxins to the food supply.

FUNDING FOR TRADE ENHANCEMENT

Mr. Bonilla: What is USDA doing this fiscal year to improve trade and what is included in the FY 2004 budget for trade enhancement?

Response: This year, the Department will be implementing a global market strategy for trade development and promotion assistance that aligns programs, technologies, trade capacity building, research and education (through a new Trade Education Initiative), and marketing strategies to pursue new growth market opportunities. The Department also will continue to conduct research to comprehend and explain fully the effects of trade agreements, political and

economic structural changes, and technology developments on the comparative and competitive advantage of U.S. agriculture. In addition, the Department will continue to provide timely and accurate agricultural statistics, information, economic research, and education to assist decision-making in the agricultural sector.

The 2004 budget supports our trade expansion objectives – by supporting aggressive implementation of USDA's export promotion and market development activities; by bolstering our capabilities to negotiate and enforce trade agreements and address emerging biotechnology issues; and by supporting marketing assistance activities. For example, the 2002 Farm Bill authorized increased funding for a number of the Department's market promotion activities, including the Market Access Program and Foreign Market Development Cooperator Program, and the 2004 budget fully supports those increases. Also, the budget establishes a new fund in the Office of the Secretary to address important, cross-cutting trade and biotechnology issues. The funding will be available to support the work of USDA agencies in their trade negotiation, compliance monitoring, and enforcement activities, as well as in addressing the growing array of regulatory and market access issues related to biotechnology. The budget also provides increased funding for the Foreign Agricultural Service to support a number of trade-related activities, including a trade capacity building initiative.

BIOSECURITY

Mr. Bonilla: Please provide information that can be printed in the public record that describes how funds made available to USDA for security needs in 2002 were spent on improved biosecurity.

Response: About $100 million of the $328 million in 2002 Emergency Supplemental Funds was made available for biosecurity program needs. Of the total, roughly $60 million was made available to FSIS and APHIS to strengthen biosecurity efforts by hiring additional inspectors, accelerating development of rapid detection technologies and strategies, and improving the inspection net at the nation's ports of entry. Also, more than $43 million in grants were awarded to States and universities for research programs into biosecurity concerns and in order to establish a network of diagnostic laboratories intended to vastly improve the nation's biosecurity response capabilities. In addition, ARS has obligated roughly $18 million out of $40 million appropriated for biosecurity research and physical security assessments and improvements at its Biosafety Level (BSL) 2 and 3 facilities.

Roughly $87 million was made available for building and facility construction needs. ARS was appropriated $50 million for construction of a BSL-3 facility at Ames, Iowa and $23 million for construction at the Plum Island Animal Disease Center, which is now being transferred to DHS. Additionally, APHIS was appropriated $14.8 million for biosecurity facilities at the Ames, Iowa complex. Of these appropriations APHIS has begun laboratory construction at Ames, IA and obligated $1.67 million. The APHIS portion of construction at the Ames, IA facility is expected to be completed by March 2004.

USDA HOMELAND SECURITY COUNCIL

Mr. Bonilla: Who serves on the USDA Homeland Security Council?

Response: The Homeland Security Council is comprised of the Secretary of Agriculture, the Deputy Secretary, all of the Under Secretaries and Assistant Secretaries, the Director of Communications, the Inspector General, the Chief Financial Officer, Chief Economist, and various Staff Officers.

CCC FUNDING OF EMERGENCY PEST AND DISEASE PROGRAMS

Mr. Bonilla: Please provide for the Committee a complete list of all fiscal year 2003 transfers from the CCC for the arrest and eradication of plant and animal pests and disease, and those that have been required, but not yet approved.

Response: The following is a list of the animal and plant pest or disease efforts funded as of March 13, 2003 through emergency CCC requests.

Pest/Disease	Amount (Dollars in Thousands)
Approved	
New Transfers:	
Chronic Wasting Disease	$10,533
Exotic Newcastle Disease	$40,000
Mediterranean Fruit Fly	$ 9,806
Pierce's Disease/Glassy-winged Sharpshooter	$ 8,770
Tuberculosis	$21,048
Spring Viremia of Carp	$11,707
Reprogramming of 2002 Unobligated Balances:	
Avian Influenza Indemnities	$50,000
Avian Influenza Low-Pathogenic (Virginia)	$15,474
Exotic Newcastle Disease	$ 7,473
Total, Approved	$174,811

CORPORATE SYSTEMS INVESTMENTS

Mr. Bonilla: The fiscal year (FY) 2003 agriculture appropriations act gives USDA the authority to use unobligated balances specifically for investments in such corporate financial, administrative, information technology systems that benefit USDA. What were USDA's unobligated balances for fiscal year 2002? Were those funds used for this purpose? Please explain. What are USDA's projected unobligated balances for fiscal year 2003? Does the USDA plan to submit a request to OMB for the use of these funds for such systems? Does the

administration plan to submit a plan to the Committees on Appropriations for the use of these funds? If so, when? If not, why not?

Response: Approximately $21.7 million in FY 2002 unobligated balances were transferred to the Working Capital Fund for corporate systems. Details on how these funds are being invested are being sent to the Committees on Appropriations. I am submitting a summary of how these funds will be spent for the record.

[The information follows:]

- Financial Data Warehousing ($3.1 million). Funds will be used to acquire hardware and software upgrades to improve financial reporting, and to acquire a new software tool for extracting data from multiple applications that supply the data warehouses.

- Enterprise Architecture ($6.55 million). This investment encompasses several coordinated initiatives for e-Government support and information security/information technology management.

- Integrated Acquisition System ($3.3 million). Funds will be used to acquire hardware and software to support an interface between the financial and procurement systems. Efforts also will increase security and expand capacity.

- Universal Telecommunications Network (UTN) ($2.6 million). Funds will be used for capital improvements and for implementation of this new system. UTN will support the growing telecommunication needs of the entire USDA as well as improve the reliability, efficiency, and cost-effectiveness of the existing telecommunications infrastructure. UTN is envisioned to be a robust telecommunications wide area network backbone that provides scalable, reliable, secure, and cost effective telecommunications services.

- Corporate Asset Management ($4.79 million). Funds will be used for: enhancement and implementation of a corporate system to manage real property, lease obligations and GSA-assigned space inventory and for enhancing the existing interface to the financial system, testing, data conversion, hardware/software, telecommuncations, and security.

- e-Travel ($1.0 million). Funds will be used to: acquire hardware/software, provide an interface between financial and data warehouse reporting systems and the government-wide e-Travel solution, and create a USDA-wide travel data mart to facilitate reporting and expense analysis.

- Enterprise Human Resources Management ($0.35 million). Funds will be used to develop a business case and analysis of alternatives for a human resources system as a prelude to a project to include the entire Department.

Regarding unobligated balances for fiscal year 2003, it is too early in the year to project what funds might be available for transfer to the WCF for corporate systems development. Given the scope of our need in addressing the antiquity and inefficiency of our present systems, coupled with the need for approaches to address new challenges, we do not expect that systems development efforts will be completed in FY 2003 with FY 2002 funds. We will evaluate our progress this year, after which we will develop a plan to use FY 2003 unobligated funds to build on this progress. We will share that plan with OMB and the Committees when it is developed.

CONGRESSIONAL RELATIONS TRANSFERS

Mr. Bonilla: Please provide a table that shows the transfers, by agency, from the Office of Congressional Relations, and the amount retained for the immediate Assistant Secretary for fiscal year 2002 compared to fiscal year 2003. Are there plans to consolidate all agency congressional relations functions under the Assistant Secretary?

Response: In fiscal year (FY) 2002, the Office of Congressional Relations transferred $1,851,400 to the agencies. The immediate office of the Assistant Secretary retained $1,866,600 of the FY 2002 funds. The amounts to be transferred and retained in FY 2003 are expected to be approximately the same. There are no plans to consolidate all agency congressional relations functions under the Assistant Secretary.

Assistant Secretary for Congressional Relations
Transfer to Agencies
FY 2002 and FY 2003

Agency	*FY 2002*	*FY 2003*
Agricultural Research Service	$129,000	129,000
Cooperative State Research Education & Extension Service	120,000	120,000
Foreign Agricultural Service	182,000	182,000
Farm Service Agency	302,400	302,400
Rural Development	250,000	250,000
Natural Resources Conservation Service	148,000	148,000
Animal and Plant Health Inspection Service	101,000	101,000
Agricultural Marketing Service	100,000	100,000
Food Safety and Inspection Service	250,000	250,000
Food and Nutrition Service	269,000	269,000
Total	1,851,400	1,851,400

NATIONAL FINANCE CENTER DATA RECOVERY

Mr. Bonilla: The Department of Agriculture has a requirement to protect its critical information to ensure continuity of operations after any disaster. Would you provide details of your current backup for data functions that need to be performed if there ever were an outage at the National Finance Center (NFC), or worse yet, if data was ever lost as a result of an outage? Has this system ever been tested? If so, provide the results of that test.

Response: The Department of Agriculture takes very seriously its requirement to protect its critical information and the information other Departments and Agencies entrust to us. NFC maintains critical data relating to more than 3 million Thrift Savings Plan participants, 500,000 Federal payroll employees, 4 million Federal health benefit participants serviced by two Government-wide health benefit programs, millions of Agriculture payment and accounting records which are part of the Department's controllership operations, and other data related to USDA missions. I will submit the details of NFC's backup procedures and testing for the record.

[The information follows:]

NFC effectively protects its critical information beginning with daily backups of data and software. Each day, backup tapes are created, placed in specially designed tape storage cases, and held until the next day when they are picked up and delivered by truck to an offsite storage facility. The offsite storage is performed by a certified offsite facility.

In the event of an outage where NFC lost its computer processing capabilities for an unacceptable amount of time, a disaster would be declared with the intention of resuming processing at a contracted commercial backup recovery operations center in Philadelphia, Pennsylvania. Approximately 100,000 backup tapes would be expressed shipped from the offsite storage location to the Philadelphia recovery operations center to accomplish the restoration of data center operations.

Additionally, business operations would be recovered at a contracted commercial alternate work site near Atlanta, Georgia. Operational-related data would be expressed shipped from the offsite storage location to the alternate work site. NFC's disaster recovery teams would be deployed to both recovery locations to immediately begin rebuilding NFC's computer processing capabilities, network connections to USDA and other networks and workstations for critical essential employees. The current business continuity plan calls for resumption of critical processing in approximately 48 hours after the disaster is declared.

The critical nature of the business operations of NFC requires that the disaster recovery/business continuity plan be tested twice a year. This ensures our capability to recover operations within the 48-hour target in spite of many changes to the hardware, operation system software, and the application software. Following the completion of each drill, a plan of corrective actions is prepared and executed to correct deficiencies and optimize the process. A summary of the results from the most recent test follows.

The primary objectives of this exercise were:

1.) restoration of the operating system on the mainframe computing environment,
2.) restoration of the database management systems under this operating system,
3.) restoration of the mid-range systems environment,
4.) establishment of the telecommunications and workstations substructures for business resumption of the Payroll/Personnel (PAYPERS) system processing, Foundation Financial Information System (FFIS) processing, and Procurement Management System (PCMS) processing, and
5.) the recovery of Homepage and employee self service portal.

Secondary test objectives were, time permitting:

- to certify a PCMS transaction through the FFIS disbursing process, and
- to reconcile Payroll Processing System (PAYE) and Payroll Accounting System (PACS) consolidated processing.

The results of the exercise for the primary objectives were:

1.) all three operating systems along with two coupling facilities in a parallel environment were successfully established. The commercial center's system experienced several problems during this recovery process which resulted in a time delay of more than 15 hours, thus impacting the timely success of the entire exercise,
2.) the production database environments were successfully recovered,
3.) the mid-range system environment was successfully recovered,
4.) the telecommunications TCP/IP network infrastructure was successfully established, and
5.) the entire WEB subsystem was recovered, including the Homepage and the employee self service portal.

The results for the secondary test objectives were:

- all FFIS databases were restored and a processing cycle was completed, however, the FFIS disbursing process was unable to perform reconciliation due to a missing component not previously believed to be critical to the process, and
- PAYE and PACS restoration was completed successfully and the net salary payments were reconciled. Reconciliation of the employee deductions and agency contribution did not occur due to lack of available time.

NATIONAL FINANCE CENTER DATA RECOVERY

Mr. Bonilla: Does NFC mirror its data to a secondary site that could quickly take over essential operations should there be an outage of any kind in New Orleans? Is the Department developing a secondary site and capability similar to what seems to have been the solution for

our financial markets for the NFC? What would it require in terms of funding or other resources to establish a secondary off site? Is the $12,000,000 that is appropriated in FY 2003 adequate to develop this capability?

Response: NFC does not currently mirror to a secondary site. However, the Department, under the leadership of the Chief Financial Officer, is presently conducting a Business Impact Assessment of the primary business units of NFC. This analysis will help to identify the business requirements for an improved disaster recovery/business continuity program for NFC. One possible outcome could be the identification of the need for a secondary site similar to the solution that has seemingly worked well for the financial markets.

The business requirements coming from the Business Impact Analysis will provide information on which an extensive analysis of alternatives, including resource estimates, could be developed. Based on prior information requests for estimates associated with a secondary site, rough estimates were generated based on incomplete requirements and scope. These rough estimates indicated a need for a total of $20.2 million, of which $18.8 million would be one-time costs, and $1.4 million would represent recurring costs for software and telecommunications support.

DISASTER RECOVERY / BUSINESS CONTINUANCE

Mr. Bonilla: Does the USDA have a plan with respect to a Department-wide Disaster Recovery, or Business Continuance capability? Are the individual agency IT organizations an impediment or an enabler, to achieving an information protection capability across the entire Department?

Response: USDA has completed a draft policy on Disaster Recovery and Business Resumption (DR/BR) planning, and will coordinate implementation alongside the Department-wide Continuity of Operations (COOP) Plan.

The Office of the Chief Information Officer (OCIO) is leading an inter-agency initiative to develop, test and maintain IT contingency plans to ensure USDA's vital operations will continue with minimum disruption, should a disastrous event occur. This effort is being coordinated with a similar initiative, led by the Office of Procurement and Property Management (OPPM), to develop DR/BR plans for the Department's mission critical facilities. By facilitating and integrating these initiatives at the departmental level, USDA is developing a department-wide DR/BR capability for both Departmental facilities and IT systems.

OCIO and OPPM together are acquiring a single automated contingency planning tool designed to assist agencies in their development of both IT and facility DR/BR plans. This tool will enforce standardization, consistency and thoroughness. OCIO and OPPM will provide training and support for the tool, to ensure agencies acquire the skills necessary to develop appropriate and effective contingency plans.

An increased emphasis by agency management, added to recent events and experiences, has led many agencies to begin addressing DR/BR planning more thoroughly.

TRANSFERS TO DEPARTMENT OF HOMELAND SECURITY

Mr. Bonilla: According to your statement, the Department is transferring border inspection functions of APHIS to DHS, and that the transfer amount involves $247 million and 2,700 staff years. How much of that $247 million comes from appropriated funds and how much comes from AQI user fees? After this transfer occurs, will USDA have any personnel remaining at our nation's borders and ports?

Response: USDA will transfer those functions to DHS that are related to agricultural import and entry inspection, the Plum Island Animal Disease Center and support functions, as well as half of the funding for research and diagnostic work conducted at that Center. These transfers together will involve about $247 million and approximately 2,700 staff years. USDA will reimburse DHS for border inspection functions, whose cost is estimated to be about $219 million. Of that sum, approximately $42 million is appropriated funds and $177 million is estimated AQI user fees. The remaining $28 million are appropriated funds estimated for Plum Island and USDA staff offices.

Some USDA staff will remain at the borders, such as all current FSIS inspectors and a relatively small number of APHIS staff for food and agriculture specific activities. DHS will use the research and diagnostic funding at Plum Island to finance work by USDA.

MEMORANDUM OF AGREEMENT

Mr. Bonilla: According to your statement, a Memorandum of Understanding will ensure that USDA has access to AQI employees in the event of future outbreaks of plant and animal diseases. Has this MOU been signed? If so, please provide a copy for the record. If not, when will the MOU be signed? What concerns does the USDA have that prompted this MOU be developed? Which agency would get rights of first access to these AQI employees if there were an emergency at Department of Homeland Security and an outbreak of plant and animal pest or disease?

Response: The Memorandum of Agreement (MOA) was signed on February 28, 2003; a copy is included for the record. There were no particular concerns that prompted the MOA, rather, Section 421(e) of the Homeland Security Act of 2002 required such an agreement on several components of the transfer of a portion of the Agricultural Quarantine Inspection program from USDA to DHS. The availability of the former USDA employees to work on emergency pest and disease outbreaks is just one of those components. Section 421(e) (3) (A) of the Act authorizes USDA and DHS to enter into an agreement for USDA to use DHS employees to assist in emergency pest and disease programs. Article 6 of the MOA acknowledges that authority. However, there was not sufficient time to work out all of the details of such an arrangement prior to March 1, 2003, when DHS began operations. USDA will work with DHS to establish guidelines on the use of DHS employees. Until such guidelines are finalized the

Department will work with DHS on a case by case basis. I have every confidence that we will reach a satisfactory agreement for the long term.

HOMELAND SECURITY SUPPLEMENTAL

Mr. Bonilla: How much of the $328 million in emergency supplemental appropriations has USDA obligated to date? Please provide allocation and obligation amounts of the $328 million emergency supplemental by agency.

Response: As of February 2003, of the $328 million in Emergency Supplemental funds, the Department has obligated $131.2 million of the $240.9 million in program funds and $1.7 million of the $87.1 million in funds provided to upgrade USDA buildings and facilities. In a number of cases the original allocation of funds provided funding to cover ongoing activities such as enhanced import inspectors, the development of rapid detection technologies, analyses and databases to improve agricultural security, and continued physical security/technological upgrades for all USDA facilities. Obligations occur over time, as salaries are paid or contract milestones are met. The Department intends to obligate all of the funds provided. Attached is a table reflecting the allocation by agency as well as obligations.

[The information follows:]

HOMELAND SECURITY
ALLOCATION OF SUPPLEMENTAL FUNDING
By Agency and Funding Source
(Dollars in Millions)

		Allocation	Obligations as of Feb. 2003
TOTAL TO ALLOCATE/OBLIGATE:		**$328.00**	**$132.86**
APHIS	**PROGRAMS:**	**105.00**	**59.55**
	AQI	34.58	18.26
	PEST DETECTION/ANIMAL HEALTH MONITORING	25.56	15.24
	EMERGENCY PREPAREDNESS/STATES	15.00	12.65
	PHYSICAL/OPERATIONAL SECURITY	28.86	12.40
	EMERGENCY TEST EVALUATION	1.00	1.00
ARS		**40.00**	**18.09**
	ARS RESEARCH	18.30	7.66
	SECURITY UPGRADES-LABS AND ASSESSMENTS	21.70	10.43
FSIS		**15.00**	**5.75**
	FSIS ACTIVITIES	15.00	5.75
OSEC		**80.92**	**47.80**
	HOMELAND SECURITY STAFF SUPPORT	2.80	0.43
	PHYSICAL SECURITY:		
	SECURITY NEEDS COORDINATED BY DA	42.86	17.09
	SANDIA PHASES 2 & 3	1.50	1.45
	CYBER SECURITY (OCIO, FAS, RMA, FSIS)	3.25	0.83
	FSIS ENHANCED IMPORT INSPECTIONS	1.50	0
	FOOD/AGRICULTURE SECURITY:		
	OIG	3.92	3.92
	FAS REMOTE SENSING IN AFGHANISTAN	0.20	0.20
	ERS-GIS AREA ANALYSIS	1.70	0.91
	CSREES RAPID DETECTION/RESPONSE NETWORK	9.60	9.60
	CSREES REGIONAL LAB DIAGNOSTIC REDUNDANCY	10.39	10.17
	MISSION AREA ANALYSIS (APHIS, FSIS, ARS)	1.20	1.20
	APHIS/EMERGENCY TEST EVALUATION	2.00	2.00
	SUBTOTAL, ALLOCATED/OBLIGATED	**240.92**	**131.19**
APHIS	**BUILDINGS AND FACILITIES:**	**14.08**	**1.34**
	ANIMAL HEALTH FACILITIES, AMES	14.08	1.34
ARS		**73.00**	**0.33**
	PLANNING, PLUM ISLAND ANIMAL DISEASE CENTER	23.00	0.33
	ANIMAL HEALTH FACILITIES, AMES	50.00	0.00
	SUBTOTAL, ALLOCATED/OBLIGATED	**87.08**	**1.67**
	TOTAL, ALLOCATED/OBLIGATED	**328.00**	**132.86**

FARM INCOME

Mr. Bonilla: According to USDA, net farm income is projected to increase to an estimated $44.9 billion, up from $32.4 billion last year. Does this $44.9 billion include the agricultural assistance that the fiscal year 2003 Omnibus Appropriations Act provided? If it does not, what would be the estimated net farm income level in 2003, and what percent increase does that represent over 2002?

Response: The projected level of $44.9 billion in net farm income for calendar year 2003 was prepared before the 2003 Omnibus Appropriations Act was enacted. The additional agricultural assistance in the 2003 Act may add up to $2.5 to 3.0 billion to net farm income in 2003 depending on the level of participation by producers and the level of eligible losses. This would make net farm income about 46 percent greater in 2003 than it was last year.

GOVERNMENT PAYMENTS

Mr. Bonilla: The USDA also reported that direct government payments to farmers would total $17.6 billion in 2003, up from $13.1 billion in 2002. Does this number reflect the agricultural assistance package that was included in the fiscal year 2003 Omnibus Appropriations Act. If not, what is the total level of direct government payments to farmers?

Response: No. The direct payment estimates were made before the 2003 Act was enacted. When the additional payments authorized by the Agricultural Assistance Act are added, direct government payments for calendar year 2003 could total about $20 billion or more.

CARTAGENA PROTOCOL ON BIOSAFETY

Mr. Bonilla: How much does USDA expect to spend to implement the Cartagena Protocol on Biosafety in each of fiscal years 2003 and 2004?

Response: The United States did not sign the Cartagena Protocol on Biosafety (BSP), but will have to react to it as soon as it is ratified by 50 countries. Currently 43 countries have ratified it. It is difficult to assign a precise number for current expenditures for USDA activities related to the BSP because there are no specific budget items for these activities. However, the topic is one that arises as part of broad-ranging bilateral discussions with many nations. In addition, USDA is participating in an interagency process to determine the best way to provide clarity and predictability for U.S. exporters who will need to comply with national regulations put in place by Parties for compliance with BSP obligations. To this end, USDA is participating in preliminary discussions with key trading partners on trade and regulatory implications of BSP implementation, involving representatives from USDA's Foreign Agricultural Service (FAS), Animal and Plant Health Inspection Service (APHIS), and Grain Inspection, Packers and Stockyards Administration (GIPSA); initial discussions in FY2003 will probably cost under $50,000. For FY 2004, FAS has requested $500,000 to undertake activities to assist nations in implementing the BSP in a non-trade-distorting fashion.

USDA is also supportive of the development of the Biosafety Clearinghouse, a web-based database of scientific and regulatory information and decision documents for importation of biotechnology products covered by the BSP. The availability of this information will facilitate decision making by importing countries and provide a valuable resource to American shippers and traders who will need to address information requirements related to the BSP. In support of this need, the United States will provide to the Biosafety Clearinghouse a computer link to a unified product database, on which will be displayed the cross-referenced regulatory decisions on products that have completed all domestic regulatory requirements. This database, which is under development, will also improve transparency on biotechnology regulatory decisions domestically. APHIS, the Food and Drug Administration, the Environmental Protection Agency, and the Department of State, have been developing the database, utilizing seed funds provided by the Department of State's Bureau of Economic and Business Affairs. APHIS expects to be one of the regular contributors for the maintenance of the database. Depending on final decisions yet to be made on some technical aspects of the database, this expense may run as much as $20,000 per year, starting in FY 2004.

Mr. Bonilla: Please tell the Committee, specifically, how the Cartagena Protocol on Biosafety is going to benefit U.S. agriculture and how this protocol will affect trade.

Response: The Cartagena Protocol on Biosafety (BSP) will provide no benefit to United States agriculture in terms of providing additional safety assurance for "Living Modified Organisms" (LMOs) that may be imported into the United States; existing domestic laws and regulations are adequate to address all relevant safety concerns.

On the positive side, the BSP establishes an overall framework under which regulatory data and experience on regulation can be shared, and its emphasis on biosafety capacity building may aid some trading partners with little experience with biotechnology address regulatory issues and safety concerns relating to the import of LMOs from the United States.

The United States has been, and will continue to be considerably disadvantaged by our inability to engage in such discussions as a full participant. Additional information is provided for the record.

[The information follows:]

The three meetings of the interim Intergovernmental Committee for the Cartagena Protocol on Biosafety (ICCP) failed to provide clear guidance on implementation of the BSP in a manner that meets the objectives of the Protocol without unnecessarily disrupting trade. There are a number of provisions in the Cartagena Protocol on Biosafety (BSP) that could potentially cause serious trade disruptions once the agreement enters into force. Chief among these is the "may contain LMOs" documentation requirement in Article 18.2(a) for LMOs intended for food, feed, or for processing. There is no agreement as to when shipments will be subject to the "may contain" requirement, and exporters are concerned about increased liability and competitive disadvantages for U.S. products as countries implement domestic regulations for compliance

with the BSP. For example, industry is concerned that this documentation may be required for most commodity shipments, even carefully identity-preserved consignments as well as shipments of commodities for which no bioengineered varieties are commercially available, because of the potential for carryover or mixing from other shipments. Moreover, during the ICCP meetings, there were efforts on the part of some nations to reinterpret the "may contain LMOs" language into a requirement for a listing of each LMO variety contained in a commodity shipment. Due to the nature of the U.S. grain handling system, this requirement would be virtually impossible to meet and would have serious negative impacts on commodity trade. It can be expected, moreover, that this topic will be revisited once the BSP comes into force and a Meeting of the Parties (MOP) (at which the United States will have an even more circumscribed voice), is convened. In general, how Parties implement these documentation provisions under national laws and the procedures Parties adopt governing trade with non-Parties will have a great bearing on the Protocol's impact on trade.

In addition, BSP Article 27 calls upon the first Meeting of the Parties to "adopt a process with respect to the appropriate elaboration of international rules and procedures in the field of liability and redress for damage resulting from transboundary movements of living modified organisms..." and to "endeavor to complete this process within four years." Some nations have, for example, called for creation of an international liability pool funded by the biotechnology industry. A separate, unjustified new liability regime for biotechnology products could greatly increase the risks to industry, adding new costs to U.S. products and thereby decreasing their competitiveness. Discussions on this subject began during the ICCP process, and information-gathering on relevant existing law by the Convention on Biologic Diversity Secretariat is ongoing.

To the extent that the text of the BSP is misused or misconstrued in an attempt to create a conflict with disciplines under the World Trade Organization, there is the potential for increased non-science based decision-making by Parties.

Mr. Bonilla: What countries are participating in the Cartagena Protocol?

Response: The Cartagena Protocol on Biosafety (BSP) was adopted at an Extraordinary Meeting of the Conference of the Parties to the Convention on Biologic Diversity (CBD) on January 29, 2000. As of March 4, 2003, there are 103 signatories to the BSP; 43 nations (and the European Community) have ratified and are currently Parties to the BSP. Among significant trading partners, only Mexico, the Netherlands, and Spain have become Parties thus far, although a number of others are likely to do so in the near future. The BSP will enter into force 90 days after the fiftieth nation (not counting the European Community's collective vote) deposits its instrument of ratification with the CBD Secretariat.

MONTREAL PROTOCOL MULTILATERAL FUND

Mr. Bonilla: How much does USDA expect to contribute to the Montreal Protocol Multilateral Fund in fiscal year 2004? Does USDA expect to contribute to this fund in fiscal year 2003? If so, how much?

Response: The budget requests $5 million for a USDA contribution to the Montreal Protocol Multilateral Fund beginning in 2004. That would be the first contribution from USDA.

Mr. Bonilla: Please tell the Committee, specifically, how the Montreal Protocol Multilateral Fund is going to benefit U.S. agriculture, and how this protocol will affect trade?

Response: The Montreal Protocol Multilateral Fund is a treaty signed under the Vienna Convention for the Protection of the Ozone Layer that seeks to protect the stratospheric ozone layer through international cooperation and standard setting. The Protocol controls global production and trade of ozone-depleting substances. In 1992, the Parties to the Protocol classified methyl bromide as an ozone-depleting substance and in 1997 agreed to a phase-out schedule.

Under the phase-out schedule, the United States is to reduce methyl bromide consumption (production plus imports minus exports) from a 1991 baseline by 25 percent in 1999, 30 percent in 2001, 70 percent in 2003, and 100 percent in 2005. However, a technically and economically feasible alternative with acceptable health and environmental effects is not currently available and, as such, the United States is preparing an application to the Montreal Protocol Council of Parties for a critical use exemption to the current phase-out schedule. Based on models of markets for strawberries, tomatoes, and other vegetable crops, the University of Florida and the National Center for Food and Agricultural Policy estimate the net annual loss to consumers and producers resulting from a methyl bromide phase-out, prior to the identification of a suitable alternative, to be in the range of $400-$450 million.

U.S. contributions to the Trust Fund for the Montreal Protocol historically have been split between the State Department and Environmental Protection Agency. The current U.S. commitment is $37 million per year for the 2000-2002 period and is expected to increase to $40-$45 million for the 2003-2005 period. To help offset the higher commitment, USDA is requesting $5 million annually to contribute to the Trust Fund beginning in 2004.

It is anticipated that moving closer to the U.S. commitment levels will create good will within the Protocol. While a more robust payment position to the Fund cannot guarantee success, a poor standing with the Fund and developing countries can generate bad will at a time when we will need the good will of all parties.

Mr. Bonilla: What other countries are participating in the Montreal Protocol Multilateral Fund and how much are these other countries contributing to this fund?

Response: As of January 2003, the United States and 184 other countries are Parties to the Montreal Protocol Multilateral Fund. Of these, approximately 35 developed countries contribute to the Fund. The current level of the fund totals $475 million a year, and the United States contributes $37 million of that amount.

FUNDING FOR TRADE AGREEMENT NEGOTIATION

Mr. Bonilla: Why is the budget proposing to include funds for trade agreement negotiation, enforcement, and standards setting activities in the Office of the Secretary rather than in the agencies that conduct the work.

Response: The trade-related workload of the Department is growing. Over the next several years, USDA will be undertaking an unprecedented level of trade negotiating activity, including multilateral negotiations to achieve further reform of global agricultural trading practices, as well as a number of regional and bilateral negotiations to achieve comprehensive free trade agreements. At the same time, the Department faces a growing array of challenges related to biotechnology, including a rapidly expanding number of regulatory, market access, and trade barrier issues. USDA also is expanding its role in exchanging information relating to the practical implications of implementing laws or regulations that require testing and labeling of biotechnology products.

By their nature, these are cross-cutting activities that can involve a number of USDA agencies. Frequently, a number of agencies must work together to address these matters as, for example, they may involve both technical and trade policy components. Moreover, it is difficult to predict in advance the exact nature of the trade issues and disputes that may arise, and how the Department will tailor its response to deal with them effectively.

For these reasons, it was decided to provide this funding to the Office of the Secretary. This will provide flexibility to the Office of the Secretary to determine during the course of the year how the funds will be allocated among the USDA agencies involved in addressing these matters. The allocations will be based on Departmental objectives, the nature of the issues involved, agency workload and staffing needs, and related considerations.

ELECTRONIC PROGRAM DELIVERY

Mr. Bonilla: You noted in your witness statement that USDA's customers can increasingly conduct business with the Department online, saving them and the Department time and money over the long term. Tell the Committee what agencies have increased customers' ability to conduct business online, and what is available online for customers to conduct business? Have you been able to gauge whether or not USDA's customers are taking advantage of the ability to conduct business online? Please provide specific examples of this.

Response: USDA has been pursuing electronic program and information delivery over the Internet for several years. Information on USDA's key online initiatives is submitted for the record.

[The information follows:]

Mission Area	*Name of Initiative & Lead(s) Agency*	*Customer Group(s) Served*	*Description*
Multi-Mission Area/Agency	*eForms/Service Center Online* Service Center Agencies (Rural Development, Farm Service Agency, Natural Resources Conservation Service)	Farmers/Producers/Rural Residents	The Service Center Agencies, as required by the Freedom to E-File Act, have established a joint eForms Web site for public use. Customers can access this site from either the USDA homepage or agency homepages. On the site, users can download a variety of USDA agency-offered forms for printing, or enter the data directly into the form and transmit it to USDA. Benefits include a one stop-shopping site for county-based agency forms used by the public, as well as the option of convenient online data entry; all forms are Section 508 certified, and the site provides around-the-clock access to forms and information. In 2002, the site received 183,000 visits, and almost 5,000 users visited the MyForms section where completed forms can be transmitted to USDA. However, only 111 forms were successfully submitted in the site's initial 6 months of operation in 2002. USDA is examining this issue in greater detail to find out why usage rates do not parallel private sector usage rates.
Department-wide	*GovBenefits*	General Public	GovBenefits provides a single destination for citizens to find government benefits for which they are eligible, as well as contact information to begin the application process. The site significantly improves the experiences of citizens searching for government benefits by allowing them to find the benefits for which they may be eligible from one integrated site, rather than using dozens of agencies' sites. USDA is a partner in this government-wide Presidential eGovernment Initiative; currently, more than two dozen USDA programs are included on the site, and more are being added each month.
	Regulations.gov	General Public	The Regulations.gov site provides a single location for citizens to provide comments on proposed Federal

Mission Area	*Name of Initiative & Lead(s) Agency*	*Customer Group(s) Served*	*Description*
			regulations. Specifically, it allows citizens to view a description of every proposed Federal regulation currently open for comment, read the full version, and subsequently submit comments to the corresponding Federal agency. USDA is a key partner in this government-wide Presidential eGovernment Initiative, and the site includes proposed rules from key rulemaking agencies across the Department.
	USDA.gov Office of Communications	All USDA Customers	USDA.gov is the Department's home page and provides news, updates, and agency and program links to visitors. The site is extremely popular—since 1999, USDA Web pages have been accessed more than 500 million times.
Farm and Foreign Agricultural Services	*Electronic Bid Entry System (EBES)* Farm Service Agency	Agricultural Product Vendors	Building upon an aging and expensive legacy system, EBES automates via the Internet the bid entry portion of USDA's procurement of commodities exported under various foreign donation programs. FSA also has a similar system to handle procurements for domestic distribution of food assistance (Domestic Electronic Bid Entry System).
	Electronic Loan Deficiency Payments (eLDP) Farm Service Agency	Farmers/Producers	eLDP is an Internet-based program that provides the capability for agricultural producers to request a loan deficiency payment. eLDP will streamline USDA's processing of these payments, reduce interest penalties on delayed payments, and ensure farmers have a more convenient application process and receive assistance in a timely manner. eLDP has been piloted in around 20 counties, and will shortly be completely available online.
	RMA Online Risk Management Agency	Farmers/Producers	RMA Online, the agency's Web site, provides the public with a set of valuable tools and information resources, most notably interactive risk management applications designed to provide crop insurance information and decision

Mission Area	*Name of Initiative & Lead(s) Agency*	*Customer Group(s) Served*	*Description*
			support in the management of risk.
	Unified Export Strategy (UES) Foreign Agricultural Service	Agricultural Exporters	FAS administers several programs that provide over $135 million in funding to over 65 industry partners, both in the U.S. and overseas. UES, including a Web-based front-end, was designed to streamline the administration of these interrelated programs while focusing on results, improving resource allocation benchmarks, and de-emphasizing bureaucracy. UES has improved customer service by combining applications to reduce paperwork burdens (by 11,000 submissions annually). Additionally, UES reduced reimbursement time from 3 weeks to 3 days and reduced redundant information requests—overall, industry burdens were reduced by 30 staff years.
Food Safety	*FSIS Export Library* Food Safety and Inspection Service	Food Producers & Distributors	The Export Library presents information on foreign country export requirements for meat and poultry products. ▪ Export Notices provide a rapid method for disseminating new and urgent export information ▪ Country Requirements contain information obtained by FSIS through direct communication with foreign officials. Requirements address areas such as product eligibility, labeling, processing requirements, documentation and plant eligibility. This information facilitates and expedites foreign trade.
	USDA Meat and Poultry Hotline Food Safety and Inspection Service	All Americans	The USDA Meat and Poultry Hotline has been a trusted and convenient resource for more than 10 years, and is available in both English and Spanish 24 hours a day, 7 days a week, via telephone, TTY, email, and integrated with the Web.
Food, Nutrition, and Consumer Services	*FNS Partner Web* Food and Nutrition Service	State & Local Governments, Retailers, Others	The FNS Partner Web provides a Web-based Extranet that permits FNS to conduct general-purpose business communication with its direct partners. The Partner Web uses a combination of

Mission Area	*Name of Initiative & Lead(s) Agency*	*Customer Group(s) Served*	*Description*
			message boards, chat rooms and traditional Web sites to foster information-sharing and improved collaboration in service delivery and citizen/customer service.
	Food Stamp Program Electronic Benefits Transfer (EBT) Food and Nutrition Service	Low-income Individuals	EBT is an electronic system for authorizing transfers of government benefits from a Federal account to a retailer account to pay for products. Currently used to issue over 80% of food stamp benefits, EBT is faster and cheaper than paper-based processes. Its accompanying customer card, which functions like a credit card, also provides dignity to beneficiaries and faster payment for the Food and Nutrition Service's network of over 200,000 retailers. Further, EBT creates an electronic record of each food stamp transaction, making it easier to identify and document food stamps "trafficking," or exchanging for cash, drugs, or other illegal goods -- ultimately helping to reduce food stamp waste, fraud, and abuse. This delivery channel has saved USDA, taxpayers, and retailers an estimated $420 million since its inception in the 1980s.
Marketing and Regulatory Programs	*AMS Market News Portal* Agricultural Marketing Service	Farmers, Agri-businesses, Others	AMS' Market News Portal provides a single location where farmers and other interested citizens can find AMS' latest market news reports on all covered commodities.
	Import Authorization System (IAS) Animal and Plant Health Inspection Service	Importers	IAS, a Government Technology Leadership award winner for innovation, enables APHIS to manage permits for fruit, vegetables animal imports electronically. 25% of all APHIS permit applications use this Lotus Notes-based Web system to submit and revise permit applications and check their status. Applicants can have permits subsequently sent via multiple channels, including postal mail, fax, or e-mail.

Mission Area	*Name of Initiative & Lead(s) Agency*	*Customer Group(s) Served*	*Description*
			IAS has generated significant cost savings for APHIS by reducing paperwork, data entry, and errors and thus improving processing/delivery time.
Natural Resources and Environment	*Recreation.Gov* Forest Service	General Public	The Forest Service played a key role in creating Recreation.gov, an integrated Web portal designed to provide a single destination for information on Federal recreation opportunities. Other partner agencies include the Forest Service, the National Park Service, and the Bureau of Land Management. Users can search for recreation areas by state, recreational activity, agency, or map. Some national parks and forests currently accept online reservations through the site, and a fully integrated reservations system based on the Forest Service's solution is planned.
	Soil Data Viewer Natural Resources Conservation Service	Natural Resource Planners, State & Local Governments, Conservationists	The Web-based Soil Data Viewer allows the public access to a number of NRCS soil surveys. The system was designed to provide users easy access to soil survey data for resource assessment and analysis while shielding users from the complexity of the soil database.
Research, Education, and Economics	*Agriculture Network Information Center (AgNIC)* Agricultural Research Service	Students, Farmers, Other Citizens	AgNIC is an alliance of ARS' National Agricultural Library (NAL), land-grant universities, and other agricultural organizations, in cooperation with citizen groups and government agencies. AgNIC is a distributed, collaborative partnership providing quality electronic agricultural information and resources via a portal on the Internet. The Center is hosted and coordinated by NAL. Each AgNIC partner provides a virtual collection of content, resources, and online reference services on a specific agricultural topic in which it is specializes. AgNIC therefore serves as a subject interface to the land grant system, bringing together information resources created with a combination of federal and state efforts.
	ERS Extranets	Researchers,	ERS' Extranets are private and secure

Mission Area	*Name of Initiative & Lead(s) Agency*	*Customer Group(s) Served*	*Description*
	Economic Research Service	Economists, Universities, Information Professionals	online meeting spaces designed to enable information exchange among key customers and provide information tailored to specific customer needs. Via the Extranet, partners/customers can: ▪ Access timely, relevant information and data to help them conduct business ▪ Work collaboratively with peers ▪ Create new, and participate in established, professional networks ERS has developed a number of extranets for various customer groups.
	Crop Progress and Condition System National Agricultural Statistics Service	State & Local Governments, Farmers	The Crop Progress and Condition report is a weekly report on crop progress and conditions compiled from reports submitted from local experts throughout the country. The Web data collection system gives these local experts the option of submitting these reports electronically through the Internet.
	Electronic Data Reporting (EDR) National Agricultural Statistics Service	Farmers/producers	NASS' EDR system provides the agency with the ability to administer surveys and collect responses via the Web. Not only does this provide citizens with a convenient electronic option for responding to NASS surveys, but also streamlines the data collection process by eliminating data entry. EDR is currently being offered for a few key surveys, but is being expanded, and is planned to fully complement the 2007 Census of Agriculture.
Rural Development	*Lender Interactive Network (LINC)* Rural Housing Service	Banks/Lenders	LINC provides a Web-based application where lenders can provide periodic and default status reports electronically on their single family housing guaranteed loan portfolio. LINC expedites the collection of loan status information and eases the reporting process for both the lenders and Rural Development.

GOVERNMENT SPENDING FOR FISCAL YEARS 2002-2004

Mr. Bonilla: Provide for the record, by agency, the fiscal year 2002 actuals, and the fiscal year 2003 and 2004 estimates for eGov.

Response: While the eGovernment spending by agency for fiscal year 2002 information is submitted for the record, USDA agencies will be revising their fiscal year 2003 and 2004 eGoverment investment levels, to make allowances for the fiscal year 2003 appropriations bill and the development of new USDA eGovernment initiatives.

[The information follows:]

USDA eGov Spending in FY 2002 (in millions of dollars)	
Agency Name	**2002**
AMS	0.616
APHIS	2.001
ARS	3.836
CSREES	0.888
DA	5.609
ERS	0.000
FAS	10.000
FNS	1.253
FS	43.083
FSA	0.854
FSIS	2.793
GIPSA	0.000
NAD	0.523
NASS	0.512
NRCS	0.875
OCE	0.057
OCFO	3.009
OCIO	1.300
OGC	0.002
RD	1.116
RMA	0.000
Total:	**$78.327**

FUNDING FOR GOVERNMENTWIDE EGOVERNMENT INITIATIVES

Mr. Bonilla: Will the USDA be providing any funds for governmentwide eGov initiatives in fiscal year 2003? If so, how much? What agencies will be required to provide these funds, and how much will each agency be required to provide?

Response: USDA will be providing $9.3 million in FY 2003 funding for ten of the President's interdepartmental eGovernment initiatives. USDA agencies are currently determining how to share the costs for these initiatives.

UNIVERSAL TELECOMMUNICATIONS NETWORK

Mr. Bonilla: Please provide the Committee with a status report on the Universal Telecommunications Network project. Please include a description of the project, time frame for implementation, and the costs and benefits to USDA. Does the Department plan to use fiscal year 2003 or fiscal year 2004 funds for this project?

Response: The Office of the Chief Information Officer (OCIO) is pursuing the design and implementation of an enhanced enterprise-wide telecommunications infrastructure called the Universal Telecommunications Network (UTN). The primary mission of the UTN is to support the growing telecommunication needs of the entire USDA. The UTN will allow the USDA to: 1) streamline Departmental telecommunications services and support, 2) achieve economies of scale by leveraging the USDA's size and collective buying power to reduce telecommunication costs, and 3) fulfill the increasing demands for network capacity brought on by the use of the Internet, changing security threats and requirements, and the growth in electronic government. The UTN will be designed, operated, and maintained under the direction of the OCIO, which will enter into partnerships with service providers and USDA Agencies to implement, operate and manage the network services throughout the project life cycle.

The UTN team spent most of FY 2002 in the planning, requirements development, and preliminary design phases of the UTN life cycle. The UTN project is currently in the preliminary acquisition phase. Preliminary technical engineering work will be completed by April 8, 2003. The full USDA-wide review of the engineering designs will begin on May 8, 2003. The acquisition process will begin in June, 2003. The UTN project will be reviewed and monitored by the USDA Executive Information Technology Investment Review Board (EITIRB). In accordance with the UTN Project Management Plan (PMP), implementation of the UTN is projected to be completed in FY2004.

FY 2002 and FY 2003 USDA Working Capital Fund monies ($5.7M and $4.8M, respectively, for operations and capital equipment) have been and will be used for the UTN project support. FY 2004 Working Capital Funds ($4.96M) will be used to continue these activities and finance any additional required implementation activities. Also, the Office of the Chief Information Officer is planning to use $2.6 million in FY 2002 unobligated balances for the UTN project.

FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM

Mr. Bonilla: According to your witness statement, the McGovern-Dole International Food for Education and Child Nutrition Program will now be funded through appropriations, and that the program is funded through CCC in 2003. How much was spent on this program through CCC in 2003 and how was it spent?

Response: No funds have been spent thus far in 2003. Because the Farm Bill established an entirely new authority for the program, it is necessary for the Department to develop and publish program regulations before the program can be implemented. The Global Food for Education Initiative pilot program that preceded the new International Food for Education program was carried out under the authority of section 416(b) of the Agricultural Act of 1949. That option is no longer available because of the specific authority now provided for the new program.

The Department has drafted proposed regulations, and they are now undergoing review within the Executive Branch. We anticipate the proposed rule will be published in the near future. After the public comment period is completed, the Department will review the comments and incorporate them into a final rule. Once the final rule is published, the program can move forward. We have every expectation that the final rule will be published later this spring and that all of the $100 million in 2003 funding will be allocated to cooperating sponsors by the end of the fiscal year.

PROPOSAL TO REDUCE ADMINISTRATIVE EXPENSE REIMBURSEMENTS

Mr. Bonilla: On December 31, 2002 the Risk Management Agency announced it would not cancel the Standard Reinsurance Agreement (SRA), which defines the terms of reinsurance between RMA and the companies participating in the crop insurance program because of "the current unsettled nature of the industry was a major concern. This is reflected in lingering drought conditions in some parts of the country coupled with the demise of the largest company participating in the crop insurance program." The SRA agreement will undoubtedly be renegotiated by 2005 as provided by the Agricultural Risk Protection Act of 2000. Why are you asking Congress to cut the administrative and operating (A&O) reimbursement when USDA has the administrative authority to make such a change during the SRA negotiations?

Response: You are correct, the USDA has the authority to change the A&O reimbursement rate when in renegotiates the SRA agreement. However, by presenting the proposal to the Appropriation Committees, the Department is offering them the opportunity to claim credit for the first year savings, which could be used to offset budget increases. Budget - scoring procedures used by the Congressional Budget Office allow appropriators to claim these savings to the extent they occur in the fiscal year covered by an appropriation which includes a change in a mandatory account.

Mr. Bonilla: The company that is no longer in business wrote approximately $80 million in premium in Texas. It is my understanding those policies will be transferred to other

companies, but it is a long process. In 2002, more than 33 million acres were insured. Crop insurance is very valuable to my farmers; they received more than $7.2 million in indemnity payments last year. This has allowed many of them to stay in business. I am concerned for my producers as to what will be the impact on them and the crop insurance industry if the A&O cut is approved. What has changed in the crop insurance industry from December 3, 2002 to February 3, 2003, which would support a proposal to cut A&O to 20 percent.

Response: There has been little change in the crop insurance industry since December 3, 2002. However, it is important consider the ability of the industry to absorb a reduction in the A&O reimbursement rate rather than the performance of one particular company. The company that failed (American Growers) had engaged in an aggressive strategy for increasing the size of its crop insurance business. The strategy included purchasing other crop insurance providers, paying increasingly higher commissions to lure agents away from their competitors and incurring other expenses that far exceeded the industry norm.

In 2002, A&O reimbursements were about $230 million more than in 1998, an increase of about 53 percent. This proposal would save about $68 million. Over that same time period, the number of policies sold has remained virtually unchanged. The tremendous growth in the A&O reimbursements is due largely to producers buying higher dollar policies as a result of the substantial increase in subsidies Congress provided in the ARPA legislation, to encourage producers to do just that. These savings are achievable because of the higher dollar policies being sold, the fact that most policies sold are renewals which require less work to deliver than first time sales, and the efficiencies that will be gained through E-commerce.

COST-SHARING REGULATION

Mr. Bonilla: Why would specific *pest and disease management* programs be reduced by $32 million, as proposed by the budget, assuming an increase in cost-sharing for *emergency pest and disease* outbreaks by some cooperators? What programs would be reduced? What cooperators would be forced to come up with the increased cost-share amounts?

Response: The Federal Government feels that cooperators should provide an appropriate share of resources to respond to the outbreak. The funding requested in the budget is for programs that have been ongoing for several years (Asian Longhorned beetle, citrus canker, Mediterranean fruit fly, plum pox virus, scrapie, and tuberculosis). The levels in the budget assume a partnership, in which affected State, Federal, and private cooperators share program responsibilities. This is similar to other APHIS programs, such as Wildlife Services and boll weevil. The Federal government will still provide at least 57 percent of the cost of these programs. If cooperators provide increased resources, then the total Federal-cooperator level of program resources will not fall. If cooperators do not increase their contributions, the resources devoted to specific programs would be reduced.

Mr. Bonilla: According to your testimony a proposed rule will be published for comment, which will provide the criteria for cost-sharing for all cooperators. Please tell the Committee what the main thrust is behind this rule. Has there ever been a rule that provides for

cost-sharing for cooperators? Why is a rule needed at this time? Please provide a complete list, for the record, of each cooperator that would be affected by this rule. Did the Agency, the Department, or the Office of Management and Budget initiate this rule? When will this proposed rule be available for comment?

Response: The Administration is concerned about rising Federal costs of emergency pest and disease control activities (emergency funding increased from $24 million in FY 1998 to $200 million in FY 2002), and the budget request assumes cost-sharing for such activities. The FY 2004 budget would allocate funding among the Federal government and cooperators based on consistent program criteria which recognizes a significant Federal responsibility, and takes into account cooperator ability to pay as well as other risk based factors. In the absence of such a rule, there have been a variety of cost-sharing arrangements for specific pests or diseases. This rule is needed now to provide consistent guidance for emergency response programs whose Federal cost has been growing. Cooperators that would be affected would be States, industries, or other cooperators that are involved or directly affected by a pest or disease outbreak. The rule was suggested by OMB with the hope that a consistent set of criteria would enable the Federal Government to respond more quickly to emergencies. In the FY 2004 budget, cooperators are those involved with, or affected by Asian Longhorned beetle, citrus canker, Mediterranean fruit fly, plum pox virus, scrapie, and tuberculosis. The rule is being reviewed by the Administration and will be available for comment when that review is completed.

COUNTRY OF ORIGIN LABELING

Mr. Bonilla: Is the USDA spending any funds in fiscal year 2003 on Country of Origin Labeling (COOL)? If so, how much? Does the Department plan to spend any funds in fiscal year 2004 on COOL?

Response: AMS is using existing staff resources, as available, to meet the requirements established for COOL and we have expended approximately $10,000 to date. The 2004 budget does not request additional funding for COOL. We will proceed toward meeting the legislated goal to establish mandatory COOL requirements by October 1, 2004, within

USER FEE LEGISLATION

Mr. Bonilla: When does the Administration plan to submit its proposed legislation amending U.S. Grain Standards to recover costs as well as license fees to recover the costs of the Packers and Stockyards Program?

Response: The Administration plans to submit soon its proposed legislation amending U.S. Grain Standards to recover costs as well as license fees to recover the costs of the Packers and Stockyards Program.

FIELD OFFICE RESTRUCTURING

Mr. Bonilla: I understand the USDA is developing a plan to close approximately 200 offices. I have been hearing from some of my colleagues that they are very concerned that these offices closing would have a severe impact on farmers, ranchers, and rural homeowners forcing them to drive longer distances to meet with USDA. What prompted this plan to close these offices? How many of these offices collocated with other entities that provide free office space to USDA? What are the estimated costs to close these offices? Provide a list of proposed office closings for the record.

Response: We have not yet developed a list of offices that would be considered for further collocation. My staff is presently examining opportunities for gaining efficiencies in the field offices while maintaining or enhancing customer service. Our plan is to fully brief Members of Congress on offices that might be affected, the reasons that certain offices might be considered for further collocation and the time-table for implementing a plan once we have developed one.

SUBSIDY COSTS FOR BROADBAND LOANS

Mr. Bonilla: What is the subsidy cost associated with the recent announcement of over $1.4 billion in loans for broadband telecommunication?

Response: The subsidy cost associated with the recent announcement of broadband telecommunication loans is $40 million.

WATER AND WASTE DISPOSAL GRANTS

Mr. Bonilla: The budget proposes a cut of $241,000,000 for water and waste disposal grants. How can this be defended on the basis that more communities would be able to pay low interest loans when these same communities are suffering from the same budget deficits plaguing state and local governments?

Response: A project's financial feasibility is determined based on its ability to repay a loan and at the same time maintain reasonable user rates. A proposed system's budget is based on income projections solely from sales of services the system is providing. A proposed project would not normally rely on outside income such as taxes or contributions from the community's general fund. A Rural Development water or wastewater project is structured to be self-sufficient and would not contribute to a community's budget deficit.

CAPTIVE SUPPLY STUDY

Mr. Bonilla: I know that you are aware of concerns regarding the economic impacts of meat packer control, feeding or ownership of livestock and other captive supply issues on local communities. This committee is also aware of these concerns and has been persuaded that the time has come for an earnest and objective study of the market and economic implications of

laws that would prohibit meat packers from owning, feeding, or substantially controlling livestock. In fact $4,500,000 was included for such a study that should "utilize expertise beyond traditional agricultural economics, including, but not limited to, industrial organization expertise and business school or business consulting expertise."

H. Rpt. 107-623 further directed you to "conduct a study of the issues surrounding a ban on Packer Ownership, particularly as to the economic impacts on the Unite States as a whole, and on individual states. The study shall include, but not be limited to, examination of alternative procurement and transfer methods for livestock in the farm to retail chain, including producers that participate with packers in vertically–integrated livestock or meat production; agricultural credit for livestock producers; livestock and grain prices and the quality and consistency of meat products and livestock under a ban."

Ultimately, H. J. Res. 2, included the $4,500,000 this committee provide to conduct such a study. I believe that this is a significant amount of funding to conduct a study of this type. Is it your intention to contract this study with those schools or individuals possessing such expertise? How do you envision USDA structuring, scoping, and contracting these studies? Can you give the Committee a sense for the time frame that you believe it will take to commission and complete such a study? Additionally, what resources within the department are essential to a study of this depth and breadth and will the Office of Chief Economist play an important role in this study?

Response: Yes, it is our intention to utilize the expertise you mentioned. We believe that all of these areas of expertise are needed for the study.

The Grain Inspection, Packers and Stockyards Administration (GIPSA) will coordinate and direct the study through a working group with representatives from the Office of the Chief Economist, Economic Research Service, Agricultural Marketing Service, National Agricultural Statistics Service, and Office of Budget and Program Analysis plus the Commodity Futures Trading Commission, Department of Justice and Federal Trade Commission. GIPSA will request public comment before finalizing study plans. GIPSA will work with the Animal and Plant Health Inspection Service, which handles contracting arrangements, to contract most of the data collection and analyses for the study. We anticipate individual contracts will cover large parts of the study.

We are doing our best to complete this complex, data-intensive project within the two-year deadline. However, it is difficult to anticipate time requirements accurately before plans for the scope of the study have been finalized and without knowing what specific methodology and data needs will be proposed by potential contractors.

USER FEES FOR MEAT, POULTRY, AND EGG PRODUCTS INSPECTION

Mr. Bonilla: Under the USDA budget proposal, the Food Safety and Inspection Service would charge meat, poultry, and egg products inspected companies $122 million in new "user fees" for the cost of providing inspection beyond one approved eight-hour shift. The new user

fee proposal would be in addition to the $102 million in fees already collected annually from companies for overtime, holiday, or voluntary inspection services. As a result, one quarter of FSIS funding ($224 million) would be paid by "user fees". This user fee proposal would require separate legislation under the jurisdiction of the House and Senate authorizing committees. Madame Secretary, have you prepared legislation for this proposal and can you tell us when it may be forthcoming? Also, have you received any indication of a possible support for such legislation from members of the House and Senate Agriculture Committees?

Response: The legislation you are referring to is being drafted by the agency and should be submitted to Congress within the coming weeks. I have not received any indication of possible support from members of the House and Senate Agriculture Committee.

Mr. Bonilla: Related to proposed FSIS user fees, please provide, as required by Section 723 of Division A of P.L. 108-7, which additional spending reductions the Department would propose if the user fees are not enacted prior to the date of conference.

Response: The President has submitted a budget that requests $797.1 million to fully fund the priorities under current law. If the proposed user fees are adopted, the projected savings are estimated at $122 million and the appropriations can be reduced to $675.1 million.

WIC PROGRAM – 2004 BUDGET INITIATIVES

Mr. Bonilla: Your opening statement refers to the budget as "highly constrained." Yet the request for WIC includes $60 million in increases that are not for direct program delivery: $5 million for studies; $30 million for state management systems; $20 million for breastfeeding peer counselors; and $5 million for obesity prevention. Although the initiatives may have merit, why did the Department choose to fund these new items while cutting other existing programs?

Response: Our budget request reflects this Administration's commitment to support and expand programs that have a positive return on investment. As a part of our approach to the reauthorization of WIC, we listened to our stakeholders and shared ideas on ways to improve this very important program. During the outreach sessions, stakeholders voiced concerns regarding the lack of nutrition services and administration (NSA) funds, as well as other nutritional issues including obesity prevention. As a result of these discussions, we have requested funds in four critical areas that will ultimately improve program services: breastfeeding support initiatives, management information system improvements, childhood obesity pilot projects and a WIC evaluation study.

WIC PROGRAM REAUTHORIZATION

Mr. Bonilla: Both the WIC and Child Nutrition programs are subject to reauthorization this year. Has the Department provided any legislative proposals, or a discussion of principles, to the authorizing committees? Your opening statement includes some goals for CNP, but neither the statement nor the budget justification includes any information related to WIC reauthorization. Please provide goals for WIC reauthorization.

Response: The Department has been in discussions with the authorizing committees on our legislative principles for reauthorization of the WIC and Child Nutrition Programs. The President's 2004 Budget reflects these same principles, which for WIC focus on:

- A breastfeeding peer counselor program to increase breastfeeding initiation and duration rates;
- Pilot projects to evaluate whether the program can help prevent childhood obesity through targeted staff training, food packages, nutrition education, the promotion of physical activity, or other approaches;
- An independent, comprehensive evaluation of WIC's effectiveness to obtain current information on the program's impact on specific populations and identify areas for operational improvements; and
- Development and implementation of management information systems to help WIC State agencies move forward with efficient systems to deliver benefits and manage program operations.

NATIONAL SCHOOL LUNCH PROGRAM CERTIFICATION PROCEDURES

Mr. Bonilla: The Department requests $6 million for expanded assessment of free and reduced price meal certification procedures. How much is being spent by the Department for this purpose in the current year?

Response: Approximately $1.3 million has been obligated by the Food and Nutrition Service in fiscal year 2003 for projects related to assessment of free and reduced price meal certification procedures. These funds are accompanied by additional commitments of agency staff and administrative resources to support assessment activities.

We have requested significant additional resources in fiscal year 2004 to expand FNS's assessment. The agency has been testing a number of potential policy and program changes to improve certification accuracy; the requested funding will build on these efforts, and provide important data needed to inform policy decisions in this area. Specific projects will be selected based on the outcome of work already underway; high priorities include an examination of the impact of short-term income changes on certification accuracy, and a study of the feasibility and operational implications of data matching as an additional source of eligibility information.

Mr. Bonilla: The Department requests $6 million for expanded assessment of free and reduced price meal certification procedures. In regard to this assessment, your statement notes that, in addition to $7 billion in school meal funds, a wide array of Federal, state and local resources--representing much more than $7 billion—are targeted using this data. Are any of the affected Federal agencies requesting funding for assessment of this data, since they would presumably benefit from the information? If so, please note for the record the agencies and the amount requested. Are any of the affected state or local agencies planning to contribute funding for the assessment? If so, please note the agencies and planned contributions.

Response: To my knowledge, no other affected Federal agencies are requesting funding to support assessment of the school meals program certification process.

While no State or local agencies are contributing funding directly to the assessment, a number of such agencies have contributed staff time and other resources to projects that support and contribute to the assessment.

WEB-BASED SUPPLY CHAIN MANAGEMENT SYSTEM

Mr. Bonilla: FSA, AMS, and FNS have been developing a commodity management system formerly called the Product Commodity Information Management System (PCIMS) and now known as Web-based Supply Chain Management. Please provide a status report on this project. Does the Department intend to implement this system in FY 04 and what budget resources would be necessary for this?

Response: The Web-Based Supply Chain Management System (WSMS) is the proposed replacement for the Department's existing Processed Commodity Inventory Management System (PCIMS). This replacement system is one of the Department's Smart Choice E-gov initiatives. As such, the Department is committed to the development and implementation of this system. The Department is still in the process of further refining and finalizing the business case for the WSMS. Once that has been completed and all technical approvals have been obtained, the Department will be in a position to pursue funding for this initiative. We expect that the additional planning that will be done this year will, among other things, provide a more refined cost estimate for the system and that it will to provide sufficient support for a funding request for fiscal year 2005. In the meantime, PCIMS continues to support the ongoing commodity operations of the three agencies.

ASSET SALES

Mr. Bonilla: FSA and RD are proposing a pilot program for asset sales. Is there a Department-wide asset management system in place and, if not, do you anticipate developing one?

Response: There is no Department-wide loan asset management system and we do not anticipate developing one. FSA and RD estimate the value of their credit program receivables using processes and models specifically developed to address their programs. The USDA Office of the Chief Financial Officer established the Credit Reform Working Group to bring all parties involved in estimating the value of credit programs together to ensure the models and processes used by FSA and RD were reasonable, auditable, and meet financial and budget reporting requirements. The Credit Reform Working Group will continue to work with FSA and RD in adjusting their models and processes to incorporate the asset sale pilot.

USDA STRATEGIC GOALS

Mr. Bonilla: Please provide details on the five strategic goals used to develop the FY '04 budget request as noted in the Budget Summary.

Response: USDA's new strategic plan for FY 2002-2007 contains five strategic goals and supporting objectives and objectives.

[The information follows:]

Strategic Goal 1: Enhance Economic Opportunities For Agricultural Producers
- Objective 1.1: Expand International Marketing Opportunities
- Objective 1.2: Support International Economic Development and Trade Capacity Building
- Objective 1.3: Expand Alternative Markets for Agricultural Products and Activities
- Objective 1.4: Provide Risk Management and Financial Tools to Farmers and Ranchers

Strategic Goal 2: Support Increased Economic Opportunities And Improved Quality Of Life In Rural America
- Objective 2.1: Expand Economic Opportunities Through USDA Financing of Businesses
- Objective 2.2: Improve the Quality of Life Through USDA Financing of Quality Housing, Modern Utilities, and Needed Community Facilities

Strategic Goal 3: Enhance Protection And Safety Of The Nation's Agriculture And Food Supply
- Objective 3.1: Reduce the Incidence of Foodborne Illnesses Related to Meat, Poultry, and Egg Products in the U.S.
- Objective 3.2: Reduce the Number and Severity of Agricultural Pest and Disease Outbreaks

Strategic Goal 4: Improve The Nation's Nutrition And Health
- Objective 4.1: Improve Access to Nutritious Food
- Objective 4.2: Promote Healthier Eating Habits and Lifestyles
- Objective 4.3: Improve Food Program Management and Customer Service

Strategic Goal 5: Protect And Enhance The Nation's Natural Resource Base And Environment
- Objective 5.1: Implement the President's Healthy Forest Initiative and Other Actions to Improve Management of Public Lands

OUTSOURCING

Mr. Bonilla: What is USDA doing regarding OMB's directive to identify jobs and programs for outsourcing?

Response: USDA is actively working to meet OMB's direction to competitively source approximately 15 percent of the commercial functions identified on our fiscal year 2000 FAIR Act inventory. USDA agencies are designing and executing their individual competitive sourcing plans. The strength of this approach is that the line executives responsible for program delivery are also responsible for implementing competitive sourcing. This approach will permit the Department to ensure service to its customers while implementing the most efficient and effective organization. In areas where commonality exists—such as information technology—we are working to achieve cross-departmental efficiencies.

Mr. Bonilla: What are USDA's outsourcing plans for FY 2004?

Response: USDA has a competitive sourcing plan related to OMB's goal that 15 percent of agency commercial inventories be competed by the end of FY 2003. Some of these competitions may continue into FY 2004. Additionally, OMB has directed the Department to achieve competitive sourcing on an additional 10 percent of our FY 2000 inventory by the end of FY 2004. Agencies are aware of this requirement and are making plans to meet this requirement.

CORPORATE SYSTEMS DEVELOPMENT

Mr. Bonilla: Do you plan to use any unobligated balances of discretionary funds for improvement of financial, administrative and information technology services as provided in FY 2003 appropriations? If so, please provide a brief description of the use of these funds.

Response: We are providing details to the Committee on Appropriations on how we will use FY 2002 unobligated balances to support efforts in seven areas:

- Data Warehousing
- Enterprise Architecture
- Integrated Acquisition System
- Universal Telecommunications Network
- Corporate Asset Management
- e-Travel
- Enterprise Human Resources Management

Given the scope of our need in addressing the antiquity and inefficiency of our present systems, coupled with the need for approaches to address new challenges, we do not expect that efforts will be completed in FY 2003 with FY 2002 funds. We will evaluate our progress this year, after which we will develop a plan to use FY 2003 unobligated funds to build on this progress. We will share that plan with the Committees when it is developed.

CONSERVATION TECHNICAL ASSISTANCE

Mr. Bonilla: In your view Madam Secretary, does the language in the FY 2003 Omnibus appropriations bill sufficiently define that conservation technical assistance costs are to be funded from the CCC?

Response: The FY 2003 Appropriations Act was very specific in mandating that Conservation Operations funds cannot be used to support Farm Bill conservation programs. The Act provides authority to fund technical assistance for Ground and Surface Water Conservation Program, Klamath Basin, Wetlands Reserve Program, and Conservation Security Program from funds available for Environmental Quality Incentives Program, Farmland Protection Program, Wildlife Habitat Incentives Program, and Grassland Reserve Program.

Mr. Bonilla: If you believe that the language contained in the Omnibus appropriations bill is sufficient, would you still need the conservation technical assistance account that is being requested in the fiscal year 2004? If not, what do you need to carry out conservation technical assistance for Farm bill programs the way that Congress clearly intends for them to be carried out?

Response: While we believe the language is sufficient, the President's Budget for FY 2004 requests a new Farm Bill Technical Assistance account that will fund all technical assistance costs associated with the implementation of all the 2002 Farm Bill conservation programs. The new account will be used to plan, design, and oversee the installation of conservation practices, and maximize the amount of dollars available to help farmers and ranchers install on-the-ground conservation projects.

We believe that by establishing a new account and dedicating additional resources for technical assistance, it will provide a long-term solution to the technical assistance issue. It will also improve the accountability and transparency of the conservation programs cost of delivery.

Mr. Bonilla: Has the USDA submitted an apportionment request to the OMB for Farm Bill conservation programs, and has the apportionment request included funds for conservation technical assistance with funds provided through the CCC?

Response: An apportionment request for the Farm Bill conservation programs was submitted to and approved by OMB. The request included funds for conservation technical assistance.

Mr. Bonilla: Has the USDA continued to use the Conservation Operations account to fund Farm bill technical assistance in fiscal year 2003, and if so, how much has been spent in fiscal year 2003 on Farm bill conservation technical assistance out of the conservation operations account?

Response: Technical assistance to implement the Farm Bill programs has been tracked separately for the benefiting program in fiscal year 2003. The obligations as of February 20, 2003, are as follows:

Conservation Reserve Program	=	$8.2
Environmental Quality Incentives Program	=	34.9
Ground and Surface Water Conservation Program	=	2.6
Klamath Basin	=	.5
Farmland Protection Program	=	.3
Wetlands Reserve Program	=	3.6
Wildlife Habitat Incentives Program	=	2.7
Total		$52.8

The work performed in the above programs was on prior year contracts. If NRCS had not continued to perform the work on these contracts, the landowners would not have received their payments.

A January 3, 2003, Memorandum from the Office of Legal Counsel, U.S. Department of Justice, determined that the Conservation Operations account could be used to fund technical assistance for the conservation programs listed in section 1241(a). The Consolidated Appropriations Act, 2003, explicitly prohibits the use of FY 2003 Conservation Operations funds for this purpose. Since February 20, 2003, NRCS has not expended any additional FY 2003 Conservation Operations funds for this purpose.

FARM BILL IMPLEMENTATION COSTS

Mr. Bonilla: Last year, a budget amendment was submitted requesting $60 million for the increased costs of implementing Farm Bill programs. In final congressional action on the fiscal year 2003 bill, $70 million was provided for that purpose. Is this level of finding sufficient to meet the need throughout the current fiscal year?

Response: Yes, we believe that sufficient funding is available to implement the Farm Bill. The initial assessment of the workload requirements of the Farm Bill indicated a need for an additional $110 million in mandatory funds. The Farm Bill provided $55 million of Commodity Credit Corporation funds to cover administrative implementation costs, $5 million of which was designated for an unrelated data project. FSA used the remaining $50 million to add 342 temporary staff years in FY 2002 and 1,000 temporary staff years in FY 2003 for Farm Bill implementation. To cover the need for additional Farm Bill implementation funds, on September 13, 2002, the President submitted a budget amendment to Congress for an additional $60 million for FSA administrative costs to support implementation of Title I of the Farm Bill.

The Consolidated Appropriations Resolution, 2003, provided $70 million for administrative costs associated with implementing title I of the Farm Bill and the disaster assistance in Division N. FSA will use this funding to support Farm Bill implementation, which

includes an additional 1,200 temporary staff years for county field offices, IT/ADP software development and support, and increased operating costs such as postage, supplies and materials.

Mr. Bonilla: Is this level of funding sufficient to also administer the new disaster payments just appropriated in the omnibus bill?

Response: Yes, we believe that sufficient funding is available to implement the new disaster activities.

SECTION 32 FUND

Mr. Bonilla: Last year's drought gravely affected livestock producers, and the Administration decided to use Section 32 funds to finance a livestock compensation program. Some folks have been concerned about the effect of that program on commodity purchases. The omnibus appropriations act just signed last week provides a $250 million transfer to Section 32.

Can you confirm that this transfer ensures that the Child Nutrition commodity purchases and bonus purchases will not be harmed?

Response: The additional $250 million in Section 32 funds appropriated by Congress will ensure that AMS has the funding that may be needed to assist agricultural industries suffering from surplus market conditions during fiscal year 2003 while also meeting Child Nutrition entitlement commodity needs.

Mr. Bonilla: Would you provide an updated Section 32 table for the record.

Response: The information is submitted for the record.

[The information follows:]

ESTIMATED TOTAL FUNDS AVAILABLE AND BALANCE CARRIED FORWARD FISCAL YEARS 2002-2004

	FY 2002 Actual	FY 2003 Estimate	FY 2004 Estimate
Appropriation (30% of Customs Receipts)	$6,139,942,369	$5,798,093,321	$5,927,395,463
Less Rescission	-468,370	0	0
Transfer from CCC (Title II, Section 204, P.L. 108-7	0	250,000,000	0
Less Transfers:			
Food and Nutrition Service	-5,172,458,000	-4,745,663,000	-4,704,161,000
Commerce Department	-79,126,813	-75,223,778	-75,224,463
Total, Transfers	-5,251,584,813	-4,820,886,778	-4,779,385,463
Budget Authority	887,889,186	1,227,206,543	1,148,010,000
Unobligated Balance Available, Start of Year	107,824,527	192,156,087	0
Available for Obligation	995,713,713	1,419,362,630	1,148,010,000
Less Obligations:			
Commodity Procurement:			
Child Nutrition Programs (Entitlement Commoditie	399,934,661	15,000,000 a/	400,000,000
State Option Contract	0	5,000,000	5,000,000
Removal of Defective Commodities	0	1,000,000	1,000,000
Fruit and Vegetable Pilot Program	6,000,000	0	0
Livestock Compensation Program	0	937,000,000	0
Emergency Surplus Removal	206,898,187	111,432,371	0
Direct Payments	172,867,307	0	0
Lamb Grading and Certification Support	592,057	950,626	0
Disaster Assistance	0	500,000	0
Estimated Future Needs	0	322,836,633	415,575,000
Total, Commodity Procurement	786,292,212	1,393,719,630	821,575,000
Administrative Funds:			
Commodity Purchase Support	6,906,166	10,733,000	11,043,000
Marketing Agreements and Orders	10,359,248	14,910,000	15,392,000
Total, Administrative Funds	17,265,414	25,643,000	26,435,000
Total Obligations	803,557,626	1,419,362,630	848,010,000
Unobligated Balance Available, End of Year	192,156,087	0	300,000,000

a/ CCC funds will be used as necessary to meet entitlement requirements.

OUTSOURCING TESTING

Mr. Bonilla: Outsourcing of microbiological and chemical testing can provide a real boost to the Department's capacity and efficiency. In looking at the food safety mission area, capacity is a critical factor – particularly when facing and outbreak. And budget realities mean that we need to look at every way we can make testing cheaper, including outsourcing.

I have been talking to Under Secretary Murano about this issue, and it seems that outsourcing some testing, accredited labs is not only possible but smart. I would like to hear your views as well. If there are any barriers to outsourcing testing, I would like to hear what they are so we can work together and break them down.

Response: I am committed to looking more broadly at the Department's non-regulatory laboratory capacity issues and ensuring adequate capacity in the event of a crisis or in the normal course of our important food safety activities. I will be happy to work with you on this important issue.

TRADE-RELATED AND BIOTECHNOLOGY ACTIVITIES

Mr. Bonilla: The budget request for the immediate Office of the Secretary includes $6.604 million for cross-cutting trade-related and biotechnology activities. How was the amount of this request formulated, and what process will you use to allocate these resources among USDA agencies during the course of the year?

Response: The amount of the total request was developed based on estimated costs submitted by the three agencies whose activities would most likely be supported by this funding: the Foreign Agricultural Service, Animal and Plant Health Inspection Service, and Grain Inspection, Packers and Stockyards Administration. We expect the funding will be allocated based on requests and justifications submitted by the agencies during the course of the year. The allocations will be determined in accordance with Departmental objectives, the nature of the trade and biotechnology issues that are to be addressed, agency workload and staffing needs, and related considerations.

SENIOR EXECUTIVE SERVICE

Mr. Bonilla: Can you tell us about the USDA SES approval process and why it seems to take so long?

Response: The Department of Agriculture (USDA) has a limited number of Senior Executive Service (SES) allocations assigned by the Office of Personnel Management (OPM). The Department's current allocation is 376. This includes both career and noncareer SES spaces. The approving authority for all requests to recruit and fill an SES position resides with the Secretary. SES positions are very important and I have directed the Department's staff to take the necessary time to ensure we are selecting the best person for the position.

The process as a whole is not overly lengthy. All requests to fill a vacant or new SES position are initiated at the mission area/agency level. Recruitment actions for senior executives are open for applicants to apply for an average of 30 days. When an agency is ready to review the basic qualifications of the applicants, an Executive Resources Board comprised of senior executives is established to rate and rank the applicants. The Executive Resources Board recommends those who are best qualified to the selecting official. Subsequently, the selecting official will conduct interviews and do background checks prior to making a selection. The selection is forwarded to the Secretary for final approval before the application is sent to the Office of Personnel Management for a Qualifications Review Board review and approval. Both the Executive Resources Board and the Qualifications Review Board are required processes for filling all Senior Executive Service positions.

Nevertheless, I have directed USDA's Office of Human Resources Management to review its current process for addressing requests to recruit and fill SES positions and design a system that is more streamlined and meets OPM's guidance on processing times for these actions.

Mr. Bonilla: Can you tell us the average length of time it takes to fill SES vacancies at USDA, from the time one person retires or otherwise leaves the job until a replacement is actually on board?

Response: The time it takes to fill an SES vacant position varies widely from position to position. For example, when an agency becomes aware that an SES position is to be vacated, a request to recruit could be processed prior to the incumbent's separation. This ensures a smooth transition in leadership and provides effective continuity. In these instances, agencies and the Department's Office of Human Resources Management work closely to expedite the recruitment and selection process and can fill a vacancy within two to three months.

In other instances, agencies may wait for a variety of reasons to request the authority to recruit for positions vacated through an executive separation. There are a number of cases where requests to recruit for such a vacancy are not initiated at the agency level for months after an executive separates. This often happens when the agency makes a determination that in order to provide executive leadership in an emerging program area it is more important to redirect a vacant SES space. With these type of examples in mind, on average it takes USDA 178 days to fill SES vacancies.

Mr. Bonilla: How many people must approve the selection of a senior executive after the selecting official first decides whom they would like to hire?

Response: All Senior Executive Service selections are approved by the Secretary of Agriculture. The number of approvals prior to the Secretary's approval, is dictated by the organizational level of the senior executive position. For example, if the agency head is the selecting official, approvals for the selection would include the cognizant Under Secretary, the Director of the Office of Human Resources Management, the Assistant Secretary for Administration and then the Secretary. Once the Secretary approves the selection, the Office of

Personnel Management must concur. If the position resides deeper in the agency, additional agency approvals may be required.

Mr. Bonilla: Please provide for the record, a list of all current SES vacancies in USDA, the day the previous incumbent left the position, whether the Agency with the vacancy has made a tentative selection, and if so, when that selection was made, which USDA offices have and have not approved the selection, and when you expect the position to be filled.

Response: I am providing a list of vacant SES positions in the Department for the record. The list shows the date of the vacancy and indicates the status of the approval process within the Department. Where applicable, it also shows the date a candidate has been tentatively selected pending final approval from the Secretary or OPM.

[The information follows]

Department of Agriculture
Senior Executive Service Vacancies

Position	Date Position Vacated	Date of Tentative Selection	Status of Selection Approval
Office of the Chief Financial Officer			
Director, Information Resources Management ES-2210	November 2, 2001 Request submitted to Department on October 1, 2002	No selection	
Director, National Finance Center ES-301	January 3, 2003 Request submitted to Department on February 28, 2003	No selection	
Office of the General Counsel			
Regional Attorney ES-0905	January 3, 2003	February 6, 2003	Pending Departmental approval
Office of the Inspector General			
Assistant Inspector General for Investigations, ES-1811	January 3, 2003	No selection	Pending ERB review

Department of Agriculture
Senior Executive Service Vacancies

Position	Date Position Vacated	Date of Tentative Selection	Status of Selection Approval
Office of Civil Rights			
Deputy Director, Civil Rights ES-301	November 15, 2002	Pending selection	
Rural Housing Service			
Director, Centralized Services Center, ES-1101	May 2, 2002	On hold per Agency's request	
Animal and Plant Health Inspection Service			
Associate Deputy Administrator, Veterinary Services, Emergency Programs, ES-701	New position/slot; position established - May 13, 2002	September 16, 2002	Pending Departmental approval
Director, Western Region, Wildlife Services, ES-401	New position/slot; position established May 13, 2002	August 16, 2002	Pending Departmental approval

Department of Agriculture
Senior Executive Service Vacancies

Position	Date Position Vacated	Date of Tentative Selection	Status of Selection Approval
Food Safety and Inspection Service			
Assistant Administrator, Food Security, Office of the Admr., ES-340	New position/slot; position established on September 20, 2002	July 22, 2002	Pending Departmental approval
Assistant Administrator for Communications, ES-340	July 1, 2002	December 10, 2002	Pending Departmental approval
Assistant Deputy Admr., Office of Policy, Program Dev/Eval., ES-340	Date incumbent is reassigned	September 10, 2002	Pending Departmental approval
Director, Tech Svcr Ctr., Office of Field Operations, (Omaha, NE), ES-701	March 10, 2002	September 16, 2002	Withdrawn by Agency. Position used for Spec. Asst. to the Administrator
Food and Nutrition Service			
Program Manager (Regl. Admr.), Midwest Region, ES-340	August 10, 2002	Pending selection	
Program Manager (Regl. Admr.) Mountain Plains Region, ES-340	Date incumbent is reassigned	No selection	

Department of Agriculture
Senior Executive Service Vacancies

Position	Date Position Vacated	Date of Tentative Selection	Status of Selection Approval
Foreign Agricultural Service			
Deputy Administrator, International Cooperation/Development, ES-340	May 19, 2000 Request submitted to the Department on November 25, 2002	No selection	
Agricultural Research Service			
Director, Medical, Agricultural & Veterinary Entomology, ES-413	December 1, 2002	No selection	Pending review of position for placement into the Senior Scientific Research Service
Chief Information Officer ES-301	New position/slot; position established on February 4, 2003	February 4, 2003	Pending Departmental approval
Associate Deputy Administrator, AFM ES-341	June 3, 2002	February 6, 2003	Pending Departmental approval

Department of Agriculture
Senior Executive Service Vacancies

Position	Date Position Vacated	Date of Tentative Selection	Status of Selection Approval
Cooperative State Research, Education and Extension Service			
Deputy Administrator, Families, 4-H & Nutrition, ES-401	January 3, 2003 Pending advertisement	No selection	
Deputy Administrator, Competitive Programs, ES-401	January 3, 2003	No selection	
Forest Service			
Director, Resource Valuation & Use Research Staff, ES-101	May 31, 2002	September 25, 2002	Pending Departmental approval
Director, Minerals & Geology Management, ES-1350	July 3, 2002	Pending selection	
Natural Resources & Environment			
Deputy Chief for Programs, ES-401	August 16, 2002	No selection	

USDA OFFICE CLOSURES

Mr. Bonilla: The workload for implementation of Farm Bill programs, particularly in the area of conservation is tremendous. At the same time we understand USDA is slated to close approximately 200 offices. What agencies will bear the brunt of this closure? How do you justify closing 200 offices when your workload and need for employees to implement Farm Bill conservation programs is increasing?

Response: As you know, the Department is currently focused on implementing the new Farm Bill. This Bill is extremely complex and will have far-reaching impacts on our farm programs and how we operate those programs. In addition, recent technological advances and administrative staff reductions are also pushing us to look at how we can deliver our programs more effectively and efficiently.

The Department is reviewing the field office structure of the Farm Service Agency, the Natural Resources and Conservation Service and Rural Development to determine the most efficient level of offices necessary to provide needed services with the goal of collocating an additional
200 offices. This review will take workload and other factors into account and is not an effort to reduce staff. Offices will not be required to collocate until such time as the workload associated with the recent Farm Bill and new disaster assistance activities diminish.

Mr. Bonilla: The basic support to RC&D councils through the federal appropriation provides office space, equipment, a federal coordinator and program assistant, equipment and a vehicle. Are RC&D offices being considered for closure? Why? What are the criteria used for office closure?

Response: RC&D offices are not being considered for closure.

Mr. Bonilla: The NRCS strategic plan has a goal of nationwide coverage of RC&D. This committee has made significant investments in the RC&D program because of the good job it does to leverage funds to meet unmet needs in rural communities in the area of natural resource conservation and rural development. Does inclusion of RC&D councils on the list of potential office closures indicate a lack of support from the department or the agency for the goal of nationwide coverage of RC&D?

Response: RC&D offices are not being considered for closure. USDA is strongly committed to the goals of the RC&D program.

QUESTIONS SUBMITTED BY MR. KINGSTON

MONTREAL PROTOCOL/METHYL BROMIDE

Mr. Kingston: As of January 1, 2003, in accordance with the terms and conditions outlined in the Montreal Protocol, the United States has reduced its use of methyl bromide to 30% of 1991 levels. As a result, the prices of this very important pesticide have begun to rise making it more difficult for our farmers, producers, shippers, and other groups to afford to purchase this product necessary for their business. Presently, there is no alternative as effective as methyl bromide on the market today. Yet, we choose to abide by the terms and conditions of this treaty, jeopardizing the livelihoods of our farmers, while 14 countries who signed the document that the United States did are in violation.

Secretary Veneman, I would like to know what the United States Department of Agriculture is doing to address this problem.

Response: The Department of Agriculture has engaged in an extensive research program to seek alternative products to replace methyl bromide for pre-plant and post-harvest uses. From 1993 through 2002, the Agricultural Research Service (USDA-ARS) has invested $135.5 million and the Cooperative State Research, Education and Extension Service (USDA-CSREES) has invested $11.3 million seeking alternatives and providing outreach to users. Currently, ARS is focusing on two chemicals that look very promising: methyl iodide and propargyl bromide. Alternatively, given that new chemicals will take time to register and there will be a reluctance of pesticide companies to register chemicals for these minor uses, ARS has been conducting parallel research on mitigating the effects of methyl bromide on the ozone layer as well as increasing the efficacy of chemicals that methyl bromide replaced. An example is the use of drip irrigation to apply Telone, metam sodium and chloropicrin. This has resulted in marked improvement in the effectiveness of these materials while at the same time reducing their negative impacts on the environment. From 1991 until 2002, growers, processors and shippers were able to reduce their use of methyl bromide by 50% in compliance with terms of the Montreal Protocol. Much of this reduction has been due to the expanded use of these improved existing alternatives. Although further reductions using these materials may be possible, research evidence shows that these existing products do not provide a comprehensive replacement strategy therefore, USDA will continue to be very active in encouraging the development of new chemicals.

We continue to monitor the current state of atmospheric science surrounding the impact of methyl bromide on stratospheric ozone. Recently, an update was obtained from an atmospheric scientist from the National Oceanic and Atmospheric Administration (NOAA) concerning the role of man-made methyl bromide. We were informed that several papers will be published soon indicating that role of anthropogenic methyl bromide is becoming better documented, and that the estimates of its impact on the degradation of the stratospheric ozone layer will become more precise. Such papers are likely to indicate that agricultural uses of methyl bromide will have a small, but real,

impact on stratospheric ozone levels. As amounts of anthropogenic methyl bromide released to the atmosphere continue to decrease, such impacts will continue to diminish to levels associated with naturally occurring methyl bromide levels as released from the oceans and salt marshes.

Also, what can you, Congress and the President do to help fix this problem as soon as possible?

Response: The Montreal Protocol allows for the granting of critical use exemptions (CUEs) for uses of methyl bromide for which there are no technically and economically feasible alternatives which do not result in a market disruption. The Department of Agriculture (USDA) cooperated with the Environmental Protection Agency (EPA) on the review of CUE applications to allow for product availability following the 100% phase-out beginning January 1, 2005. Technical experts from USDA familiar with methyl bromide alternatives and agricultural economists from the Economic Research Service (USDA-ERS) participated with EPA biologists and economists to review the technical and economic merits of the applications. This information was then used to develop a unified request by the United States Government to the Parties to the Montreal Protocol. Although the United States made a substantial CUE request, it reflects the importance of methyl bromide to the efficient production of fruits and vegetables, and the post-harvest protection of high-value commodities. This request was submitted by the Department of State to the Ozone Secretariat on February 7, 2003.

The United States Government continues to vigorously seek protection for demonstrated critical uses in the United States under the terms of the Montreal Protocol, and respects the rights of other Parties to do the same. The State Department indicates that the instances of non-compliance by the 14 countries referenced in your question, while a serious concern, are not related to the use of methyl bromide and, therefore, have no significant impact on agricultural practices.

FSA STAFF

Mr. Kingston: With the passage of the 2002 Farm Bill and the additional Ag Disaster Assistance in the 2003 Omnibus Appropriations Bill it has been brought to my attention that the Farm Service Agency is having serious problems at the county level meeting the needs of local farmers. These problems all stem from lack of permanent staffing. Though the employees are grateful for the additional funding in the Farm Bill for FSA staff it is my understanding that the OMB is keeping this money from being spent in the most efficient manner, by only allowing FSA to hire temporary employees. The FSA employees in South Georgia have told me they would rather USDA hire 500 permanent staff as opposed to 1000 temporary. By the time temporary staff is trained it's time for them to move on. In addition, this staff is handling the same workload as permanent employees yet they receive no benefits and aren't guaranteed a job. This creates unnecessary problems within the FSA offices. What are your thoughts on this matter and what is the USDA doing to remedy the situation?

Response: Overall, the use of temporary staff to help meet modest fluctuations in workload seems to work well. However, we are aware that problem situations can occur especially in local areas where this is a limited pool of experienced personnel available for temporary assignments or in other situations where the additional workload is especially complex. FSA management does face a challenge in balancing varying and shifting workload requirements with available staff resources. Staffing needs and workload levels are monitored closely and staff resources are shifted as needed when feasible. FSA has also invested in modernization initiatives to improve its capacity to handle changing workload requirements in the future.

Since 2001 the FSA has maintained the same permanent county office staffing level. In previous years, emergency supplemental funding for disasters has been provided to fund temporary staff to handle the ad hoc workload increases that are both regional and temporary in nature. The initial impact of the Farm Bill related implementation workload increases are similar to that of a disaster, in that, the nature of the start-up work is temporary. FSA recognizes the programmatic changes in the farm bill, and is continuing to analyze the full impact of the ongoing maintenance requirements for the new Farm Bill programs to ensure that a high standard of customer service is continued.

ORGANIC EGG STANDARDS

Mr. Kingston: Let me ask a question about a requirement in the organic rules which specifies that organic eggs must come from chickens who must be able to go outdoors. From the standpoint of spreading Avian Influenza from wild birds, doesn't this requirement create opportunities for increased cases of Avian Influenza?, Also, from the standpoint of food safety. This access to the outdoors also means access indoors for rodents, which is one of the major causes of contaminating eggs with Salmonella.

Response: The organic program, including organic certification and labeling, is a marketing program, not a food or animal health and safety program. The National Organic Program cannot supersede any health or safety regulations under the authority of health and safety agencies, such as Food and Drug Administration, the Environmental Protection Agency, the Food Safety and Inspection Service, or the Animal and Plant Health Inspection Service. As a marketing program, participants are required to abide by any health and safety regulations that already exist or are introduced. We are unaware of any safety regulations that have been issued since the organic standards became effective that would require a change in the existing organic standards.

Mr. Kingston: When a rule requires a provision that creates havoc with our international trade or endangers human health, hasn't that rule lost its integrity even before we talk about exemption to a feed requirement?

Response: The National Organic Program enhances international trade and does not endanger human health.

TOBACCO ASSISTANCE

Mr. Kingston: In the 2003 Omnibus Appropriations bill just recently passed by Congress language was included to authorize the Tobacco Loss Assistance Program. How soon do you think the FSA can have these payments out to the farmers who are desperately in need of this assistance?

Response: The Department has announced today that sign-up for the Tobacco Payment Program will begin March 17, 2003. Sign-up is scheduled to end May 16, 2003. Payments are expected to be made almost immediately after the end of signup.

LISTERIA RISK ASSESSMENT

Mr. Kingston: Your department recently released a Listeria risk assessment and will accept comments on it until March 14. Obviously, this is a very complex issue and it is going to take considerable time to review the substantive comments you will receive. Do you intend to allow a reasonable amount of time to consider the comments? What is the timeframe for future action after the comment period has closed?

Response: We will take a reasonable amount of time to consider the comments received on the Listeria risk assessment. The risk assessment on *Listeria* was released on February 14, 2003, and comments will be accepted until March 14, 2003. In order to facilitate public review of the risk assessment, the Food Safety and Inspection Service held a public meeting to discuss the risk assessment and gather input from the industry, academia, and consumers.

FSIS is using its risk assessment to develop an effective risk management approach, including a final rule, to reduce *Listeria monocytogenes* in processing plants producing ready-to-eat meat and poultry products. We are working on an aggressive time frame to get the Listeria final rule out which is under Departmental review.

Mr. Kingston: Do you believe that the Listeria risk assessment has done as thorough a job as possible of identifying the best ways to control the growth of Listeria in meat and poultry plants?

Response: I believe that Under Secretary for Food Safety Elsa Murano and FSIS have worked diligently to gather the extensive scientific data necessary to develop a risk assessment model.

Mr. Kingston: If the comments identify significant problems with the risk assessment, how would you address those concerns as you move forward with the regulatory process?

Response: All comments received on the Listeria risk assessment will be taken into consideration as we move forward with the regulatory process.

SALARIES AND EXPENSES FUNDING

Mr. Kingston: Implementation of ARPA (Agricultural Risk Protection Act) has demonstrated a need for increased staffing and funding appropriation necessary for administration of the Non-Insured Assistance Program (NAP), and also the reconciliation and oversight of FCIC compliance by FSA in coordination with RMA. This enacted law is a permanent piece of legislation identifying the valuable resources of FSA's infrastructure, but also having long-term impact on the staffing needs for FSA. The most recent available Report 10 does not include the ARPA responsibilities as permanent or recurring workload. USDA needs to secure an adequate reimbursable agreement from RMA, or S&E funding appropriated needs to accurately account for this increased permanent workload. Has the Secretary ensured that appropriate S&E funding has been requested for ARPA requirements, and would this not suggest a need for increased permanent staffing?

Response: The Salaries and Expenses request for FSA has been prepared with the intent of providing for adequate staff to meet its program delivery needs as known at the time the budget is developed. The initial impacts of Farm Bill related implementation workload increases are similar to that of a disaster in that they are temporary in nature. Temporary staffing needs have historically not served as a basis for maintaining permanent staff. FSA does not yet know the full impact of the permanent ongoing maintenance of the new farm bill programs. Every effort will be made to continue the high standard of service provided to our customers while analyzing these impacts.

ADEQUATE FUNDING FOR FSA EMPLOYEE TRAINING

Mr. Kingston: Regardless of money expended for IT enhancements, the need for *adequate training* of employees is critical. Training dollars must be available to ensure the CCE and IT investment in equipment is utilized most efficiently by the employees requiring its use. With the potential implementation of a new Farm Bill coinciding with regulations of the E-file Act, it will be essential that employee training be conducted timely and efficiently. Currently, more than a third of FSA's workforce is temporary. This excessive use of temporary employees has made retention and recruitment efforts more expensive. When training is provided to a temporary employee, without employment security or benefits, or due to budget constraints and RIF of employment, the agency is unable to retain the employee upon rehiring a temporary employee, and again the agency expends the cost to re-train.

Have sufficient funds been requested for training of FSA's workforce, and has consideration been made to the number of permanent hires necessary for the new Farm Bill permanent program levels?

Response: We believe sufficient funds have been requested to train FSA's workforce in FY 2004. FSA included nearly $2.5 million for training in the FY 2004 President's Budget. In addition, approximately $4.0 million was included for Geographic Information System training in the FY 2004 USDA Common Computing Environment

Account request. In general, training requiring tuition or travel expenses is provided only to the permanent workforce. Training of temporary employees is limited to in-house, job-specific training.

To answer the second part of your question, yes, FSA has taken permanent hires into consideration when addressing new Farm Bill program levels. However, the initial impacts of Farm Bill related implementation workload increases are similar to that of a disaster in that they are temporary in nature. A total of 342 temporary staff years were hired in FY 2002 and 1,000 temporary staff years in FY 2003. The FY 2003 Appropriations Act, 2003, provided an additional $70 million for implementing the Farm Bill and disaster assistance, and a portion of these funds will be used to hire an additional 1,200 temporary staff years for county field offices.

It is anticipated that in FY 2004, FSA will decrease nearly 2,700 temporary staff years since most of the initial Title I implementation work will be complete. FSA does not yet know the full impact of the permanent ongoing maintenance of the new farm bill programs. Every effort will be made to continue the high standard of service provided to our customers while we analyze these impacts.

E-FILE REQUIREMENTS AND RE-ENGINEERING

Mr. Kingston: E-File requirements and re-engineering of any program processes still need to take into account point-of-contact or source –of –origination of information. The USDA field infrastructure allows adequate outreach to farmers and ranchers throughout the nation. Counter and customer traffic into USDA Service Center generates servicing and discussion that discloses the daily and frequent changes occurring in rural America. Farms and ranches are constantly changing; and these changes include cropland and non-agricultural land use, changes in landowners, operators, crop shares, field and woodland boundaries, changes in farm records due to estates, trusts, and entities being created for dissolved. Accurate dates for the purpose of applications and contract files consistent with contractual law, requires correct producer and land information critical for the Agency and Department to determine payment eligibility and limitations, and to insure proper outreach and nondiscrimination for USDA programs and loan benefits. Regardless of where electronic records are "transmitted" or "relocated", the county and field offices are where information and accurate source records originate, and where oversight and corrective process are completed. Duplication and redundant business processes should not be centralized and masked as "new technology". New processes need to be smart and better processes – they need to reduce waste, not increase waste of resources.

What is the long-term plan for centralization of payments and necessary compliance and oversight?

Response: The long-term plans for centralization of payments and necessary compliance and oversight activities are intricate components of USDA's implemented eFile electronic applications system. In general, from the standpoint of service, all eFile producer program applications will be handled like any other applications that are

submitted to the local county office. The local FSA County Office Assistants (COA) knowledgeable of the producer's operation will receive the applications and process them like any others that are submitted to the office. That is, the local office staff will review the producer's records to check eligibility, compliance, etc. and will contact the producer, if necessary, to obtain any additional information that is needed. The only difference in the application process is the manner in which the producer's application is delivered to the county office.

SERVICE CENTER AGENCIES AND HOMELAND SECURITY

Mr. Kingston: Strengthening the infrastructure of the USDA Service Center is essential to ensure *Homeland Security*. Initiatives for food and bio-security must remain in place and be improved upon. USDA's State and County Emergency Boards are made up of supervisors and managers of the USDA county-based agencies. Responsibly, they and their offices retain the local farm, food facilities, and feed and fertilizer records. It is this institutional and working knowledge of the local workforce that becomes the first level of alert and response in times of crisis.

How does the Secretary intend to utilize most efficiently the resources available in the USDA Service Center infrastructure for the purpose of Homeland Security?

Response: In addition to upgraded security efforts at USDA State and county offices, including a web-based tracking system for disaster reporting and maintaining data bases of farm inputs, we have developed guidance documents for distribution to farmers and ranchers to help remind them of steps they can take to secure their operations. This information has been posted on the USDA website and distributed through the USDA Extension system. Further, we have developed procedures for these offices to coordinate their activities with State and county emergency boards. Our Service Center consolidation effort enhances the capabilities of the Emergency Boards by improving the coordination and communication among the several USDA components with an extensive field presence.

FSA SALARIES AND EXPENSES

Mr. Kingston: USDA's Farm Service Agency (FSA) has had the largest proportional reductions in permanent staffing at USDA during the past nine years. FSA's personnel cuts have resulted in the loss of 5,694 permanent positions, or a 38 percent reduction of staff, since 1994. Temporary staff years have been reduced since 1996 by 1,424 staff years or a 41% reduction. President Bush's new budget proposal for 2004 further reduces temporary staff years by 517 staff years or an additional 15%, while keeping permanent employee levels current. What was done with the savings generated by cutting the 517 FTE's? Why were those savings of temporary FTE's not passed on to add permanent staff?

Response: The Department has invested in information technology and other modernization efforts to improve services to producers and to enhance the efficiency of the workforce. Budget constraints make it difficult to increase permanent staffing,

however, the FY 2004 budget does provide for an additional 56 Federal staff years to help coordinate GIS activities, which may significantly improve the efficiency of some of the services offered in the Service Center.

While we agree that FSA has had significant personnel reductions since 1994, the Department's data indicate FSA did not incur the largest reduction, however, it was one of several agencies in the Department which has had staffing reductions of over 20% over the past 9 or 10 years. FSA's actual agency numbers indicate permanent staffing levels have decreased from 19,482 in 1994 to 15,201 in 2004. This decrease of 4,281 staff years equates to a 22% reduction. Temporary employees, however, have not been significantly reduced and in some years have been significantly increased as needs arise. When comparing 1994 to 2004, there is a slight decrease of 306 from 1,806 to 1,500. This does not, however, depict the impact of the various disaster bills over the years when FSA's temporary levels have been as high as 4,196.

In FY 2004, FSA will be working within the salary and expense limits outlined in the FY 2004 President's Budget to allocate staffing resources in a manner to adequately meet or exceed expectations for delivery of our products and services.

FSA WORKLOAD

Mr. Kingston: Importantly, workload measurement and the resulting reports, including Report 10, in no way account for not being completed due to lack of availability of the human capital or fiscal resources required. OIG and COR audits support increased findings where program work is not completed or accurate. Failure to properly fund and staff the agency will result in loss of accountability to taxpayers, and increase the likelihood of fraud, waste, and abuse. The importance of reduction in fraud, waste, and program abuse cannot be overlooked. With work not getting completed in the field, what actions is the Secretary taking to assure compliance activities can be completed properly, and the 90-day Rule legislation is being followed appropriately?

Response: The Agency agrees with the need to ensure effective, efficient, proper, and accurate delivery of farm programs. Many Agency initiatives that are underway will allow direct support of program delivery at the field level. The most significant of these initiatives provide IT solutions. However, this places a temporary increased staffing burden on general administrative personnel by having to maintain older software applications while developing new processes. Once implemented, these new IT solutions will enhance automated data reconciliation and validation thus minimizing or eliminating improper county office payments.

FSA STAFFING

Mr. Kingston: Any FTE positions hired as a result of increased ceiling levels need to be appropriated equitably between CO/GS with the objective being USDA Seamless Delivery. Budget Division has successfully implemented a workload system within FSA. This system currently demonstrates approximately 15% of FSA total

workload is generated by Farm Loan Programs (FLP), and 85% by Farm Programs (FP). Staffing should be proportionately distributed within FSA to allow for adequate program coverage. Increased ceiling levels should be funded and utilized, and equitably distributed to Farm Programs. If the agency remains at any level, understaffed, it should "right-size" to ensure all the program areas remain equitably understaffed. Future distribution of FTE positions should be allocated where the need is most evident and critical. Current staffing levels within FSA would suggest some disparity and discrimination between USDA's Farm Service Agency employment systems. What method is currently used to determine program staffing and ceiling levels?

Response: Overall Agency staff year estimates are generally determined and distributed by the Department during the budget process. FSA establishes internal Federal office ceilings at the beginning of each fiscal year based on prior year usage, available funding, and projected workload needs. Staffing resources are always allocated within limits of the current year's budget authority.

FSA Non-Federal County staff years and hiring ceilings provide for permanent and temporary employees and are based on prior year usage, workload, and available funding. For example, FSA will use a portion of the $70 million Farm Bill disaster assistance funding provided in the Consolidated Appropriations Resolution, 2003 to support 1,200 additional temporary staff years for county field offices during FY 2003.

SERVICE CENTER WORKLOAD MEASUREMENT

Mr. Kingston: USDA needs to ensure there is a consistent method of workload measurement for all USDA county-based agencies. Realigning staff needs and workforce where it is critically needed allows a more seamless approach to customer service4. Effective human capital management remains a priority for USDA. The lack of attention to strategic human capital management has created a risk—one that is fundamental to the federal government's ability to effectively serve rural America, now and in the future. The 1994 USDA Reorganization Act was to be implemented in a way to provide for interchangeable use of county-based agency employees. Shifting of human capital needs between workload areas will require common methods of workload accounting.

Is the Department developing a single method of workload that would accurately measure staff years required by programs and agencies? What is the current method developed for determining and managing workload priority and staffing needs within USDA Service Centers?

Response: I am not sure there can ever be a single method of workload measurement for the Service Center Agencies due to the vast differences in the programs delivered by those offices. Both FSA and NRCS presently have rigorous workload measurement systems that facilitate tracking of workload and assignment of personnel as workload demand changes. Rural Development had to revisit its workload measurement system with the implementation of the centralized servicing system. This new approach to servicing the direct housing loan portfolio altered the workload of approximately one-

third of the staff. Rural Development officials are currently discussing the need for a new workload measurement system.

CONSENT DECREE

Mr. Kingston: Table 3: Source of Funds for Payments Under the Class Action Decree located in GAO report, gao-01-521R, entitled Resolving Discrimination Complaints indicates three areas where FSA's salary and expense accounts are being tapped for funding payments. Particularly, (1.) "Track A" claimants with approved farm payment claims when noncredit program account funds are not available. (2.) FSA also pays the facilitators adjudicators, and monitors. A total of about $17.7 million was obligated in fiscal years 1999 and 2000; FSA estimated that obligations would total more than $13 million fiscal year 2001. In addition, (3.) FSA's S&E accounts are spent reimbursing the Justice and USDA's Office of the General Counsel for certain class-related expenses. FSA's obligations for these two contracts alone totaled more than $4.5 million in fiscal years 1999 and 2000; and FSA estimated that obligations will total $2.5 million in fiscal year 2001. We are now continuing the settlement of cases under the Class Action Consent Decree and under USDA's Administrative Process. *FY 2003 appropriations needs a separate line item funded specifically for consent decree expenses, and should not be less than the past 3-year's average projected expenditure exceeding $20 million.* This deficient funding if provided as a separate line item equates to approximately 450 FTE positions. Has the Secretary requested adequate funds for the agency to met its obligations for the consent decree, a new Farm Bill, and ARPA? What method of line item account is occurring to keep track of the expenses associated with the Consent Decree?

Response: No additional funds were requested in the FY 2004 budget for the Consent Decree. We anticipate that the need to use FSA personnel will diminish greatly for the Pigford Consent Decree, but that contractor costs, particularly for the independent monitoring and litigation support, will continue at approximately the same rate through FY 2005. There is no administrative line item account that solely tracks all expenses associated with the Consent Decree.

Yes, we believe that sufficient funding is available to implement the initial one-time farm bill requirements. The initial assessment of the workload requirements of Farm Bill implementation activities indicated a need for an additional $110 million in mandatory funds. The Farm Bill provided $55 million of Commodity Credit Corporation (CCC) funds to cover administrative implementation costs, $5 of which was designated for an unrelated data project. FSA used the remaining $50 million to add 342 temporary staff years in FY 2002 and 1,000 temporary staff years in FY 2003 for farm bill implementation. The Consolidated Appropriations Resolution, 2003, provided $70 million for administrative costs associated with implementing Title I of the farm bill and the disaster assistance in Division N. FSA will use this funding to support an additional 1,200 temporary staff years for county field offices, IT/ADP software development and support; and increased operating costs such as postage, supplies and materials.

FSA does not yet know the full impact of the permanent ongoing maintenance of the new farm bill programs. Every effort will be made to continue the high standard of service provided to our customers while analyzing these impacts.

STATE OFFICE RESTRUCTURING

Mr. Kingston: At the request of the House Ag Committee Chairman Larry Combest and Ranking Minority member, Charles Stenholm, GAO conducted a review of the U.S. Department of Agriculture and its plan for State Office Collocation. In its resulting report, GAO/RCED-00208R, dated June 30, 2000, USDA had previously instructed in 1998 FSA, NRCS, and RD State Agency leaders in the states that did not have collocated state offices to develop collocation plans by June 1, 1998. USDA's announcement said the collocation of these offices was expected to save $1.3 million during the next 5 years, and over $8.9 million by 2008 to result in better, more efficient, less costly service to USDA customers. By March 10, 2000, USDA collocated state offices in 26 states. At that time, USDA also announced its collocation decisions for the three agencies in the remaining 26 states. At this time, it is imperative that USDA complete its collocation efforts for state offices. Financial management, information technology management, and strategic human capital planning and organizational alignment can only occur successfully if it is implemented and occurs at all levels, not excluding State or National levels.

What amounts of National and State restructuring and re-alignment has the Secretary included in her restructuring plans? What is the ratio of State, Regional, and National support staff to USDA Service Center staff? Does the Secretary's plan call for a front-end re-alignment of staff to be customer-based?

Response: The guiding principle of the USDA reorganization plan developed by the first Bush Administration and implemented by the Clinton Administration was to strengthen the field offices because they deal directly with the customer. Even with the significant staff reductions that occurred during the Clinton Administration, the focus on the importance of the field offices was maintained. With the loss of almost 16,000 staff years of effort from 1993 to 2002 throughout USDA, the percentage reduction in Headquarters staff was 20.9 percent while the reductions in the field offices were held to 13 percent. The current field office review and restructuring effort is divided into two phases. In the initial phase, we are focusing on the service center structure. The second phase is longer term in scope and will examine the entire USDA structure and its ability to respond to customer needs.

H2A NON-IMMIGRANT VISA PROGRAM

Mr. Kingston: Many of my constituents in Georgia's 1st district that are involved in agriculture are very concerned about the Adverse Effect Wage Rate for the H2A Non-Immigrant Visa program. My main concern with this rate is that the U.S. Department of Labor does not determine these wages; they are based solely on USDA's NASS quarterly

surveys of farm labor, field and livestock combined. This survey was not designed to provide "prevailing" wages for specific farm occupations. As a result of this increasing wage rate many fruit and vegetable growers in my district are faced with participating in the H2A program operating at a loss or allowing illegal workers to work on their farms. It's almost as though the farmers doing the right thing and hiring migrant labor legally are being penalized.

What is the USDA doing to address this issue?

Response: When the Department of Labor (DOL) first began using the NASS survey in 1987, it is likely that the survey well represented wages in Georgia. Today, the case is less clear as the survey includes equipment operators, pesticide applicators and others whose skills boost the average wage rate. USDA and DOL recognize the possible concerns with the current Adverse Effect Wage Rate (AEWR) methodology and have met with grower representatives, congressional staff and one another to explore potential remedies. The NASS survey is a long-established survey, dating to 1910, conducted for a number of purposes, such as estimating farm income, and changing it would be costly and duplicative of DOL's prevailing wage surveys. Likewise, changing DOL's regulation would be time consuming and may subject DOL to litigation. Legislative proposals, such as to freeze the AEWR pending a study, have also been proposed. USDA and DOL continue to discuss these and other ways to address the concerns raised related to the AEWR and welcome views from interested parties. However, the final decision on whether to modify the determination of the AEWR resides with DOL.

ORGANIC FEED PROVISION

Mr. Kingston: Is it true that the Organic Rules, as they currently exist, are full of inconsistencies that were promulgated to assist individual organic producer constituencies?

Response: The National Organic Program is the product of 10 years of hard work and development by many interested parties with an extensive amount of public input. The program has benefited from widespread support from inception through publication of final program requirements which were implemented late last year.

Mr. Kingston: Why, for example, are plant and seed producers permitted to use commercial availability as an excuse to use non-Organic seed stock when poultry and other livestock have not been extended this option?

Response: Livestock and poultry producers are not treated differently from crop or plant producers in the production of their product. All producers are required to use organic sources as inputs into production; use approved organic practices under an organic management plan; and, label their product according to the standards. The origin of the product may differ based on the unique characteristics of the commodity. Crop producers must use organic seed no matter the cost, unless it is commercially unavailable and must raise organic crops on land that has been managed organically for 3 years prior

to harvest. Livestock producers must raise livestock organically from the last third of the mother's gestation (only exception is a one-time conversion of an entire distinct dairy herd). Poultry producers can always raise organic chickens from non-organic chicks.

Mr. Kingston: Why do plant and seed producers have the option of using up to four different organic labels to refer to their compliance whereas poultry and livestock have only one labeling option?

Response: Labeling options are identical for crops, livestock, and processed products, depending on the organic content of the product.

Mr. Kingston: Is it not true that Country Hen, an organic egg producer in Hubbardston, Mass, continues to label their egg "USDA Organic" even though they do not meet the "access to the outdoors" regulations of the organic rules?

Response: This issue is under review in the Department currently. While an appeal is in process, the producer is permitted to continue to label their product as organic under the regulations.

Mr. Kingston: Is it not true that USDA intervened especially for this producer, overruling the local certifier, who feels "uncomfortable" with the way the process played out (New York Times, Feb 26)?

Response: USDA did not intervene especially for this producer. USDA received an appeal request from the producer. The appeal request was sustained, because the certifying agent used criteria for denying certification that are not in the regulations.

Mr. Kingston: Is it not true that USDA granted the exemption because this particular producer promised to build balconies where the hens could go, and that although this does not strictly meet the "access to the outdoors rule," and although the balconies have not yet been built (USD Today, Feb 26), the producer continues to label its egg "Organic"?

Response: USDA has not granted an exemption to this producer. USDA upheld the client's appeal on the basis that the certifying agent used criteria for denying certification that are not in the regulations. While an appeal is in process, the client is permitted to continue to label their product as organic under the regulations.

Mr. Kingston: Is it not true that, under current Organic rules, organic food is tainted with pesticides and chemicals from conventional feed?

Response: Conventional feed is not permitted under the organic statute and regulation. Certain synthetic materials are permitted in organic production as defined in statute and regulation. Such materials must receive scientific review, be recommended for inclusion on the list of allowed substances by the statutory National Organic Standards Board, and formally approved through rulemaking by the Department. There

also are provisions for unintended drift from applications of pesticides and chemicals from neighboring conventional farms. However, while these provisions allow a farm's organic certification to remain intact, they provide that any production subject to such drift must be sold as non-organic.

Mr. Kingston: Are these not outlined in the National List of Allowed and Prohibited Substances (7 CFR 205.600 - 607)?

- Insecticides with boric acid?
- Smoke bombs containing sulfur dioxide?
- Streptomycin and tetracycline as antibiotics in organic apples and pears?
- Is tetracycline not commonly noted by consumer advocates as leading to antibiotic resistant pathogens?
- Is phosphoric acid approved in organic aquaculture?
- Is aspirin regularly used as a germicide in organic dairy production?
- What about lidocaine and procaine for anesthetic use in organic livestock?

Response: I will ask the Agricultural Marketing Service, the agency responsible for administering the National Organic Program, to submit a response to those questions for the record.

[The information follows:]

National List of Allowed and Prohibited Substances (7 CFR 205.600 - 607)

- Insecticides with boric acid are allowed for structural pest control, but it may not make direct contact with organic food or crops.

- Smoke bombs containing sulfur dioxide is allowed for use as a rodenticide only for underground rodent control.

- Streptomycin and tetracycline are allowed in the production of apples and pears for use in controlling fire blight.

- Tetracycline is commonly noted by consumer advocates as leading to antibiotic resistant pathogens. However, the use of tetracycline is restricted to a last resort measure to control fire blight only for apples and pears and its use in this manner is not expected to contribute microbial resistance in humans.

- Phosphoric acid is allowed in organic aquaculture only as an equipment cleaner in livestock production and it may not come into direct contact with organically-managed livestock or land.

- Aspirin is not regularly used as a germicide in organic livestock production.

- Chlorhexidine is allowed in organic dairy production for surgical procedures conducted by a veterinarian and allowed for use as a teat dip when alternative germicidal agents and/or physical barriers have lost their effectiveness.

- Lidocaine and procaine are allowed for anesthetic use in organic livestock only as a topical treatment or local anesthetic. Use of these substances requires a withdrawal period of 90 days after administering to livestock intended for slaughter and 7 days after administering to dairy animals.

Mr. Kingston: Is it not true that, when addressing facility pest management, an exemption exists in the regulation whereby if the practices provided for in the regulation are not effective to prevent or control facility pests, a synthetic substance not on the National List may be applied, if the handler and certifying agent agree on the substance?

Response: A substance not on the National List may be used when all other measures fail, provided that the handler and certifying agent agree on the substance, method of application, and measures to be taken to prevent contact of the organically produced products or ingredients with the substance used. A handler may otherwise use substances when required by Federal, State, or local laws and regulations, subject to the same provision that measures are taken to prevent contact of the organically produced products or ingredients with the substance used.

Mr. Kingston: Do the Organic rules include a special provision for organic dairy production such that organic dairy animals do not have to be organically raised for their entire lives?

Response: The organic rules allow a distinct entire dairy herd to be converted from conventional to organic over the course of a year.

Mr. Kingston: Is it true that while other organic livestock are required to be managed as "organic" for their entire lives (this means that they must meet all requirements including that they be fed 100 percent organic feed), dairy animals are only required to meet the requirements of the regulation 1 year prior to organic milk production?

Response: There is a one-time distinct entire herd conversion exception for dairy cows that permits use of up to 20-percent non-organic feed for the first nine months of a 12-month conversion period, with full organic feed required during the last three months. During this conversion period, the milk being produced may not be marketed as organic. Cows added thereafter to a dairy herd must be managed organically for the last third of the mother's gestation.

Mr. Kingston: When a dairy herd is converted to organic production, is it true that, for the first none months of the year, producers may provide only 80% feed that is either organic or raised from land included in the organic system plan and managed in compliance with organic requirements?

Response: For a one-time distinct entire herd conversion, at least 80 percent organic feed must be used during the first nine months, with full organic feed required during the last three months. Thereafter, all cows entering a dairy herd must be raised organically, which means being from a mother that was organically-managed during the last third of gestation.

QUESTIONS SUBMITTED BY MR. LATHAM

AMES, IA MODERNIZATION PROJECT

Mr. Latham: Overall, what do you envision as the current projection date for finishing the Ames Modernization project, in the entirety, and is the "Accelerated Schedule" expected to be met even though no funding is requested in the 04 budget proposal?

Response: No funding for the "Accelerated Schedule" was proposed in the FY 2004 budget as security of existing facilities is the higher priority. Without funding in FY 2004, the "Accelerated Schedule" will not be met.

Mr. Latham: Assuming we depart from the "Accelerated Schedule," how much of an overall project cost increase will result?

Response: At this time it is not possible to project the cost increase that will result from departing from the "Accelerated Schedule." The Administration will consider the full range of options for future modernization of these facilities and present recommendations in the FY 2005 budget.

Mr. Latham: As of now, how much of the total amount appropriated for the Ames project has been obligated and for what purposes, and has any of that money been reprogrammed for other purposes?

Response: To date, $11 million has been obligated for programming for all facilities comprising the Ames Modernization effort and for design and development of construction documents for the BSL-3Ag large animal facility. No money has been reprogrammed for other uses.

Mr. Latham: Assuming, as some have said, that funding authority must be available at a certain level to move ahead on the "Accelerated Schedule," what number would you need to have appropriated in the 04 Agriculture bill to get you to the point where you could make significant progress on the Modernization project–in a way that keeps pace with the "Accelerated Schedule"?

Response: To meet the original completion dates described in the "Accelerated Schedule" would require $273 million in FY 2004.

Mr. Latham: Is the Department using a "Construction Management Contractor" approach versus a "Design Build" approach on the Ames Modernization project so that the project can move at a faster pace?

Response: The "Construction Management Contractor" approach was determined to provide the best project delivery option when considering the combination of risk, project control, schedule, and cost control factors. The multi-species, large animal

containment facility is an extremely unique and complex facility. In the traditional Design-Build scenario, the Government stipulates performance criteria early on and loses its ability to influence design details without significant cost impacts. The nature of this facility requires a synergy of the design and construction professional in concert with the scientific program expertise associated with animal behavior and containment of pathogens. The Construction Manager approach does provide schedule advantages over the traditional design-bid-build approach

Mr. Latham: What is the expected construction start date for the large containment animal facility?

Response: The construction management firm, McCarthy Construction Company, will begin working on the project early in the design phase and initiate construction activities when the design is about 50 percent complete, which will be approximately September 2003.

FSA COUNTY OFFICES

Mr. Latham: Given the continuing numbers of complaints of farmers relative to difficulties to getting appointments to apply for delivery of services at FSA field offices, what types of improvements can we expect to see in the near future in those field offices?

Response: Many USDA FSA County Offices have extended hours of operation in response to the need to set up producer appointments during the sign-up period. Additional temporary employees and IT equipment has also been placed in several high workload volume offices to help alleviate any backlogs.

Mr. Latham: Given that the Department is sticking to the April 1, 2003 deadline for updating base acres and yields, what steps will the Department take to protect producers who cannot make the April 1 deadline because of difficulty getting appointments to apply for delivery of FSA services?

Response: While USDA is taking steps to avoid having to sign producers up after the April 1 deadline, any producer, who has made an attempt to set up an appointment, or come in to the office prior to the deadline, will be provided the time needed to sign up for the program. Producers will not have any loss of benefits if their pre-scheduled meeting would fall after the April 1 deadline.

BIOENERGY

Mr. Latham: What role do you see the Department playing in the bio-energy arena in the future with respect to promoting the production of bio-diesel and ethanol?

Response: The Department encourages increased ethanol and biodiesel production through the following programs:

Commodity Credit Corporation's (CCC's) Bioenergy Program provisions are set forth in Section 9010 of the Farm Security and Rural Investment Act of 2002 (the 2002 Farm Bill). The Farm Bill specifies that the Secretary, under part 1424 of title 7, Code of Federal Regulations, shall make program "payments to eligible producers to encourage increased purchases of eligible commodities for the purpose of expanding production of such bioenergy (defined by the 2002 Act as fuel grade ethanol and biodiesel) and supporting new production capacity for such bioenergy." The Farm Bill further provides that "the Secretary shall make payments to eligible producers, based on the quantity of bioenergy produced by the eligible producer during a fiscal year that exceeds the quantity of bioenergy produced by the eligible producer during the preceding fiscal year." The Farm Bill establishes the Program for fiscal years 2003 through 2006 and provides funding of up to $150 million per fiscal year.

The Biodiesel Fuel Education Program was established by Section 9004 of the 2002 Farm Bill. A competitive grant program has been developed by the Cooperative State Research, Education, and Extension Service to educate governmental and private entities that operate vehicle fleets and the public about the benefits of biodiesel fuel use. One million dollars per year from 2003-2007 are to be allocated from USDA's Commodity Credit Cooperation to fund the Program.

The National Research Program on Bioenergy and Energy Alternatives is administered by the Department's in-house research agency, the Agricultural Research Service (ARS). Within that Program research is conducted to improve energy efficiency, reduce costs, and improve sustainability of biodiesel and ethanol production. Integrated research addresses all aspects of biofuel production from designing energy crops through conversion of agricultural materials into fuel. Included are development of improved energy crop varieties through molecular biology and conventional breeding; development of sustainable practices for energy crop production with an emphasis on use of conservation lands; development of technology for harvesting, handling, pretreating, characterizing, and delivering agricultural materials to conversion facilities; and development of more efficient, lower cost, and more sustainable conversion processes. A primary goal of the Program is to benefit the rural economy by developing technology that can be used to add value on the farm and in the rural community.

In addition, ARS is partnering with the U.S. Department of Energy (DOE) through Cooperative Agreement No. 58-0101-3M-024 for the purpose of evaluating the environmental and economic impact of microturbine co-generation of electricity and heat from methane gas produced by anaerobic digestion of manure on small-scale dairy operations. The technology developed will benefit the dairy industry as well as other livestock industries and will support development of distributed energy production systems to benefit rural economies.

The Business and Industry (B&I) Guaranteed Loan Program has been available to the ethanol and biodiesel industries for several years. Currently, there are five loans, totaling $51.7 million, outstanding in the B&I Program for ethanol facilities. In addition, the **Value-Added Market Development Grant, Rural Business Enterprise**

Grant, Rural Business Opportunity Grant, and Rural Economic Development Loan and Grant Program have supported the development of ethanol and biodiesel production and will continue to support the production in the future. In the last two fiscal years, $19.1 million of assistance through these programs have been provided for bioenergy projects.

The Renewable Energy Systems and Energy Efficiency Improvements Program established by the 2002 Farm Bill authorized $23 million of mandatory funding available in Fiscal Year (FY) 2003. The Program provides loans, loan guarantees, and grants to assist farmers, ranchers, and rural small business to purchase renewable energy systems and make energy efficiency improvements to their operations. In FY 2003, only grants will be made available through a Notice of Funds Availability scheduled to be published in the Federal Register on April 8, 2003.

The Biomass Research and Development Act was funded by Section 9008 of the 2002 Farm Bill. This Section provides a total of $75 million to support research and development projects, and demonstration grants to public and private sector entities. The Act extends the Biomass Research and Development Act of 2000 to help develop the Nation's biopower, biofuels, and bioproducts resources. This funding is to be used over the period FY 2002 through FY 2007. Solicitation for projects is announced annually and projects selected for funding are determined in coordination with DOE.

MEAT PACKERS STUDY

Mr. Latham: Once the Department receives the results of the pilot audit of the meat packers, what activities might be undertaken based on those results, recognizing that, at this time, the Department can only provide examples of possibilities versus concrete plans?

Response: The pilot-auditing program will allow Packers and Stockyards Programs (P&SP) to determine whether packers have been accurately reporting financial information in annual reports that they are required to file with GIPSA. It will also allow P&SP to determine whether we are collecting appropriate financial information and whether we are collecting it in the most efficient manner. As a result of the audit, we may determine that we need to collect different financial information or collect financial information in a different manner or different format. Any such changes would occur through rulemaking. The audit process is also an opportunity for the meat packing industry to become familiar with our regulatory concerns and requirements for enforcing the Packers and Stockyards Act. The audit will result in a better understanding by P&SP of the financial condition and practices of the meat packing industry including how they impact trade practices and competition.

FORWARD CONTRACTING ON DAIRY PRODUCTS

Mr. Latham: What were the results of the USDA study of the impacts of forward contracting on dairy products?

Response: A report on the pilot program was submitted to the Senate Committee on Agriculture, Nutrition, and Forestry and to the House Committee on Agriculture on October 31, 2002. A copy of the report is provided for the record.

[Clerk's Note: The information provided was deemed too lengthy for printing, and is retained in committee files.]

Mr. Latham: Does the Department support extension of the forward contracting program, and an extension of authority of the forward contracting program for all classes of dairy products?

Response: The Department does not have a position on extension of the forward contracting program, and an extension of authority of the forward contracting program for all classes of dairy products at this time.

QUESTIONS SUBMITTED BY MS. EMERSON

FOOD STAMP PROGRAM

Ms. Emerson: Program access barriers deter many potential clients from participating in the Food Stamp Program. These barriers include an onerous application process, inconsistent office hours and misinterpretations of program regulations. What has the Department done to make sure that food stamp offices are complying with federal regulations, and how will the Department address this issue?

Response: Improving program access and participation rates are high priorities for the Department and the Food and Nutrition Service (FNS). The Department is committed to ensuring that eligible households know about the Food Stamp Program and do not face barriers to participation.

To ensure States comply with national standards and minimize barriers to applicants, and to provide technical assistance to States, FNS regional offices began conducting program access reviews of selected certification offices in all States in FY 1999 and FY2000. Reviews of offices in select States continue to be performed. Reviews have resulted in some local offices taking corrective actions to remove barriers or potential barriers to participation. FNS continues to work with States that are not in compliance with Federal standards and FNS regional offices continue to monitor State implementation of corrective actions.

Other activities designed to help improve program access and participation rates include:

- FNS has launched an information campaign at the national level that is focused on supporting local efforts to improve the public's awareness of the Food Stamp Program.
- FNS is working with States to implement the Farm Bill legislation that allows States to better serve their eligible populations.
- FNS has hired a contractor to work with 6 to 8 States annually to help them improve their application forms. Many States have already streamlined their forms, but the Agency will continue to work with those States that have not yet taken such steps. Best practices will be shared with all States.
- Section 4116 of the Farm Bill authorizes up to $5 million per year, for fiscal years 2003 through 2007, for grants aimed at developing and implementing simplified application and eligibility determination systems, and measures to improve access to food stamp benefits by eligible households. In response to a January 2003 Request for Applications issued by FNS, responses have been received and FNS expects to announce awards in May 2003.
- FNS will use the performance bonus system to reinforce good performance in this area:

- o $12 million of the $48 million available for performance bonuses in FY 2003 will be allocated to States for achieving superior participation coverage. Awards will be based on the proportion of poor households reached by the Food Stamp Program. Awards will go to the 4 States with the best rate and the 4 States with the most improved rate.
- o $6 million will be awarded to the best 6 States for timely application processing. Another $6 million will be awarded to the States for low and improved rates of invalid application disapprovals. The best 4 and the 2 most improved States will share this latter funding.

CONSERVATION SECURITY PROGRAM

Ms. Emerson: As you know, there is a great deal of interest in the Conservation Security Program (CSP). I am concerned about the implementation of CSP because the FY2003 omnibus appropriations bill provided roughly $4 billion for the CSP over 10 years, while CBO had previously estimated that the program would cost $6.27 billion. This suggests to me that there will not be enough money for all farmers that qualify for this program to participate. How many qualified producers do you estimate will apply for CSP, and how many of these qualified applicants will be turned down?

Response: Using the minimum requirements listed by the statute, we have estimated a potential applicant pool of over 2 million producers with a potential of over 900 million acres. The Advanced Notice of Proposed Rulemaking is seeking guidance on 15 primary issues that will broaden the public debate and provide additional input into policy development for the proposed rule. The statute authorizes a 3-tiered payment structure based on the resource problems encountered and the extent of treatment. There must be minimum requirements established for each payment level. The Secretary must set minimum standards for program eligibility at each Tier level, define agricultural operation which is one determinant of eligibility between Tier I and Tiers II and III, and make many other basic programmatic decisions that will have an impact on the ultimate pool of eligible participants. Our intent is to implement a nation-wide program.

Ms. Emerson: If some qualified applicants will be turned down, then whose requests will be prioritized?

Response: NRCS is in the process of preparing the proposed rule and these decisions are subject to rulemaking.

Ms. Emerson: What principles will dictate which farmers are included in the program?

Response: At this point, CSP is undergoing rulemaking and no decision has been reached as to what these requirements will be.

CHILD NUTRITION REAUTHORIZATION

Ms. Emerson: Madam Secretary, the Department held extensive hearings around the country last year in preparation for child nutrition reauthorization. You and the Under Secretary are to be commended for this effort. Has the Department developed its priorities for the child nutrition reauthorization legislation?

Response: As part of reauthorization, the Department held nine listening sessions throughout the nation. Over and again, we heard child nutrition professionals express concerns that the rates of reimbursement were too low, that something needs to be done to improve the quality of foods offered throughout school grounds, and that the programs would benefit from streamlining and other efforts to reduce paperwork.

Our guiding principles for the Child Nutrition Programs under the 2004 budget are:

- Ensure that all eligible children have access to meals;
- Provide financial incentives to schools that promote a healthy school nutrition environment and serve meals that meet The Dietary Guidelines;
- Create an equitable mechanism for allocating federal and state education dollars targeted at low-income children;
- Ensure that meal reimbursement rates provide adequate support for program meals;
- Streamline program administration and minimize administrative burden; and
- Provide adequate resources for program oversight and evaluate the impact of program changes on children and participating schools.

Our major proposals for WIC included in the 2004 budget are:

- A breastfeeding peer counselor program to increase breastfeeding initiation and duration rates;
- Pilot projects to evaluate whether the program can help prevent childhood obesity through targeted staff training, food packages, nutrition education, the promotion of physical activity, or other approaches;
- An independent, comprehensive evaluation of WIC's effectiveness to obtain current information on the program's impact on specific populations and identify areas for operational improvements; and,
- Development and implementation of management information systems to help WIC State agencies move forward with efficient systems to deliver benefits and manage program operations.

CHILDHOOD OBESITY EPIDEMIC

Ms. Emerson: While the USDA reports that many families with school children suffer from hunger and food insecurity in this country, there have also been many news reports about the growing epidemic of childhood obesity. What are your thoughts how these two crises are linked?

Response: It may be hard for some to imagine that hunger persists when a growing number of Americans—children and adults—are overweight and obese. Yet both problems exist. There is even some suggestion of a link between the two, though the research does not yet offer a definite relationship. Families who run short of food or resources to buy more may tend to eat more when they can because they are unsure when they will have enough food again. Since some research suggests that binge eating can result in weight gain, overeating when food is plentiful may result in gradual gains over time. We do not yet know enough to draw firm conclusions about the relationship between hunger and obesity.

But it would be a mistake to diminish the importance of either problem—or lessen our resolve to address both—because of the apparent paradox that both exist. It is our goal—and the mission of our nutrition assistance programs—to reduce hunger and to promote the healthy food choices and physical activity needed to maintain a healthy weight.

MCGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM

Mrs. Emerson: What is the status of the international McGovern-Dole school lunch program? How many are being reached by this important program? How many could be reached if the appropriations were continued at the original $300 million, as was recently suggested by former Senator Bob Dole?

Response: The Foreign Agricultural Service has drafted proposed regulations for the new program, and they are undergoing review within the Executive Branch. Once the proposed rule has been published and the period for public comment is completed, FAS will prepare a final rule that they anticipate publishing in late spring. After the final rule is published, FAS can begin the process of soliciting project proposals from private voluntary organizations and other cooperating sponsors for 2003 programming.

The new program is a successor to the Global Food for Education Initiative pilot program that the Department carried out during 2001 and 2002. During that 2-year period, the $300 million pilot program provided over 800,000 tons of agricultural commodities to feed about 7 million children in developing countries. The pilot program was administered through the World Food Programme, 14 private voluntary organizations, and one national government – the Dominican Republic – and supported 49 school feeding projects in 38 countries.

Mrs. Emerson: Also, with regard to the international program, it is my understanding that all 100 Senators wrote to the President to ask that the program be permanently administered by USDA, not AID. Has the decision been made by the President? Would you please keep the Committee updated on any decision made regarding this program?

Response: A decision has been made that USDA will administer the new program, and we expect the President to sign a memorandum in the very near future that will direct the Secretary of Agriculture to carry out the program. We would be pleased to keep the Committee apprised of developments related to the program.

[Subsequent to the hearing, on March 11, 2003, the President signed a Memorandum for the Secretary of Agriculture which established the new program and delegated its administration to the Secretary of Agriculture.]

QUESTIONS SUBMITTED BY MS. KAPTUR

BIOFUELS

Ms. Kaptur: The President wants to talk about fuel cells so that "the first car driven by a child born today could be powered by hydrogen, and pollution-free." There are currently 3.3 million vehicles on the road that will run on 85% ethanol, and many people don't even know it. I trust the numbers have gone up in the past two years, but according to a report by the Department of Energy, you had more than 700 vehicles that are E-85 capable. Why should we wait a generation for energy independence – the third goal in the President's State of the Union address – when we can achieve it more quickly by using what is already available?

Response: The Department of Agriculture (USDA) is committed to using alternative fuel vehicles, including E-85 ethanol vehicles, in our fleet. Each year USDA acquires a greater number of E-85 vehicles, and as of the end of FY 2002, the latest figures available, the Department's fleet inventory included 1,949 E-85 vehicles for the last three fiscal years. The breakdown of USDA's acquisition of these vehicles for the last 3 years is as follows:

Fiscal Year	E-85 Vehicles Acquired
2000	307
2001	337
2002	896

While the vehicle types and models available for E-85 were very limited in the past, recently, the offerings have expanded to include models in the light duty pickup truck vehicle category. As over 60 percent of the USDA fleet is light duty trucks, this change provided greater opportunity beginning in FY 2002 for USDA to acquire E-85 vehicles consistent with meeting mission requirements.

On August 8, 2001, Secretary's Memorandum 5400-8, Preference for Use of Ethanol and Biodiesel Fuels in USDA Motor Vehicles was issued, ordering USDA Agencies to continue acquiring alternative fuel vehicles and to take actions to buy and use B-20 biodiesel fuel and E-85 and E-10 ethanol blended fuels as appropriate. In September 2002, the Office of Procurement and Property Management issued a revision to the Agriculture Property Management Regulations to incorporate and make permanent this policy.

Ms. Kaptur: It is also interesting to me to see that while the President talked about $1.2 billion for fuel cells, that number must be for the life of the program rather than for this single fiscal year. According to information I have seen regarding the budget for the Department of Energy, the increase for hydrogen, fuel cells and infrastructure technologies is $48 million for a total request of $87.9 million, a far cry from $1.2 billion. And most interestingly, this increase appears to have been partially financed by cutting biomass programs at DOE by more than $31 million. Was there any effort that you know of to do an interagency review of these budget requests to be sure that biofuel efforts are Administration-wide?

Response: Yes, there was such an effort. Under Secretary for Natural Resources and Environment, Mark Rey, is USDA's point of contact under the Biomass Research and

Development Act. Mr. Rey co-chairs the Biomass Research and Development Board. Assistant Secretary for Energy Efficiency and Renewable Energy, David Garman, is DOE's point of contact and Board co-chair. Under Secretary Rey communicates regularly with Assistant Secretary Garman on budget issues. On February 24, 2003, USDA and DOE presented before the Biomass Research and Development Technical Advisory Committee coordinated interagency biomass budget information not only for USDA and DOE but also for the Federal Environmental Executive, the Department of Interior, National Science Foundation, Office of Science and Technology, and the Environmental Protection Agency (EPA).

Ms. Kaptur: Who at USDA tracks where ethanol is produced and sold? I know when we asked people at National Agricultural Statistics Service that they claimed to have no data. Shouldn't you have information on the sale and production of these products?

Response: The Office of Energy Policy and New Uses (OEPNU), Office of the Chief Economist, tracks where ethanol is produced and sold. Both the Renewable Fuels Association and Bryan and Bryan, Inc. provide information on where ethanol is produced. An interagency committee headed by the Department of Transportation (DOT) and including OEPNU, DOE, the Environmental Protection Agency, and the Department of the Treasury shares information and advice to help DOT maintain a State-level model of annual ethanol sales.

Ms. Kaptur: You may recall that two years ago I asked for a study regarding the feasibility of placing ethanol in a strategic fuels reserve as a symbol regarding our break from hydrocarbons to carbohydrates. Mr. Collins, I know that you are very familiar with how long it took to get this report and how it was negative on the idea given concerns about the volatility of the fuel and the need for specialized storage. What in your research budget addresses these kinds of issues to help us develop the technology we need to improve the cost feasibility of biofuels?

Response: USDA's research program has received feedback from the Renewable Fuels Association, National Biodiesel Board, American Soybean Association, National Corn Growers Association, and others. USDA believes the best way to improve the market position of ethanol and biodiesel with its research program is to work to lower the net cost of using agricultural materials to produce energy. To that end, the Agricultural Research Service, Forest Service, Cooperative State Research, Education and Extension Service, and Natural Resources Conservation Service have research programs designed to lower feedstock costs, improve conversion efficiency, and develop coproducts to lower the net feedstock costs. A comprehensive description of USDA's research program for FY 2002, FY 2003, and FY 2004 was recently provided to the Biomass Research and Development Technical Advisory Committee.

Ms. Kaptur: There are also studies that are frequently referenced in the media that are used to discourage people from considering using biofuels. One of which is a Cornell study that keeps reappearing that compares the amount of fuel used in growing corn with the amount of fuel derived from corn when converted to ethanol. What are the current facts based on your analysis? Do we achieve energy gains and environmental improvements from the use of ethanol and biodiesel?

Response: The current facts, based on our analysis, are that corn ethanol is energy efficient as indicated by an energy output:input ratio of 1.34. That is, there is 34 percent more

energy in a gallon of ethanol than it takes to produce that gallon. Biodiesel has an energy balance of 3.20. These results confirm that we do achieve energy gains and environmental improvements from the use of ethanol and biodiesel. Ethanol blends reduce harmful carbon monoxide and smog. Biodiesel has no sulfur and low particulate matter.

Methyl tertiary butyl ether (MTBE), an oxygenate, has been found to leak into groundwater, leaving an odor and foul taste. Sixteen States, currently, are acting to phase out MTBE. Ethanol does not have similar contamination problems.

The use of ethanol and biodiesel is likely to decrease greenhouse gas (GHG) emissions compared with the use of fossil fuels. An analysis by Argonne National Laboratory in Illinois shows that in the near future corn ethanol production could decrease GHG emissions by 30 percent versus gasoline and the use of cellulosic ethanol could achieve a decrease of over 80 percent. A joint USDA-DOE study showed that biodiesel use decreases net carbon dioxide emissions by 78 percent compared with petroleum diesel use.

SENIORS FARMERS' MARKET NUTRITION PROGRAMS

Ms. Kaptur: Madame Secretary, you also know how important many of us believe the Farmers' Market nutrition programs are for both the WIC population and for senior citizens. I continue to be amazed at both the number of seniors and producers who come up to personally thank me in Toledo for this program. It has been a benefit for each of them. I understand that the Department has received more than $30 million in applications for the Senior Farmers Market Program for the current year, with only $15 million available under mandatory spending as provided in the Farm Bill. As you recall, this program started with your predecessor, Secretary Glickman, using CCC authority to finance this program. Given how you managed to come up with several hundred million dollars for livestock producers this past year, including taking money from Section 32 receipts, isn't there some way you can supplement the funds for the Senior Farmers Market Program?

Response: It is true that requests for the Senior Farmers' Market Nutrition Program (SFMNP) exceed the $15 million available for SFMNP grants. On the other hand, the $25 million available for the Farmers' Market Nutrition Program (FMNP) exceeds current requests for that Program. However, we lack the authority to transfer resources between these programs.

FOOD AID

Ms. Kaptur: There is no doubt that what the Department does in supporting international food aid programs is of great value. We discussed this issue at great length last year when many of us were concerned that the absence of section 416(b) commodities would result in a shortfall. We were able to secure an additional $250 million for Title II of P.L. 480 when we completed the FY 2003 appropriation, and I am

grateful for that amount, even though it means that your FY 2004 request will be below what we have approved for FY 2003. At the same time, however, I am also concerned that due to higher farm prices, we will see noticeable reductions in volumes of food aid. Please put this matter in perspective for us. What was the volume of food aid from all sources available in FY 2002, and how does that compare with what you project for FY 2003?

Response: The total tonnage to be provided through all U.S. food aid programs during fiscal year 2003 is currently estimated to exceed 4.7 million tons. This compares with 5.5 million tons programmed during fiscal year 2002. Although the overall tonnage to be programmed this year is expected to be lower, the level of available funding in 2003 is somewhat higher. The decline in tonnage level is due to stronger commodity prices this year.

Ms. Kaptur: What number of people will we be able to support with this volume of food aid?

Response: With the 4.7 million metric tons of food aid that we are estimating the U.S. Government can program this year, we estimate that approximately 26 million people could be provided a bare minimum diet. However, the number of people actually receiving U.S. food aid is likely to be higher because the different U.S. programs provide a varying portion of the recipient's diet.

Ms. Kaptur: I understand that the World Food Programme Executive Director has said that global food aid has dropped by a third in terms of metric tons. At the same time, we hear that we may be dealing with 24 million people in Iraq who may need food aid after military action is completed. This is in addition to ongoing needs in Afghanistan and the surrounding region, in addition to the dire needs in Africa that we have talked about since last summer. If the United States were to continue to provide 50 percent of world food aid, how much would we have to increase your budget based on current projected need?

Response: Generally, the United States tries to provide food assistance sufficient to cover a third of global emergency food aid needs. The United States doesn't have a goal for total food aid to be provided, although we often do provide one half or more of total world food aid. And, of course, it is difficult to know what other donors will be providing in 2003. At this time, we have the resources to meet our traditional, one-third share of emergency needs in fiscal year 2003.

FREIGHT FORWARDER CONTRACT

Ms. Kaptur: On the wall behind us is a photo of food aid provided by the United States in bags that bear the American flag. We also have a requirement that American flag carriers ship U.S. food aid. It has come to my attention that the World Food Programme has been given the right to select the freight forwarder to handle U.S. donated

commodities, and that since 1986 this service has been provided by only one freight forwarder. Is my understanding correct and, if so, why do we allow it to continue?

Response: You are correct that the World Food Programme (WFP) does select its freight forwarder, as do the private voluntary organizations. WFP is, of course, a very large shipper of commodities not only from the United States but also from many other countries. This results in considerable shipping expertise within the WFP, expertise on which the rest of the United Nations often relies. Thus far, WFP believes its freight forwarder provides good service, and we have no reason to disagree with that assessment. WFP and its freight forwarder assure compliance with the U.S. cargo preference requirement that 75 percent of U.S. food aid commodities be shipped on U.S. flag vessels.

Ms. Kaptur: Shouldn't contracts be rebid periodically to be sure that we are maximizing efficiencies? If this one has been, please provide me with copies and dates of solicitations, plus information regarding where the solicitations were published.

Response: It is our understanding that WFP is in the process of soliciting proposals from freight forwarders and hopes to complete its review and evaluation process this spring. We will obtain from WFP staff in Rome additional information about this process and provide it to your staff.

Ms. Kaptur: When is this contract scheduled for the next rebidding?

Response: The process is taking place now.

PROGRAM SIGN-UP

Ms. Kaptur: I know that county Farm Service Agency offices are doing the best that they can to sign up producers for farm programs, while now being given the additional demands of another disaster program. However, my office has been contacted by a producer who says that he cannot even get an appointment until in May, even though the program sign-up deadline is April 1. My office has called FSA here, and been told, "Every effort will be made to get people signed up on time." That is not reassuring to farmers. It is the classic "Trust us. We're from the Government." Other FSA personnel around Ohio tell me that they have similar problems with more farmers needing to come in than they believe they can handle in a timely fashion. What can you do to assure these producers that they will indeed be able to sign up and not be penalized for circumstances beyond their control?

Response: USDA is taking extra steps to ensure that FSA County Offices have the necessary resources to efficiently complete the sign-up process and respond to producer questions and issues. Many County Offices have extended their hours in order to schedule meetings with producers interested in program participation. Furthermore, any producer who has made an attempt to set up an appointment, or come into the office

prior to the April 1 deadline, will be provided the time needed to sign-up. Producers will not have any loss of benefits if their pre-scheduled meeting would fall after April 1.

FSA STAFF

Ms. Kaptur: In the last several years, there have been about 2000 temporary personnel at FSA annually. Every year you predict the workload will go down, but it never does. Just as in other programs, you have decided to seek regular funding instead of emergency funding. Isn't it time to increase the number of full-time personnel to more realistic levels?

Response: The program delivery workload for FSA has been difficult to predict and plan for during the past few years. The enactment of unplanned supplementary or emergency assistance programs has made it difficult to project and budget for FSA staffing needs. The budget and staffing plans for FSA have been motivated by a desire to maintain an adequate permanent staffing level to meet normal long-term needs and to rely on changing levels of temporary staff to meet fluctuations in workload. The ad hoc, regional, and temporary nature of disaster related workload does not easily lend itself to delivery by dedicated permanent staff. Budget constraints also make it difficult to fund an expensive permanent workforce with built-in excess capacity to meet short-term fluctuations in workload.

COMMODITY SUPPLEMENTAL FOOD PROGRAM FOR SENIORS

Ms. Kaptur: It continues to be surprising that we restrict the eligibility of seniors on the Commodity Supplemental Food Program to 135% of poverty, while we use 185% of poverty as the eligibility standard for mothers and children participating in this program. It is almost age discrimination. While we have urged you in the past to bring the eligibility standard for the elderly in line with that of mothers and children, the Department still has not acted. Can you tell me why this revised standard has not been adopted, whether or not it is still under active review, and what concerns you might have that have resulted in your not revising the standard?

Response: Although strong consideration was given to increasing the income guidelines for seniors to 185 percent of the poverty guidelines, the Department has decided that available program funding would be better used to extend program benefits to seniors of more limited means in areas not currently served. Therefore, the Department does not intend to propose a change to the current income guidelines.

GLOBAL FOOD FOR EDUCATION PROGRAM

Ms. Kaptur: You also know that this subcommittee and other members of the House have felt quite strongly about the McGovern-Dole International Food for Education and Child Nutrition Program. This program started out at $300 million, followed by no requests from the Department, followed by a mandatory level for the current year of $100 million. I joined more than 60 of my colleagues in urging the

President to fully fund this program in fiscal year 2004, following authorization as part of the Farm Bill. OMB Director Daniels wrote to us on December 20th claiming that our concerns would be "in mind" as the budget request was evaluated. Obviously, these concerns were not given great consideration since your request for FY 2004 is only $50 million. At a time when it is even more important that we provide a positive impression of the United States around the world, especially with impressionable young people, can you explain why this program is being held back rather than being used as a tool for developing a constructive future?

Response: In writing the 2002 Farm Bill, Congress authorized $100 million of Commodity Credit Corporation funding to carry out the new International Food for Education Program in 2003. However, for 2004 and subsequent years, Congress did not authorize continued use of CCC funds but rather provided an authorization for appropriations. No level of annual funding was specified for those years.

The 2004 budget requests $50 million of appropriated funding for the program. This level of funding will provide continuity for program operations, as implementation, oversight, and evaluation continue, concurrently with administration of the new proposals for 2004. We are pleased that we were able to ensure that funding for the new program is included in the President's request.

Because the 2003 program will not be implemented until later this year once final program regulations have been published, much of the programming approved in 2003 is likely to carry over and be implemented in 2004. Thus, the level of programming in 2004 should not decline drastically.

In developing the 2005 budget, we will be in a position to review program performance during 2003 and 2004 and will make decisions on future funding in accordance with those results.

FRUITS AND VEGETABLE CONSUMPTION AMONG YOUNG PEOPLE

Ms. Kaptur: We know that the Farm Bill provided for a demonstration program for the provision of additional quantities of fruits and vegetables for school children. Many of these children have not experienced the variety of foods that are available, with the early reports on this pilot program that is operating in several states, including my home state, being very positive. What can you tell us about the operation of these pilot programs?

Response: Section 4305 of the Farm Security and Rural Investment Act of 2002 (Public Law 107-171) authorized $6,000,000 for a Fruit and Vegetable Pilot Project in four States and on an Indian reservation. Within each State, 25 schools would participate and all schools on the tribal reservation would participate. The Conference Report recommended Indiana, Iowa, Michigan and Ohio as the four states. The Zuni Tribal Organization in New Mexico volunteered to participate as the Indian reservation.

The purpose of the pilot program is to determine the best practices for increasing fruit (both fresh and dried) and fresh vegetable consumption in schools. There is interest in how increased consumption of fruits and vegetables would impact on other eating behaviors, like snack choices and participation in the school meals programs. The time period for the pilot is School Year 2002-03 and is currently fully operational.

Over 800 schools in the four States applied for participation in the pilot. Within each State, the submissions were analyzed to select a range of schools (rural and urban areas, elementary, middle and high schools, different levels of free/reduced price students). An evaluation is due to Congress by May 1, 2003 and is being conducted by USDA's Economic Research Service. The evaluation includes both periodic reports from all schools as well as site visits to representative schools in each State and on the Zuni pueblo.

USDA is working with our partners including the National Cancer Institute's National 5 A Day for Better Health Program, the American School Food Service Association, Produce for Better Health Foundation and others to support this project. The school sites in each State and on the reservation report interest and support for the project from school administrators, teachers, parents, and students. USDA and the National 5 A Day for Better Health Program are sponsoring a conference in March 2003 in Indianapolis, Indiana, to assemble the representatives from the participating schools, State administrators, and our various partners, including State-level 5 A Day staff, to share their experiences and to discuss the results to date.

Ms. Kaptur: At this point, do you know if the Department will recommend its continuation and expansion as part of the reauthorization of the school lunch and breakfast programs?

Response: The Department is supportive of efforts to increase fruit and vegetable consumption by school children. Whether the pilot project is the best means to achieve this goal must await the results of the evaluation being conducted by the Economic Research Service.

OVER-ISSUANCE OF BENEFITS

Ms. Kaptur: I am concerned about reports in Ohio that there is increased review of over-issuance of benefits in the school food programs. I do not condone any misuse of any program, but am worried that this review is having a chilling effect on the participation of eligible individuals. What can you tell me about the reasons why this review of child nutrition programs has taken place, how long it will go on, who requested it, and who authorized it?

Response: For a number of years, the Department has been examining the accuracy of certifications for free and reduced price school meals. Studies and audits in the 1990's identified potential problems in the process. In addition, comparison of the trends over time of certifications for free school meals and the estimated number of

children eligible for those benefits shows a divergence between the two, further suggesting a growing problem of certification inaccuracy.

The problem is significant because inaccurate certifications represent a risk that free and reduced price meals could be provided to ineligible people. Poorly targeted resources hinder our ability to fund much-needed improvements in many aspects of program operations. Furthermore, data on children certified for free and reduced-price meals is used to distribute billions in Federal, State, and local education aid. While data errors do not raise costs for most programs, they undermine targeting of aid to those most in need.

USDA has been working for a number of years to collect additional information to learn more about the problem, and to identify potential solutions. Current efforts include pilot-tests of alternative free and reduced-price eligibility determination systems, administrative reviews of the current verification process in a number of school districts, and a study to assess the eligibility status of families selected for income verification.

The Administration is committed to taking steps to address the problem without compromising access for eligible children, and while minimizing the impact on those who administer the program. We hope to advance a range of potential improvements to the certification process during Child Nutrition reauthorization.

LINKING NUTRITION PROGRAMS WITH PRODUCTION AGRICULTURE

Ms. Kaptur: Last year I spent a great deal of time regarding my concern that the nutrition side of USDA did not talk with the production side of USDA. Your buying power for food assistance programs makes you a major market force, and offers a multi-billion opportunity for small and medium sized producers to sell into food assistance programs. What, if anything, has been done to bring these two diverse missions of the Department closer together so that each group can benefit from the other?

Response: The nutrition assistance programs are working to increase the connection to production agriculture in a variety of ways. For example, the farm-to-school and the garden-to-school programs are helping to encourage schools to work with local producers to supply fresh fruits and vegetables, to everyone's benefit. We also promote farmers' markets through the WIC Farmers' Market Program and the Seniors Farmers' Market program, not to mention that farmers' markets, roadside stands, eggmen, and other direct to consumer retailers can become eligible to redeem food stamps. Farmers' markets are also supported in the nutrition program area as well as by Agricultural Marketing Service initiatives. We are working on wireless communications to make it possible for producers to economically continue to redeem food stamp benefits via the electronic benefit system. Also, the Department has increased its efforts to purchase fruits and vegetables with funds available to the commodity portions of the programs. And further, Child Nutrition Program providers have been encouraged to purchase more fruits and vegetables, consistent with the recommendations of the Dietary Guidelines for Americans. Finally, through commodity purchases that are made under farm support programs, the Department works closely to link the nutrition assistance and producer assistance missions.

QUESTIONS SUBMITTED BY MS. DeLAURO

USDA FOOD SAFETY BUDGET

Ms. DeLauro: I understand that your budget requests an increase of $42 million for the Department's Food Safety activities. My understanding is that about $15.7 million goes for pay increases, leaving about $25.6 million for other program increases, including $4.25 million for 80 new inspectors. I agree that we need more resources for inspectors but is this enough? With increased line speeds and industry growth is this sufficient to effectively protect our food supply?

Response: We have assessed our resources and believe that an increase of 80 inspectors from 2003 will allow FSIS to effectively ensure that meat, poultry, and egg products are safe, wholesome and accurately labeled. Funding in the proposed budget to add 80 inspectors will ensure that FSIS inspectors are in every operating meat, poultry and egg products plant every day.

Ms. DeLauro: Do you need additional resources for more inspectors? If yes, how many inspectors do you need to do the job and at what cost?

Response: The 2004 budget requests an increase of $4.3 million for an additional 80 inspectors.

NEBRASKA BEEF/SUPREME BEEF

Ms. DeLauro: A few weeks ago I sent you a letter about my serious concerns with USDA's settlement in the *Nebraska Beef* case. I understand a response will be coming shortly and I look forward to reading it.

As I stated in the letter, the successful challenge by Nebraska Beef to withdraw USDA's inspection services only heightens concerns raised by the USDA's defeat in the earlier *Supreme Beef* case. Further, I am concerned that despite these repeated assaults on food safety protections, you have been unwilling to ask Congress for the authority it needs to protect the public health.

From Supreme Beef and Nebraska Beef, at a minimum it appears that USDA's basic food safety authority is under a cloud and that another company can easily challenge USDA's authority. At worse, it may be that USDA does not have the authority to protect our food supply.

How does the Consent Decision and Order guarantee that the meat produced at Nebraska Beef is safe? What steps are being taken now to clean and improve the plants operation? How and when will the Food Safety and Inspection Service (FSIS) evaluate the effectiveness of those steps?

Response: We believe that the consent decree we entered into has given us more control in that establishment. Under the consent decree we can make sure it is operating in a way that is safe for the American people. Should Nebraska Beef fail to fully carry out any of the requirements of the consent order, FSIS will initiate all applicable enforcement activities under the Federal Meat Inspection Act until corrective action is taken and verified. The consent order allows FSIS to summarily withdraw the grant of inspection from Nebraska Beef if the company fails to meet any critical limit at a critical control point or for direct product contamination or adulteration.

The requirements of the consent order are being carried out under direct and constant verification by FSIS frontline field operations workforce and by FSIS' new Office of Program Evaluation, Enforcement, and Review, which focuses on internal review of FSIS programs.

Ms. DeLauro: In light of Supreme Beef and Nebraska Beef, do you believe that USDA still has the legal authority to close down meat plants that repeatedly fail to comply with USDA's food safety standards?

Response: We continue to have the ability to withdraw our inspectors and we will continue to use that authority ensure the safety of the meat and poultry supply. Withdrawing inspection is the most valuable tool in enforcing food safety regulations.

Ms. DeLauro: Given these challenges, do you think it's time to step back and assess whether or not the USDA has the authority it needs to protect the public health?

Response: We are always assessing our authorities to determine if they need to be strengthened. I have asked for a complete review of our authorities to determine if they allow us to do our job.

Ms. DeLauro: Is it time for you to have a clear mandate and authority to protect the public health, including pathogen standards and a strong food safety system?

Response: We have a clear mandate to protect public health, including pathogen standards, and we take that mandate very seriously in our enforcement of food safety laws.

Ms. DeLauro: Will you work with us in the Congress to give you the authority you need?

Response: I am always happy to work with Congress on issues of importance to the Nation, such as food safety.

LISTERIA

Ms. DeLauro: Last summer a multistate listeriosis outbreak linked to deli products which sickened 53, killed seven and caused three miscarriages or stillbirths.

More than two years have passed since the USDA published a proposal to require ready-to-eat meat and poultry processing plants to test for listeria. Recently, the USDA has indicated that it will issue final Listeria regulations later this year, now that it has published the second risk assessment related to this rulemaking. Indeed, last year when I asked Under Secretary Murano, she said it wouldn't be until this year that it would be finalized.

The new risk assessment concluded that the proposed testing frequency only offers a "small reduction" in levels of product contamination, while increased food contact surface testing would "lead to a proportionally lower risk of listeriosis." Thus, the new risk assessment provides the scientific basis for the USDA to increase the amount of mandatory Listeria testing beyond what was proposed.

When do you anticipate issuing the final regulations for Listeria testing and when would those regulations go into effect?

Response: We are currently in the process of finalizing the proposed rule on Listeria. We are going to get it out and implemented as soon as possible.

Ms. DeLauro: The risk assessment supports the argument that one to four tests per month is inadequate to assure control of a potentially deadly hazard in food. Wouldn't more testing save more lives by helping plants to more rapidly identify when they are not adequately controlling Listeria?

Response: Through use of the model, FSIS discovered that a combination of testing, sanitation and interventions yielded greater benefits than any one strategy alone. The risk assessment also demonstrated that the use of intervention steps, such as post-packaging pasteurization or the introduction of growth inhibitors, showed dramatic public health benefits.

Ms. DeLauro: Shouldn't USDA be seeking a testing scheme that is more protective of public health?

Response: The information developed during the risk assessment process is critical to exploring a variety of risk management scenarios. FSIS plans to examine different combinations of testing and intervention that present possibilities for future policy making. Our goal is to improve the public health status of all Americans.

RECALL DISTRIBUTION LISTS

Ms. DeLauro: Last year, *E. coli 0157:H7*-tainted ground beef produced by a Colorado plant result in a recall of approximately 19 million pounds of product. Colorado and other State public health officials that wanted to inform their citizens where the contaminated product was sold were not able to get product distribution information from the USDA because the Department only shares a plants customer lists with States

that sign a Memorandum of Understanding (MOU) promising not to release the information to the public. Some of the states have open record laws that prevent them from signing such an MOU. The USDA's approach to providing distribution lists seem counter-intuitive, as consumers may urgently need to know if the meat in their refrigerator or freezer came from the implicated product.

Can you explain the logic behind USDA's policy not to release distribution information to States that will tell consumers where the recalled product was sold?

Response: In a recall situation, FSIS needs to be able to act quickly to ensure public health by protecting consumers from potentially contaminated product. The cooperative arrangement with establishments ensures that FSIS can move as quickly as needed to remove potentially contaminated product from the marketplace. It also allows industry to move as rapidly as possible. The cooperative arrangement which allows FSIS to act quickly to protect public health is preferable to a slow, cumbersome legal process.

Ms. DeLauro: Is there any barrier, legal or otherwise, to the Department's release of this information to any State public health official that is responding to a recall?

Response: There are no barriers to the Department's release of distribution information to the States.

Ms. DeLauro: What more can we do to ensure that this information is passed on to consumers in a timely manner?

Response: In addition to issuing detailed press releases to media organizations for further distribution to consumers, FSIS works closely with other Federal, state, and local public health agencies to spread the new regarding recalls. We will do what is needed to ensure that consumers are made aware of meat and poultry recalls and we always make efforts to improve the system.

SINGLE FOOD SAFETY AGENCY

Ms. DeLauro: Concerns about terrorist threats against the U.S. led to the creation of the Department of Homeland Security. Proponents in the Administration argued that a new Department was necessary to bring together various agencies responsible for defending the homeland. Proponents further predicted that better priority-setting and coordination of efforts would result. I believe the same arguments can be made in support of the creation of a single, independent food safety agency. And as I've said before, even President Bush once said that "the revolutionary idea that maybe these [food safety] functions could be combined hasn't dawned on anyone yet."

Do you have any reason to believe that establishing a single food-safety agency would be more difficult than establishing the Department of Homeland Security?

Response: The establishment of a single food safety agency would present unique challenges that would have to be overcome.

Ms. DeLauro: If so, what are those additional obstacles?

Response: The Administration's report, *Food and Agricultural Policy: Taking Stock for the New Century,* indicates that where possible, Federal policies and programs must be coordinated and integrated to reduce duplication of effort, regulatory burden, and program cost. This would present challenges for the food safety area where several agencies share regulatory responsibilities or have a role in research, development, and implementation of food safety policies.

Ms. DeLauro: If you were to design a food safety system today, what would it look like?

Response: This Administration has not addressed organizational issues related to food safety. USDA is working to create a world class public health food safety organization to protect consumers from potentially dangerous pathogens by ensuring policy decisions are based on science, improving the scientific capabilities of the workforce, and maintaining excellent working relationships with other public health agencies.

Ms. DeLauro: Last year's committee report included language urging USDA to begin creation of a Food Safety Commission and include specific funding for its operation in the FY 2004 Budget. The Commission was part of the Farm Bill. Has the Commission been created and does it include funding for the Commission?

Response: The Food Safety Commission has not been established and the President's 2004 budget does not request funding for its establishment.

MANDATORY RECALL AUTHORITY

Ms. DeLauro: As I think we all know under current law, USDA only has the authority to request companies voluntarily recall food that is contaminated, adulterated or mislabeled. Under this approach, USDA does not have the authority to enforce mandatory recall of the food. Indeed, I understand that yesterday Inspector General Fong testified that of the approximately 19 million pounds of meat recalled with the ConAgra situation, only 16% of the product was recovered and for the Pilgrims Pride recall, only 15% of the approximately 27 million pounds was recovered?

What tools do you need to recover as much of these contaminated foods as possible? Shouldn't we be acting more quickly to recover these products?

Response: For every recall, FSIS notifies the public in two ways— through a press release and a Recall Notification Report (RNR). The press release is issued to media outlets in the areas where the product was distributed, to an email list-serve that is

linked to numerous industry and consumer organizations, and posted on the FSIS website. Consumers can also call USDA's meat and poultry hotline with any questions about recalls or other food safety concerns.

As in all recalls, FSIS acted quickly and deliberately to accurately identify the source of contaminated meat that was attributable to a recent outbreak of foodborne illness associated with meat supplied by ConAgra. FSIS worked cooperatively with the establishments involved and the Center for Disease Control and Prevention to gather the scientific information necessary to ensure a prompt response. Even so, we continue to explore ways to make the process more rapid and effective in accurately identifying contaminated products and notifying consumers. An analysis of the event has identified that additional scientific training would have provided the knowledge and skill necessary to better and more rapidly piece together the findings at the establishment in order to recognize the problem earlier and would have provided for more immediate action. For 2004, the budget requests an increase of $6 million to improve the scientific and surveillance skills of the FSIS workforce. This represents approximately a 33 percent increase in FSIS' training budget and a commitment to raising the base level of skill of the FSIS workforce.

Ms. DeLauro: Would the Administration support legislation giving USDA mandatory recall authority and other enforcement measures to improve food safety?

Response: FSIS has the means to quickly remove potentially adulterated product from commerce in order to protect the public health. Providing FSIS with mandatory recall authority would not increase the safety of our food supply nor enhance our Nation's public health. However, I have asked for a complete review of our authorities to determine if there are any additional tools that would make us even more effective in protecting public health in a recall situation.

Ms. DeLauro: What conclusions have you drawn on recall operations from your public meeting last fall?

Response: FSIS gained important perspective from industry, consumers, and other public health agencies during its public meeting on improving the recall process. FSIS is currently sorting through that information as it examines possible changes to the current recall process.

REVISION OF WIC FOOD PACKAGE RULES

Mr. DeLauro: The National WIC Association provided comprehensive recommendations to USDA three years ago which dramatically revised the 25 year old WIC Food Packages to include fresh, frozen and canned fruits and vegetables; changes in the food packages to respond to obesity and childhood diabetes; and address the needs of the diverse cultural communities WIC serves. Three years later, USDA is just now circulating a "Notice of Intent" to publish a rulemaking on the WIC Food Package, with a goal of publishing that notice in the *Federal Register* in five to eight weeks. What

guarantees can you offer the Committee that this will be the last stop on the way to publishing a proposed rule before the end of fiscal year 2004 and what timeline have you developed to guarantee that a final rule will be published before the close of fiscal year 2005?

Response: This Administration strongly supports WIC and we will continue to work with the National WIC Association to ensure the best possible outcomes for WIC eligibles. The National WIC Association recommendations, including their recommendations that more research is needed, have contributed significantly to the thinking on how best to revise the WIC food packages. The Department's rule will meet some basic standards: be based on sound science; provide administrative flexibility; be cost neutral; and be likely to yield the best outcomes for the recipients.

The WIC statute states that WIC supplementals food mean foods containing nutrients determined by nutritional research to be lacking in the diets of pregnant, breastfeeding, and postpartum women, infants, and children. After 30 years experience with the food packages much has changed. Dietary habits have evolved, the ethnic composition of the caseload has changed, scientific understanding of nutrition-related health issues has advanced, and the new Dietary Reference Intakes have been published by the Institute of Medicine (IOM). The Department is committed to publishing a rule updating the WIC Food Packages to reflect the latest nutrition research and the cultural diversity of the WIC population in a timely fashion.

WIC – STRATEGIC INFORMATION SYSTEMS

Ms. DeLauro: USDA and the NWA jointly developed a strategic plan in 2001 that advised that WIC needed at least $110 million per year to address outdated State Management Information Systems which are essential to ensure program integrity, speed certification and collect critical health and nutrition data.

What specific steps has the Department taken to address this issue in the budget and how realistic do you consider this response to this very critical need?

Response: The President's fiscal year 2004 Budget requests $30 million for State system development and implementation. In consultation with the National WIC Association and WIC State agencies, two to three model WIC systems will be developed and then transferred to other WIC State agencies. This approach will greatly enhance and improve e-Government interfaces between Federal, State and local organizations and result in greater standardization and less duplication among WIC State agencies.

SUMMER FOOD PROGRAM

Ms. DeLauro: In 2000, Senator Lugar sponsored summer food pilots in 13 states and Puerto Rico which reduced the paperwork burdens and provided maximum reimbursement rates for public sponsors of the program. This resulted in dramatic increases in the number of public sponsors and the number of low income kids participating in the program in these states.

Will USDA work with Congress to expand these pilots nationwide to all sponsors, public and non-profit, so that all can provide this important program to all low income children in this country?

Response: Given the need to continue to find successful strategies to increase participation in the summer food program, the Department would be very supportive of Congressional efforts to expand the pilots nationwide to all sponsors, public and non-profit and to explore other strategies to promote participation if it can be done in the context of a cost-neutral child nutrition reauthorization. The Administration's budget proposes to improve the accuracy of eligibility determinations in the lunch program and to reinvest any savings in support of the Administration's principles for strengthening program operations, including ensuring access to all eligible children, streamlining program administration, and minimizing administrative burden.

AFTER SCHOOL SUPPER PROGRAM

Ms. DeLauro: New York State has a pilot program which provides reimbursements to schools that provide suppers to children living in low income areas.

Given the higher work requirements recently passed in TANF reauthorization, can we count on your support for more after school supper pilots which give families greater flexibility in their non-tradition work hours?

Response: The Department is currently providing assistance to the States of Illinois, Pennsylvania, Missouri, Delaware, New York, Oregon and Michigan to provide suppers to children in afterschool care under the Child and Adult Care Food Program. We would like to see this benefit extended to eligible elementary and secondary schools in needy areas in those States under the National School Lunch Program.

However, an evaluation of the effectiveness of these pilots in the States where they currently operate is needed before considering expansion of afterschool suppers to other States.

LISTERIA DIRECTIVE

Ms. DeLauro: In an effort to improve your testing system for Listeria, late last year you published an administrative directive to ensure that ready-to-eat meat and poultry products are taking the necessary steps to prevent contamination with *Listeria monocytogenes*. Along with my colleagues, Ms. Kaptur and Ms. Lowey, we sent you a letter outlining our views on how the Listeria Directive could be improved, including our recommendation that you finalize the Listeria rule. A few days ago, TIME magazine published an article that an industry newsletter stated, "a number of key (USDA) personnel have bought into much of industry proposal." Further, the directive was averted as a result of "industry efforts made at the White House level."

First, how will the Directive protect the public health?

Response: The directive is an aggressive and targeted approach to further reduce the risk of listeriosis from consumption of contaminated ready-to-eat products. Under the directive, plants producing high and medium risk ready-to-eat products, such as deli-meats and hot dogs, that do not have an evaluated environmental testing regime designed to find and take necessary actions to eliminate *Listeria monocytogenes,* are placed under an intensified testing program by FSIS. This intensified testing program consists of increased testing of the final product, and testing of food contact surfaces and plant environment. Plants that have an environmental testing program, but do not choose to share these testing data with FSIS on an ongoing basis, also fall under the intensified testing program. As a means of verification, those plants that share complete data from their environmental testing program with FSIS are subject to a targeted testing program, which consists of final product testing. There is a vast amount of data generated through environmental testing by processing facilities. Making it available to FSIS will help our inspectors anticipate problems through proactive analysis of contamination trends at these establishments.

Ms. DeLauro: Can you tell me about the process of how the directive was finalized? How did you take individual comments into account?

Response: The comments received by FSIS were reviewed and revisions were made in the directive based on the comments received. All individual comments were reviewed by FSIS as part of the process of developing the final directive.

Ms. DeLauro: What was the industry's involvement in the process and how was the White House involved?

Response: The industry, like consumer groups, made oral comments at the Listeria Summit held by FSIS in November and submitted written comments. The Office of Management and Budget reviewed the draft Listeria directive as it does all significant FSIS actions.

LISTERIA RECALL AT WAMPLER FOODS

Ms. DeLauro: In October of last year, Wampler Foods a company owned by the Pilgrims Pride Corporation recalled about 27 million pounds of ready-to-eat products because of possible contamination with *Listeria monocytogenes*. As a result of the contamination, dozens became sick, and seven people died. In the months prior to the outbreak, this plant was cited multiple times for sanitary violations by USDA inspectors. Along with colleagues, Ms. Kaptur and Mr. Hinchey, we wrote you with a variety of questions and concerns. The plant was even cited for not fixing problems it had promised to fix. If companies can receive multiple sanitary violations and not adequately take measures to improve their systems, isn't USDA failing to protect the public health?

Response: Each violation was corrected at the time it was found by the inspector. When a regulatory action is taken by FSIS, it is actively working to protect public health.

FSIS is committed to protecting public health and using its authority to ensure that establishments are adhering to FSIS regulations. FSIS will continue to take action against facilities that do not meet HACCP and SSOP regulatory standards.

Ms. DeLauro: Do you believe the USDA needs to be more aggressive in its enforcement or have more authority to protect the public health?

Response: I have asked for a complete review of our authorities. Upon completion of that review, I will determine whether or not current authorities allow us to do our job. However, we can work more aggressively in the enforcement of current food safety laws. The 2004 budget requests additional funding to begin taking 5,000 environmental samples in establishments producing ready-to-eat meat and poultry products and to increase the number of these samples analyzed for *Listeria* and *Salmonella* from 10,000 to 15,000, a 50 percent increase. It also requests funding for training in-plant inspectors to enhance consistency and effectiveness of inspection. Inspectors highly trained in HACCP must be the backbone of our food safety infrastructure.

QUESTIONS SUBMITTED BY MR. BERRY

INVENTORY OF FARM PROPERTY

Mr. Berry: Farm Service Agency has for a decade used an estimate of $97 annual per acre as the standard to cover the costs for managing and holding property in inventory. Is this standard still accurate, and does it include only holding costs, or acquisition and holding costs? What are the real costs, and is it time to revise this standard downward? How would a reduction affect overall spending for this program? Will the Secretary make this change?

Response: The estimated annual cost for inventory farm property is calculated by multiplying $97 per acre estimated holding/management cost by the number of acres. The estimated per acre holding cost was determined by a study completed by the former Farmers Home Administration in 1992. This includes such expenses as interest cost, taxes, hazardous waste cleanup, maintenance and legal fees. The interest on a non-performing asset such as inventory property is often the greatest component of the total cost of the property while it is in inventory. The Agency is in the process of updating the 1992 study to determine the current cost of acquiring, managing and disposing of inventory property. The research and analysis should take approximately six months to complete.

In 1992, FSA held more than 3,300 inventory properties. At the beginning of the current fiscal year, the Agency held only about 300 such properties, many of which were under lease or subject to environmental reviews before sales could be authorized. The dramatic drop in numbers of inventory property has resulted in a significant saving to the American taxpayer.

Mr. Berry: Has USDA adopted formal or informal procedures to hasten the sale of inventory land? How might this practice of disposing of land have affected the sale price of the land and how much does USDA recoups in sale of inventory property?

Response: FSA procedures for selling inventory property are mandated by Congress, and the timeframe is a statutory requirement. However, that timetable may be affected by certain other considerations, including litigation, environmental issues, wetland or easement determinations, historical determinations, statutory homestead protection rights, and existing leases under the now obsolete leaseback/buyback program. Properties cannot be sold until these issues are resolved. Inventory properties are offered at their appraised value at the time of sale, which could be higher or lower than their value at acquisition, depending on the general farm economy and specific local conditions. FSA processes for selling inventory property are in compliance with statutes and published regulations.

Mr. Berry: Please compare the appraised prices, the average time properties remained in inventory, and the sale prices of inventory property detailed by state, and in a national summary and within each state, by gender, race and ethnicity with appropriate

comparisons. Are there any significant disparities or differences that should be addressed? Compare average appraised and sale prices by size of parcels, and the gender, race and ethnicity of the owner before the parcel was taken into inventory.

Response: This information will be provided within 60 days, once a brief analysis of this type of data is accomplished. However, under Federal law, inventory farm properties must be advertised for sale with a priority for beginning farmers, as defined by statute. If there is more than one qualified applicant, the purchaser is drawn by lot, also as provided by statute. If no beginning farmers apply, the property is then sold to the highest bidder. The Agency is not aware of any significant disparities.

Mr. Berry: How does the length of time properties remain in inventory affect the average sale price of the properties compared to the appraised price when the property is taken into inventory?

Response: This information will be provided within 60 days, once a brief analysis of this type of data is accomplished.

Mr. Berry: USDA is required to provide preferences to beginning farmers and ranchers in the sale of inventory property. The terms of the *Pigford v. Glickman* settlement also require that claimants be afforded the opportunity to reclaim their properties in inventory. Please provide data on the racial and gender composition of the farmers who have purchased inventory land in each of the past five years, and of the income level of the farmers who have lost the land compared to the farmers who purchase the land.

Response: The following two charts display inventory property purchasers by race or ethnicity, and by type. FSA does not track the income levels of purchasers.

RACE	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	TOTAL
Asian/Pac.Islander	2	7	0	7	1	17
Black	12	5	4	5	6	32
Hispanic	41	6	12	4	4	67
Native American	5	15	4	3	2	29
Non-Tax-Exempt	2	3	2	0	0	7
Tax-Exempt	15	7	4	4	4	34
Undefined	0	0	1	0	0	1
White	477	351	260	212	174	1,474
TOTAL	554	394	287	235	191	1,661

Note: The codes for Non-Tax-Exempt and Tax-Exempt are used when the purchaser is a partnership or corporation.

TYPE	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	TOTAL
Beginning Farmer	43	11	15	8	6	83
Other	511	383	272	227	185	1,578
TOTAL	554	394	287	235	191	1,661

BEGINNING FARM PROGRAM

Mr. Berry: Also provide data on the racial, ethnic, and gender composition of participants in the beginning farm program?

Response: The information is submitted for the record.

[The information follows:]

REPORT OF BEGINNING FARMER LOAN OBLIGATIONS

	FY 2001								FY 2002							
	Farm Operating Loans				*Farm Ownership Loans*				*Farm Operating Loans*				*Farm Ownership Loans*			
Direct Loans	Number	% of Total	Amount	% of Total	Number	% of Total	Amount	% of Total	Number	% of Total	Amount	% of Total	Number	% of Total	Amount	% of Total
Race																
Asian/Pacific Islander	27	1%	1,708,125	1%	7	1%	976,680	1%	21	0%	1,268,860	0%	10	1%	1,404,500	1%
African Amer./Black	251	6%	11,462,535	4%	17	2%	1,631,853	2%	204	4%	9,389,305	4%	15	1%	1,590,900	1%
Hispanic/Latino	116	2%	6,157,550	2%	28	3%	3,562,200	3%	115	2%	5,795,950	2%	20	2%	2,023,800	2%
Native American	89	2%	4,187,113	2%	67	6%	6,539,140	6%	131	3%	5,591,540	2%	57	5%	6,813,065	5%
White	4,487	90%	235,884,438	91%	857	89%	94,283,859	88%	4,684	91%	243,223,001	92%	1,013	91%	120,562,740	91%
Unknown	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	4,979		259,399,761		984		106,993,542		5,155		265,218,716		1,115		132,395,005	
Total Loans	5,943		365,393,303						6,270		397,613,721					
Gender																
Male	3,561	72%	181,978,153	70%	629	65%	67,723,557	63%	3,787	73%	190,004,233	72%	744	67%	88,165,085	67%
Female	310	6%	14,787,126	6%	62	9%	9,888,675	9%	358	7%	14,904,705	6%	73	7%	8,976,015	7%
Family Unit	991	19%	50,980,577	20%	237	25%	27,467,180	26%	882	17%	49,283,403	19%	278	25%	32,539,045	25%
Org.- Male Owned	132	3%	10,279,025	4%	13	1%	1,854,700	2%	114	2%	9,649,150	4%	18	2%	2,314,860	2%
Org.- Female Owned	16	0%	1,374,880	1%	3	0%	249,450	0%	14	0%	1,367,225	1%	2	0%	400,000	0%
Public Body	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Unknown	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	4,979		259,399,761		984		106,993,542		5,155		265,218,716		1,115		132,395,005	
Total Loans	5,943		365,393,303						6,270		397,613,721					
Guaranteed Loans																
Race																
Asian/Pacific Islander	8	1%	968,800	1%	29	4%	10,045,203	6%	10	1%	1,754,710	1%	62	7%	28,266,859	12%
African Amer./Black	3	0%	134,000	0%	5	1%	1,078,500	1%	8	1%	408,780	0%	5	1%	1,072,900	0%
Hispanic/Latino	9	1%	1,474,857	1%	10	1%	3,032,750	2%	14	1%	2,825,720	1%	11	1%	2,357,450	1%
Native American	26	2%	3,725,806	2%	14	2%	4,158,085	3%	26	2%	2,750,539	1%	32	4%	8,673,526	4%
White	1,321	96%	170,810,592	96%	632	91%	143,763,060	88%	1,502	96%	202,969,695	96%	749	87%	190,127,065	82%
Unknown	2	0%	829,500	0%	1	0%	400,000	0%	2	0%	883,450	0%	0	0%	0	0%
Total	1,369		177,761,555		691		162,478,598		1,562		211,394,944		859		230,497,800	
Total Loans	2,060		340,240,153						2,421		441,892,744					
Gender																
Male	769	56%	93,853,047	53%	384	56%	89,643,957	55%	918	59%	114,814,501	54%	490	57%	120,948,341	52%
Female	41	3%	4,803,815	3%	48	7%	12,036,502	7%	40	3%	5,778,160	3%	51	7%	18,420,105	8%
Family Unit	423	31%	47,385,714	27%	227	33%	50,337,289	31%	444	28%	64,679,638	26%	266	31%	77,080,170	33%
Org.- Male Owned	124	9%	28,819,968	16%	29	4%	9,060,840	6%	145	9%	32,643,645	15%	40	5%	13,379,182	6%
Org.- Female Owned	10	1%	2,069,510	1%	2	0%	1,000,000	1%	13	1%	2,895,550	1%	2	0%	670,000	0%
Public Body	2	0%	829,500	0%	0	0%	0	0%	2	0%	883,450	0%	0	0%	0	0%
Unknown	0	0%	0	0%	1	0%	400,000	0%	0	0%	0	0%	0	0%	0	0%
Total	1,369		177,761,554		691		162,478,598		1,562		211,394,944		859		230,497,796	
Total Loans	2,060		340,240,152						2,421		441,892,742					

* Some numbers may not add up to 100% or be slightly different due to rounding.

Mr. Berry: By what method does FSA inform claimants, and minority and beginning farmers of the availability of inventory property and their rights to seek to purchase or repurchase the land? How are beginning farmers made aware of their eligibility for the beginning farm program? Are there differences in participation rates by gender, race and ethnicity? If so, how does the Department plan to correct these differences?

Response: It is USDA's responsibility to ensure adequate advertising to inform the public and achieve a timely sale. Inventory farm property is advertised for sale by publishing, at a minimum, two weekly advertisements in at least two newspapers that are widely circulated in the area in which the farm is located. The advertisements contain language advising that there is a priority to beginning farmers or ranchers and prevailing claimants in the Pigford case. The primary means of notification are newspaper advertisements, public "Notice of Sale" forms, and notification of known interested parties. Notices are also posted to bulletin boards in the reception areas of USDA service centers, employment centers, apartment complexes, or door-to-door distribution. Most recently, an Internet website has been developed that will contain information on properties that are available throughout the nation for sale.

For beginning farmers, FSA service centers promote the program by displaying posters and providing brochures concerning the program, noting its availability during public meetings, and discussing any questions raised by potential participants in one-to-one conversations. Information on the program is also available on the FSA Internet website and published in the Federal Register. Participation in this program by gender, race and ethnicity are generally similar to that in the overall Farm Loan Programs portfolio. No significant discrepancies have been noted.

RUSSIAN INSPECTIONS OF U.S. POULTRY PLANTS

Mr. Berry: Based on the belief by the U.S. Government that an agreement with Russia had been reached, U.S. companies allowed Russian veterinarians to begin inspecting U.S. plants as part of their requirement that their inspectors must approve all U.S. facilities by June 1, 2003. Based on Russia's inspection criteria, which was never accepted by USDA, none of the 45 poultry plants inspected this last November met Russian standards. How is the Administration willing to work with Russia to lift these unjustified restrictions on U.S. meat and poultry producers?

Response: USDA is actively engaged with the Russian Veterinary Service to develop acceptable criteria for U.S. poultry plant inspections. On February 14, 2003, following two separate negotiating sessions in Moscow and extensive consultations with the U.S. industry, FSIS forwarded additional technical information to Russia's Chief Veterinarian and offered solutions that would allow the re-inspection process to resume. As of March 5th, the Russian Veterinary Service had not yet responded. However, our follow-up efforts indicate the Russians could reply within several days.

FARM BILL SIGN-UP

Mr. Berry: County FSA offices continue to struggle mightily to complete the sign-up phase of farm bill implementation. What is USDA doing to complete the sign-up process in a timely manner and what is USDA pursuing to alleviate shortage in trained employees and adequate equipment needed to finish the sign-up period?

Response: USDA is taking extra steps to ensure that FSA County Offices have the necessary resources to efficiently complete the sign-up process and respond to producer questions and issues. Heavy workload counties have been identified and additional temporary employees and information technology (IT) equipment have been provided to these offices to meet workload demands. In many offices, County Office hours have been extended to schedule meetings with producers interested in program participation.

Clerk's Note. — The President's budget request for fiscal year 2004 was submitted on ebruary 3, 2003. This preceded final Congressional action of the fiscal year 2003 bill, vhich was completed in the House of Representatives on February 13, 2003. The resident's fiscal year 2004 budget request (including the explanatory notes) compared he submission with the budget request for fiscal year 2003, NOT with the fiscal year 003 enacted amounts. The following material covers portions of the fiscal year 2004 xplanatory notes revised to reflect enactment of the fiscal year 2003 appropriations act.]

OFFICE OF THE SECRETARY
(Including Transfers of Funds)

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Office of the Secretary:

For necessary expenses of the Office of the Secretary of Agriculture, [$3,412,000:] and not to exceed $75,000 for employment under 5 U.S.C. 3109, $10,068,000 of which $6,604,000 for cross-cutting trade negotiations and biotechnology resources may be transferred to agencies of the Department of Agriculture funded by this Act to support these activities: Provided, That the Appropriations Committees of both Houses of Congress are notified 15 days in advance of any transfer. Provided, That not to exceed $11,000 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary: Provided further, That none of the funds appropriated or otherwise made available by this Act may be used to pay the salaries and expenses of personnel of the Department of Agriculture to carry out section 793(c)(1)(C) of Public Law 104-127: Provided further, That none of the funds made available by this Act may be used to enforce section 793(d) of Public Law 104-127.

Office of the Assistant Secretary for Administration

For necessary salaries and expenses of the Office of the Assistant Secretary for Administration to carry out the programs funded by this Act, [$664,000] $793,000.

Office of the Assistant Secretary for Congressional Relations
(Including Transfers of Funds)

For necessary salaries and expenses of the Office of the Assistant Secretary for Congressional Relations to carry out the programs funded by this Act, including programs involving intergovernmental affairs and liaison within the executive branch, [$3,821,000] $4,186,000: Provided, That these funds may be transferred to agencies of the Department of Agriculture funded by this Act to maintain personnel at the agency level: Provided further, That no other funds appropriated to the Department by this Act shall be available to the Department for support of activities of congressional relations.

Office of the Under Secretary for Research, Education and Economics

For necessary salaries and expenses of the Office of the Under Secretary for Research, Education and Economics to administer the laws enacted by the Congress for the Economic Research Service, the National Agricultural Statistics Service, the Agricultural Research Service, and the Cooperative State Research, Education, and Extension Service, [$588,000] $792,000.

Office of the Under Secretary for Marketing and Regulatory Programs

For necessary salaries and expenses of the Office of the Under Secretary for Marketing and Regulatory Programs to administer programs under the laws enacted by the Congress for the Animal and Plant Health Inspection Service; the Agricultural Marketing Service; and the Grain Inspection, Packers and Stockyards Administration; [$730,000] $791,000.

Office of the Under Secretary for Food Safety

For necessary salaries and expenses of the Office of the Under Secretary for Food Safety to administer the laws enacted by the Congress for the Food Safety and Inspection Service, [$603,000] $792,000.

Office of the Under Secretary for Farm and Foreign Agricultural Services

For necessary salaries and expenses of the Office of the Under Secretary for Farm and Foreign Agricultural Services to administer the laws enacted by Congress for the Farm Service Agency, the Foreign Agricultural Service, the Risk Management Agency, and the Commodity Credit Corporation, [$622,000] $916,000.

Office of the Under Secretary for Natural Resources and Environment

For necessary salaries and expenses of the Office of the Under Secretary for Natural Resources and Environment to administer the laws enacted by the Congress for the Forest Service and the Natural Resources Conservation Service, [$750,000] $918,000.

Office of the Under Secretary for Rural Development

For necessary salaries and expenses of the Office of the Under Secretary for Rural Development to administer programs under the laws enacted by the Congress for the Rural Housing Service, the Rural Business-Cooperative Service, and the Rural Utilities Service of the Department of Agriculture, [$640,000] $913,000.

Office of the Under Secretary for Food, Nutrition and Consumer Services

For necessary salaries and expenses of the Office of the Under Secretary for Food, Nutrition and Consumer Services to administer the laws enacted by the Congress for the Food and Nutrition Service, [$603,000] $786,000. (7 U.S.C. 2201-2202).

Office of the Assistant Secretary for Civil Rights

For necessary salaries and expenses of the Office of the Assistant Secretary for Civil Rights to carry out programs funded by this Act, [$400,000] $808,000.

The first change in language reinstates appropriation language that was deleted in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of FY 2003. This language is necessary to allow Departmental Administration the flexibility to invoke the authority in event such a need arises.

The second change is necessary so that funds appropriated for this account may be used to support cross-cutting, trade-related and biotechnology activities of the Department.

The third change reinstates appropriation language that was deleted in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of FY 2003.

OFFICE OF THE SECRETARY

Appropriations Act, 2003		$12,833,000
Budget Estimate, 2004		21,763,000
Increase in Appropriation		+8,930,000
Adjustments in 2003:		
Appropriations Act, 2003	$12,833,000	
Rescission under P.L. 108-7 a/	- 83,000	
Activities included in the DHS b/	-69,545	
Adjusted base for 2003		12,680,455
Budget Estimate, 2004		21,763,000
Increase over adjusted 2003		+9,082,545

a/ The amount is rescinded pursuant to Section 601(a) of Division N, Title VI of P.L. 108-7.
b/ Pursuant to P.L. 107-296, The Homeland Security Act of 2002, net rescission. Annual amount. Actual amount of transfer to be determined.

SUMMARY OF INCREASES AND DECREASES
(On basis of adjusted appropriation)

Item of Change	2003 Estimated	Pay Costs	Program Changes	2004 Estimated
Immediate Office of the Secretary	$3,369,142	+$76,000	+13,858	$3,459,000
Cross-cutting Trade Negotiations and Biotechnology Resources	--	--	+6,604,000	6,604,000
Assistant Secretary for Administration	656,026	+18,000	+118,974	793,000
Assistant Secretary for Congressional Relations	3,781,098	+45,000	+359,902	4,186,000
Transfer to Agencies	- a/	--	--	- a/
Under Secretary for Research, Education, and Economics	580,026	+17,000	+194,974	792,000
Under Secretary for Marketing and Regulatory Programs	721,026	+16,000	+53,974	791,000
Under Secretary for Food Safety	595,026	+17,000	+179,974	792,000
Under Secretary for Farm and Foreign Agricultural Services	614,026	+22,000	+279,974	916,000
Under Secretary for Natural Resources and Environment	740,033	+22,000	+155,967	918,000
Under Secretary for Rural Development	632,026	+20,000	+260,974	913,000
Under Secretary for Food, Nutrition and Consumer Services	595,026	+17,000	+173,974	786,000
Assistant Secretary for Civil Rights	397,000	--	+411,000	808,000
FECA	--	--	+5,000	5,000
Total Available	12,680,455	+270,000	+8,812,545	21,763,000

a/ Amount to be transferred to USDA agencies to be determined.

OFFICE OF THE SECRETARY

Project Statement
(On basis of appropriation)

	2002 Actual		2003 Estimated		Increase or Decrease	2004 Estimated	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
1. Secretary	$2,977,396	20	$3,369,142	22	+$89,858	$3,459,000	22
Cross-cutting Trade Negotiations and Biotechnology resources	--	--	--	--	+6,604,000	6,604,000	--
FECA	--	--	--	--	+5,000	5,000	--
2. Under/Asst. Secretaries:							
ADMIN	644,905	4	656,026	5	+136,974	793,000	5
CONG. REL	1,434,481	12	3,781,098	17	+404,902	4,186,000	17
Transfer to agencies	(1,851,400)	--	-- a/	--	--	a/	--
REE	545,822	3	580,026	5	+211,974	792,000	5
MRP	651,430	4	721,026	5	+69,974	791,000	5
FOOD SAFETY	473,775	3	595,026	5	+196,974	792,000	5
FFAS	600,627	4	614,026	5	+301,974	916,000	5
NRE	580,434	4	740,033	6	+177,967	918,000	6
RD	621,544	4	632,026	5	+280,974	913,000	5
FNCS	586,011	4	595,026	5	+190,974	786,000	5
CIVIL RIGHTS	--	--	397,000	5	+411,000	808,000	5
Unobligated Balance	631,568	--	--	--	--	--	--
Subtotal available or estimate	9,747,993	62	12,680,455	85	+9,082,545	21,763,000	85
Transferred to other USDA agencies from CONG. REL	+1,851,400	--	-- a/	--			
Transferred to Department of Homeland Security	--	--	+69,545	--			
Total, available or estimate	11,599,393 a/	62	12,750,000	85			
Rescission	+6,607	--	+83,000	--			
Total, Appropriation	11,606,000	62	12,833,000	85			

a/ Amount does not include Congressional Relations transfer to agencies. The FY 2004 amount will be determined.

[Clerk's Note. – Following are the explanatory notes submitted as part of the President's fiscal year 2004 budget request prior to enactment of the fiscal year 2003 appropriations act.]

2004 Explanatory Notes
Office of the Secretary

Table of Contents

	Page
Purpose Statement	1-1
Statement of Available Funds and Staff Years	1-2
Permanent Positions by Grade and Staff Year Summary	1-3
Classification by Objects	1-4
Passenger Motor Vehicle and Aircraft Data	1-5
Appropriations Language	1-6
Justifications	1-7
Geographic Breakdown of Obligations and Staff Years	1-12

OFFICE OF THE SECRETARY

Purpose Statement

The Secretary of Agriculture, assisted by the Deputy Secretary, Under Secretaries and Assistant Secretaries, and members of their immediate staffs, directs and coordinates the work of the Department. This involves providing policy direction for all areas of the Department's responsibilities including research, educational and regulatory activities, nutrition, conservation and farm programs, and forestry and international agriculture. It also involves maintaining relationships with organizations and others in the development of programs and maintaining liaison with the Executive Office of the President and members of Congress on all matters pertaining to Departmental policy.

The general authority of the Secretary to supervise and control the work of the Department is contained in the Organic Act (7 U.S.C. 2201-2202). The delegation of regulatory functions to the Department employees and authorization of appropriations to carry out these functions are contained in 7 U.S.C. 450c-450g. The authority of the Secretary to streamline and reorganize the Department is contained in the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, Public Law 103-354.

The Office of the Secretary also oversees special projects that are conducted at the behest of the Congress. These projects include short-term studies, investigations, and research on matters affecting agriculture or the agricultural community. Usually, specific appropriations are provided to carry out these projects. Project results are reported to the appropriate Congressional committees.

The staff financed from this appropriation are all located in Washington, D. C. As of September 30, 2002, there were 63 employees.

The Office of the Secretary did not have any Office of the Inspector General or General Accounting Office evaluation reports during the past year.

OFFICE OF THE SECRETARY

Available Funds and Staff Years
2002 Actual and Estimated 2003 and 2004

Item	2002 Actual		2003 Estimated		2004 Estimated	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Office of the Secretary	$11,606,000	62	$14,167,000	80	$15,159,000	85
Security Improvements, FY 2003 one-time cost	--	--	28,250,000	--	--	--
Streamlining, FY 2003 one-time cost	--	--	5,000,000	--	--	--
Cross-cutting Trade Negotiations and Biotechnology Resources	--	--	--	--	6,604,000	--
Rescission	-6,607	--	--	--	--	--
Subtotal, Office of the Secretary	11,599,393	62	47,417,000	80	21,763,000	85
Obligations under other USDA appropriations:						
Reimbursements:						
Advisory Committee Liaison Services	85,851	1	195,000	2	205,000	2
Personnel Details FAS	207,437	--	--	--	--	--
Personnel Details FNCS	94,964	--	--	--	--	--
Subtotal, Reimbursements	388,252	1	195,000	2	205,000	2
Congressional Relations transfer to other USDA agencies	-1,851,400	--	-- a/	--	-- a/	--
Transfer to Department of Homeland Security	--	--	-70,000	--	--	--
Total, Office of the Secretary	10,136,245	63	47,542,000	82	21,968,000	87

a/ Amount to be transferred to USDA agencies for Congressional Relations to be determined.

OFFICE OF THE SECRETARY

Permanent Positions by Grade and Staff Year Summary
2002 Actual and Estimated 2003 and 2004

	2002	2003	2004
Grade	Washington, DC	Washington, DC	Washington, DC
Executive Level I	1	1	1
Executive Level II	1	1	1
Executive Level III	7	7	7
Executive Level IV	2	2	3
ES-6	3	3	3
ES-5	1	1	1
ES-4	8	8	8
ES-3	1	1	1
ES-2	3	3	3
ES-1	5	5	6
GS-15	6	13	14
GS-14	10	2	2
GS-13	3	4	12
GS-12	6	9	4
GS-11	8	8	8
GS-10	6	6	1
GS-9	8	4	9
GS-7	2	3	2
Ungraded Positions	1	1	1
Total, Permanent Positions	82	82	87
Unfilled Positions end-of-year	-19	--	--
Total, Permanent Full-Time Employment, end-of-year	63	82	87
Staff Year Ceiling	63	82	87

OFFICE OF THE SECRETARY

Classification by Objects
2002 Actual and Estimated 2003 and 2004

	2002	2003	2004
Personnel Compensation:			
Washington, D.C.	$5,630,441	$7,616,000	$8,319,000
11 Total personnel compensation	5,630,441	7,616,000	8,319,000
12 Personnel benefits	1,207,460	1,902,000	2,074,000
Total pers. comp. & benefits	6,837,901	9,518,000	10,393,000
Other Objects:			
21 Travel	503,900	370,000	430,000
22 Transportation of things	15,863	8,000	8,000
23.3 Communications, utilities, and misc. charges	277,246	293,000	308,000
24 Printing and reproduction	7,299	29,000	34,000
25.2 Other services	285,614	35,940,000	9,340,000
25.3 Purchases of goods and services from Government Accounts	807,995	844,000	896,000
26 Supplies and materials	285,782	207,000	212,000
31 Equipment	94,825	138,000	142,000
Total other objects	2,278,524	37,829,000	11,370,000
Total direct obligations	9,116,425	47,347,000	21,763,000
Position Data:			
Average Salary, ES positions	$134,372	$138,549	$141,470
Average Salary, GS positions	$60,233	$66,519	$72,640
Average Grade, GS positions	12.1	12.2	12.2

Size, Composition, and Annual Cost
(in thousands of dollars)
Number of Vehicles by Type*

Fiscal Year	Sedans and Station Wagons	Light Trucks 4x2	Light Trucks 4x4	Medium Trucks	Heavy Trucks	Ambulances	Buses	Total Vehicles	Annual Operating Cost ($ in thousands)
FY 2000 Change	2							2	17
FY 2001 Change	2							2	23
FY 2002 Change	2							2	25
FY 2003 Change	2							2	26
FY 2004 Change	2							2	27

These vehicles are leased through the General Services Administration's Leasing Program.

NOTES:
*These numbers include vehicles that are owned by the agency, leased from commercial sources, and leased from GSA.

OFFICE OF THE SECRETARY
(Including Transfers of Funds)

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

For necessary expenses of the Office of the Secretary of Agriculture, and not to exceed $75,000 for employment under 5 U.S.C. 3109, $10,068,000 of which $6,604,000 for cross-cutting trade negotiations and biotechnology resources may be transferred to agencies of the Department of Agriculture funded by this Act to support these activities: Provided, That the Appropriations Committees of both Houses of Congress are notified 15 days in advance of any transfer. Provided, That not to exceed $11,000 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary: Provided further, That none of the funds appropriated or otherwise made available by this Act may be used to pay the salaries and expenses of personnel of the Department of Agriculture to carry out section 793(c)(1)(C) of Public Law 104-127: Provided further, That none of the funds made available by this Act may be used to enforce section 793(d) of Public Law 104-127.

Office of the Assistant Secretary for Administration

For necessary salaries and expenses of the Office of the Assistant Secretary for Administration to carry out the programs funded by this Act, $793,000.

Office of the Assistant Secretary for Congressional Relations
(Including Transfers of Funds)

For necessary salaries and expenses of the Office of the Assistant Secretary for Congressional Relations to carry out the programs funded by this Act, including programs involving intergovernmental affairs and liaison within the executive branch, $4,186,000: Provided, That these funds may be transferred to agencies of the Department of Agriculture funded by this Act to maintain personnel at the agency level: Provided further, That no other funds appropriated to the Department by this Act shall be available to the Department for support of activities of congressional relations.

Office of the Under Secretary for Research, Education and Economics

For necessary salaries and expenses of the Office of the Under Secretary for Research, Education and Economics to administer the laws enacted by the Congress for the Economic Research Service, the National Agricultural Statistics Service, the Agricultural Research Service, and the Cooperative State Research, Education, and Extension Service, $792,000.

Office of the Under Secretary for Marketing and Regulatory Programs

For necessary salaries and expenses of the Office of the Under Secretary for Marketing and Regulatory Programs to administer programs under the laws enacted by the Congress for the Animal and Plant Health Inspection Service; the Agricultural Marketing Service; and the Grain Inspection, Packers and Stockyards Administration; $791,000.

Office of the Under Secretary for Food Safety

For necessary salaries and expenses of the Office of the Under Secretary for Food Safety to administer the laws enacted by the Congress for the Food Safety and Inspection Service, $792,000.

Office of the Under Secretary for Farm and Foreign Agricultural Services

For necessary salaries and expenses of the Office of the Under Secretary for Farm and Foreign Agricultural Services to administer the laws enacted by Congress for the Farm Service Agency, the Foreign Agricultural Service, the Risk Management Agency, and the Commodity Credit Corporation, $916,000.

Office of the Under Secretary for Natural Resources and Environment

For necessary salaries and expenses of the Office of the Under Secretary for Natural Resources and Environment to administer the laws enacted by the Congress for the Forest Service and the Natural Resources Conservation Service, $918,000.

Office of the Under Secretary for Rural Development

For necessary salaries and expenses of the Office of the Under Secretary for Rural Development to administer programs under the laws enacted by the Congress for the Rural Housing Service, the Rural Business-Cooperative Service, and the Rural Utilities Service of the Department of Agriculture, $913,000.

Office of the Under Secretary for Food, Nutrition and Consumer Services

For necessary salaries and expenses of the Office of the Under Secretary for Food, Nutrition and Consumer Services to administer the laws enacted by the Congress for the Food and Nutrition Service, $786,000. (7 U.S.C. 2201-2202).

Office of the Assistant Secretary for Civil Rights

For necessary salaries and expenses of the Office of the Assistant Secretary for Civil Rights to carry out programs funded by this Act, $808,000.

OFFICE OF THE SECRETARY

President's Budget, 2003	$47,417,000
Budget Estimate, 2004	21,763,000
Decrease in Appropriation	-25,654,000

Adjustments in 2003:		
President's Budget, 2003	$47,417,000	
Transfer to Department of Homeland Security a/	- 70,000	
Adjusted base for 2003		47,347,000
Budget Estimate, 2004		21,763,000
Decrease over adjusted 2003		-25,584,000

a/ Estimates for the transfer to the new Department of Homeland Security are included in the budgets as a one-time shift of funds. On a comparable basis the FY 2004 transfer to Department of Homeland Security is $70,000.

OFFICE OF THE SECRETARY

SUMMARY OF INCREASES AND DECREASES
(On basis of adjusted appropriation)

Item of Change	2003 Estimated	Pay Costs	Program Changes	Other Changes	2004 Estimated
Immediate Office of the Secretary	$3,395,000	+$76,000	--	-7,000	$3,464,000
Security Improvements	28,250,000	--	-28,250,000	--	--
Service Center Agencies Streamlining	5,000,000	--	-5,000,000	--	--
Cross-cutting Trade Negotiations and Biotechnology Resources	--	--	+6,604,000	--	6,604,000
Assistant Secretary for Administration	776,000	+18,000	--	-1,000	793,000
Assistant Secretary for Congressional Relations	4,142,000	+45,000	--	-1,000	4,186,000
Transfer to Agencies	- a/	--	--	--	- a/
Under Secretary for Research, Education, and Economics	776,000	+17,000	--	-1,000	792,000
Under Secretary for Marketing and Regulatory Programs	776,000	+16,000	--	-1,000	791,000
Under Secretary for Food Safety	776,000	+17,000	--	- 1,000	792,000
Under Secretary for Farm and Foreign Agricultural Services	895,000	+22,000	--	-1,000	916,000
Under Secretary for Natural Resources and Environment	897,000	+22,000	--	-1,000	918,000
Under Secretary for Rural Development	894,000	+20,000	--	-1,000	913,000
Under Secretary for Food, Nutrition and Consumer Services	770,000	+17,000	--	-1,000	786,000
Assistant Secretary for Civil Rights	--	--	+808,000	--	808,000
Total Available	47,347,000	+270,000	-25,838,000	-16,000	21,763,000

a/ Amount to be transferred to USDA agencies to be determined.

OFFICE OF THE SECRETARY

Project Statement
(On basis of appropriation)

	2002 Actual		2003 Estimated			2004 Estimated	
	Amount	Staff Years	Amount	Staff Years	Increase or Decrease	Amount	Staff Years
1. Secretary	$2,977,396	20	$3,395,000	22	+$69,000	$3,464,000	22
Security Improvements	--	--	28,250,000	--	-28,250,000	--	--
Service Center Agencies Streamlining	--	--	5,000,000	--	-5,000,000	--	--
Cross-cutting Trade Negotiations and Biotechnology resources	--	--	--	--	+6,604,000	6,604,000	--
2. Under/Asst. Secretaries:							
ADMIN	644,905	4	776,000	5	+17,000	793,000	5
CONG. REL.	1,434,481	12	4,142,000	17	+44,000	4,186,000	17
Transfer to agencies	(1,851,400)	--	-- a/	--	--	a/	--
REE	545,822	3	776,000	5	+16,000	792,000	5
MRP	651,430	4	776,000	5	+15,000	791,000	5
FOOD SAFETY	473,775	3	776,000	5	+16,000	792,000	5
FFAS	600,627	4	895,000	5	+21,000	916,000	5
NRE	580,434	4	897,000	6	+21,000	918,000	6
RD	621,544	4	894,000	5	+19,000	913,000	5
FNCS	586,011	4	770,000	5	+16,000	786,000	5
CIVIL RIGHTS	--	--	--	--	+808,000	808,000	5
Unobligated Balance	631,568	--	--	--	--	--	--
Subtotal available or estimate	9,747,993	62	47,347,000	80	-25,584,000	21,763,000	85
Transferred to other USDA agencies from CONG. REL.	+1,851,400	--	-- a/	--	--	-- a/	--
Transferred to Department of Homeland Security	--	--	70,000	--	-70,000	--	--
Total, available or estimate	11,599,393 a/	62	47,417,000	80	-25,654,000	21,763,000	85
Rescission	+6,607	--					
Total, Appropriation	11,606,000	62					

a/ Amount does not include Congressional Relations transfer to agencies. The FY 2004 amount will be determined.

Unobligated Balances Carried Forward

	Amount Appropriated	Amount Remaining
Homeland Security a/	$80,919,000	$36,355,321
Common Computing Environment b/	12,600,000	841,313
Total	93,519,000	37,196,634

It is estimated that all of the remaining funds will be spent in FY 2003.

a/ See Homeland Security Staff for details. Actual obligations for fiscal year 2002 for Homeland Security Staff was $156,713 and estimated obligations for fiscal years 2003 are $2,643,287.

b/ See Common Computing Environment/Service Center Modernization for details.

Justification of Increases and Decreases

(1) A net decrease of $25,584,000 and an increase of 5 staff years for the Office of the Secretary consisting of:

(a) An increase of $270,000 for pay costs.

This increase is needed to maintain staffing sufficient to ensure adequate leadership, guidance and policy direction of the Department.

(b) A decrease of $28,250,000 for Security Improvements.

This was a one time increase in fiscal year 2003 to continue activities funded by the fiscal year 2002 emergency supplemental for upgrading security at USDA facilities and operational security programs as well as other unforeseen needs of the Department related to counterterrorism and homeland security activities.

(c) A decrease of $5,000,000 for Service Center Agencies streamlining.

This was a one-time increase to implement plans to restructure the Service Center Agencies' field offices in 2003.

(d) An increase of $808,000 and 5 staff years to fund the Office of the Assistant Secretary for Civil Rights.

These funds will support the Office of the Assistant Secretary for Civil Rights pursuant to section 10704 of the Farm Security and Rural Investment Act of 2002 and the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6918). This new office will carry out those functions under the jurisdiction of the Department of Agriculture related to civil rights and such other functions as may be required by law. Since civil rights issues affect all aspects of USDA, the Department needs an official at this level to oversee and support civil rights activities across USDA to ensure that USDA is fully and actively complying with its civil rights obligations.

(e) An increase of $6,604,000 for Cross-cutting Trade Negotiations and Biotechnology Resources.

These funds will be made available to agencies in the Department to support a number of important cross-cutting, trade-related and biotechnology activities of the Department and ensure that adequate funds are available to address them effectively.

The trade-related workload of the Department is growing. Over the next several years, USDA will be undertaking an unprecedented level of trade negotiating activity. In addition to multilateral negotiations to reform the rules of international agricultural trade being conducted through the World Trade Organization, the Department will be actively involved in a number of regional and bilateral negotiations to achieve comprehensive trade agreements. These include negotiations to establish the Free Trade Area of the Americas and a regional free trade agreement with Central America, as well as bilateral negotiations with Morocco and Australia. Additional resources also are needed to monitor foreign compliance and protect U.S. trade rights under existing trade agreements and to represent the interests of the United States in standards-setting bodies, such as the Codex Alimentarius and International Plant Protection Council.

The Department also faces a growing array of challenges related to biotechnology, including a rapidly expanding number of regulatory, market access, and trade barrier issues. USDA is consolidating its program to ensure that the introduction and field testing of genetically-modified organisms do not present potential risks to America's plant and animal resources, industries, the general public, or the environment. This domestic effort complements USDA's expanding efforts to exchange information relating to the practical implications of implementing laws or regulations that require testing and will become increasingly important as trading partners develop and implement regulatory policies related to biotechnology. At the same time, the number of market access constraints related to biotechnology continues to grow rapidly. USDA resources are needed to anticipate and address these issues in order to avoid disruptions to trade and the loss of marketing opportunities overseas.

Because of the cross-cutting nature of these activities and the number of agencies involved, such as Foreign Agricultural Service, Animal and Plant Health Inspection Service, and Grain Inspection, Packers and Stockyards Administration, the funds are proposed to be appropriated to the Office of the Secretary. This will provide flexibility to the Office of the Secretary to determine how the funds shall be allocated among USDA agencies with trade-related activities during the course of the fiscal year. The allocations will be based on Departmental objectives, agency workload and staffing needs, and related considerations.

(f) An administrative decrease of $11,000 to reflect savings from the centralization and improvement of information technology at USDA.

Reduction for the savings associated with centralization and improvement of information technology. Savings are associated with consolidated buys for infrastructure and office automation, and consolidation of enterprise architecture projects within the Department. USDA continues to ensure that information technology investments utilize enterprise licenses for hardware and software where appropriate and reduce the information technology costs.

Geographic Breakdown of Obligations and Staff Years
2002 Actual and Estimated 2003 and 2004

	2002		2003		2004	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
District of Columbia	$9,116,425	62	$47,347,000	80	$21,763,000	85
Unobligated balance	631,568	--	--	--	--	--
Total, Available or Estimate.	9,747,993	62	47,347,000	80	21,763,000	85

Fiscal Year 2004 Hearing Questions

Departmental Administration

COST OF SETTLEMENTS

Mr. Bonilla: What are the latest figures on the cost of reparations or settlements for past program discrimination?

Response: As of December 23, 2002, $634,500,000 has been paid in $50,000 increments to 12,690 claimants for consent decree settlements. Additionally, 374 claimants have received debt forgiveness totaling $19,185,886.

FORECLOSURES

Mr. Bonilla: Are foreclosures still suspended? How many foreclosures are currently pending, what states are they located in, and how much do the loans total?

Response: Foreclosures were suspended following the September 1997 conversion of Section 502 servicing from our field offices to the Centralized Servicing Center (CSC). As with all conversions, customer education was required for new processes. There were also timeliness issues at CSC relative to responding to customer phone and mail inquiries. In 1997 and 1998, all seriously delinquent customers received additional servicing contacts by both CSC and field staff to ensure they were provided every opportunity to be successful and had not been negatively impacted by the conversion. Over 35,000 customers were offered an additional opportunity to be successful through re-amortizations, delinquency workout agreements, or by bringing their account current. This process was completed in 1999 and the suspension of foreclosures was lifted in 1999. Actual foreclosures in process have declined by 5.1 percent from 2001 to 2002. As of March 13, 2003, there were 14,832 foreclosure actions pending; however, it should be noted that at least 50 percent of homeowners in the foreclosure process bring their accounts current or otherwise cure the defaults prior to the actual foreclosure.

[The information follows:]

ON-SITE REVIEWS

Mr. Bonilla: Did you conduct any on-site reviews or complaint investigations regarding civil rights in fiscal year 2002? If so, please describe them.

Response: During fiscal year 2002, a total of 116 investigations were conducted in response to allegations of program discrimination. Of the 116 program complaints investigated, 51 complaints were investigated on-site and 65 complaints were investigated through interrogatories or requests for the production of documents.

PENDING FORECLOSURES

STATE	BORROWERS IN FORECLOSURE	PRINCIPAL LOAN BALANCE
ALABAMA	340	$ 11,910,463.11
ALASKA	20	1,587,366.54
ARIZONA	284	11,545,143.80
ARKANSAS	617	31,643,796.43
CALIFORNIA	242	22,154,697.20
COLORADO	84	4,588,917.37
CONNECTICUT	82	7,675,438.86
DELAWARE	61	4,575,976.32
FLORIDA	462	26,173,727.97
FEDERATED STATE OF MICRONESIA	5	147,061.51
GEORGIA	422	38,375,165.45
GUAM	82	4,388,776.67
HAWAII	58	3,714,378.36
IDAHO	110	5,914,595.00
IOWA	116	6,043,135.10
ILLINOIS	325	14,083,291.63
INDIANA	281	18,551,646.98
KANSAS	212	8,861,058.23
KENTUCKY	708	29,541,539.09
LOUISIANA	398	16,787,389.82
MASSACHUSETTS	58	9,960,975.56
MARYLAND	142	15,360,703.24
MAINE	199	16,414,364.30
MICHIGAN	175	9,418,508.76
MINNESOTA	78	5,558,951.31
MISSOURI	157	7,834,174.63
MISSISSIPPI	917	54,677,510.33
MONTANA	68	3,595,641.94
NORTH CAROLINA	525	44,229,148.25
NORTH DAKOTA	70	3,134,057.35
NEBRASKA	80	3,887,231.05
NEW HAMPSHIRE	41	3,973,256.06
NEW JERSEY	195	21,578,828.91
NEW MEXICO	168	10,053,121.56
NEVADA	29	1,926,594.14
NEW YORK	469	30,607,093.04
OHIO	280	24,474,305.74
OKLAHOMA	743	26,860,235.73
OREGON	103	8,348,010.89
PENNSYLVANIA	757	51,714,657.95
PUERTO RICO	1,209	38,261,152.86
RHODE ISLAND	15	2,047,940.70

SOUTH CAROLINA	926	49,689,517.27
SOUTH DAKOTA	86	3,122,207.81
TENNESSEE	375	17,332,812.64
TEXAS	958	35,038,616.48
UTAH	15	1,304,532.70
VIRGINIA	265	12,665,504.16
VIRGIN ISLANDS	74	4,427,837.66
VERMONT	107	7,753,084.31
WASHINGTON	110	10,064,244.10
WISCONSIN	159	10,996,539.80
WEST VIRGINIA	334	14,474,024.19
WYOMING	36	2,002,285.31
TOTALS	14,832*	$831,051,236.17

*NOTE: At least 50% of all borrowers pay their account current or otherwise cure the defaults under their loan prior to an actual sale.

In fiscal year 2002, a total of three on-site Agency Evaluations and one on-site compliance review were conducted in program delivery and one on-site compliance review was conducted in equal employment opportunity.

An on-site investigation involves on-site visits, interviews with involved parties, taking of sworn statements, and collection of relevant documents and statistics.

NUMBER OF COMPLAINTS

Mr. Bonilla: Please update the table provided to the Committee last year showing the number of complaints of program discrimination you received, and the number resolved from 1990 to include fiscal year 2002 actuals.

Response: The following table shows the history of program discrimination complaints since fiscal year 1996. Data for fiscal years 1990 through 1995 is not available.

[The information follows:]

History of Program Discrimination Complaints

Fiscal Year	Complaints Received	Complaints Resolved
FY 1996	228	1
FY 1997	573	121
FY 1998	1,011	477
FY 1999	1,224	1,500
FY 2000	637	1,284
FY 2001	1,096	1,078
FY 2002	1,225	1,126

EQUAL EMPLOYMENT OPPORTUNITY COMPLAINTS

Mr. Bonilla: Please list the number of open Equal Employment Opportunity Complaints existing at the end of the four previous fiscal years and for the current year to date.

Response: The following table shows the number of open Equal Employment Opportunity Complaints existing at the end of the last four fiscal years and the current year to date:

[The information follows:]

Equal Employment Opportunity Complaints
Pending at the End of Each Fiscal Year

FY 1997	1,494
FY 1998	1,468
FY 1999	1,725
FY 2000	1,804
FY 2001	1,906
FY 2002	2,180
FY 2003	2,012 *

* As of April 28, 2003.

PROCESSING COMPLAINTS

Mr. Bonilla: What are the current processing times for discrimination complaints? Has processing time been reduced?

Response: The average processing time for program discrimination complaints during fiscal year 2002 was 195 days. This was a thirty-eight percent improvement over the average processing time in fiscal year 2001. The fiscal year 2002 average processing time for Equal Employment Opportunity complaints was 448 days. This was a twenty-two percent decrease in the average processing time for these cases.

FUNDING NEW FIELD SERVICE CENTERS

Mr. Bonilla: How much has USDA spent and how much does USDA plan to spend in fiscal years 2002 through 2004 to implement the new Field Service Centers, and what will be acquired with these investments?

Response: We are in the very early stages of developing a plan to identify offices that will be considered candidates for collocation. One of the factors to be considered will be the cost/benefit of collocating the offices identified. We do not anticipate acquisition of anything during this process; we will, at most, be relocating people and equipment when economical to do so. It should be noted that these are not new Field Service Centers but rather continuing the economy and efficiency moves initiated more than a decade ago.

USDA STREAMLINING

Mr. Bonilla: Please update the Committee on the status of USDA streamlining.

Response: From 1993 to 2002, employment throughout USDA was reduced by almost 16,000 staff years of effort with the higher percentage reduction occurring tin Headquarters, primarily in administrative functions, and a lower percentage occurring in the field offices where the programs are delivered. Simultaneously, USDA initiated other efforts to improve efficiency such as reducing the number of field office locations from over 3,500 to about 2,650 Service Centers and building the Common Computing Environment (CCE). We are continuing efforts to identify offices that could be candidates for further collocation and are developing plans to merge the staff who are supporting the CCE infrastructure into a single support organization.

USDA/1890 NATIONAL SCHOLARS PROGRAM

Mr. Bonilla: Please update the Committee on the USDA/1890 National Scholars Program including the number of students in the program and the costs of operation in fiscal years 2001, 2002 and 2003.

[The information follows:]

PROCUREMENT REFORM

Mr. Bonilla: Please update the Committee on procurement reform.

Response: During fiscal year 2002, the USDA Procurement Home Page was reviewed and updated to ensure compliance with Section 508 requirements. The USDA Procurement Home Page, which uses both the Internet and Intranet, has been incorporated into standard operating procedures as one of the primary mechanisms for dissemination of information to both the USDA procurement and program personnel, and vendors.

USDA agencies fully implemented the Federal Business Opportunities system--FedBizOpps--for electronically advertising business opportunities and furnishing copies of solicitations via the Internet. Use of FedBizOpps is now an integrated part of the agencies' procurement processes.

USDA can declare success in the use of Performance Based Service Contracts--PBSC. Under this Presidential Management Initiative goals were set for fiscal years 2000 through 2005. Our achievements exceeded the goal. We are now focusing on increased quality in these contracts and, secondarily, on continued growth.

[The information follows:]

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Goal	NA	NA	10%	20%	30%	40%	50%
Achievement	1.9%	4.6%	13.4%	47.5%			

UNITED STATES DEPARTMENT OF AGRICULTURE
1890 National Scholars Program
FY 2001 Actuals

Agency	Salaries and Benefits	Tuition, Books, and Other Fees	Summer Lodging	Travel	Computers and Admin. Costs	Total	Number of Scholars
AMS	$35,770	$33,349	$13,200	$5,357	$60,836	$148,512	4
APHIS	42,585	79,481	13,840	0	0	135,906	10
ARS	26,065	22,720	0	0	0	48,785	6
CSREES	14,645	45,596	5,000	300	0	65,541	4
ERS	6,500	17,912	0	1,000	0	25,412	4
FAS	3,704	14,500	1,800	500	11,596	32,100	2
FNS	25,702	49,460	25,545	7,385	665	108,757	7
FS	116,130	209,000	10,000	26,500	10,500	372,130	29
FSA	64,832	79,099	4,500	18,692	0	167,123	14
FSIS	8,250	22,177	0	0	0	30,427	2
GIPSA	22,365	16,041	7,115	2,156	0	47,677	4
NASS	5,954	12,794	0	216	20,141	39,105	3
NRCS	96,000	120,200	11,000	2,500	180,908	410,608	14
RD	53,583	58,489	0	0	0	112,072	12
RMA	18,985	5,067	0	1,859	0	25,911	1
STAFF OFFICES	13,617	15,959	4,500	1,000	1,763	36,839	1
TOTAL	554,687	801,844	96,500	67,465	286,409	1,806,985	117

UNITED STATES DEPARTMENT OF AGRICULTURE
1890 National Scholars Program
FY 2002 Actuals

Agency	Salaries and Benefits	Tuition, Books, and Other Fees	Summer Lodging	Travel	Computers and Admin. Costs	Total	Number of Scholars
AMS	$11,328	$14,970	$4,575	$1,000	0	$31,873	4
APHIS	55,130	79,273	20,120	500	$24,000	179,023	9
ARS	22,586	50,623	0	500	0	73,709	7
CSREES	18,162	36,143	6,528	946	0	61,779	4
ERS	13,086	23,787	0	0	0	36,873	4
FAS	4,860	13,033	3,200	758	18,509	40,360	3
FNS	39,980	53,570	20,335	3,374	30,453	147,712	6
FS	101,045	262,300	9,000	19,000	0	391,345	23
FSA	87,372	96,753	3,065	10,884	0	198,074	18
FSIS	1,203	0	0	0	0	1,203	1
GIPSA	14,255	18,000	6,300	1,445	0	40,000	4
NASS	8,000	7,500	0	0	22,332	37,832	2
NRCS	136,400	166,300	20,800	5,200	11,600	340,300	15
RD	41,393	45,367	0	0	0	86,760	8
RMA	15,143	4,353	0	0	14,736	34,232	1
STAFF OFFICES	38,515	49,310	2,729	10,528	252,009	353,091	6
TOTAL	**608,458**	**921,282**	**96,652**	**54,135**	**373,639**	**2,054,166**	**115**

UNITED STATES DEPARTMENT OF AGRICULTURE
1890 National Scholars Program
FY 2003 Estimates

Agency	Salaries and Benefits	Tuition, Books, and Other Fees	Summer Lodging	Travel	Computers and Admin. Costs	Total	Number of Scholars
AMS	$5,600	$8,600	$2,000	$550	0	$16,750	2
APHIS	68,912	67,382	25,150	3,000	$25,000	189,444	7
ARS	24,000	50,000	0	0	0	74,000	4
CSREES	24,889	40,353	6,528	2,216	0	73,986	4
ERS	12,000	17,900	0	0	0	29,900	4
FAS	4,047	11,648	1,600	1,977	18,787	38,059	2
FNS	34,668	51,000	16,032	3,000	32,000	136,700	5
FS	103,360	227,500	11,500	12,000	0	354,360	24
FSA	82,345	111,706	24,000	2,350	5,000	225,401	16
FSIS	18,700	38,000	8,000	0	11,000	75,700	3
GIPSA	16,250	10,650	7,500	1,500	0	35,900	3
NASS	8,000	7,500	0	0	24,000	39,500	2
NRCS	149,600	265,400	24,800	6,200	12,500	458,500	17
RD	73,363	132,735	0	0	0	206,098	15
STAFF OFFICES	41,633	68,961	13,790	2,500	261,008	387,892	5
TOTAL	**667,367**	**1,109,335**	**140,900**	**35,293**	**389,295**	**2,342,190**	**113**

CELEBRATION OF EXCELLENCE CEREMONY

Mr. Bonilla: Did USDA conduct a Celebration of Excellence Ceremony for USDA employees in fiscal year 2002? If so, what were the costs?

Response: The Department of Agriculture held the Secretary's Annual Honor Awards Ceremony on July 8, 2002, in which 1,832 recipients were recognized. This figure includes 29 individuals and 59 groups with 1,744 group members. The total expenditures for the 2002 Honor Awards program were $109,177.

PROPOSED PAPERLESS PERSONNEL REQUEST SYSTEM

Mr. Bonilla: What is the status of the proposed paperless personnel request system? Include a timetable for implementation, an estimate of the costs, and an evaluation of the benefits.

Response: As part of the President's Management Agenda, the Administration is working on one integrated personnel system for the Federal Government. In the interim, USDA is working with OPM on several e-government initiatives which should eventually result in a more streamlined approach to many Human Resource processes and allow for more efficient operational activities. Employees are currently able to process selected changes to their payroll records and benefits through self-service. The recruitment process continues to become more automated. OPM's payroll service provider consolidation will also have the effect of streamlining payroll processes. We will have more reliable and accessible information on our workforce for human capital management purposes as these systems changes evolve.

EARLY OUT AND BUYOUT OPTIONS

Mr. Bonilla: Do you plan on using the early out or the buy out authority in 2003 or 2004? If so, how many employees do you think will use the early out or buy out option?

Response: USDA plans to use early out authority in fiscal year 2003 for employees impacted by competitive sourcing. At this time, we do not know the final numbers but anticipate as many as 1,000 employees could take advantage of this human resource flexibility in fiscal year 2003. We are reviewing the new buyout legislation and expect limited use, if any, in fiscal year 2003.

NUMBER OF CREDIT CARDS ISSUED

Mr. Bonilla: Please report on the number of credit cards issued in 2002 and the number issued so far in 2003.

Response: In fiscal year 2002, approximately 2,135 purchase cards and 5,338 fleet-credit cards were issued. As of March 2003, 1,195 purchase cards and 1,516 fleet cards have been

issued. During the past two years, USDA has been deleting dormant and low use purchase cards to reduce risks and improve management of the program. Following are the changes made in fiscal year 2002 and so far this year in purchase cards:

[The information follows:]

	FY 2002	FY 2003 *
Purchase Cards Deleted	-3,532	-1,507
Purchase Cards Added	2,135	1,195
Net Change	-1,397	-312

* As of March 2003.

SAVINGS THROUGH CREDIT CARDS

Mr. Bonilla: What are the estimated annual savings achieved through the use of credit cards?

Response: Six years ago, we projected $29.5 million in cost avoidance/savings. However, our analysis did not include fleet cards or the actual level of transactions we are seeing today, so if we were to revisit the Business Case it would be higher. Cost avoidance/savings come primarily from: 1) replacing paper-based purchase orders costing $77 each with purchase card transactions costing $17 each with the new business process; 2) reducing purchase card transaction costs from $39.85 under the old paper statement reconciliation and payment process to $17 with the Purchase Card Management System--PCMS; 3) shifting imprest fund transactions to purchase card and convenience check transaction; and 4) replacing third party draft transactions costing $41.85 per transaction with convenience checks costing $17.25 per transaction to process. In addition, system savings were projected for shutting down some systems and drastically reducing the use of other systems.

TARGETED DISABILITIES

Mr. Bonilla: Update the information from last year's hearing record regarding employment of persons with targeted disabilities.

Response: As of September 30, 2002, the total permanent workforce at USDA was 91,393. Of this total, there were 993 employees with severe or targeted disabilities, or approximately 1.08 percent of the total workforce. Employment of persons with all reported disabilities was 6,645 or approximately 7.27 percent of the total permanent workforce.

DISTRIBUTION OF MOTOR VEHICLES

Mr. Bonilla: Update the table from last year's hearing record showing the distribution of the Department's vehicles by agency.

[The information follows:]

USDA DOMESTICALLY OWNED VEHICLES

(As of 9/30/02)

Agricultural Marketing Service	62
Agricultural Research Service	3,080
Farm Service Agency	15
Animal and Plant Health Inspection Service	4,182
Rural Development	10
Grain Inspection, Packers and Stockyards Administration	2
Forest Service	16,867
National Agricultural Statistics Service	33
Office of the Inspector General	39
Natural Resources Conservation Service	10,394
Food Safety and Inspection Service	2
Total Domestically Owned Vehicles	34,686

In addition to the 34,686 owned sedans, station wagons, light trucks, medium trucks, heavy trucks, buses and ambulances listed in the above table, USDA owns and operates various special purpose vehicles which include: fire trucks, trash compactors, construction equipment, trailers, motorcycles, and snowmobiles. We also operate 185 vehicles in foreign countries and lease approximately 6,653 vehicles from GSA and 218 vehicles commercially. USDA also owns and loans through the Federal Excess Property Program--FEPP--about 25,000 pieces of fleet equipment made up of trucks, buses, and heavy equipment.

DISTRIBUTION OF AIRCRAFT

Mr. Bonilla: Please provide a table showing the Department's distribution of aircraft by agency.

[The information follows:]

DISTRIBUTION OF OWNED AND OPERATED AIRCRAFT

(As of 9/30/02)

Agricultural Research Service	6
Animal and Plant Health Inspection Service	26
Forest Service	44
Total Owned Aircraft	76

In addition, the Forest Service owns 275 aircraft which are on loan to State Forestry organizations and 28 aircraft which are on loan to museums. These organizations pay all costs associated with the aircraft. The Animal and Plant Health Inspection Service also leased on a year round basis nine aircraft and borrowed five aircraft from cooperators. The Department has also acquired by contract, charter, lease or rental approximately $140 million in aircraft and aircraft services. The charter/lease amount continues to be high due to another bad fire season in the south and west.

HISTORICALLY BLACK COLLEGES AND UNIVERSITIES

Mr. Bonilla: Please update the table provided to the Committee last year showing the funds USDA provided to Historically Black Colleges and Universities to include fiscal year 2001 and 2002 actuals and 2003 estimates.

Response: Information for fiscal year 2003 is not available at this time. Data for fiscal years 2001 and 2002 are provided for the record.

[The information follows:]

UNITED STATES DEPARTMENT OF AGRICULTURE

Funds Provided to Support
Historically Black Colleges and Universities
(Dollars in Thousands)

	FY 2001 Actual	FY 2002 Actual
Research and Development	$46,985	$50,508
Program Evaluation	3,826	699
Training	2,386	1,509
Facilities and Equipment	15,131	13,789
Fellowships, Traineeships, Recruitment and IPAs	7,362	8,319
Student Tuition Assistance, Scholarships and Aid	1,233	1,289
Direct Institutional Subsidies	30,232	33,387
Third Party Awards and Private Sector Involvement	186	48
Administrative Infrastructure	37	0
Other	7,362	2,053
Total	**114,740**	**111,601**

FUNDS TRANSFERRED TO LAND GRANT UNIVERSITIES

Mr. Bonilla: Provide a table showing a complete list, by agency, of all funds being transferred to each Land Grant University for fiscal years 2001, 2002 and estimates for fiscal year 2003.

Response: Information for fiscal year 2003 is not available at this time. Data for fiscal years 2001 and 2002 are provided for the record.

[The information follows:]

United States Department of Agriculture
Funds Transferred to Land-Grant Institutions
(Dollars in Thousands)

FY 2001 Actual

1862 LAND-GRANT INSTITUTIONS	AMS	APHIS	ARS	CSREES	ERS	FAS	FSA	FSIS	GIPSA	NASS	NRCS	RD	RMA	TOTAL
UNIVERSITY OF ALASKA	0	$20	$782	$7,455	0	0	0	0	0	$12	$95	$30	0	$8,394
AMERICAN SAMOA COMMUNITY COLLEGE	0	0	0	1,127	0	0	0	0	0	0	0	0	0	1,127
UNIVERSITY OF ARIZONA	0	23	418	10,992	$179	$356	0	0	0	0	0	0	$21	11,989
UNIVERSITY OF ARKANSAS	$32	63	5,706	18,330	0	0	0	$20	0	65	31	0	3	24,250
AUBURN UNIVERSITY	0	139	449	18,503	150	0	0	3	0	0	37	0	0	19,281
UNIVERSITY OF CALIFORNIA	18	2,350	2,373	40,569	167	10	0	0	0	0	161	1,000	24	46,672
CLEMSON UNIVERSITY	35	182	92	14,164	26	15	0	0	0	0	273	0	50	14,837
COLORADO STATE UNIVERSITY	75	627	1,153	15,471	0	47	0	0	0	0	79	0	0	17,452
UNIVERSITY OF CONNECTICUT	0	26	1,615	10,273	0	5	0	0	0	0	1	0	0	11,920
CORNELL UNIVERSITY	162	239	2,235	37,747	14	872	0	2	0	0	4	0	8	41,283
UNIVERSITY OF DELAWARE	0	8	59	4,725	0	44	0	0	0	0	0	0	0	4,828
UNIVERSITY OF DISTRICT OF COLUMBIA	0	0	0	2,042	0	0	0	0	0	0	0	0	0	2,042
UNIVERSITY OF FLORIDA	0	621	1,116	27,912	40	40	0	0	0	0	1	0	0	29,730
UNIVERSITY OF GEORGIA	46	581	772	28,964	0	22	0	0	0	0	7	0	11	30,403
UNIVERSITY OF GUAM	0	11	0	2,497	0	0	0	0	0	0	0	64	0	2,572
UNIVERSITY OF HAWAII	3	0	2,409	9,333	200	10	0	2	0	0	51	0	28	12,036
UNIVERSITY OF IDAHO	0	0	340	9,278	0	0	0	0	0	0	1	0	21	9,640
UNIVERSITY OF ILLINOIS	0	116	2,156	26,885	55	15	0	0	$40	0	0	0	23	29,290
IOWA STATE UNIVERSITY	0	96	1,037	34,549	10	68	0	0	39	54	2,440	0	0	38,293
KANSAS STATE UNIVERSITY	158	27	1,490	29,253	20	0	0	1	0	0	82	0	0	31,031
UNIVERSITY OF KENTUCKY	0	0	57	21,959	0	0	0	3	0	0	0	0	0	22,019
LOUISIANA STATE UNIVERSITY	0	212	1,224	13,753	0	361	0	0	0	0	30	0	0	15,380
UNIVERSITY OF MAINE	0	5	54	10,039	0	0	0	0	0	0	0	0	0	10,098
UNIVERSITY OF MARYLAND	2	143	531	11,204	101	575	0	0	0	0	0	0	0	12,576
UNIVERSITY OF MASSACHUSETTS	0	124	29	9,498	0	0	0	0	0	0	137	0	169	9,957
MICHIGAN STATE UNIVERSITY	30	188	1,013	34,102	0	0	0	3	0	0	0	0	0	35,336
COLLEGE OF MICRONESIA	0	0	0	1,652	0	0	0	0	0	0	0	0	0	1,652
UNIVERSITY OF MINNESOTA	0	74	1,189	24,028	25	245	0	0	0	0	0	0	15	25,576
MISSISSIPPI STATE UNIVERSITY	0	63	5,160	20,069	160	48	0	2	0	0	71	0	0	25,573
UNIVERSITY OF MISSOURI	4	99	3,905	20,973	0	761	0	2	0	0	0	305	0	26,049
MONTANA STATE UNIVERSITY	20	86	297	11,202	0	0	0	23	0	0	68	0	0	11,696
UNIVERSITY OF NEBRASKA	0	14	578	28,067	0	30	0	2	0	0	26	0	0	28,717
UNIVERSITY OF NEVADA, RENO	0	0	15	8,911	0	0	0	0	0	0	0	0	48	8,974
UNIVERSITY OF NEW HAMPSHIRE	0	25	0	4,647	0	4	0	0	0	0	0	0	0	4,676
NEW MEXICO STATE UNIVERSITY	0	94	1,534	8,368	8	606	0	25	0	0	0	0	0	10,435
NORTH CAROLINA STATE UNIVERSITY	0	520	633	37,472	0	34	0	0	0	0	8	0	0	38,669
NORTH DAKOTA STATE UNIVERSITY	88	163	2,140	8,902	0	0	0	0	0	0	0	0	7	11,300
NORTHERN MARIANAS COLLEGE	0	0	0	1,517	0	0	0	0	0	0	0	0	0	1,517
OHIO STATE UNIVERSITY	0	16	717	26,798	0	10	0	2	0	0	197	0	26	27,766
OKLAHOMA STATE UNIVERSITY	0	48	613	13,043	0	0	0	0	0	0	398	0	0	14,102
OREGON STATE UNIVERSITY	0	10	884	14,996	0	69	0	0	0	0	52	0	4	16,015
PENNSYLVANIA STATE UNIVERSITY	0	452	281	24,200	15	22	0	3	0	0	40	0	0	25,013
UNIVERSITY OF PUERTO RICO	0	0	51	12,143	0	0	$107	44	0	0	0	0	0	12,345
PURDUE UNIVERSITY	52	786	2,554	20,094	68	138	0	0	0	12	253	500	0	24,457
UNIVERSITY OF RHODE ISLAND	0	5	205	3,761	0	0	0	0	0	0	0	0	0	3,971
RUTGERS STATE UNIVERSITY OF NEW JERSEY	0	3	225	15,366	52	254	0	0	0	0	1	0	0	15,901
SOUTH DAKOTA STATE UNIVERSITY	0	0	420	7,160	0	0	0	0	0	0	0	0	0	7,580
UNIVERSITY OF TENNESSEE	2	13	26	18,881	0	22	0	3	0	0	0	1,981	23	20,951
TEXAS A&M UNIVERSITY	12	188	1,997	38,206	10	203	0	5,025	0	0	0	0	0	45,641
UTAH STATE UNIVERSITY	44	445	82	12,312	0	20	0	0	0	0	40	0	15	12,958
UNIVERSITY OF VERMONT	18	14	130	8,351	0	30	0	0	0	0	0	25	0	8,566
UNIVERSITY OF THE VIRGIN ISLANDS	0	0	0	18,717	0	0	0	0	0	0	0	0	0	18,717
VIRGINIA POLY INST & STATE UNIVERSITY	30	37	853	22,235	0	0	0	0	0	0	69	0	0	23,224
WASHINGTON STATE UNIVERSITY	28	5	766	9,794	0	0	0	0	0	65	65	0	206	10,929
WEST VIRGINIA UNIVERSITY	0	0	696	28,911	0	0	0	0	0	0	0	0	0	29,607
UNIVERSITY OF WISCONSIN	0	0	867	4,888	284	354	0	4	0	0	0	0	0	6,397
UNIVERSITY OF WYOMING	0	63	96	0	183	0	0	0	0	0	0	0	0	342
TOTAL	859	9,016	53,846	926,388	1,767	5,290	107	5,169	79	208	4,718	3,903	702	1,013,952

United States Department of Agriculture
Funds Transferred to Land-Grant Institutions
(Dollars in Thousands)

FY 2001 Actual

1862 LAND-GRANT INSTITUTIONS	AMS	APHIS	ARS	CSREES	ERS	FAS	FS	FSA	FSIS	GIPSA	NASS	NRCS	RD	RMA	TOTAL
UNIVERSITY OF ALASKA	0	$20	$1,662	$9,298	0	0	$68	0	0	0	$12	$51	0	0	$11,111
AMERICAN SAMOA COMMUNITY COLLEGE	0	0	0	1,022	0	0	0	0	0	0	0	0	0	0	1,022
UNIVERSITY OF ARIZONA	0	6	285	11,227	$180	$233	794	0	0	0	0	9	0	$94	12,819
UNIVERSITY OF ARKANSAS	0	7	303	18,113	37	7	10	0	0	$40	43	30	0	23	18,613
AUBURN UNIVERSITY	0	165	980	19,196	0	0	379	0	0	0	0	40	0	57	20,817
UNIVERSITY OF CALIFORNIA	352	1,592	4,403	24,477	704	51	1,239	0	0	0	0	53	$376	86	33,031
CLEMSON UNIVERSITY	0	470	367	14,295	0	0	68	0	0	0	0	412	0	0	15,612
COLORADO STATE UNIVERSITY	10	624	587	19,746	65	0	253	0	0	0	0	146	0	0	21,431
UNIVERSITY OF CONNECTICUT	0	8	1,562	10,707	20	0	54	0	0	0	0	0	0	0	12,351
CORNELL UNIVERSITY	20	145	2,954	41,630	149	308	0	0	0	0	0	249	0	0	45,455
UNIVERSITY OF DELAWARE	0	0	9	6,005	10	0	0	0	0	0	0	0	0	0	6,024
UNIVERSITY OF DISTRICT OF COLUMBIA	0	0	0	2,037	0	0	0	0	0	0	0	0	0	0	2,037
UNIVERSITY OF FLORIDA	36	335	1,816	30,735	68	36	163	0	0	0	0	19	0	109	33,317
UNIVERSITY OF GEORGIA	0	332	1,092	31,964	35	99	600	0	88	0	0	35	0	0	34,155
UNIVERSITY OF GUAM	0	0	0	3,071	0	0	0	0	0	0	0	0	0	0	3,071
UNIVERSITY OF HAWAII	3	0	2,306	12,386	0	0	70	0	0	0	0	0	0	0	14,765
UNIVERSITY OF IDAHO	0	0	960	6,406	0	0	100	0	0	0	0	3	0	0	7,469
IOWA STATE UNIVERSITY	15	45	477	38,478	38	$18	0	0	4	0	54	1,697	0	83	27,347
KANSAS STATE UNIVERSITY	0	2,028	824	18,350	0	21	10	0	4	0	0	263	300	0	41,126
UNIVERSITY OF KENTUCKY	0	29	684	23,111	61	0	59	0	25	0	0	0	0	0	21,800
LOUISIANA STATE UNIVERSITY	0	119	1,839	17,023	0	201	146	0	0	0	0	154	0	0	21,969
UNIVERSITY OF MAINE	0	24	48	10,620	0	0	243	0	0	0	0	0	0	102	19,482
UNIVERSITY OF MARYLAND	0	19	799	10,648	35	1,094	53	0	5	0	0	40	0	0	11,097
UNIVERSITY OF MASSACHUSETTS	0	99	0	10,375	37	0	354	0	0	0	0	0	0	0	12,645
MICHIGAN STATE UNIVERSITY	0	137	1,123	37,375	0	147	353	0	0	0	0	9	0	0	10,845
COLLEGE OF MICRONESIA	0	0	0	1,652	0	0	0	0	0	0	0	0	0	0	39,144
UNIVERSITY OF MINNESOTA	0	122	864	27,733	108	247	73	0	0	0	0	0	0	0	1,652
MISSISSIPPI STATE UNIVERSITY	0	73	2,432	23,207	220	0	84	0	0	0	0	32	75	0	29,254
UNIVERSITY OF MISSOURI	0	54	3,580	22,190	30	501	9	0	5	0	0	59	0	49	26,124
MONTANA STATE UNIVERSITY	0	81	87	12,354	42	0	0	0	21	0	0	0	0	0	26,369
UNIVERSITY OF NEBRASKA	0	24	588	20,633	45	14	44	0	0	0	0	49	399	0	13,033
UNIVERSITY OF NEVADA, RENO	0	0	157	5,492	0	0	639	0	0	0	0	71	0	98	21,516
UNIVERSITY OF NEW HAMPSHIRE	0	3	0	4,987	0	0	291	0	0	0	0	0	0	0	6,288
NEW MEXICO STATE UNIVERSITY	0	0	956	9,137	78	791	0	$15	23	0	0	0	0	77	5,338
NORTH CAROLINA STATE UNIVERSITY	70	1,229	1,297	35,946	50	0	344	0	0	0	0	0	0	0	11,002
NORTH DAKOTA STATE UNIVERSITY	90	167	2,018	10,767	0	0	0	0	0	0	0	66	0	0	38,552
NORTHERN MARIANAS COLLEGE	0	0	0	1,603	0	0	0	0	0	0	0	181	0	0	13,223
OHIO STATE UNIVERSITY	0	70	971	29,913	81	0	42	0	6	0	0	0	0	0	1,603
OKLAHOMA STATE UNIVERSITY	0	46	465	13,566	0	0	31	0	5	0	0	0	0	0	31,985
OREGON STATE UNIVERSITY	0	0	1,386	15,611	72	56	1,368	0	23	0	0	474	0	0	14,187
PENNSYLVANIA STATE UNIVERSITY	40	51	386	29,820	48	18	421	0	0	0	0	310	0	74	18,900
UNIVERSITY OF PUERTO RICO	0	0	77	12,510	0	0	10	293	136	0	0	0	0	0	30,801
PURDUE UNIVERSITY	0	767	2,759	22,091	70	384	90	0	0	0	0	37	0	0	13,026
UNIVERSITY OF RHODE ISLAND	0	0	10	4,802	0	0	0	0	0	0	12	101	0	0	26,274
RUTGERS STATE UNIVERSITY OF NEW JERSEY	0	0	53	6,675	0	386	0	0	0	0	0	0	0	0	4,812
SOUTH DAKOTA STATE UNIVERSITY	0	0	482	8,223	0	0	0	0	0	0	0	0	0	0	7,114
UNIVERSITY OF TENNESSEE	0	63	374	19,440	25	20	110	0	0	0	0	74	0	0	8,779
TEXAS A&M UNIVERSITY	46	361	1,866	42,402	60	72	30	0	5,100	0	0	0	951	0	20,983
UTAH STATE UNIVERSITY	0	416	122	15,840	0	0	0	0	0	0	12	0	497	55	50,504
UNIVERSITY OF VERMONT	0	101	130	9,475	0	0	1,389	0	22	0	0	102	0	130	16,610
UNIVERSITY OF THE VIRGIN ISLANDS	0	0	0	2,457	0	0	0	0	0	0	0	130	0	103	11,350
VIRGINIA POLY INST & STATE UNIVERSITY	110	82	832	21,279	20	0	457	0	0	0	0	0	0	0	2,457
WASHINGTON STATE UNIVERSITY	42	0	1,293	21,509	24	169	257	0	0	0	0	28	0	0	22,808
WEST VIRGINIA UNIVERSITY	0	0	795	11,737	0	0	97	0	0	0	84	44	0	0	23,422
UNIVERSITY OF WISCONSIN	0	67	1,078	32,348	307	188	403	0	23	0	0	5	0	0	12,604
UNIVERSITY OF WYOMING	0	81	134	4,324	0	0	93	0	0	0	0	1	0	0	34,414
TOTAL	484	10,122	$1,440	$953,831	2,854	5,331	11,235	308	5,412	40	217	4,965	2,596	1,137	1,049,972

SECTION 923, FEDERAL AGRICULTURE IMPROVEMENT AND REFORM (FAIR) ACT

Mr. Bonilla: Please provide a table showing the amount of property transferred to date under the Farm Bill.

Response: To date, we have made the following transfers.

[The information follows:]

Property Transferred Under the Farm Bill

Name of Institution	Type of Institution	Original Acquisition Value of Property
Alabama A & M University	1890-Historically Black College or University	$51,354
Blackfeet Community College	1994 Tribal	662,777
College of Santa Fe	Hispanic Serving Institution	277,691
Crownpoint Institute of Technology	1994 Tribal	2,959,116
Dine College	1994-Tribal	147,318
Dull Knife Memorial College	1994-Tribal	34,160
Haskell Indian Nations University	1994-Tribal	15,250
Inter American Univ. of Puerto Rico at San German	Hispanic Serving Institution	52,717
Langston University	1890-Historically Black College or University	75,144
Los Angeles Mission College	Hispanic Serving Institution	1,228
North Carolina A&T University	1890-Historically Black College or University	1,190,183
Prairie View A&M	1890-Historically Black College or University	44,111
Salish Kootenai College	1994-Tribal	6,288,979
San Bernardino Valley College	Hispanic Serving Institution	105,366
South Carolina State University	1890-Historically Black College or University	1,200,103
Tuskegee University	1890-Historically Black College or University	265,399
Univ. of Puerto Rico Mayaguez Campus	Hispanic Serving Institution	53,132
University of Texas at San Antonio	Hispanic Serving Institution	129,396
	Total	$13,553,424

Fiscal Year 2004 Hearing Questions

Agriculture Buildings and Facilities

SOUTH BUILDING RENOVATION

Mr. Bonilla: Please update the table from last year's hearing record showing the progress of the strategic space plan.

[The information follows:]

FUNDING PLAN-SOUTH BUILDING RENOVATION
As of February 14, 2003

Fiscal Year	Location	Description	Amount (000's)
1995-2000	Whole Building Concept Design, Phase 1 & 2 Design, Planning, Moves, & Phase 1 (Wing 3) Construction	Total Project Costs through September 2001 See Notes 5 and 6 Below.	$33,600
2001	Complete Vacating Wing 4	Award Phase 2 Construction (FY 2001 funding)	$25,943
2002	Wing 4 under construction	Phase 2 Construction Underway	$25,943
2003	Backfill Wing 4	Complete Phase 2 Construction	$33,747
2003	Relocate 1/3 Portion of Headhouse	Award Phase 3 (FY 2002 funding) & Mail Center (FY 2003 funding)	
2004	Backfill 1/3 Portion of Headhouse	Complete Phase 3 Construction & Mail Center	Request: $33,977
2004	Relocate Wing 5 & Portion of Tailhouse	Award Phase 4A Construction (FY 2003 funding)	
2005	Backfill Wing 5 & Portion of Tailhouse	Complete Phase 4A Construction; Award Phase 4B Construction (FY 2004 funding)	Estimate: $39,000
2006	Relocate Wing 2 & Portion of Headhouse	Award Phase 5 Construction (FY 2005 funding)	Estimate: $39,000
2007	Backfill Wing 2 & Portion of Headhouse	Complete Phase 5 Construction	
2007	Relocate Wing 1 & Portion of Tailhouse	Award Phase 6 Construction (FY 2006 funding)	Estimate: $39,000
2008	Backfill Wing 1 & Portion of Tailhouse	Complete Phase 6 Construction	
2008	Relocate Wing 6 & Portion of Headhouse	Award Phase 7 Construction (FY 2007 funding)	Estimate: $39,000
2009	Backfill Wing 6 & Portion of Headhouse	Complete Phase 7 Construction	
2009	Relocate Wing 7 & Portion of Tailhouse	Award Phase 8 Construction (FY 2008 funding)	
2010	Backfill Wing 7 & Portion of Tailhouse	Complete Phase 8	
		Total	**$309,210**

Notes:

1. Preliminary estimates reflect costs by fiscal year and include planning, design costs, construction costs, moving costs, and telecommunications and furniture costs for each phase. Costs for a particular phase cross fiscal years.
2. All costs after fiscal year 2004 are presented in fiscal year 2004 dollars, with no adjustment for inflation.
3. Cost estimates are preliminary and for planning purposes only. More detailed costs will be developed as design work proceeds for each phase.
4. Funding based on Master Phasing Plan prepared by Shalom Baranes/Syska and Hennessy Joint Venture in June 1997. Phase boundaries are adjusted based on funds available.
5. Design initially funded in FY 1995.
6. Construction for Phase 1 funded in FY 1997, for Phase 2 in FY 2001, for Phase 3 in FY 2002.

HEADQUARTERS COMPLEX RENTAL CHARGES

Mr. Bonilla: Please update the table provided for last year's hearing record showing the amount GSA charged USDA for the four buildings owned by GSA, but occupied by USDA to include fiscal year 2002.

[The information follows:]

HEADQUARTERS COMPLEX RENTAL CHARGES
Revised as of 2/13/03

Fiscal Year	Jamie L. Whitten Building	Agriculture Annex	South Building	Sidney R. Yates Building
1981	NA	NA	NA	NA
1982	NA	NA	NA	NA
1983	$1,859,496	$461,608	$14,225,076	$558,240
1984	2,077,284	520,032	14,320,032	651,480
1985	4,009,740	833,448	14,320,032	1,287,040
1986	4,030,348	838,208	14,146,532	1,287,040
1987	4,143,192	1,016,304	24,520,656	NA
1988	4,873,616	1,195,652	28,546,320	NA
1989	4,945,876	1,079,164	29,125,304	NA
1990	5,057,796	1,208,180	29,677,452	2,266,420
1991	5,241,095	1,259,653	30,871,540	2,531,864
1992	5,736,322	1,346,795	33,473,685	3,443,770
1993	6,083,883	1,428,235	35,498,563	3,652,899
1994	6,235,795	1,463,717	36,383,590	3,745,102
1995	6,117,877	1,435,956	35,691,417	3,702,278
1996	6,245,408	1,465,915	36,443,590	3,772,519
1997	6,245,408	1,465,915	36,443,590	3,772,519
1998	N/A	N/A	N/A	3,767,562
1999	N/A	N/A	N/A	3,890,869
2000	N/A	N/A	N/A	3,977,232
2001	N/A	N/A	N/A	4,160,261
2002	N/A	N/A	N/A	4,189,138

Notes: Beginning in fiscal year 1995, USDA no longer pays GSA the value of the rent charged for the D.C. Complex. Instead, the rental payments for non-headquarters space were increased when USDA assumed responsibilities for these buildings and began implementation of the Strategic Space Plan. The amounts shown are what GSA estimates the value of the building space will be.

During USDA's South Building Renovation Project, GSA has suspended rent charges for the Whitten Building, Cotton Annex Building, and South Building.

RENTAL PAYMENTS AND GSA REPAIR COSTS

Mr. Bonilla: Update the table provided for last year's hearing record showing the amount of rental payments made to GSA, and the amount spent by GSA for repairs from fiscal years 1992 to 2002.

[The information follows:]

Rental Payments to GSA 1/	
$45,679,002	1992
44,932,917	1993
84,465,408	1994
90,762,069	1995
91,047,992	1996
100,149,713	1997
98,085,340	1998
107,797,000	1999
115,727,287	2000
120,832,400	2001
131,702,799	2002

1/ These figures reflect the GSA rental payments for the Department of Agriculture Nationwide -- National Capital Region owned and leased space and field office locations owned and leased space.

Estimated Costs for Repair Contracts Funded by GSA - FY 1992-2002

Jamie L. Whitten Building	$2,913,017
Annex Building	1,515,900
Sidney R. Yates Building - Site Improvements	1,699,236
South Building	2,983,752
Total Estimate	9,111,905

CARRY OVER FROM FISCAL YEAR 2002

Mr. Bonilla: How much was carried over from fiscal year 2002 in the Agriculture Buildings and Facilities and Rental Payments account?

Response: The Agriculture Buildings and Facilities and Rental Payments appropriation account carried over approximately $39,760,981 from fiscal year 2002, allocated among the Strategic Space Plan–$21,570,340, Building Operations and Maintenance–$4,716,177, and GSA Space/Rent–$13,474,464. Strategic Space Plan funds have been committed to Phase 3 and other costs for the South Building Renovation, and we will make the awards in fiscal year 2003. Building Operations and Maintenance will fund emergency and critically needed small repairs throughout the USDA complex. GSA Space/Rent carryover will pay rental bills due to GSA.

INCREASE IN AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

Mr. Bonilla: Explain the requested $4.1 million increase in B&F rental payments.

Response: The Agriculture Buildings and Facilities and Rental Payments account helps accomplish Departmental Administration Performance Goal 2 -- improving USDA homeland security posture -- by providing the best solutions to USDA's corporate administrative issues to support the efficient and timely delivery of Departmental programs and services. The requested $4.1 million increase in funding is needed to address USDA Homeland Security deficiencies at COOP sites; acquire and upgrade security equipment, defensive and emergency response equipment; and establish Biomedical testing and laboratory services. In addition, this additional funding will help increase physical security, occupational safety, and environmental protection at the Headquarters Complex, George Washington Carver Center, and leased buildings within the Washington, DC, Metropolitan Area. It will also fund increases for mail screening operations, improved physical security program management and oversight, and additional guard contract services associated with higher standards of protection now required.

Fiscal Year 2004 Hearing Questions

Advisory Committees

ADVISORY COMMITTEE STAFF COSTS

Mr. Bonilla: USDA agencies are allowed to obligate funds for portions of salaries and benefits for staff time devoted to support advisory committees. Update the table from last year's hearing record showing the breakout of funds obligated for this purpose by agency.

[The information follows:]

ADVISORY COMMITTEE STAFF COSTS
Fiscal Year 2002
(Dollars in Thousands)

Agency	Total Salaries and Benefits
Cooperative State Research, Education, and Extension Service	4
National Agricultural Statistics Service	11
Foreign Agricultural Services	179
Farm Service Agency	29
Food and Nutrition Service	28
Agricultural Marketing Service	22
Total, All Agencies	273

ADVISORY COMMITTEES FUNDED FROM OTHER SOURCES

Mr. Bonilla: Provide an update of the table from last year's hearing record that lists all committees funded through other accounts. Also, explain any additions or deletions to the table.

[The information follows:]

USDA ADVISORY COMMITTEES FUNDED FROM FOREST SERVICE

Committee Title	2003 Estimate
Advisory Committee on Forest County Payments 1/	$361,600
Collaborative Forest Restoration Technical Advisory Panel	49,400
Crook County RAC for Rocky Mountain Region 1/	18,500
Giant Sequoia National Monument Scientific Advisory Board	46,000
Intergovernmental Advisory Committee	62,800
Lake Tahoe Basin Federal Advisory Committee	97,560
Land Between the Lakes Advisory Board	39,550
National Urban and Community Forestry Advisory Council	145,000
Opal Creek Scenic Recreation Area Advisory Council	47,000
Provincial Advisory Committees	583,896
Resource Advisory Committees 1/	1,223,898
Black Hills National Forest Advisory Board 2/	35,000
Total, Forest Service	2,710,204

1/ Committees were established in FY 2002.
2/ Committee was established in FY 2003.

USDA ADVISORY COMMITTEES FUNDED FROM COMMODITY CREDIT CORPORATION

Committee Title	2003 Estimate
Advisory Committee on Emerging Markets	$35,000

USDA ADVISORY COMMITTEES FUNDED FROM USER FEES

Committee Title	2003 Estimate
Advisory Committee on Universal Cotton Standards 1/	0
Burley Tobacco Advisory Committee	$46,910
Flue-Cured Tobacco Advisory Committee	39,331
National Advisory Committee for Tobacco Inspection Services	69,670
Plant Variety Protection Advisory Board	15,000
Total, User Fees	170,911

1/ The Committee last met in 2002 and will be re-established in early 2005 for the next Standards Conference, which will be held in June of 2005.

Fiscal Year 2004 Hearing Questions

Hazardous Materials Management

PERFORMANCE GOALS

Mr. Bonilla: Please report on the Department's accomplishments in terms of its hazardous waste management performance goals in 2002.

Response: We will submit a table for the record, adapted from the Fiscal Year 2002 Annual Program Performance Report for the Hazardous Materials Management (HMM) Program, which shows performance targets and accomplishments as reported by USDA agencies for fiscal year 2002. This performance data is programmatic; work may have been funded from HMM Appropriation funds, agency funds, or a combination of the two. Work not completed in FY 2002 is not reflected in the table. Some of the completed work had originally been targeted for completion in fiscal year 2001.

[The information follows:]

HMM Program Performance Summary

Strategic Goal/ Management Initiative	FY 2002 Performance Goals	FY 2002 Performance		
		Target	Actual	%
Goal 1: Improve and restore the environmental condition of facilities and lands under the jurisdiction, custody, and control of USDA.	Beginning in 1998 and by the end of 2002 complete the CERCLA cleanup of 150 sites and all[1] regulated underground storage tanks[1] (USTs) on lands and facilities under the custody and control of USDA:			
	-Cumulative CERCLA cleanups completed since 1998.	154	165	107
	Number of non-mine CERCLA cleanups completed.	7	12	171
	Number of mine CERCLA cleanups completed.	10	16	160
	Number of UST and other RCRA cleanups.	15	6	40
	Number of sites assessed/characterized on need for cleanup.	109	147	135
	Number of cleanup plans completed.	64	32	50
	Number of agreements reached with potentially responsible parties (PRPs).	10	19	190
	Estimated value of cleanup/restoration work performed by PRPs. ($millions)	$10	$14.6	146
Goal 2: Ensure responsible management in the use, storage, and disposal of hazardous materials and wastes.	Improve compliance with RCRA Subtitle C and reduce the costs and risks associated with generation and disposal of hazardous wastes in agency operations.			
	Number of environmental audits and program reviews.	15	15	100
	Number of pollution prevention (P2) projects completed.	5	5	100

[1] The UST part of the performance goal was technically not met. Monitoring continues at several sites where leaking USTs were removed. Also, a few previously unknown USTs are typically discovered and removed from USDA lands and facilities each year. Nevertheless, the UST cleanup program is considered substantially complete.

Note: USDA has set the goal of completing another 150 CERCLA cleanups between fiscal year 2003 and 2007.

FUNDING FOR CERCLA, RCRA, AND POLLUTION PREVENTION

Mr. Bonilla: Please provide tables showing the individual budgets for fiscal years 2002 and 2003 for complying with the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), the Resource Conservation and Recovery Act (RCRA), and the Pollution Prevention Act (PPA).

Response: The following table shows actual fiscal year 2002 and estimated fiscal year 2003 Hazardous Materials Management Appropriations (HMMA) budgets for CERCLA, RCRA, and PPA effort, as reported by USDA agencies. The values for fiscal year 2003 are based on the fiscal year 2003 appropriated level.

[The information follows:]

USDA HMMA Budgets for Fiscal Years 2002 and 2003
(Dollars in thousands)

Agency	FY 2002 Budget				FY 2003 Budget			
	CERCLA	RCRA	PPA	Total	CERCLA	RCRA	PPA	Total
Agricultural Research Service	$2,855	$800	0	$3,655	$3,085	$415	0	$3,500
Animal & Plant Health Inspection Service	200	0	0	200	250	0	0	250
Commodity Credit Corporation	2,500	0	0	2,500	2,500	0	0	2,500
Farm Service Agency	80	0	0	80	80	0	0	80
Food Safety and Inspection Service	0	100	$50	150	0	90	$10	100
Forest Service	6,795	20	0	6,815	6,499	71	0	6,570
Hazardous Materials Management Group	624	176	0	800	715	185	0	900
Office of the General Counsel	1,365	0	0	1,365	1,583	0	0	1,583
Rural Housing Service	60	40	0	100	100	0	0	100
Total	$14,479	$1,136	$50	$15,665	$14,812	$761	$10	$15,583

COMPLIANCE WITH STATE LAW

Mr. Bonilla: The Federal Facilities Compliance Act establishes that Federal facilities must comply with State environmental laws and could be obligated to pay fines and penalties for non-compliance. Provide a list of all USDA facilities that are not in compliance with State Laws. Include in this list the project location, the deadline for compliance, and the total cost of compliance.

Response: We will provide the information for the record.

[The information follows:]

During 2002, the Animal and Plant Health Inspection Service (APHIS) completed a Preliminary Assessment (PA) at Moore Air Base in Edinburg, Texas. Twenty-two potential areas of concern were identified. In January 2003, EPA Region VI formally notified APHIS that the facility was not being considered for addition to the Superfund National Priorities List and referred the facility to the Texas Commission on Environmental Quality (TCEQ), which is requiring further investigation and, where appropriate, site cleanups. An evaluation of nine sites was completed in January 2002; all require cleanup. APHIS has completed cleanup at four (4) sites and continues efforts at two (2) additional sites. Costs incurred to date total $390,486. The total cost for compliance is dependent on investigative findings but could be as high as $3 million.

In September 2002, APHIS found a previously unknown abandoned underground storage tank (UST) containing solvents at the Analytical and Natural Products Chemistry Laboratory in Gulfport, Mississippi. Removal of the UST and confirmatory sampling of the soils surrounding the tank were completed in February 2003. Results of post-removal confirmation sampling should be available by April 2003, at which time a decision on the need for further cleanup or environmental monitoring will be made. So far, $80,000 in costs has been incurred, but this could increase if further action is required.

Active and abandoned cattle dip vats have only infrequently been recognized as threats to human health or the environment due to the arsenicals, DDT, toxaphene, lindane, and other pesticides that were used in them. Historically, there were thousands of dip vats across the southern United States, including over 3,200 in Florida. Many were not properly decommissioned when they were abandoned. Recently, Florida and Texas have begun to investigate the potential threat, and USDA is working cooperatively with both states. While few dip-vat sites were located on USDA-managed facilities or lands, Federal and state agricultural agencies may, in some cases, be considered to be potentially responsible parties under the Comprehensive Environmental Response, Compensation, and Liability Act. Given the large number of old cattle dip-vat sites and the fact that many are in areas now undergoing rapid residential and commercial development, the cost to just identify and evaluate threats could be as much as $100 million. The APHIS share of the costs to investigate and clean up one cattle dip-vat site in Quemado, Texas in 2000 was $178,000. USDA will be addressing another dip vat in

Roma, Texas during 2003 at a projected cost of $200,000. In 2003 and 2004, APHIS and FS will cooperatively look at potential threats and cost-effective response alternatives for several abandoned dip-vat sites located on National Forest lands.

Over the years, USDA, particularly the Forest Service, has accepted numerous properties into inventory from many sources, including the Department of Defense (DOD). These sites include formerly used defense sites (FUDS), Base Reutilization and Closure sites (BRAC), and sites that were directly transferred by act of Congress. Although USDA may in the future follow "bona fide prospective purchaser" procedures, insist that cleanup-liability issues be explicitly addressed before the land transfer takes place, and include cleanup costs when determining a property's fair market value, that was not typically done in the past. At least 210 of the former-DOD sites are expected to require environmental cleanup under CERCLA and/or RCRA. DOD cites resource limitations, changes in its policies and approach to cleaning up properties it has transferred, and its interpretation of its cleanup responsibilities as reasons for not addressing the problem. Even where DOD has, in principle, agreed to perform or pay for cleanup, their goal is minimal lowest-cost risk reduction, not supporting USDA land-use objectives. Despite years of high-level negotiations, including at the Assistant Secretary level, progress has not been significant. Even efforts to develop an accurate inventory of munitions-containing sites have been difficult. One result of these failures is that USDA employees and visitors to the National Forests are exposed to unexploded ordnance, asbestos, PCBs, and other hazards until USDA funds are used to perform needed cleanups. If the Environmental Protection Agency lists these former DOD sites on its Superfund Amendments and Reauthorization Act Docket, USDA will be identified as the landowner and will be forced to perform or pay for the cleanups, with or without DOD contribution. Since very few investigations of these former DOD properties have been completed, the cost of addressing these sites is unknown.

In 1999, the Agricultural Research Service (ARS) facility at the Plum Island Animal Disease Center (PIADC), Greenport, New York, entered into a Consent Agreement (CA) and Consent Order (CO) with the EPA for past violations of RCRA hazardous waste requirements. In conjunction with the CA/CO, the New York State Department of Environmental Conservation (NYSDEC) is overseeing the investigation and cleanup of hazardous waste sites. Through FY 2002, 53 of 74 sites have received a "no further action" designation from the State. Expenditures to date have totaled $1.3 million. It is anticipated that investigation and/or cleanup of the remaining 21 sites will be complete by FY 2008 at a cost of $3.4 million. Additionally, to offset a portion of the fine, PIADC agreed to undertake a supplemental environmental project (SEP) valued at $2.5 million in which the former wastewater treatment plant lagoons will be closed and converted into a viable, self-sustaining wetland. PIADC started construction of the wetland in FY 2002 and anticipates completion in September 2003. The total estimated cost to complete all requirements is $4.2 million.

In 1998, ARS entered into a Stipulation Agreement with NYSDEC to clean up petroleum contamination at the Plum Island facility in Greenport, New York. In FY 2001, NYSDEC approved PIADC's Corrective Action Plan (CAP) and a groundwater remediation system was installed. In October 2002, ARS entered into an agreement with NYSDEC to formalize additional milestones and cleanup standards. It is anticipated that the cleanup will be complete

in FY 2010. Through fiscal year 2002, $1.2 million has been spent on this project. The total estimated cost to achieve compliance is $3.2 million.

The wastewater treatment plant at ARS' Plum Island facility has not consistently met National Pollutant Discharge Elimination System (NPDES) permit limitations under the Clean Water Act. In August 2001, ARS entered into a Stipulation Order and Settlement that establishes milestones for correcting deficiencies. A construction contract was awarded in November 2002 for $3.3 million. Construction is scheduled to be complete in 2004. The total estimated cost of compliance for this project is $4.1 million.

With regard to the Plum Island discussion above, Title XV of the Act establishing the Department of Homeland Security states that the "Secretary of Agriculture shall transfer to the Secretary of Homeland Security the Plum Island Animal Disease Center of the Department of Agriculture, including the assets and liabilities of the Center." USDA interprets "assets and liabilities" to include environmental liabilities, including the various agreements and orders described above, as well as future costs for complying with such agreements and orders, and the licenses and agreements section of the determination order OMB will issue will state that Homeland Security will be substituted for USDA in all orders and agreements. Assets to be transferred include all HMMA funds that were allocated to Plum Island projects and any unliquidated prior-year HMMA obligations. Any additional HMMA funding of Plum Island cleanup would be specifically outlined in the determination order.

In 1997, the ARS facility at the Stored Product Insects Research Development Laboratory (SPIRDL), Savannah, Georgia, entered into a consent order with the State for violations of RCRA. ARS is currently meeting the milestones of the order and, in February 2002, submitted a risk assessment to the State recommending no further action. Completion of the project is contingent on State action on the risk assessment. The total estimated cost of compliance for this project is $1.2 million. Through fiscal year 2002, $740,000 has been spent.

The Forest Service (FS) has inventoried over 40,000 abandoned and inactive mines on National Forest and adjacent lands. At over 2,000 of these sites there is a release or potential release of a hazardous substance requiring response under CERCLA. The total estimated cost to clean up these sites to meet Federal or state requirements exceeds $3 billion, not including natural resource damage restoration.

Forest Service sites currently under state order include:

- At the Golinsky and Walker mines in the Shasta Trinity National Forest and the Walker Mine in the Plumas National Forest, both in California, the state has issued orders for the FS to clean up the sites to meet water quality requirements. To date, the FS has spent $1.5 million, and $480,000 is allocated for fiscal year 2003. Total estimated cost of cleanup of these sites exceeds $5 million.

- California issued a notice of violation for the Brightstar Mine Tailings site on the Sequoia National Forest in California and will require site remediation. To date, the FS has spent

$10,000, and $355,000 is allocated for fiscal year 2003. Minimum future costs are estimated at $76,000 given the total estimated remediation cost of $431,000.

- California is requiring site characterization at four sites with contamination from leaking underground storage tanks (USTs): Mt. Rose and Jerseydale Guard Station on the Sierra National Forest and Will-O-Wisp Resort and McCloud on the Shasta Trinity National Forest, all in California. This work was completed for Jerseydale at a cost of $10,000, and FS has received a closure letter from county environmental health officials indicating no further work will be needed. For Will-O-The-Wisp Resort, the FS is still waiting for a decision from county environmental health on the need for additional work. Work to date has cost $22,900. For McCloud, the water board is requiring additional survey work to determine the extent of contamination. The FS has spent $246,000 to date for investigation; future costs depend on the water board's decision.

- California is requiring investigation of possible groundwater contamination at the Old Shaver Lake landfill on the Sierra National Forest. This site will be submitted to the county for closure approval. FS has spent $38,000 to date performing monitoring on this site, and $5,000 is allocated for fiscal year 2003. Future costs will depend on the results of monitoring. A previously unknown landfill area at this site was recently discovered by the county. The latter site is scheduled for investigation in FY05.

- Siskiyou County issued an order requiring characterization and response at an unpermitted shooting range at Spring Hill Quarry on the Shasta Trinity National Forest in California. The county is requiring additional work to determine the full extent of contamination. $35,000 has been allocated to complete this task in FY2003. Full response costs will be developed after that work is done. Future costs are estimated to exceed $50,000.

- The Regional Water Quality Control Board ordered that a burn-ash residue pile from burned-down buildings at the Boulder Oaks Resort on the Cleveland National Forest in California be excavated and shipped offsite for disposal. This task was completed, and the Regional Board agreed that the site was clean at the beginning of 2003. The cost for cleanup was $16,000. A closure letter has been received, and no future costs are anticipated.

- The California Regional Water Quality Control Board, North Coast region, has issued letters requiring the Klamath National Forest to evaluate soil and groundwater contamination from leaking underground storage tanks at five sites (Mt. Hebron Work Center, Sawyer's Bar Work Center, Petersburg Work Center, Lower Station Work Center, and Yreka Service Center). MTBE contamination is present at least at the Yreka site. The total estimated cost for these investigations is $215,000, half of which has already been spent on work now underway.

- At the Hume Lake disposal site on the Sequoia National Forest, Fresno County cited the Forest Service because it does not have two feet of soil cover over the exposed trash. This site is on the state inventory. It is about 2 acres in size, with exposed trash (broken glass, metal cans, and other various metals). The site is near Ten Mile creek which flows into the

Kings River. The cost for covering the site and meeting County requirements is $50,000 to $100,000.

SALARIES AND BENEFITS

Bonilla: The Forest Service and other USDA agencies charge this account for salaries and benefits of staff hours devoted to hazardous waste management activities. Provide a table showing the amount charged to this account for these activities for fiscal years 2001 and 2002 and estimates for fiscal year 2003.

Response: The Farm Service Agency/Commodity Credit Corporation, Forest Service, Office of the General Counsel, and Hazardous Materials Management Group (HMMG) charge salaries and benefits to the Hazardous Materials Management Appropriation (HMMA). These charges are for program management and in-house (e.g., force account) work on RCRA/CERCLA activities such as investigations, contract administration, compliance counseling, settlement negotiations, and oversight cleanups by potentially responsible parties. These amounts are summarized in the table that follows.

Salaries and Benefits Paid from HMMA
(Dollars in Thousands)

Fiscal Year	FSA/CCC	Forest Service	Office of the General Counsel	HMMG	Total
2001	$30	$2,738	$1,060	$639	$4,467
2002	$100	$1,606	$1,223	$664	$3,593
2003 (est.)	$103	$1,740	$1,388	$668	$3,899

SALARIES/BENEFITS CLEANUP COSTS

Mr. Bonilla: How much of the fiscal year 2002 appropriation was used for salaries and benefits and how much was used for actual hazardous waste cleanup activities?

Response: In fiscal year 2002, approximately $3,593,000 was used for salary and benefits for program management and in-house technical and legal work for RCRA/CERCLA activities such as investigations, contract administration, compliance counseling, negotiations and settlements with potentially responsible parties (PRP), oversight of agency managed and PRP performed cleanup work, and cleanup activities performed by agency personnel. The remaining $12,072,000 of the fiscal year 2002 Hazardous Materials Management Appropriation was applied to other allowable costs of investigation and cleanup. Some of the salary and benefit costs supported negotiation of settlement agreements with PRPs who paid for or performed cleanup and related work with an estimated value of approximately $14,600,000.

AGENCY SUPPORT

Mr. Bonilla: Provide a table showing the sources of funding by agency for Hazardous Materials Management for fiscal years 2002 through 2004.

Response: The table below summarizes funding of the USDA Hazardous Materials Management Program (HMMP). Fiscal year 2002 values include prior-year HMMA carryover and one-time deobligation and reapportionment of approximately $1.4 million of residual funds discovered in the Farm Service Agency subaccount during an Office of Inspector General audit.

[The information follows:]

Sources of Funding of USDA Hazardous Materials Management Program
(Dollars in Thousands)

Agency	FY 2002 Actual			FY 2003			FY 2004		
	HMMA[1]	Agency Funds	Total	HMMA	Agency Funds	Total	HMMA	Agency Funds	Total
Agricultural Research Service	$3,679	$3,729	$7,408	$3,500	$3,330	$6,830	$3,560	$3,495	$7,055
Animal and Plant Health Inspection Service	339	210	549	250	0	250	450	5,470	5,920
Commodity Credit Corporation	2,500	3,700	6,200	2,500	4,800	7,300	2,250	3,775	6,025
Farm Service Agency, Farmer Loan Programs	80	735	815	80	380	460	50	560	610
Food Safety and Inspection Service	156	0	156	100	0	100	50	0	50
Forest Service	8,866	14,679	23,545	6,570	14,199	20,769	6,750	14,073	20,823
Hazardous Materials Management Group	865	0	865	900	0	900	904	0	904
Office of the General Counsel	1,325	0	1,325	1,583	0	1,583	1,599	0	1,599
Office of Operations	329		329	0	0	0	0	0	0
Rural Housing Service	100	135	235	100	230	330	100	145	245
Rescission	0	0	0	102	0	102	0	0	0
Totals	**$18,239**	**$23,188**	**$41,427**	**$15,685**	**$22,939**	**$38,624**	**$15,713**	**$27,518**	**$43,231**

[1]Includes fiscal year 2002 HMMA of $15.665 million, prior-year HMMA carryover of $1.24 million, and a one-time deobligation and reapportionment of approximately $1.4 million of residual funds discovered in a subaccount.

FORECLOSURES REQUIRING CLEANUP

Mr. Bonilla: How many foreclosures in the FSA inventory require cleanup action and what is the cost to comply with the law? Please describe for us the steps that are being taken to recover these costs and tell us how successful they have been.

Response: Nine (9) of the 270 properties in inventory are currently undergoing some level of investigation or cleanup. About 95 percent of the current inventory properties have had preliminary due diligence screenings to identify the potential for hazardous substances contamination. About 10 percent have had environmental site assessments completed to identify the source and level of contamination from releases of hazardous substances. One of these was found to have contamination requiring cleanup. All properties considered for foreclosure or voluntary conveyance are evaluated for the presence of hazardous substances before finalizing a foreclosure or conveyance action should FSA acquire title. It is difficult to estimate future cleanup costs until after the site evaluations are completed. However, a very rough estimate is $1-2 million.

At this time, FSA has no sites where a borrower has been identified as a potentially responsible party (PRP) with assets available for cost recovery under CERCLA. Since these properties have been obtained because of non-payment on a loan, the Agency has not pursued cost recovery for the expenses incurred for the cleanup of hazardous substances on an inventory property. CERCLA cost recovery would be pursued if appropriate and practical (e.g., in a case with high response costs and a financially viable responsible party).

COMPLIANCE DOCKET

Mr. Bonilla: Assessments and investigations must be sent to EPA and State agencies for their review and approval. Please provide the Committee with the most current data on the number of projects USDA has on the Federal Agency Hazardous Waste Compliance Docket and how has this list been changed since last year's hearing record.

Response: There were two updates by EPA to the Docket since last year's hearing record. The dates were July 1, 2002, Update #15 and January 2, 2003, Update #16. There were three additions and three deletions. Currently, the USDA has 201 facilities listed on the Docket. One site had been erroneously listed twice by EPA, and that error now has been corrected. The Docket process is dynamic, as new facilities are added and others are cleaned up or removed from the list because they do not qualify as Federal facilities.

CCC GRAIN STORAGE SITE STATUS

Mr. Bonilla: Please update the information, including the location by state, of the sites of former CCC grain storage sites that have been identified by the EPA and State agencies as having carbon tetrachloride contamination in the groundwater.

Response: Following are tables that identify a total of 117 communities in which CCC previously was involved in the operation of grain storage facilities where EPA and/or State agencies have indicated there is carbon tetrachloride (CT) contamination of ground water and where CCC may be a potentially responsible party. Of the 117 communities, one in Iowa, two in Missouri, 24 in Kansas, and 36 in Nebraska have ground water contamination levels exceeding the maximum contaminant levels (MCLs) for drinking water. These sites could require some type of response action. There are 16 communities in Kansas and 38 communities in Nebraska with ground water contamination levels below the MCL where no further action is currently planned. Based on site investigations, it has been determined that CCC is not a responsible party for ground water contamination at Plainville, Kansas; Leoti, Kansas; and Tamora, Nebraska. CCC may be eliminated as a potentially responsible party at other sites as site investigations proceed. As a response action, alternate drinking water supplies have been provided where the MCL for drinking water is exceeded. These include providing bottled water, individual water treatment units at the point of use, and providing alternate water sources through connection of affected parties to existing domestic water systems or construction of a new well.

The two tables summarize the sites where ground water contamination with CT has been identified. The first table lists sites where the CT contamination level exceeds the MCL of 5 parts per billion (ppb) for drinking water and sites down to 4.5 ppb to ensure a conservative margin for error to determine sites that may need further action. The second table lists sites where the CT contamination is less than the MCL for drinking water and no further action is currently planned.

[The information follows:]

Sites Where CT Contamination Exceeds MCL for Drinking Water			
Sites Above MCL	CT, in ppb	Sites Above MCL	CT, in ppb
Iowa		**Nebraska (cont.)**	
Cedar	290.0	Blair	10.2
Kansas		Bloomfield	7.8
Agenda	15.4	Bruno	1,300.0
Agra	180.0	Ceresco	8.7
Barnes	5.1	Clay Center	18.2
Bendena	62.9	Cortland	5.6
Bremen	31.0	Crab Orchard	77.5
Canada	24.2	Craig	67.0
Centralia	25.4	Deshler	7.0
Everest	122.0	Diller	7.0
Frankfort	12.1	Funk	10.1
Glasco	10.3	Gladstone	109.0
Hackney	155.0	Hartington	4.7
Hilton	910.0	Hastings	48.0
Horton	>5	Hordville	750.0
Hutchinson	17.3	Hubbard	22.0
Morrill	184.0	Humphrey	550.0
Moundridge	8.6	Johnson	5.9
Navarre	370.0	Keneshaw	10.2
Potwin	61.3	Leshara	128.6
Ramona	45.5	Marquette	7.4
Randall	6.4	Martell	19.0
Washington County	5.0	Milford	382.0
Webber	15.4	Murdock	6,500.0
Yates Center	8.5	Raymond	308.0
Yoder	181.0	Ruskin	6.0
Missouri		Shelby	23.0
Forest City	19.0	Straussville	80.0
Savannah	29.0	Utica	695.0
Nebraska		Walton	3,120.0
Adams	13.1	Waverly	3,120.0
Aurora	84.0	Wymore	6.2
Barneston	75.0	York	152.0

Sites Where CT Concentration in Ground Water Is less than MCL for Drinking Water (No Further Action Currently Planned)		
Kansas	**Nebraska**	
Beattie	Alexandria	Lincoln
Brewster	Alliance	Loomis
Cedarville	Arapahoe	Mason City
Cheney	Ashland	Nemaha
Concordia	Auburn	Newman Grove
Courtland	Bradshaw	Omaha
Ellis	Brownville	Omaha #2
Haddam	Bruning	Orleans
Home	Chester	Paxton
Home City	Coleridge	Pierce
McPherson	Columbus	Rising City
Minneapolis	Dakota City	Springfield
Morrowville	Edgar	Sterling
Ness City	Emerald	St. Mary
Perry	Geneva	Stromsberg
Powhattan	Grand Island	Tobias
Salina	Hemingford	Valentine
Sharon	Laurel	Waco
White City	Lewiston	Wahoo
Woodbine		

TYPICAL CLEANUP EFFORTS AND ASSOCIATED COSTS

Mr. Bonilla: Please describe for the Committee some typical cleanup efforts and their associated costs for both USDA and other funding sources.

Response: The Animal and Plant Health Inspection Service (APHIS), the Texas Animal Health Commission (TAHC), and other local agencies and cooperators have operated tick eradication programs in the State of Texas. An investigation was initiated to assess the environmental impact of the pesticide waste materials being generated. The investigation also included an assessment of potential hazardous substance contamination from past activities. At the Quemado tick dipping site in Maverick County, APHIS, TAHC, and Maverick County received an Order from the Texas National Resource Conservation Commission (TNRCC) to implement a facility operations plan, investigate possible contamination, and conduct a cleanup of contaminated areas. APHIS, the State of Texas, and Maverick County have completed negotiations and the Quemado site has been cleaned up at a cost to the US of $83,000 paid from the Department of Justice (DOJ) Judgment Fund. Additional site assessment will begin in FY 2002 after identification of potential high impact sites. APHIS, EPA and the State of Florida are also beginning investigation of similar operations in Florida.

The ARS, Plum Island Animal Disease Center (PIADC) located on Plum Island, New York, serves as the Agency's Center for the Study of Foreign Animal Diseases. The facility was established in 1954, and the site, formally the Army's Fort Terry, was selected in an effort to protect the mainland from releases of foreign animal diseases being studied. Assessments and investigations resulted in the discovery of over 50 underground storage tanks and potential contamination in old dumps, landfills, and constructed facilities. The underground tanks have been removed and three former sites are currently undergoing cleanup. Ten landfills where laboratory waste was known to be accumulated are undergoing cleanup actions, six of which have been completed to date. Additionally, 48 sites have been sampled for soil and/or groundwater contamination. The results were compiled in a report sent to the EPA in August 2000 to determine if PIADC should be included on the National Priorities List (NPL). Under a RCRA Consent Agreement/Consent Order with the EPA, PIADC is studying facilities where hazardous waste was previously stored or treated, and creating a wetland out of two former waste water treatment lagoons. To date, 53 of 74 facilities have received a "no further action" designation from the State. PIADC started construction of the wetland in FY 2002 and anticipates completion in September 2003. Hazardous Materials Management Account (HMMA) fund expenditures through FY 2002 exceed $9 million. The Homeland Security legislation transfers this facility to the new Department. It is anticipated that the final determination order for the Plum Island Animal Disease Center will state that, after fiscal year 2003, DHS will assume all future cleanup costs and liabilities for Plum Island.

The Commodity Credit Corporation (CCC) formerly operated a grain storage facility in Bruno, Nebraska. This site is located on private land and was placed on the NPL in June 1996. Bruno's water supply was found to be contaminated with carbon tetrachloride in 1984. The EPA identified two other potentially responsible parties (PRPs) in addition to CCC. The contaminated public wells have been replaced with new wells, from a different aquifer, to supply the town with potable drinking water. CCC provided the town with funds for the cost of new well construction. CCC has performed extensive studies characterizing the contaminated aquifer, recommending a short-term pump and treat effort to remove the bulk of the contamination followed by a monitoring program to verify that the contaminant plume behaved as predicted. EPA rejected CCC's recommendation, issuing a record of decision that selected active remediation of aquifer contamination until the contaminant concentration throughout the entire aquifer is below the EPA action lever of 5 parts per billion. CCC, with Office of General Counsel assistance, is working with EPA and the Department of Justice on potential cleanup actions and involvement of the other PRPs. HMMA fund expenditures through FY 2002 are $2,060,000. CCC has completed negotiations with the other PRPS for future cost allocations with respect to the Bruno remedy. These costs to the US may be paid from the DOJ Judgment Fund. Construction of the remedial system began in FY 2002.

CCC is currently working in cooperation with EPA and Nebraska in delisting CCC's other NPL site at Waverly, Nebraska. CCC completed a characterization of the site in 1992. Based on the results of this characterization effort, an additional extraction well was installed in 1993 along with additional monitoring wells to evaluate the progress of the cleanup effort. CCC has also been operating and maintaining the extraction and cleanup system installed in 1988. HMMA and CCC agency appropriation expenditures to date exceed $2.5 million.

Moore Air Base has been managed by USDA for approximately 40 years. Prior to this, Moore Air Base was an Air Force pilot training facility. The original facility included administrative, housing, and recreational buildings; wastewater treatment facilities; aviation facilities; and a fuel depot. Other buildings were added when Moore was the hub of screw worm eradication program. During the last several years, APHIS has performed a number of cleanup projects to address environmental issues at Moore. These include removal of PCB-containing transformers and 19 underground storage tanks, 11 of which had been installed and abandoned by the Air Force. HMMA expenditures through FY 2002 exceed $330,000 and agency appropriation expenditures exceed $537,000. Investigations are now underway to determine the need for additional cleanup work with an estimated cost of $600,000 to $2 million.

Holden Mine, an inactive copper, zinc, gold and silver mining operation, is located on the Wenatchee National Forest in Washington State. Public health and environmental impacts at the site include acid mine drainage from mine openings, surface water discharges from 90 acres of mine tailings contaminating upstream tributaries to Lake Chelan, and contaminated wind-blown dust impacting human health in the town of Holden. The Forest Service (FS) has been working on this site since 1988 and has expended over $5 million in HMMA and agency appropriation funds on studies and cleanup actions. The FS, EPA, and the State of Washington, through a cooperative effort with the FS as the lead agency, have completed negotiations with the viable potentially responsible parties (PRPs). The PRPs will perform the remaining studies and cleanup actions and pay for FS oversight of cleanup activities. The responsible parties have refunded over $3 million to the FS for past FS costs at the site. Recovered HMMA and agency funds are being used to fund other priority cleanup projects.

The Forest Service has approximately 165 active investigations and response actions ongoing at this time, each with its unique mix of issues and stakeholders. The Basin, Cataract, and Tenmile Watershed projects in Montana illustrate the complexity of mine and millsite cleanup. These three watersheds include dozens of relatively small abandoned mine and millsites which, taken together, adversely impact natural resources within these watersheds. Each mine generally includes tailings piles, acid drainage from tunnels and adits, waste rock piles, and smelter sites that provide acid and heavy metals loading to local streams. Because these watersheds include a patchwork of private and federal lands, they have been placed on EPA's National Priority List. The Forest Service has entered into a Memorandum of Understanding (MOU) with the EPA to define the roles and responsibilities of each agency. In general, the EPA is the lead agency for the response actions on the privately held sites in the watersheds, and the Forest Service is the lead agency for sites on National Forest System lands. The actions being taken include removal of tailings and waste rock to an engineered repository, and sealing of mine adits and tunnels to address acidic drainage. In addition to the joint EPA and Forest Service actions on these three watersheds in Montana, the Forest Service is doing similar watershed improvement projects jointly with state and county governments, mining companies, and other federal agencies (such as the Bureau of Land Management). In most cases, there are numerous small sites within a watershed, and the Forest Service works jointly with its partners to coordinate funding and technical activities. Overall, the projects occurring in these watersheds cover the full range of both technical and administrative challenges typically found within the Forest Service's CERCLA program.

FUNDING FOR SITES

Mr. Bonilla: How many sites are expected to be funded by the fiscal year 2004 request?

Response: Attached is a spreadsheet listing of the prioritized project activities in the planned Hazardous Materials Management Program (HMMP) program of work for fiscal years 2003 and 2004, subtotaled by performance measure and sorted by state within each measure. In the four status columns of the spreadsheet, the codes N, O, and F denote newly started, ongoing, and finished activities, respectively. Priorities in the spreadsheet are agency values, with 1 being highest priority. Performance targets are the number of units of that activity planned to be completed.

[The information follows:]

Planned Programs of Work and Performance Targets, Fiscal Years 2003 and 2004
USDA Hazardous Materials Management Program

Agency	Facility Name	City	State	Project or Action Name	Activity	HMMP Performance Measure	Actual FY03 HMVA Accomplishments	Goal for Status When FY03 Ends	FY03 Priority for HMMA Funds	Actual Status When FY03 Started	FY03 HMMP Performance Targets	FY03 Targets w/ HMMA Funds	FY03 Agency Support	FY04 President's HMMA Request	FY04 Agency Funding Commitment	FY04 Agency Priority	FY04 Start Expected Status	FY04 End Prog Year Goal	FY04 HMMP Targets	FY04 Targets with HMMA Funds
FS	R10 REGIONAL OFFICE	JUNEAU	AK	LTF CL PANUP	RMVA	G1,PM3c		O	8	N			$ 500.0							
FS	Repeaters	Juneau	AK	LTF RMVA (APPLETON COVE, EL CAPITAN)	RMVA	G1,PM3c									$ 400.0		N	O		
FS	Coconino NF	Flagstaff	AZ	JORDAN ROAD SHOOTING RANGE RMVA	RMVA	G1,PM3c										44	N	F	1	1
FS	LAKE TAHOE BASIN MANAGEMENT UNIT	SOUTH LAKE TAHOE	CA	MEYERS LANDFILL PROJECT MANAGEMENT AND T	OVR3c	G1,PM3c	$ 48.0	O	8	O										
FS	PLUMAS NATIONAL FOREST-FEATHER RIVER RANGER DISTRICT	OROVILLE	CA	PONDEROSA RSVR OVSGHT OF PRP S WORK UNDE	OVR3c	G1,PM3c		O	8	O			$ 5.0							
FS	HUMBOLDT-TOIYABE NATIONAL FOREST-BRIDGEPORT RANGER DISTRICT	BRIDGEPORT	CA	MOUNTAIN WARFARE SITE CLEANUP OVERSIGHT	OVR3c	G1,PM3c		O	8	O			$ 4.0							
FS	SIERRA NATIONAL FOREST-PINE RIDGE RANGER DISTRICT	PINE RIDGE	CA	MEADOW LAKES LANDFILL DISC OVSGHT OF PNP	OVR3c	G1,PM3c		O	8	O			$ 10.0							
FS	LOS PADRES NATIONAL FOREST-SANTA LUCIA RANGER DISTRICT	SANTA BARBARA	CA	DEER TRAIL MINE REMOVAL	RMVA	G1,PM3c	$ 90.0	O	49	N										
FS	SEQUOIA NATIONAL FOREST-GREENHORN RANGER DISTRICT	PORTERVILLE	CA	SLAUGHTSTAR TAILINGS REMOVAL	RMVA	G1,PM3c	$ 338.0	F	8	N	1	1								
FS	SHASTA-TRINITY NATIONAL FOREST SHASTA LAKE RANGER DISTRICT	REDDING	CA	GOLINSKY MINE (PHASE II RMV), ACTION DES	RMVA	G1,PM3c	$ 450.0	O	8	O										
FS	KLAMATH NATIONAL FOREST-ORLEANS/HUMBOM RANGER DIST	ORLEANS	CA	STRON MINE REMOVAL ACTION	RMVA	G1,PM3c	$ 519.0	O	2	N										
FS	TAHOE NATIONAL FOREST-NEVADA CITY RANGER DISTRICT	NEVADA CITY	CA	SAILOR FLATS REMOVAL ACTION	RMVA	G1,PM3c		F	47	N	1		$ 130.0							
FS	Six Rivers NF	Eureka	CA	Mad River Road Landfill RMVA	RMVA	G1,PM3c		O		O					$ 80.0		N	F	1	
FS	MEDICINE BOW-ROUTT NATIONAL FOREST-HAHNS PEAK/BEARS EARS RANGER DISTRICT	STEAMBOAT SPRINGS	CO	SUMMIT CREEK PENTA SITE RMVA	RMVA	G1,PM3c	$ 85.0	F	8	N	1	1								
FS	GRAND MESA UNCOMP GUNNISON NATIONAL FOREST-GUNNISON RANGER DISTRICT	GUNNISON	CO	GUNNISON PENTA SITES REMOVALS, RO	RMVA	G1,PM3c	$ 120.0	F	8	O	1	1								
FS	SAN JUAN NATIONAL FOREST-COLUMBINE RANGER DISTRICT	BAYFIELD	CO	BROOKLYN MINE REMOVAL, SAN JUAN	RMVA	G1,PM3c	$ 225.0	O	37	N										
FS	RIO GRANDE NATIONAL FOREST-DIVIDE RANGER DISTRICT	DEL NORTE	CO	SOUTH FORK GUARD STATION REMOVAL RO	RMVA	G1,PM3c	$ 300.0	F	8	N	1	1								
FS	Medicine Bow-Routt NF	Steamboat Springs	CO	SUMMIT CREEK PENTA SITE RMVA	RMVA	G1,PM3c									$ 60.0		N	F	1	
FS	Grand Mesa, Uncompahgre, Gunnison	Gunnison	CO	TUMBLE CREEK TRAILHEAD CRUDE/PB SITE RMVA	RMVA	G1,PM3c									$ 93.0		N	F	1	
FS	Rio Grande NF	Del Norte	CO	SOUTH FORK GS PENTA SITES, RMVA	RMVA	G1,PM3c									$ 135.0		N	F	1	
FS	PIKE SAN ISABEL NATIONAL FOREST-SALIDA RANGER DISTRICT	SALIDA	CO	SALIDA GARAGE FUEL CRITICAL REMOVAL RO	TOX	G1,PM3c	$ 30.0	F	8	N	1	1								
RD	National Office	Washington	DC	OEALA 1290 Property Clearings	POLH	G1,PM3c		O	1	O	1		$ 20.0		$ 20.0	1	O	O	1	
ARS	National Animal Disease Center	Ames	IA	Rampart steam	RMVA	G1,PM3c	$ 150.0	O	3	O										
FS	SALMON-CHALLIS NATIONAL FOREST-SALMON AND COBALT RANGER DISTRICT	SALMON	ID	BLACKBIRD MINE AREA WORK OVERSIGHT	RRPE	G1,PM3c		O	8	O			$ 11.0							
FS	IDAHO PANHANDLE NATIONAL FORESTS-SANDPOINT RANGER DISTRICT	SAND POINTE	ID	LAWRENCE MINE COMPLEX RECA/REMOVAL	RMVA	G1,PM3c	$ 50.0	O	38	N			$ 500.0							
FS	IDAHO PANHANDLE NATIONAL FORESTS-BONNERS FERRY RANGER DISTRICT	COEUR D'ARLENE	ID	CONTINENTAL RUSSIAN TAILINGS RECA/REMOVAL	RMVA	G1,PM3c	$ 50.0	O	35	N			$ 320.0							
FS	PAYETTE NATIONAL FOREST-KRASSEL RANGER DISTRICT	MCCALL	ID	STIBNITE MINE RMVAS	RMVA	G1,PM3c	$ 120.0	O	84	N			$ 415.0							
FS	PAYETTE NATIONAL FOREST-KRASSEL RANGER DISTRICT	MCCALL	ID	CINNABAR MINE RMVA	RMVA	G1,PM3c		F	75	N	1		$ 200.0							
FS	IDAHO PANHANDLE NATIONAL FORESTS-SANDPOINT RANGER DISTRICT	SAND POINTE	ID	IDAHO LAKEVIEW RMVA	RMVA	G1,PM3c		O	1	O			$ 63.0							
FS	IDAHO PANHANDLE NATIONAL FORESTS-WALLACE RANGER DISTRICT	COEUR D'ARLENE	ID	PARAGON REMOVAL	RMVA	G1,PM3c		O	29	N			$ 84.0							
FS	IDAHO PANHANDLE NATIONAL FORESTS-WALLACE RANGER DISTRICT	COEUR D'ARLENE	ID	SILVER SCOTT & ONE REMOVAL	RMVA	G1,PM3c		O	74	N			$ 180.0							
FS	Midwest NTSP	Joliet	IL	Midwest NTSP - Cleanup Oversight	OVR3c	G1,PM3c		O		O					$ 150.0		O	F	1	
FSACEC	Frankfort Data Facilities	Frankfort	KS	Arsenic-laden water supply	RMVA	G1,PM3c	$ 500.0	O		N						8	O	C	1	1
FSLWLP	J B Johnson Inventory Farm	Goodwell	LA	Removal action removed debris	RMVA	G1,PM3c	$ 80.0	F	1	O			$ 100.0	$ 60.0		1	O	O		
ARS	Beltsville Agricultural Research Center	Beltsville	MD	Removal action	RMVA	S1,PM3c	$ 650.0	O	1	O	1					10	O	C		
ARS	Beltsville Office Complex	Beltsville	MD	Agency-to Related Emergency Spill Response	RMVA	G1,PM3c		O		O			$ 111.0		$ 113.0					
FS	HIAWATHA NATIONAL FOREST-MUNISING RANGER DISTRICT	MUNISING	MI	CAMP EVELYN FUELS SITE OVERSIGHT	OVR3c	G1,PM3c		O	9	N			$ 10.0							
FS	Hiawatha NF	Escanaba	MI	CAMP EVELYN OIL RACE OVRS	OVR3c	G1,PM3c									$ 25.0		O	F	1	
FS	Huron-Manistee NF	Cadillac	MI	EAST TAWAS RMVA	RMVA	G1,PM3c									$ 180.0		N	O		

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FSA/FLP	Brunner Inventory Farm	Manchester	MA	Removal action/remedial action	RMVA	G1,PM3c		F		O	1		$ 30.0							
FSA/FLP	Vallely Inventory Farm	Utica	MN	Removal action/remedial action	RMVA	G1,PM3c		F		O	1		$ 40.0				FY03			
FSA/FLP	Bobby Jones Inventory Farm	Sumner	MS	Removal action/remedial action	RMVA	G1,PM3c		F		O	1					0	O	F	1	
FS	GALLATIN NATIONAL FOREST-GALLATIN RANGER DISTRICT	BOZEMAN	MT	NEW WORLD MINE PROJECT COORDINATION	OVRSC	G1,PM3c	$ 36.0	O	B	N										
FS	BEAVERHEAD-DEERLODGE NATIONAL FOREST-JEFFERSON RANGER DISTRICT	DILLON	MT	SPUD BLACK BEAR & GRAY LEAD REMOVAL	RMVA	G1,PM3c	$ 155.0	O	35	N										
FS	BEAVERHEAD-DEERLODGE NATIONAL FOREST-JEFFERSON RANGER DISTRICT	DILLON	MT	BASIN SMALL MINES REMOVAL (LADY LEITH)	RMVA	G1,PM3c		F	3	N	1		$ 63.0							
FS	BEAVERHEAD-DEERLODGE NATIONAL FOREST-JEFFERSON RANGER DISTRICT	DILLON	MT	LUTTRELL PIT RMVA	RMVA	G1,PM3c		O	9	O			$ 15.0							
FS	BEAVERHEAD-DEERLODGE NATIONAL FOREST-JEFFERSON RANGER DISTRICT	DILLON	MT	PHANTOM & CRACKER SMALL MINES REMOVAL	RMVA	G1,PM3c		O	82	O			$ 110.0							
FS/AFSOC	Ursa Gold Bin Site	Ursa	NE	Response action	RCRA	G1,PM3c		O		O			$ 1,500.0							
ARS	Plum Island Animal Disease Center	Greenport	NY	Site screening - investigation by exception	RMVA	G1,PM3c	$ 600.0	O	11	O						9	O	O	4	4
FSA/FLP	Hussey Inventory Farm	Oswego	NY	Removal action/remedial action	RMVA	G1,PM3c		F		O	1						HMM			
FS	NORTHEASTERN STATION	OSLAWARE	OH	DELAWARE SITE CLEANUP - RADIATION BURIAL UNIT	RMVA	G1,PM3c		O	6	F	1		$ 600.0							
ARS	USDA ARS Grazing Lands Research Lab	El Reno	OK	Removal actions	RMVA	G1,PM3c		F	9	O	8	8								
FS	WALLOWA-WHITMAN NATIONAL FOREST-PINE RANGER DISTRICT	HALFWAY	OR	COPPERCORPA MINE RMVA	RMVA	G1,PM3c	$ 5.0	F	9	O	1	1								
FS	DESCHUTES NATIONAL FOREST-BENDFORT ROOM RANGER DISTRICT	BEND	OR	BEND PINE CLEAN UP	RMVA	G1,PM3c	$ 85.0	O	50	N										
FS	DESCHUTES NATIONAL FOREST-CRESCENT RANGER DISTRICT	CRESCENT	OR	DELL SPRINGS	RMVA	G1,PM3c		F		O	1									
FS	FREMONT NATIONAL FOREST-LAKEVIEW RANGER DISTRICT	LAKE VIEW	OR	LAKEVIEW RE14GIANT BASE CLEAN UP	RMVA	G1,PM3c		F		N	1									
FS	FREMONT NATIONAL FOREST-PAISLEY RANGER DISTRICT	PAISLEY	OR	PAISLEY COMPOUND	RMVA	G1,PM3c		F		O	1									
FS	WALLOWA-WHITMAN NATIONAL FOREST-UNITY RANGER DISTRICT	UNITY	OR	MAIN PENTA	RMVA	G1,PM3c		F		O	1									
FS	MALHEUR NATIONAL FOREST-BEAR VALLEY RANGER DISTRICT	JOHN DAY	OR	ROBAYORK RMVA	RMVA	G1,PM3c		O	23	N			$ 600.0							
AP-HQ	Hearts Air Base	Waco	TX	Design and Removal Action at Site 16, Biofarmers Pest Bonsai Site (Counterphoto) and Site 1, Pesticide Burial Site	RMVA	G1,PM3c		F		O	2	2		$ 40.0	$ 60.0	3	N	O		
ARS	Pecan Genetics and Improv. Research	Beaumont	TX	Removal action	RMVA	G1,PM3c	$ 20.0	O	8	O										
FS	UINTA NATIONAL FOREST-HEBER RANGER DISTRICT	HEBER	UT	APC - AMERICAN FORK CANYON MINES - 5	RMVA	G1,PM3c		O	11	O			$ 146.0							
FS	UINTA NATIONAL FOREST-PLEASANT GROVE RANGER DISTRICT	PLEASANT GROVE	UT	APC - BOG MINES RMVA	RMVA	G1,PM3c		O	23	N			$ 194.0							
FS	MT. BAKER-SNOQUALMIE NATIONAL FOREST-SKYKOMISH RANGER DISTRICT	SKYKOMISH	WA	CASHMAN MILL SITE CLEANUP	RMVA	G1,PM3c		O	8	O			$ 29.0							
FS	MEDICINE BOW-ROUTT NATIONAL FOREST-BRUSH CREEK-HAYDEN RANGER DISTRICT	SARATOGA	WY	BRUSH CREEK PENTA SITE RMVA	RMVA	G1,PM3c	$ 88.0	F	B	N	1	1								
FS	MEDICINE BOW-ROUTT NATIONAL FOREST-BRUSH CREEK-HAYDEN RANGER DISTRICT	SARATOGA	WY	SAND LAKE LODGE REMOVAL_RD	RMVA	G1,PM3c	$ 114.0	F	B	N	1	1								
FS	Medicine Bow-Routt NF	Saratoga	WY	BRUSH CREEK PENTA SITE RMVA	RMVA	G1,PM3c									$ 60.0		N	F	1	
				Completed Non-Mine CERCLA Cleanups (G1,PM3e) Total			$ 5,091.0				12	15	$ 5,839.0	$ 80.0	$ 1,268.0		15	5		
FS	HUMBOLDT-TOYABE NATIONAL FOREST-CARSON RANGER DISTRICT	CARSON CITY	CA	LEVIATHAN MINE NPL OVERSIGHT	OVRSH	G1,PM3m		O	B	N			$ 27.0							
FS	Plumas NF	Quincy	CA	Walker Mine Tailings	RMVA	G1,PM3m									$ 187.0		N	O		
FS	Sierra NF	Personville	CA	Kern River Watershed mine removals (FOUR OAKS, FRENCH MEADOWS, GEM, CLIO ARMY)	RMVA	G1,PM3m		O		O			$ 210.0			15	N	F	4	4
FS	Tahoe NF	Nevada City	CA	Au Pike Co Diggins RMVA	RMVA	G1,PM3m							$ 225.0			35	N	F	1	1
FS	Sequoia NF	Porterville	CA	CANYONE MINE GROUP REMOVAL RMVA	RMVA	G1,PM3m										110	N	F	1	1
FS	INYO NATIONAL FOREST-MAMMOTH RANGER DISTRICT	BISHOP	CA	ANTELOPE SPRINGS ABANDONED MINE REMEDIES - low priority	TOR	G1,PM3m	$ 9.0	F	B	O	1	1								
FS	SAN JUAN NATIONAL FOREST-COLUMBINE RANGER DISTRICT	BAYFIELD	CO	GRAYSILL MINE OMM SJ	OVRSH	G1,PM3m		F	B	O	1		$ 16.0							
AG	Sat_Twin NF	Durango	CO	HERNIE_THOM MINE RMVA	RMVA	G1,PM3m								$ 91.0		41	N	F	1	1
FS	San Juan NF	Durango	CO	Brooklyn mine PTI RMVA	RMVA	G1,PM3m		O		O				$ 120.0		3	O	C		
FS	Arapaho/Roosevelt NF	Ft. Collins	CO	Fandy Fire ANL RMVA	RMVA	G1,PM3m								$ 200.0		30	N	O		
FS	San Juan NF	Del Norte	CO	SOUTH SIN MINE RMVA	RMVA	G1,PM3m									$ 80.0		G	C		

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FS	San Juan NF	Durango	CO	Battleship Fire AML RMVA	RMVA	G1,PM3m		D		D										
FS	GRAND MESA, UNCOMPAHGRE AND GUNNISON NATIONAL FOREST-MCINNIS CANYONS NATIONAL CONSERVATION AREA	GUNNISON	CO	DIMIR BASIN TIME-CRITICAL REMOVAL, DAMS (DRILL HOLE)	TCR	G1,PM3m	$ 10.0	F	26	N	1	1			$ 175.0		N	O		
FS	RIO GRANDE NATIONAL FOREST-SAGUACHE RANGER DISTRICT	SAGUACHE	CO	MINNIE LYNCH MINE REMOVAL RG - time critical	TCR	G1,PM3m		F	9	N	1		$ 50.0							
FS	ARAPAHOE ROOSEVELT NATIONAL FOREST-CLEAR CREEK RANGER DISTRICT	IDAHO SPRINGS	CO	CHIBENS MILL TIME CRITICAL REMOVAL AR - time critical	TCR	G1,PM3m		F	5	N	1		$ 200.0							
FS	Boise NF	Boise	ID	Telluride Mill Site	OVR3m	G1,PM3m									$ 18.0		O	O		
FS	Boise NF	Idaho	ID	MONARCH MILL SITE OVR3m	OVR3m	G1,PM3m									$ 23.0		N	O		
FS	Idaho Panhandle NF	Coeur d'Alene	ID	CONCEPTURE MINE OVR3m	OVR3m	G1,PM3m									$ 39.0		N	O		
FS	Idaho Panhandle NFs	Coeur d'Alene	ID	Lead Trace Mine removal (ERP oversight)	OVR3m	G1,PM3m									$ 39.0		N	O		
FS	Payette NF	McCall	ID	Stibnite Mine OVR3m	OVR3m	G1,PM3m		O		O					$ 69.0		O	O		
FS	Caribou NF	Pocatello	ID	Tyhee/Lanyon Mine OVR3m	OVR3m	G1,PM3m		O		O					$ 69.0		N	O		
FS	Caribou NF	Pocatello	ID	South Mabey Canyon OVR3m	OVR3m	G1,PM3m		O		O					$ 69.0		N	O		
FS	Salmon-Challis NF	Salmon	ID	Grouse Creek Mine OVR3m	OVR3m	G1,PM3m		O		O					$ 79.0		N	O		
FS	Salmon-Challis NF	Salmon	ID	Blackbird Mine RI/FS & Removal work/OVRS OVR3m	OVR3m	G1,PM3m		O		O					$ 186.0		D	O		
FS	BOISE NATIONAL FOREST-IDAHO CITY RANGER DISTRICT	IDAHO CITY	ID	TALACHE MILL SITE CLEANUP OVERSIGHT	OVR3m	G1,PM3m		F	B	N	1		$ 4.0							
FS	SAWTOOTH NATIONAL FOREST-KETCHUM RANGER DISTRICT	KETCHUM	ID	BASSETT GULCH MILL RAP OVERSIGHT	OVR3m	G1,PM3m		O	B	N			$ 35.0							
FS	SALMON-CHALLIS NATIONAL FOREST-SALMON AND COBALT RANGER DISTRICT	SALMON	ID	BLACKBIRD MINE RI/FS OVERSIGHT	OVR3m	G1,PM3m		O	B	O			$ 82.0							
FS	Idaho Panhandle NF	Sandpoint RD	ID	LAWRENCE MINE COMP, EA RMVA	RMVA	G1,PM3m								$ 150.0		36	N	F	1	1
FS	Idaho Panhandle NF	Wallace RD	ID	DORA MAE SITE RMVA	RMVA	G1,PM3m								$ 200.0		34	N	O		
FS	Salmon-Challis NF	Salmon	ID	Grouse Creek Mine RMVA	RMVA	G1,PM3m								$ 200.0		1	N	O		
FS	Idaho Panhandle NF	Sandpoint RD	ID	DANDALION/VIEW MINE RMVA PHASE 2	RMVA	G1,PM3m								$ 300.0		2	N	O		
FS	Idaho Panhandle NF	Coeur d'Alene	ID	CONFIDENTIAL MINE RMVA PHASE 2	RMVA	G1,PM3m									$ 358.0		O	F	1	
FS	Boise NF	Boise	ID	RAINBOW MINE RMVA/RMVA	RMVA	G1,PM3m									$ 439.0	8	N	O	1	
FS	Payette NF	McCall	ID	Stibnite Mine	RMVA	G1,PM3m									$ 809.0		O	F		
FS	Sawtooth NF	Twin Falls	ID	Stanley Gulch Mill	RMVA	G1,PM3m		O		O							O	O	1	
FS	Helena NF	Helena	MT	Upper Blackfoot Road Watershed (oversight)	OVR3m	G1,PM3m									$ 30.0		N	O		
FS	Lewis & Clark NF	Great Falls	MT	Black P Tailings (oversight)	OVR3m	G1,PM3m									$ 29.0	6	O	F	1	1
FS	Beaverhead-Deerlodge NF	Dillon	MT	BASIN CREEK SMALL MINES RMVA/MORNING MORTAR ADA VEXCATION	RMVA	G1,PM3m								$ 147.0		24	N	O		
FS	Helena NF	Helena	MT	TEMPLE CATEGORY E SITES RMVA (MONTE CRISTO, NATIONAL EXTENSION)	RMVA	G1,PM3m								$ 309.0		28	N	F	2	2
FS	Kootenai NF	Libby	MT	BIG CHERRY/SNOWSHOE (KOOTENAI) RMVA (BIG CHERRY, SNOWSHOE)	RMVA	G1,PM3m								$ 309.0		37	N	O		
FS	Beaverhead-Deerlodge NF	Dillon	MT	CATARACT CREEK SMALL MINES RMVA (BLACK BEAR, GRAY LEAD, BIRUS)	RMVA	G1,PM3m								$ 328.0		14	O	O		
FS	Beaverhead-Deerlodge NF	Dillon	MT	Phantom & Glacier Small Mines Removal	RMVA	G1,PM3m		D		O					$ 40.0		D	F	2	
FS	Helena, BO Forest	Helena	MT	LUTTRELL PIT RMVA	RMVA	G1,PM3m		O		O					$ 200.0		O	O		
FS	Beaverhead-Deerlodge NF	Dillon	MT	ELKHORN MINE RMVA PHASE 3	RMVA	G1,PM3m									$ 226.0		O	F	1	
FS	White Mountain NF	Lakeview	NH	Ore Pit Mine Cleanup - Tailings Stabilization	RMVA	G1,PM3m		D		O				$ 280.0		43	O	O		
FS	Santa Fe NF	Santa Fe	NM	Nacimiento Mine OUT - OVRS	OVR3m	G1,PM3m		O		O					$ 30.0		N	O		
FS	Cibola NF	Albuquerque	NM	SAN MATEO MINE OVR3m	OVR3m	G1,PM3m									$ 60.0		O	O		
FS	CIBOLA NATIONAL FOREST-EIG SUMMIT RANGER DISTRICT	QUESTA	NM	SAN MATEO MINE	OVR3m	G1,PM3m		O	B	N			$ 50.0							
FS	Humboldt-Toiyabe NF	Elko	NV	Lewandan Mine NPL OVR3m	OVR3m	G1,PM3m		O		O					$ 30.0		O	O		
FS	Wayne NF	Athens	OH	Hunters Creek Mine - Removal Action	RMVA	G1,PM3m		O		O				$ 489.0		4	O	F	1	1
FS	Ochoco NF	Prineville	OR	Ashby Mine Removal (AMTV/BLUE RIDGE MERCURY MINE RMVA/AMETY MERCURY MINE -BLUE RIDGE MERCURY MINE)	RMVA	G1,PM3m								$ 358.0		59	N	F	1	1
FS	Custer NF	Billings	SD	Ravenna Uranium Mine oversight	OVR3m	G1,PM3m									$ 40.0		N	O		
FS	Uinta NF	Provo	UT	AFC - BOG MINE/LOWER BOG RMVA (BOG MINE, LOWER BOG)	RMVA	G1,PM3m								$ 234.0		29	N	F	2	2
FS	Nicolaus Rev. Rmvl NF	Saratoga	WY	SAND LAKE LODGE RMVA	RMVA	G1,PM3m									$ 105.0		N	F	2	
FS	SHOSHONE NATIONAL FOREST-CLARKS FORK RANGER DISTRICT	CODY	WY	SUNLIGHT PENTA REMOVAL RG - time critical	TCR	G1,PM3m	$ 50.0	F	B	N	1	1								
				Completed Mine CERCLA Cleanups (G1,PM3m) Total			**$ 60.0**							**$ 458.0**	**$4,068.000**	**$ 3,337.000**			**23**	**16**
FS	LOS PADRES NATIONAL FOREST-QUAIL RANGER DISTRICT	OJAI	CA	OJENA LUST-LOW RISK SITE CLOSURE	CORA	G1,PM3		D	B	N			$ 5.0							
FS	STANISLAUS NATIONAL FOREST-SUMMIT RANGER DISTRICT	PINECREST	CA	LUST INVISTON & 215 CLEAN UP (3 MILE	UST3	G1 PM3		O	E	N			$ 13.0							

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FS	STANISLAUS NATIONAL FOREST-SUMMIT RANGER DISTRICT	PINECREST	CA	LUST DAYTON & SITE CLEAN UP (DAILER	USTC	G1,PM3r		O	9	N			$ 10.0							
FS	SAN BERNARDINO NATIONAL FOREST-SAN JACINTO RANGER DISTRICT	OROVILLE	CA	REDWOLD LUST INVESTIGATION AND CLEAN UP	USTC	G1,PM3r		O	9	N			$ 15.0							
FS	LOS PADRES NATIONAL FOREST-SANTA BARBARA RANGER DISTRICT	SANTA BARBARA	CA	ROSE VALLEY LUST S,OW RISK SITE CLOSURE)	USTC	G1,PM3r		O	9	N			$ 23.0							
FS	Sierra NF	Fresno	CA	AUBERRY PESTICIDE TANK REMOVAL	USTC	G1,PM3r									$ 50.0		N	F	1	
FS	Region 5	Vallejo	CA	R5 LUST INVESTIGATION AND CLEANUP(RELSEY CREEK STATION,YSEMA SERVICE CENTER)	USTC	G1,PM3r									$ 280.0		N	O		
FS	GRAND MESA UNCOMP GUNNISON NATIONAL FOREST (GRAND VALLEY RANGER DISTRICT	GRAND JUNCTION	CO	NORTH DELTA SHOP LUST CLEANUP, GMUG	USTC	G1,PM3r	$ 31.0	F	8	O	1	1								
RD	National Office	Washington	DC	UST Removal & Cleanups	USTC	G1,PM3r		O	9	O	9		$ 90.0	$ 48.0	$ 30.0	3	O	O		
FS	NATIONAL FORESTS IN FLORIDA-APALACHICOLA RANGER DISTRICT	BRISTOL	FL	APALACHICOLA WC UST GRDLINDWATER CLEANUP	USTC	G1,PM3r	$ 40.0	O	8	N			$ 40.0							
FS	National Forests in Florida	Tallahassee	FL	Apalachicola WC UST groundwater treatment (FY01 estimate. FY02 costs are just for salary)	USTC	G1 PM3r		O		O					$ 80.0		O	O		
ARS	Stored Products Insects R & D	Savannah	GA	RCRA corrective action	RCRA	G1,PM3r	$ 90.0	O	7	O				$ 60.0		4	O	O		
ARS	National Animal Disease Center	Ames	IA	RCRA UST cleanup	USTC	G1,PM3r	$ 26.0	O	10	O										
APHIS	Nat. Monitoring & Residue Analysis Lab		MS	Pesticide Storage Shed	CLOS	G1,PM3r										2	N	O	1	1
APHIS	Analytical and Natural Products Chemistry Lab	Gulfport	MS	Removed of Possibly Three UST Contravened Tanks (Unknown Materials)	USTC	G1,PM3r		F		O	1	1		$ 150.0	$ 150.0	2	N	O	3	1
ARS	Plum Island Animal Disease Center	Greenport	NY	RCRA closure activities	CLOS	G1,PM3r	$ 100.0	O	8	O	3	3				0	O	R	10	10
ARS	Plum Island Animal Disease Center	Greenport	NY	RCRA corrective actions	CLOS	G1,PM3r				O				$ 400.0		2	O	O		
ARS	Plum Island Animal Disease Center	Greenport	NY	RCRA UST cleanup	USTC	G1,PM3r	$ 200.0	O	4	O	1	1		$ 200.0		3	O	O		
FS	FREMONT NATIONAL FOREST-BLY RANGER DISTRICT	BLY	OR	BLY UST	USTC	G1,PM3r		F		O	1									
FS	UMPQUA NATIONAL FOREST-NORTH UMPQUA RANGER DISTRICT	GLIDE	OR	UMPQUA UST'S	USTC	G1,PM3r		F	8	N	3		$ 8.0							
FS	Fremont NF	Lakeview	OR	Lakeview UST Close up & Drum Disposal (LAKEVIEW UST USTC)	USTC	G1,PM3r		D		O					$ 85.0		C	F	1	
APHIS	Moore Air Base	Weslaco	TX	UST Closure	USTC	G1,PM3r		F		O	11	11								
FS	GIFFORD PINCHOT NATIONAL FOREST-WIND RIVER RANGER DISTRICT	CARSON	WA	WIND RIVER HHO LUST	CORA	G1,PM3r		F		O	1									
				Completed UST and RCRA Cleanups (G1,PM3r) Total			$ 486.0				23	17	$ 178.0	$ 858.0	$ 668.0				16	12
FS	Tongass NF -Mitc Falls RD	Hydar	AK	Prosperity Mine EECA	EECA	G1,PM2		O		O				$ 100.0		20	N		1	1
FS	Tongass NF -Ketchikan RD	Ketchikan	AK	SMITH BAY MINE EECA	EECA	G1,PM2									$ 100.0	8	N	F		
FS	CHUGACH NATIONAL FOREST-SEWARD RANGER DISTRICT	SEWARD	AK	SWETMAN EECA	EECA	G1,PM2	$ 100.0	O	53	N										
FS	CHUGACH NATIONAL FOREST-GLACIER RANGER DISTRICT	GREWOOD	AK	MONARCH MINE EECA	EECA	G1 PM2	$ 135.0	O	25	N										
FS	TONGASS NATIONAL FOREST-	JUNEAU	AK	E 12 MILE EECA	EECA	G1,PM2		F		N	1									
FS	TONGASS NATIONAL FOREST-THORNE BAY RANGER DISTRICT	THORNE BAY	AK	RAYE HARBOR EECA	EECA	G1 PM2		F		N	1									
FS	TONGASS NATIONAL FOREST-THORNE BAY RANGER DISTRICT	THORNE BAY	AK	SALT CHUCK EECA	EECA	G1 PM2		F		O	1									
FS	TONGASS NATIONAL FOREST-THORNE BAY RANGER DISTRICT	THORNE BAY	AK	THORNE BAY LANDFILL EECA	EECA	G1,PM2		F		O	1									
FS	TONGASS NATIONAL FOREST-CRAIG RANGER DISTRICT	CRAIG	AK	ROSE ADAMS EECA	EECA	G1 PM2		O	8	N			$ 300.0							
FS	PRESCOTT NATIONAL FOREST-BRADSHAW RANGER DISTRICT	BRADSHAW	AZ	HASSAYAMPA/YAVAPAI WS,BLUE JCI-KNAVCOLE	EECA	G1,PM2	$ 100.0	F	31	O	2	2								
FS	Tonto NF	Mesa	AZ	PINE MOUNTAIN OVR2	OVR2	G1 PM2									$ 60.0		N	F	1	
FS	CORONADO NATIONAL FOREST-NOGALES RANGER DISTRICT	PATAGONIA	AZ	MANSFIELD CANYON MINES	OVR2	G1 PM2		O	8	N			$ 60.0							
FS	Tonto NF	Mesa	AZ	MERCURIA/NATIONAL MERCURY RMVD (MERCURIA- NATIONAL,SUNFLOWER)	RMVD	G1,PM2								$ 70.0		13	N	F	2	2
FS	Tonto NF	Pleasa	AZ	RATTLESNAKE/CAN VELL RMVD	RMVD	G1 PM2							$ 85.0			18	N	F	1	1
FS	Prescott NF	Prescott	AZ	TURKEY CREEK MINES RMVD (FRENCH LILY, GOLDEN BELT, GOLDEN TURKEY)	RMVD	G1,PM2							$ 125.0			12	N	F	3	3
FS	Tahoe NF	Nevada City	CA	LATHROP Mine EECA	EECA	G1,PM2							$ 55.0			11	N	F	1	1
FS	Tahoe NF	Nevada City	CA	ANCHOR/RE MINE EECA	EECA	G1,PM2							$ 70.0			15	N	F	1	1
FS	STANISLAUS NATIONAL FOREST SUMMIT RANGER DISTRICT	PINECREST	CA	JUNIPER MINE EECA PROJECT MANAGEMENT	EECA	G1,PM2	$ 5.0	F	8	O	1	1								
FS	LOS PADRES NATIONAL FOREST- SANTA LUCIA RANGER DISTRICT	SANTA BARBARA	CA	DEER HILL MINE EECA	EECA	G1,PM2	$ 10.0	F	49	N	1	1								
FS	HUMBOLDT-TOYABE NATIONAL FOREST-CARSON RANGER DIS TRICT	CARSON CITY	CA	CO HILL - ZACA MINE EECA	EECA	G1,PM2		F	8	O	1		$ 31.0							
FS	TAHOE NATIONA - FOREST-NEVADA CITY RANGER DISTRICT	NEVEDA CITY	CA	ALPHA JICO AS EECA	EECA	G1,PM2		F	7	N			$ 40.0							

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FS	TAHOE NATIONAL FOREST-NEVADA CITY RANGER DISTRICT	NEVADA CITY	CA	RELIEF HILL EECA	EECA	G1,PM2		D	27	N			$ 40.0							
FS	PLUMAS NATIONAL FOREST-BECKWOURTH RANGER DISTRICT	SANTA MARIA	CA	WALKER MINE TAILINGS REMEDIAL DESIGN,PM	REMD	G1,PM2	$ 4.0	D	8	N										
FS	TAHOE NATIONAL FOREST-NEVADA CITY RANGER DISTRICT	NEVEDA CITY	CA	SAILOR FLATS REMOVAL DESIGN ,	RMVD	G1,PM2	$ 40.0	F	33	N	1	1								
FS	STANISLAUS NATIONAL FOREST SUMMIT RANGER DISTRICT	PINECREST	CA	JUMPER MINE REMEDIAL DESIGN	REMD	G1,PM2	$ 50.0	D	8	N										
FS	Pulpit Rock HP	Sweetwater	CO	LANCASTER MINE EECA	EECA	G1,PM2								$ 38.0		8	N	F	1	1
FS	ARAPAHO AND ROOSEVELT NF	Boulder	CO	TIP TOP MINE EECA	EECA	G1,PM2								$ 30.0		9	N	F	1	1
FS	GRAND MESA - UNCOMPAHGRE AND GUNNISON NATIONAL FOREST	Gunnison RD	CO	AKRON MINE AND MILLSITE EECA	EECA	G1,PM2								$ 65.0		17	N	F	1	1
FS	San Juan NF	Dolores	CO	CHANCE DUMP EECA	EECA	G1,PM2								$ 80.0		13	N	F	1	1
FS	Grand Mesa, Uncompahgre & Gunnison NFs	Montrose	CO	CORKSCREW GULCH SMALL MINES EECA	EECA	G1,PM2										82	N	F	1	1
FS	Grand Mesa, Uncompahgre, Gunnison	Montrose	CO	VERNON MINE EECA	EECA	G1,PM2										114	N	F	1	1
FS	Pike-San Isabel NF	Pueblo	CO	Kentucky Belle Mine EECA	EECA	G1,PM2			O							101	N	F	1	1
FS	San Juan NF	Grants RD	CO	AMETHYST MINE EECA	EECA	G1,PM2										77	N	F	1	1
FS	San Juan NF	Rio Grande	CO	PARADISE MINE EECA	EECA	G1,PM2										106	N	F	1	1
FS	PIKE-SAN ISABEL NATIONAL FOREST-SOUTH PLATTE RANGER DISTRICT	MORRISON	CO	GEM DANDY EECA PDCO	EECA	G1,PM2	$ 25.0	F	P	N	1	1								
FS	SAN JUAN NATIONAL FOREST-CLIMBING RANGER DISTRICT	BAYFIELD	CO	BONNER MINE EECA,SJ	EECA	G1,PM2	$ 40.0	F	46	N	1	1								
FS	RIO GRANDE NATIONAL FOREST-DIVIDE RANGER DISTRICT	DEL NORTE	CO	WILLOW CREEK EECA, RG (MIDWEST MINE, PHOENIX PARK HILL SITES)	EECA	G1,PM2	$ 113.0	F	46	N	2	2								
FS	ARAPAHOE-ROOSEVELT NATIONAL FOREST-CLEAR CREEK RANGER DISTRICT	IDAHO SPRINGS	CO	LOMBARD MINE EECA, AR	EECA	G1,PM2			P	6	N	1		$ 25.0						
FS	WHITE RIVER NATIONAL FOREST-DILLON DISTRICT	SILVERTHORN E	CO	SNAKE RIVER, EE-CAS, W.R. (LOWER CINNAMON GULCH, UPPER CINNAMON GULCH)	EECA	G1,PM2			F	33	N	2		$ 40.0						
FS	MEDICINE BOW-ROUTT NATIONAL FOREST-HAHNS PEAK/BEARS EARS RANGER DISTRICT	STEAMBOAT SPRINGS	CO	MEDICINE BOW/ROUTT EE/CAS (IRON SPRINGS, SOUTHERN CROSS)	EECA	G1,PM2			F	6	N	2		$ 50.0						
FS	ARAPAHOE-ROOSEVELT NATIONAL FOREST-BOULDER RANGER DISTRICT	BOULDER	CO	FAIR DAY REMOVAL DESIGN, AR	REMD	G1,PM2			F	6	N	1		$ 20.0						
FS	San Juan NF	Durango	CO	CHAPMAN GULCH SMALL/NORTH MINES REMD (CHAPMAN GULCH SMALL MINES, NORTH CHAPMAN GULCH)	REMD	G1,PM2									$ 40.0	7	N	F	2	2
FS	Grand Mesa, Uncompahgre & Gunnison NFs	Delta	CO	LOWER MONTROSE MINE RMVD	REMD	G1,PM2										112	N	F	1	1
APHIS	WS Florida	Altoona	FL	Denver Response Planning	EECA	G1,PM2			O		Q	1	1		$ 5,000.0		Q	O		
FS	Idaho Panhandle NF	Wallace RD	ID	EAGLE CR STREAMBANK TAILINGS EECA	EECA	G1,PM2										93	D	F	1	1
FS	Idaho Panhandle NF	Sandpoint RD	ID	E E LTON, CR, MILL SITE EECA	EECA	G1,PM2										91	N	F	1	1
FS	Idaho Panhandle NF	Coeur d'Alene	ID	JOE WALLETT MINE EECA	EECA	G1,PM2										119	N	F	1	1
FS	Idaho Panhandle NFs	Coeur d'Alene	ID	ST. JOE MINE COMPLEX EECA (ALLISON MINE (EPA'S LUCKY STRIDE, PEARSON MINING CO PROSPECT)	EECA	G1,PM2										107	N	F	2	3
FS	Uinta NF	Provo	ID	V S. BENNION CREEK GROUP SECA(BENNION HILL PROSPECT, DIXIE CLAIM, HUCKO, BUCK CLAIM, NEW ERIE CL	EECA	G1,PM2										121	N	F	4	4
FS	Uinta NF	Provo	ID	V S. HARD TO BEAT CANNON GROUP EECA (ALLISON PROSPECT, CONTACT #1, FAWN, GREEN RIDGE 2, PARK UTAH, PROSPECT N OF POLE VABN)	EECA	G1,PM2										98	N	F	8	8
FS	Uinta NF	Provo	ID	V S. LITTLE VALLEY CREEK GROUP EECA (BLACK HAWK 2,3, BLACK HAWK COMPLEX, INTERNATIONAL GROUP 2, MORGAN MINE 1, 2, NO NAME, PROSPECT S OF LITTLE VALLEY)	EECA	G1,PM2										111	N	F	8	8
FS	SALMON-CHALLIS NATIONAL FOREST-CHALLIS RANGER DISTRICT	SALMON	ID	TUNGSTEN JIM MINE EECA	EECA	G1,PM2	$ 33.0	F	6	N	1	1								
FS	SAWTOOTH NATIONAL FOREST-SAWTOOTH NATIONAL RECREATION AREA	KETCHUM	ID	LINNGSTON MILL SITE EECA	EECA	G1,PM2	$ 35.0	F	13	N	1	1								
FS	BOISE NATIONAL FOREST-IDAHO CITY RANGER DISTRICT	IDAHO CITY	ID	BANNER MINE EECA	EECA	G1,PM2	$ 40.0	F	6	N	1	1								
FS	BOISE NATIONAL FOREST-IDAHO CITY RANGER DISTRICT	IDAHO CITY	ID	CORNISH MINE EECA	EECA	G1,PM2	$ 45.0	F	9	N	1	1								
FS	BOISE NATIONAL FOREST-LOWMAN RANGER DISTRICT	LOWMAN	ID	DEADWOOD MINE EECA	EECA	G1,PM2		F	9	O	1		$ 5.0							

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FS	IDAHO PANHANDLE NATIONAL FORESTS-WALLACE RANGER DISTRICT	SILVERTON	ID	IDORA EECA	EECA	G1,PM2		P	9	N	1		$ 70.0							
FS	IDAHO PANHANDLE NATIONAL FORESTS-BONNERS FERRY RANGER DISTRICT	COEUR D'ALENE	ID	CONTINENTAL FLUVIAL TAILINGS EECA/REMOVAL	EECA	G1,PM2		F	0	N	1									
FS	BOISE NATIONAL FOREST-IDAHO CITY RANGER DISTRICT	IDAHO CITY	ID	MONARCH MILL SITE EECA	EECA	G1,PM2		O	8	N			$ 2.0							
FS	Caribou NF	Pocatello	ID	DIAMOND GULCH MINE OVR2	OVR2	G1,PM2									$ 38.0			F	1	
FS	Sawtooth NF	Twin Falls	ID	Regional Guard EM	OVR3	G1,PM2									$ 32.0			O	F	1
FS	Caribou NF	Pocatello	ID	AREAWIDE PHOSPHATE CIRCLA WORK OVR2	OVR2	G1,PM2									$ 40.0			N	O	
FS	Caribou NF	Pocatello	ID	CHAMP MINE OVR2	OVR2	G1,PM2									$ 40.0			N	O	
FS	Caribou NF	Pocatello	ID	MOUNTAIN FUEL MINE OVR2	OVR2	G1,PM2									$ 45.0			N	O	
FS	Caribou NF	Pocatello	ID	RAILROAD/BOX RIDGE OVR2	OVR2	G1,PM2									$ 40.0			N	O	
FS	CARIBOU NATIONAL FOREST	Pocatello	ID	MIDDLE MAYBE CANYON OVR2	OVR2	G1,PM2									$ 80.0			N	O	
FS	Caribou NF	Pocatello	ID	WOOLEY VALLEY MINE OVR2	OVR2	G1,PM2									$ 80.0			N	O	
FS	SALMON-CHALLIS NATIONAL FOREST-YANKEE FORK RANGER DISTRICT	CLAYTON	ID	GROUSE CREEK OVERNIGHT	OVR2	G1,PM2		F	8	O	1		$ 84.5							
FS	CARIBOU NATIONAL FOREST-SODA SPRINGS RANGER DISTRICT		ID	SOUTH MAYBE CANYON OVT PRP WORK	OVR2	G1,PM2		O	9	N			$ 40.0							
FS	Caribou NF	Pocatello	ID	PHOSPHATE MINING REMEDIAL FEASIBILITY STUDIES	REMD	G1,PM2	$ 380.0	O	8	O										
FS	PAYETTE NATIONAL FOREST-KRASSEL RANGER DISTRICT	MCCALL	ID	STIBNITE MINE REMOS	REMD	G1,PM2		O	13	O			$ 10.0							
FSA/CCC	Vantage Grain Bin Site	Vantage	KS	Response action alternatives analysis	EECA	G1,PM2									$ 80.0			N	O	
FSA/CCC	Agra Grain Bin Site	Agra	KS	Response action alternatives analysis	EECA	G1,PM2		O		N					$ 100.0			N	O	
FSA/CCC	Everest Grain Bin Site	Everest	KS	Ready to action alternatives analysis	EECA	G1,PM2	$ 200.0	O		N					$ 200.0			O	F	1
FS	Daniel Boone National Forest	Supertus	KY	CABIN BRANCH MINE EECA	EECA	G1,PM2								$ 135.0		36		N	F	1
FS	Daniel Boone National Forest	Stearns	KY	POPLAR SPRINGS MINE EECA	EECA	G1,PM2								$ 150.0		48		N	O	
FS	Daniel Boone National Forest	Stearns	KY	JONES BRANCH MINE EECA	EECA	G1,PM2								$ 180.0		22		N	F	1
FS	Daniel Boone National Forest	Stearns	KY	PAINT CUTPMINE 15 EECA	EECA	G1,PM2								$ 188.0		36		N	O	
ARS	Beltsville Agricultural Research Center	Beltsville	MD	Removal design	REMD	G1,PM2		O		O				$ 1,000.0				O	O	
FS	Ottawa NF	Ironwood	MI	Environmental Administrative Stee - EECA	EECA	G1,PM2		O		O					$ 120.0			N	F	1
FS	Ottawa NF	Ironwood	MI	Camp Gibbs Camp Chimney - EECA	EECA	G1,PM2		O		O						119		N	F	1
FS	OTTAWA NATIONAL FOREST-IRON RIVER RANGER DISTRICT	IRON RIVER	MI	CAMP GIBBS DUMP EECA	EECA	G1,PM2		F	9	N	1		$ 100.0							
FS	OTTAWA NATIONAL FOREST-WATERSMEET RANGER DISTRICT	WATERSMEET	MI	IRON MOUNTAIN ADMIN EECA	EECA	G1,PM2		O	9	N			$ 100.0							
FS	BEAVERHEAD-DEERLODGE NATIONAL FOREST	DILLON	MT	ATLANTIC TAILINGS EECA	EECA	G1,PM2										65		N	F	1
FS	Beaverhead-Deerlodge NF	Dillon	MT	ELKHORN TOWNSITE EECA	EECA	G1,PM2										67		N	F	1
FS	Beaverhead-Deerlodge NF	Dillon	MT	FOREST ROSE FARMOS EECA	EECA	G1,PM2										74		N	F	1
FS	Butte Ranger Deerlodge NF	Philipsburg	MT	GILT EDGE MINE EECA	EECA	G1,PM2										123		O	F	1
FS	Butte Ranger Deerlodge NF	Madison RD	MT	UPPER SAM CREEK EECA	EECA	G1,PM2										78		N	F	1
FS	BEAVERHEAD-DEERLODGE NATIONAL FOREST-JEFFERSON RANGER DISTRICT	DILLON	MT	JACK CREEK STREAMSIDE TAILINGS EECA/REMOVAL	EECA	G1,PM3	$ 318.0	F	17	N	1	1	$ 100.0							
FS	BEAVERHEAD-DEERLODGE NATIONAL FOREST-JEFFERSON RANGER DISTRICT	DILLON	MT	ELKHORN TOWNSITE CREEK TAILINGS	EECA	G1,PM2		F	8	N	1		$ 85.0							
FS	KOOTENAI NATIONAL FOREST--LIBBY RANGER DISTRICT	LIBBY	MT	BIG CREEK/SNOWSHOE EECA	EECA	G1,PM2		F	8	N	1		$ 65.0							
FS	HELENA NATIONAL FOREST-HELENA RANGER DISTRICT	HELENA	MT	PRICKLEY PEAR SMALL MINES EECA (LONE EAGLE QUARTZ, BALLIE BELLE, YANK)	EECA	G1,PM2		F	59	N	3		$ 200.0							
FS	HELENA NATIONAL FOREST-HELENA RANGER DISTRICT	HELENA	MT	LITTLE BLACKFOOT SMALL MINES EECA (BIG DICK, HOPE, MUD CAMP, KIMBALL, MONARCH MINE, TELEGRAPH, THIRD YEAR VIKING)	EECA	G1,PM2		F	61	N	8		$ 200.0							
FS	Beaverhead-Deerlodge NF	Dixon	MT	CONTINUATION WELL OVR2	OVR2	G1,PM2									$ 30.0			N	F	1
FSA/CCC	Bruno Grain Bin Site	Bruno	NE	Removal design	REMD	G1,PM2		O		N			$ 60.0							
FSA/CCC	Rowena Grain Bin Site	Rowena	NE	Removal Design	REMD	G1,PM2		O		O			$ 60.0							
FS	WHITE MOUNTAIN NATIONAL FOREST-PEMIGEWASSET RANGER DISTRICT	PLYMOUTH	NH	ORE HILL EECA	EECA	G1,PM2		F	8	F	1		$ 10.0							
FS	WHITE MOUNTAIN NATIONAL FOREST-PEMIGEWASSET RANGER DISTRICT	PLYMOUTH	NH	ORE HILL REMD	REMD	G1,PM2		O	8	N			$ 180.0							
FS	GILA NATIONAL FOREST-SILVER CITY RANGER DISTRICT	SILVER CITY	NM	GERMAN MINE SITE	EECA	G1,PM2		F	8	N	1		$ 88.0							
FS	CARSON NATIONAL FOREST-JICARILLA RANGER DISTRICT	RED RIVER	NM	PLACER CREEK WATERSHED MINES EECA	EECA	G1,PM2		F		O	17									
FS	CARSON NATIONAL FOREST-QUESTA RANGER DISTRICT	RED RIVER	NM	BITTER CREEK WATERSHED MINES EECA	EECA	G1,PM2		F		N	19									
FS	CARSON NATIONAL FOREST-QUESTA RANGER DISTRICT	QUESTA	NM	PIONEER CREEK WATERSHED MINES EECA	EECA	G1,PM2		F		N	24									

Planned Programs of Work and Performance Targets, Fiscal Years 2003 and 2004
USDA Hazardous Materials Management Program

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FS	SANTA FE NATIONAL FOREST--CUBA RANGER DISTRICT	CUBA	NM	NACIMIENTO CUJ FS	FEAS	G1,PM2		F	B	O	1		$ 20.0							
FS	Carson NF	Taos	NM	NOLTOPKP OVR2	OVR2	G1,PM2									$ 50.0		O	O		
FS	SANTA FE NATIONAL FOREST--CUBA RANGER DISTRICT	CUBA	NM	NACIMIENTO CUJ	OVR2	G1,PM2		O	B	O			$ 40.0							
FS	Carson NF	Taos	NM	BITTER/PIONEER/PLACER/WB MINES RMVD (BITTER CREEK, PLACER CREEK)	RMVD	G1,PM2								$ 369.0		23	N	F	3	3
FS	CARSON NATIONAL FOREST--JICARILLA RANGER DISTRICT	RED RIVER	NM	PLACER CREEK WATERSHED MINES RMVD	RMVD	G1,PM2	$ 75.0	O	24	N										
FS	CARSON NATIONAL FOREST--QUESTA RANGER DISTRICT	RED RIVER	NM	BITTER CREEK WATERSHED MINES RMVD	RMVD	G1,PM2		O	64	N			$ 140.0							
FS	CARSON NATIONAL FOREST--QUESTA RANGER DISTRICT	RED RIVER	NM	PIONEER CREEK WATERSHED MINES RMVD	RMVD	G1,PM2		O	69	N			$ 140.0							
FS	Humboldt-Toiyabe NF	Elko	NV	BUCKSKIN MINE EECA	EECA	G1,PM2										96	N	F	1	1
FS	HUMBOLDT-TOIYABE NATIONAL FOREST--AUSTIN RANGER DISTRICT	AUSTIN	NV	APEX MINE EECA	EECA	G1,PM2	$ 8.0	F	9	O	1	1								
FS	Humboldt-Toiyabe NF	Elko	NV	NATIONAL MINE MRSP	NRSP	G1,PM2										83	N	F	1	1
FS	Wayne NF	Athens	OH	ESSEX MINES/YOAMORE-HOLLOW COAL PROJECT EECA	EECA	G1,PM2								$ 130.0		25	N	O		
FS	Wayne NF	Athens	OH	COE HOLLOW COAL EECA	EECA	G1,PM2										92	N	F	1	1
FS	Wayne NF	Athens	OH	LOST RUN COAL EECA	EECA	G1,PM2										73	N	F	1	1
FS	MAYFIELD NATIONAL FOREST--PRONTON RANGER DISTRICT	PEDRO	OH	KIMBLE CREEK PYROLUCITE PILOT	RMVD	G1,PM2		O	8	O			$ 50.0							
FS	Wallowa-Whitman NF	Baker	OR	GOLCONDA MINE EECA	EECA	G1,PM2								$ 130.0		72	N	O		
FS	Umatilla NF	Pendleton	OR	GRANITE CREEK MINES EECA (AMX, BLACK JACK, BLUEBIRD, MACHOLIA)	EECA	G1,PM2								$ 300.0		21	N	O		
FS	Deschutes NF	Bend	OR	Bend Pine Nursery - EECA	EECA	G1,PM2									$ 208.0		O	F	1	
FS	DESCHUTES NATIONAL FOREST--BENDFORT ROCK RANGER DISTRICT	BEND	OR	BEND PINE CLEAN UP	EECA	G1,PM2		F		O	1									
FS	FREMONT NATIONAL FOREST--LAKEVIEW RANGER DISTRICT	LAKEVIEW	OR	LAKEVIEW RETARDANT BASE CLEAN UP	EECA	G1,PM2		F		O	1									
FS	MALHEUR NATIONAL FOREST--BEAR VALLEY RANGER DISTRICT	JOHN DAY	OR	ADDAYDRK EECA	EECA	G1,PM2		F		N	2									
FS	OCHOCO NATIONAL FOREST--BIG SUMMIT RANGER DISTRICT	PRINEVILLE	OR	AMITYBLUE RIDGE EECA	EECA	G1,PM2		F		N	2									
FS	Francis NF	Lisbon	OH	WHITE KING/LUCKY LASS MINE OVR2	OVR2	G1,PM2														
FS	FREMONT NATIONAL FOREST--LAKEVIEW RANGER DISTRICT	LAKEVIEW	OR	WHITE KING/LUCKY LASS OVR2	OVR2	G1,PM2		O	B	O			$ 50.0		$ 150.0		O	O		
FS	FREMONT NATIONAL FOREST--LAKEVIEW RANGER DISTRICT	LAKEVIEW	OR	LAKEVIEW RETARDANT BASE CLEAN UP	RMVD	G1,PM2		F		N	1									
FS	WALLOWA WHITMAN NATIONAL FOREST--PINE RANGER DISTRICT	HALFWAY	OR	CORVUDDPA MINE RMVD	RMVD	G1,PM2		F	0	O	1									
FS	Black Hills NF	Custer	SD	Area of the West Tailsand EECA	EECA	G1,PM2										102	N	F	1	1
FS	Black Hills NF	Custer	SD	HOMAS Mine EECA	EECA	G1,PM2										78	N	F	1	1
FS	BLACK HILLS NATIONAL FOREST	Custer	SD	NEMO SITE RMVD	RMVD	G1,PM2									$ 200.0		N	F	1	
FS	BLACK HILLS NATIONAL FOREST--SPEARFISH RANGER DISTRICT	SPEARFISH	SD	NEMO SITE REMOVAL DESIGN, EH	RMVD	G1,PM2	$ 20.0	F	B	N	1	1								
FS	Manti-La Sal NF	Price	UT	LA SAL CREEK EECA (BLACK HAT, BLUE CAP, FIREFLY, VALLEY VIEW)	EECA	G1,PM2								$ 50.0		5	O	F	4	4
FS	UINTA NATIONAL FOREST--SPANISH FORK RANGER DISTRICT	SPANISH FORK	UT	VERNON SHEEPROCK - HARD TO BEAT CANYON G	EECA	G1,PM2		O	77	N			$ 120.0							
FS	MANTI-LASAL NATIONAL FOREST--MONTICELLO RANGER DISTRICT	MONTICELLO	UT	KING EDWARD MINE RMVD	RMVD	G1,PM2	$ 30.0	O	9	N										
FS	UINTA NATIONAL FOREST--PLEASANT GROVE RANGER DISTRICT	PLEASANT GROVE	UT	AFC BOG MINES RMVD	RMVD	G1,PM2		F	31	N	2		$ 8.0							
FS	Colville NF	Colville	WA	Lamprighr Colville Mine-EECA	EECA	G1,PM2								$ 129.0		31	N	O		
FS	Okanogan NF	Okanogan	WA	AZURITE MINE EECA	EECA	G1,PM2								$ 165.0		35	N	O		
FS	Wenatchee NF	Wenatchee	WA	Holden Mine - Oversight	OVR2	G1,PM2		O		O					$ 100.0		O	O		
FS	Wenatchee NF	Wenatchee	WA	Holden Mine - Oversight	OVR2	G1,PM2		O		O					$ 100.0		O	O		
FS	WENATCHEE NATIONAL FOREST--CHELAN RANGER DISTRICT	CHELAN	WA	HOLDEN MINE OVR2	OVR2	G1,PM2		O	5	O			$ 60.0							
FS	CHEQUAMEGON-NICOLET NATIONAL FOREST--ANDWOOD RANGER DISTRICT	LAKEWOOD	WI	BINDER LAKE EECA	EECA	G1,PM2	$ 145.0	O	72	N										
FS	Hiawatha NF	Rhinelander	WI	BINDER LAKE JR O/O	RMVD	G1,PM2										82	O	F	1	1
FS	Monongahela NF	Elkins	WV	BEAR RUN COAL MINE EECA (BEAR RUN COAL ME 1013, 1014, 1035, 1018)	EECA	G1,PM2										115	N	F	4	4
FS	Medicine Bow-Routt NF	Laramie	WY	HISPUR GULCH EECA	EECA	G1,PM2								$ 23.0		10	N	F		1
				Completed Cleanup Plans (G1,PM2) Total			$ 1,854.0				129	17	$ 2,644.0	$ 4,220.0	$ 6,850.0				61	72
FS	R10 REGIONAL OFFICE	JUNEAU	AK	R10 AFRICA ACTIONS	NRDA	G1,PM1		O	B	O			$ 50.0							
FS	TONGASS NATIONAL FOREST--MISTY FJORDS NATIONAL MONUMENT		AK	ADVERSARIAL SITE PASI	PASI	G1,PM1	$ 73.0	O	43	N										
FS	TONGASS NATIONAL FOREST	JUNEAU	AK	E-2 SITE PASI	PASI	G1,PM1		F		F										

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USDA Hazardous Materials Management Program

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FS	TONGASS NATIONAL FOREST-THORNE BAY RANGER DISTRICT	THORNE BAY	AK	RATZ HARBOR PASI	PASI	G1,PM1		P		O	1									
FS	OZARK-ST. FRANCIS NATIONAL FORESTS-BAYOU RANGER DISTRICT	HECTOR	AK	UNAUTHORIZED SHOOTING RANGE PASI	PASI	G1,PM1		O	B	N			$ 50.0							
FS	TONGASS NATIONAL FOREST-KETCHIKAN RANGER DISTRICT	KETCHIKAN	AK	MOTH BAY MINE PASI	PASI	G1, PM1		O	B	N			$ 100.0							
FS	TONGASS NATIONAL FOREST-PETERSBURG RANGER DISTRICT	PETERSBURG	AK	WASHINGTON BAY CANNERY PASI	PASI	G1 PM1		O	B	N			$ 100.0							
FS	TONGASS NATIONAL FOREST-SITKA - RANGER DISTRICT	SITKA	AK	TODD CANNERY PASI	PASI	G1,PM1		O	B	N			$ 100.0							
FS	Regionwide	Juneau	AK	LTF PASI-5 FATHOM BIGHT, MEKA BAY LTF, ST JOHNS HARBOR)	PASI	G1,PM1									$ 100.0		N	O		
FS	Regionwide	Juneau	AK	BARNTORY - CANNERY SITES PASI	PASI	G1,PM1									$ 300.0	B	O	O		
FS	TONTO NATIONAL FOREST-MESA RANGER DISTRICT	MESA	AZ	PINE MOUNTAIN MERCURY MINE	OVR1	G1,PM1		O	B	N			$ 20.0							
FS	Prescott NF	Prescott	AZ	Fayfield Watershed Mines PASI (Mocassin Canyon)	PASI	G1,PM1		O		O					$ 75.0	B	N	F	2	
FS	Tonto NF	Phoenix	AZ	MATAPEAL MINING DISTRICT PASI (CANE SPRINGS, CORNUCOPIA, CHEDA, RATTLESNAKE, RED TOP MERCURY, SITOSKY, UNKNOWN 8)	PASI	G1 PM1									$ 75.0	B	N	F	7	
FS	Prescott NF	Prescott	AZ	Humbug Watershed Mines - PASI (Tunnel Survey Tiger, Blanchard, Cobb, Mescal, Ora Belle, Rabbit Tunnel)	PASI	G1 PM1		O		O						D	N	F	8	
FS	KLAMATH NATIONAL FOREST-ORLEANS/UNKNOWN RANGER DISTRICT	ORLEANS	CA	SISKON MINE NRDA (COORDINATION WITH OTHE	PAS	G1,PM1		F	B	O	1		$ 13.0							
FS	TAHOE NATIONAL FOREST-NEVADA CITY RANGER DISTRICT	NEVEDA CITY	CA	ALPHA DIGGINS NRDA (COORDINATION WITH OT	PAS	G1 PM1		F	B	N	1		$ 15.0							
FS	TAHOE NATIONAL FOREST-NEVADA CITY RANGER DISTRICT	NEVEDA CITY	CA	RELIEF HILL NRDA (COORDINATION WITH OTHE	PAS	G1 PM1		F	B	N	1		$ 15.0							
FS	ROGUE RIVER NATIONAL FOREST-APPLEGATE RANGER DISTRICT	JACKSONVILLE	OR	TRUE LUCKE COPPER MINE PAS	PAS	G1,PM1		O	B	O			$ 30.0							
FS	SIERRA NATIONAL FOREST-MINARETS RANGER DISTRICT	MINARETS	CA	WEST FALL RELEASE ASSESSMENT	PASI	G1 PM1	$ 30.0	O	4	N										
FS	TAHOE NATIONAL FOREST-NEVADA CITY RANGER DISTRICT	NEVEDA CITY	CA	ALPHA DIGGINS PASI	PASI	G1 PM1		F	B	N	1		$ 5.0							
FS	TAHOE NATIONAL FOREST-NEVADA CITY RANGER DISTRICT	NEVEDA CITY	CA	RELIEF HILL PASI	PASI	G1,PM1		F	B	O	1		$ 10.0							
FS	INYO NATIONAL FOREST-MAMMOTH RANGER DISTRICT	Bishop	CA	ANTELOPE SPRINGS ABANDONED MINE PASI	PASI	G1 PM1		O	9	N			$ 50.0							
FS	Sut Rivers NF	Eureka	CA	UNION ZAHR PASI	PASI	G1,PM1									$ 21.0	D	N	F	1	
FS	Shasta-Trinity NF	Redding	CA	KELLY PASI	PASI	G1,PM1									$ 75.0	B	N	F	1	
FS	LASSEN NATIONAL FOREST-ALMANOR RANGER DISTRICT	CHESTER	CA	CAMP 19 SUMP SITE INVESTIGATION	SI	G1,PM1		O	B	N			$ 30.0							
FS	SHASTA-TRINITY NATIONAL FOREST-MT SHASTA RANGER DISTRICT	MT SHASTA	CA	SPRING HILL QUARRY SI	SI	G1 PM1		O	B	N			$ 35.0							
FS	Plumas NF	Quincy	CA	WHITE HORSE SI	SI	G1,PM1									$ 20.0	B	N	F	1	
FS	Sequoia NF	Porterville	CA	LAURIE MINE SI	SI	G1,PM1									$ 20.0	B	N	F	1	
FS	Inyo NF	Bishop	CA	WHITE CAPS MILL SI	SI	G1,PM1									$ 20.0	B	N	F	1	
FS	Shasta-Trinity NF	Redding	CA	SPRING HILL QUARRY SI	SI	G1,PM1									$ 60.0		N	F	1	
FS	GRAND MESA UNCOMP GUNNISON NATIONAL FOREST-GUNNISON RANGER DISTRICT	GUNNISON	CO	GIPHR BASIN CHAR PASI, OMAS, (GARDY MINE)	PA	G1,PM1	$ 80.0	F	21	N	1	1								
FS	SAN JUAN NATIONAL FOREST-COLUMBINE RANGER DISTRICT	BAYFIELD	CO	SAN JUAN PASI(S), LAND LINES, AND PRP SEARCHES, SI (IRELAND, FERROCRETE MINS 1, RUBY TRUST, US BASIN 2)	PA	G1 PM1	$ 118.0	F	43	N	1	4								
FS	PIKE-SAN ISABELL NATIONAL FOREST-SOUTH PARK RANGER DISTRICT	FAIRPLAY	CO	LAKE GEORGE WC PENTA SITE, RO	PA	G1,PM1	$ 150.0	F	6	N	1	1								
FS	SAN JUAN NATIONAL FOREST-COLUMBINE RANGER DISTRICT	BAYFIELD	CO	RED TAIL PA AND PRP SEARCH, SI	PA	G1,PM1		F	B	N	1		$ 30.0							
FS	WHITE RIVER NATIONAL FOREST-GL,JON S	SILVERTHORN	CO	SNAKE RIVER PASI, PRP, W.R. (ALLAN EMORY, JESSE MINE, MARDEN GULCH)	PA	G1 PM1		F	57	N	3		$ 60.0							
FS	PIKE-SAN ISABELL NATIONAL FOREST-SOUTH PLATTE RANGER DISTRICT		CO	PIKE SAN ISABELL PASI S, PSOC (VICUNA OF ST HELEN, REVENUE MINE NEAR ROSSE TUNNEL, TURQUOISE LAKE MORT-)	PA	G1 PM1		F	B	N	4		$ 75.0							
FS	PIKE-SAN ISABEL NATIONAL FOREST-SOUTH PLATTE RANGER DISTRICT	MORRISON	CO	GEM CANDY MINE PASI, ENFS, PSOC	PASI	G1,PM1		F	6	N	1		$ 18.0							

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USDA Hazardous Materials Management Program

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FS	Regional Forester- Region 2	Lakewood	CO	REGION WIDE RI-2 PAS, (DEADWOOD AGNEW, FELTHOOKETTE MINE 1, GILES GOVERNOR, GRAND CENTRAL, HAMILTON, HAWKEYE, LION MOWNIGHT, MADONNA, SALVER MOUNTAIN MINERITE, SUPERIOR, VIRGINIA G, WEST, WHITE MICA, WHITE RAVEN, WINFIELD 1, WINFIELD 2)	PASI	G1,PM1									$ 400.0	B	N	O	14	
RD	National Office	Washington	DC	Comprehensive Site Redevelopment	BRWP	G1,PM1	$ 50.0	O	4	O		-	$ 50			10	O	O		
FSAFE_P	National Office	Washington	DC	GERGLA ESA'S	OESA	G1,PM1		O		O	6	2	$ 100.0		$ 400.0		O	O		
ARS	U S Horticultural Research Center	Orlando	FL	Environmental Site Assessment II - Phase II Sampling	ESA2	G1,PM1	$ 300.0	O	2	O				$ 100.0		6	O	O		
APHIS	Harry S. Truman Animal Import Ctr	Key West	FL	Environmental Baseline Survey (EBS) and Findings of Suitability for Transfer (FOST) and Florida Full-Site Assessments	PASI	G1 PM1			F		O	3	3							
FS	CARIBOU NATIONAL FOREST-SODA SPRINGS RANGER DISTRICT	SODA SPRINGS	ID	ARGAVIDE PHOSPHATE CERCLA WORK	OWR1	G1,PM1			F	B	O	1		$ 40.0						
FS	Century NF	Pocatello	ID	KNOCH VALLEY OWR1	OWR1	G1,PM1									$ 40.0		O	O		
FS	BOISE NATIONAL FOREST-CASCADE RANGER DISTRICT	CASCADE	ID	ANTHONY CAMPGROUND CHLEK PASI	PASI	G1,PM1	$ 30.0		F	B	O	1	1							
FS	SALMON-CHALLIS NATIONAL FOREST-YANKEE FORK RANGER DISTRICT	CLAYTON	ID	YANKEE FORK WATERSHED SI - 5	SI	G1 PM1			F	19	N	5		$ 30.0						
FS	R9 REGIONAL OFFICE	MILWAUSEE	IL	Pal 20 MINE SI	SI	G1,PM1			O	B	N			$ 5.0						
FS	SHAWNEE NATIONAL FOREST-MIDEWIN NATIONAL TALLGRASS PRAIRIE	WILLIAMSTON	IL	MIDEWIN SI	SI	G1,PM1			O	B	N			$ 30.0						
FSAXCCC	Cantrell's Green Bin Site	Cantrell's	KS	Expedited site characterization Ph I	CHAR	G1,PM1			F		O	1	1				FY02			
FSAXCCC	Cantrell's Green Bin Site	Cantrell's	KS	Expedited site characterization Ph II	PASI	G1,PM1	$ 300.0		O		N						FY03			
FSAXCCC	Everett Grain Bin Site	Everett	KS	Expedited site characterization Ph II	PASI	G1,PM1	$ 300.0		O		O						FY03			
FSAXCCC	Hilton Grain Bin Site	Hilton	KS	Expedited site characterization Ph II	PASI	G1,PM1								$ 578.0		5	O	F	1	1
FSAXCCC	Merrill Grain Bin Site	Merrill	KS	Expedited site characterization Ph II	PASI	G1,PM1										0	IN	F	1	1
FSAXCCC	Webster Grain Bin Site	Webster	KS	Expedited site characterization Ph II	PASI	G1 PM1										0	O	F	1	1
FSAXCCC	Worth Grain Bin Site	Worth	KS	Expedited site characterization Ph I	SI	G1,PM1	$ 400.0		O		O						FY03			
FSAXCCC	Everest Grain Bin Site	Everest	KS	Expedited site characterization Ph I	SI	G1,PM1			F	B	O	1	1				FY02			
FS	DANIEL BOONE NATIONAL FOREST-SOMERSET RANGER DISTRICT	SOMERSET	KY	WILDCAT BRANCH COAL MINES PA	PA	G1,PM1			F	B	O	4		$ 60.0						
FS	Daniel Boone National Forest	Slaters	KY	RAILROAD BRANCH PASI RAILROAD BRANCH 10, 11, 12 18 5 6)	PASI	G1,PM1									$ 320.0	B	N	F	1	
FS	DANIEL BOONE NATIONAL FOREST-SOMERSET RANGER DISTRICT	SOMERSET	KY	WILDCAT BRANCH COAL MINES SI	SI	G1,PM1			O	B	N			$ 100.0						
ARS	Beltsville Agricultural Research Center	Beltsville	MD	See screening	PASB	G1 PM1	$ 1,000.0		O	3	O			$ 1,000.0		6	O	O	22	22
FS	R9 REGIONAL OFFICE	MILWAUKEE	MI	RADO AIRFIELD BOMARC MISSILE OVERSIGHT	OWR1	G1,PM1			O	B	N			$ 10.0						
ARS	Avian Disease and Oncology Lab	East Lansing	MI	Site inspection	PASI	G1,PM1	$ 30.0		O	B	O									
FS	NATIONAL FORESTS IN MISSISSIPPI-HOMOCHITO RANGER DISTRICT	MEADVILLE	MI	REGIONAL PASSIS FOR CATTLE DIPS	PASI	G1,PM1	$ 60.0		F	B	N	1	1	$ 100.0						
FS	OTTAWA NATIONAL FOREST-WATERSWEET RANGER DISTRICT	WATERSWEET	MI	WATERSWEET RD ADMIN SI	PASI	G1,PM1			F	B	F	1		$ 60.0						
FS	OTTAWA NATIONAL FOREST-KENTON RANGER DISTRICT	KENTON	MI	KENTON RD SI	SI	G1 PM1			F	B	N	1		$ 40.0						
FS	R9 REGIONAL OFFICE	MILWAUKEE	MI	HIAWATHA LANDFILLS EPA DIOXIDE INVESTIGATIONS	SI	G1,PM1			O	B	N			$ 25.0						
FS	HURON-MANISTEE NATIONAL FOREST-TAWAS RANGER DISTRICT	OSCODA	MI	EAST TAWAS WAREHOUSE SI	SI	G1,PM1			O	B	N			$ 60.0						
FSAHLP	Main Property	Watersa	MN	CERCLA ESA	ESA1	G1,PM1					O	1								
FS	R9 REGIONAL OFFICE	MILWAUKEE	MN	HERBICIDE DISPOSAL INVESTIGATION	PA	G1,PM1	$ 100		O	B	N									
FS	CHIPPEWA NATIONAL FOREST-CASS LAKE RANGER DISTRICT	WALKER	MN	ST REGIS PRINTA NRDA	PASI	G1,PM1			O	B	O			$ 10.0						
APHIS	Analytical and Natural Products Chemistry Lab	Gulfport	MS	Preliminary Assessments/Site Inspection	PASI	G1,PM1			F		O	1	1		$ 60.0	$ 60.0	2	N	O	1	1
FS	Northern Region - Region 1		MT	AML WATERSHED CHARACTERIZATIONS (CARPENTER CREEK TAILINGS, SOUTH BOULDER WS)	CHAR	G1 PM1										0	N	F	2	
FS	LEWIS AND CLARK NATIONAL FOREST-KINGS HILL RANGER DISTRICT	MISSOULA	MT	REGION WIDE PAS (NRDA) (BARKER HUGHESVILLE, CARPENTER CREEK, UNKER BLACKFOOT)	NRDA	G1,PM1			F	B	N	3		$ 30.0						
FS	BEAVERHEAD-DEERLODGE NATIONAL FOREST-DEER LODGE RANGER DISTRICT	DILLON	MT	FOREST ROSE MINE TAILINGS CHAR	PA	G1,PM1	$ 60.0		F	42	N	1	1							
FS	BEAVERHEAD-DEERLODGE NATIONAL FOREST-JEFFERSON RANGER DISTRICT	DILLON	MT	ATLANTIC MINE TAILINGS PASI	PASI	G1,PM1	$ 40.0		F	15	N	1	1							
FS	KLEENA NATIONAL FOREST-LOLO RANGER DISTRICT	MISSOULA	MT	REGIONAL PASI (LONGER BED MOUNTAIN)	PASI	G1 PM1			F	6	N	2		$ 100.0						
FS	Northern Region - Region 1	Missoula	MT	PLACER INVENTORIES	PASI	G1,PM1									$ 60.0	B	N	F	1	

Planned Programs of Work and Performance Targets, Fiscal Years 2003 and 2004
USDA Hazardous Materials Management Program

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FS	Northern Region - Region 1	Missoula	MT	SI PROJECTS (GRANITE GULCH, LAKESHORE MINE AND MILL, LISTER MILL, SCHMIDT PROSPECT, WINDFALL CREEK PLACER)	SI	G1,PM1									$ 200.0	S	N	F	S	
FSA/OCC	Big Chimney Tire Site	Craig	NE	Expand on site characterization - Phase II	CHAR	G1,PM1	$ 160.0	F		Q	1	1								
FSA/OCC	Big Chimney Tire Site	Craig	NE	Expand on site characterization	CHAR	G1,PM1									$ 662.0			7	N	O
FSA/OCC	Crab Orchard Dump Site	Crab Orchard	NE	Expanded site characterization	CHAR	G1,PM1		O		O					$ 834.0			4	N	O
FS	CARSON NATIONAL FOREST-QUESTA RANGER DISTRICT	QUESTA	NM	MOLYCORP MRD	PASI	G1,PM1		F	S	O	1		$ 50.0							
FS	GILA NATIONAL FOREST-BLACK RANGE RANGER DISTRICT	TRUTH OR CONSEQUENCES	NM	KINGSTON MINING DISTRICT WATERSHED	PASI	G1,PM1		O	S	M			$ 150.0							
FS	SANTA FE NATIONAL FOREST-CUBA RANGER DISTRICT	CUBA	NM	BLAND CANYON WATERSHED MINES	PASI	G1,PM1		O	S	M			$ 100.0							
FS	Gila NF	Silver City	NM	KINGSTON MINING DISTRICT	PASI	G1,PM1										$ 75.0	S	N	F	1
FS	Santa Fe NF	Santa Fe	NM	Bland Canyon watershed (FA / BLAND CANYON WATERSHED MINES - PASI (CROWN POINT MINE, GIANT, MISSING LINK, OAK FLATS, OLD DAISY, SOUTHERN CROSS)	PASI	G1,PM1										$ 75.0	S	N	F	S
FS	Gila NF	Silver City	NM	GOLD HILL MINES PASI	PASI	G1,PM1											S	N	F	1
FS	Humboldt-Toiyabe NF	Elko	NV	RIO TINTO MINE NRDA/GO	NRDA	G1,PM1		O		O				$ 50.0			S	N	O	
FS	Humboldt-Toiyabe NF	Elko	NV	Leviathan Mine (NRDA)	NRDA	G1,PM1		O		O					$ 300.0			N	O	
FS	HUMBOLDT-TOIYABE NATIONAL FOREST-MOUNTAIN CITY RANGER DISTRICT	MOUNTAIN CITY	NV	RIO TINTO MINE NRDA	PASI	G1,PM1	$ 50.0	F	M	O	1	1								
FS	HUMBOLDT-TOIYABE NATIONAL FOREST-AUSTIN RANGER DISTRICT	AUSTIN	NV	SILVERADO MINE PASI	PASI	G1,PM1		O	M	N			$ 50.0							
ARS	Plum Island Animal Disease Center	Greenport	NY	Site assessment	PASI	G1,PM1	$ 100.0	O	M	O							S	O	O	
FS	Wayne NF	Athens	OH	POST COAL PA	PA	G1,PM1										$ 53.0	S	N	F	1
FS	Wayne NF	Athens	OH	BRIMSTONE HOLLOW COAL PASI	PASI	G1,PM1										$ 98.0	S	N	O	
FS	Wayne NF	Athens	OH	PINE GROVE LAKE COAL PASI	PASI	G1,PM1										$ 100.0	S	N	O	
FS	Wayne NF	Athens	OH	UPPER PINE GROVE COAL PASI	PASI	G1,PM1										$ 120.0	S	N	O	
FS	UMATILLA NATIONAL FOREST-NORTH FORK JOHN DAY RANGER DISTRICT	JOHN DAY	OR	RB MINE SCREENING APA S (12)	PA	G1,PM1	$ 34.0	F	44	O	11	5	$ 48.0							
FS	Malheur NF	Hines	OR	IDOL CITY PA	PA	G1,PM1										$ 45.0	S	N	O	
FS	Siskiyou NF	Powers	OR	BOLIVAR PASI	PASI	G1,PM1										$ 85.0	S	N	O	
FS	Umpqua NF	Glide	OR	HELENA MINE PASI	PASI	G1,PM1										$ 95.0	S	N	O	
FS	Umpqua NF	Glide	OR	RIVER EAGLE NO. 1 AND 2 PASI	PASI	G1,PM1										$ 99.0	S	N	O	
FS	UMATILLA NATIONAL FOREST-NORTH FORK JOHN DAY RANGER DISTRICT	JOHN DAY	OR	KAANNANOOLA SI	SI	G1,PM1	$ 101.0	O	S	N										
FS	UMATILLA NATIONAL FOREST-NORTH FORK JOHN DAY RANGER DISTRICT	JOHN DAY	OR	BLACKJACK/BLUEBIRD SI	SI	G1,PM1	$ 175.0	O	63	N										
FS	DESCHUTES NATIONAL FOREST-BEND/FORT ROCK RANGER DISTRICT	BEND	OR	BEND PINE CLEAN UP	SI	G1,PM1		F		O	1									
FS	MALHEUR NATIONAL FOREST-BURNS RANGER DISTRICT	HINES	OR	ANTHRO/HUMBOLDT/PINEWOOD/PINECREST/EMPIRE ST MINES SI	SI	G1,PM1		O	S	M			$ 75.0							
FS	WILLAMETTE NATIONAL FOREST-DETROIT RANGER DISTRICT	DARLLOOE	OR	MINES W/ RUTH SI	SI	G1,PM1		O	S	N			$ 175.0							
FS	UMATILLA NATIONAL FOREST-NORTH FORK JOHN DAY RANGER DISTRICT	JOHN DAY	OR	GRANITE CREEK MINES (TRIBUTARY ANP-RADON PASI	SI	G1,PM1		O	S	N			$ 280.0							
FS	Malheur NF	John Day	OR	ANTRS MINE SI	SI	G1,PM1										$ 90.0	S	N	F	1
FS	BLACK HILLS NATIONAL FOREST-CUSTER RANGER DISTRICT	CUSTER	SD	BLACK HILLS CHAR, PA (L EDDA'S BH mines OF THE WESTWELL/WIND MONTANA)	PASI	G1,PM1		F	S	N	2		$ 50.0							
AF/49	Moore Air Base	McAllen	TX	Expanded SI and Removal Action (Priority 1 Items)	SI	G1,PM1	$ 350.0	F	S	O	1	1		$ 200.0	$ 200.0	1		O	O	
FS	COLVILLE NATIONAL FOREST-SUTLIMAN LAKE RANGER DISTRICT	METALINE FALLS	WA	CIRCLE MINE SI	SI	G1,PM1	$ 70.0	O	S	N										
FS	OKANOGAN NATIONAL FOREST-WINTHROP RANGER DISTRICT	WINTHROP	WA	ANTIMONY/WALDER SI	SI	G1,PM1		O	S	O			$ 70.0							
FS	Nicolet NF	Rhinelander	WI	NICOLET LANDFILLS WELL CLOSURES SI(COUNTY 7, CROOKED LAKE ISLAND LAKE (NAVA LAKE)	SI	G1,PM1										$ 20.0	S	N	F	1
FS/OCC	Multiple sites - FY04	Multiple sites		EPT Westline Multiple Sites FY04	CHAR	G1,PM1										$ 3,000.0		N	F	
AF/49	Moore Air Base	McAllen	TX	Expanded SI and Response Action (Priority 2 Items)	SI	G1,PM1		O		O										
				Completed Investigations at Need for Cleanup (G1,PM1) Total			$ 1,985.0				73	26	$ 2,958.0	$ 3,412.0	$ 6,995.0			67	26	
FS	Tongass NF - Ketchikan RD	Ketch Ass	AK	OD, JAMAICHEY GP/LMOAM/GOLD STANDARD, MAYONEY	OPLM	G1,PM4									$ 20.0			O	O	
FS	CORONADO NATIONAL FOREST-SANTA CATALINA RANGER DIST	TUCSON	AZ	SAUNO CANYON SHOOTING RANGE	OPLM	G1,PM4		O	S	O			$ 25.0							
FS	LOS PADRES NATIONAL FOREST- SANTA BARBARA RANGER DISTRICT	SANTA BARBARA	CA	ROSE VALLEY LUST MONITORING (REMOVE RISING	OPLM	G1,PM4		O	S	N			$ 20.0							

Planned Programs of Work and Performance Targets, Fiscal Years 2003 and 2004
USDA Hazardous Materials Management Program

11 of 18

Agency	Facility Name	City	State	Project or Action Name	Activity	HMMP Performance Measure	Actual FY03 HMMA Allocations	Goal for Status When FY05 Ends	FY03 Priority for HMMA Funds	Actual Status When FY03 Started	FY03 HMMP Performance Targets	FY03 Targets w/ HMMA Funds	FY03 Agency Support	FY04 President's HMMA Request	FY04 Agency Funding Commitment	FY04 Agency Priority	FY04 Start Expected Status	FY04 End Progress Goal	FY04 HMMP Targets	FY04 Targets with HMMA Funds
FS	LAKE TAHOE BASIN MANAGEMENT UNIT	SOUTH LAKE TAHOE	CA	MEYERS LANDFILL PUMP AND TREAT O&M	O&M	G1,PM4	$ 40.0	O	B	N										
FS	Sequoia NF	Porterville	CA	BRIGHTSTAR TAILINGS O&M	O&M	G1,PM4														
FS	Lake Tahoe Basin MU	South Lake Tahoe	CA	MEYERS LANDFILL Pump & Treat O&M	O&M	G1,PM4									$ 200.0		N	O		
FS	Shasta-Trinity NF	Redding	CA	GOLDSKY MINE O&M	O&M	G1,PM4									$ 100.0		N	O		
FS	SHASTA-TRINITY NATIONAL FOREST-SHASTA LAKE RANGER DISTRICT	REDDING	CA	GOLDSKY MINE PHASE I RI/AVL ACTION MEMO	OPLM	G1,PM4	$ 30.0	O	B	N							N	F		
FS	TAHOE NATIONAL FOREST-NEVADA CITY RANGER DISTRICT	NEVADA CITY	CA	SAILOR FLATS POST REMOVAL MONITORING	OPLM	G1,PM4		O	B	N			$ 30.0							
FS	PLUMAS NATIONAL FOREST-BECKWOURTH RANGER DISTRICT	SANTA MARIA	CA	WALKER MINE TAILINGS MONITORING	OPLM	G1,PM4		O	B	O			$ 80.0							
FS	PIKE-SAN ISABEL NATIONAL FOREST-PIKES PEAK RANGER DISTRICT	COLORADO SPRINGS	CO	WOODLAND PARK LANDFILL WORK CENTER 1 REM	O&M	G1,PM4		F	B	O	1									
FS	San Juan NF	Del Norte	CO	MIDWEST MINE O&M	O&M	G1,PM4									$ 5.0		N	O		
FS	San Juan NF	Del Norte	CO	OUTLET MINE O&M	O&M	G1,PM4									$ 5.0		N	O		
FS	San Juan NF	Del Norte	CO	PHOENIX PARK MILL SITE O&M	O&M	G1,PM4									$ 5.0		N	O		
FS	White River NF	Del Norte	CO	PENNSYLVANIA MINE O&M	O&M	G1,PM4									$ 5.0		N	O		
FS	Grand Mesa, Uncompahgre & Gunnison NFs	Gunnison ND	CO	GUNNISON-PENOYA SITES O&M	O&M	G1,PM4									$ 10.0		N	O		
FS	Pike-San Isabel NF	Colo Springs	CO	WOODLAND PARK WC LANDFILL 1 O&M	O&M	G1,PM4									$ 15.0		N	O		
FS	PIKE-SAN ISABEL NATIONAL FOREST-PIKES PEAK RANGER DISTRICT	COLORADO SPRINGS	CO	WOODLAND PARK LANDFILL WORK CENTER 1 REM	OPLM	G1,PM4	$ 50.0	F	B	N	1	1								
FS	San Juan NF	Durango	CO	Grayrail OPLM/O&M	OPLM	G1,PM4		O		O					$ 10.0		O	O		
FSAFLP	Lassen's Treehorn Farm	Madison	FL	Post cleanup monitoring (120th)	OPLM	G1,PM4		F		O			$ 5.0				FY03			
FSAFLP	Bend Jones Inventory Farm	Gouda	FL	Post cleanup monitoring (120th)	OPLM	G1,PM4		O		O			$ 10.0		$ 10.0		O	F	1	
FS	BOISE NATIONAL FOREST-IDAHO CITY RANGER DISTRICT	IDAHO CITY	ID	MISSOURI MINE O&M	O&M	G1,PM4		O	B	N			$ 15.0							
FS	IDAHO PANHANDLE NATIONAL FORESTS-WALLACE RANGER DISTRICT	COEUR D'ALENE	ID	SILVER CRESENT/MOON GULCH O&M	OPLM	G1,PM4		F	B	O	1		$ 10.0							
FS	BOISE NATIONAL FOREST-IDAHO CITY RANGER DISTRICT	IDAHO CITY	ID	MISSOURI MINE MONITORING	OPLM	G1,PM4		O	B	O			$ 10.0							
FS	BOISE NATIONAL FOREST-IDAHO CITY RANGER DISTRICT	IDAHO CITY	ID	RIVERSIDE CO VAULT MONITORING	OPLM	G1,PM4		O	B	N			$ 20.0							
FS	Boise NF	Boise	ID	Riverside CO vault investigation OPLM monitoring	OPLM	G1,PM4		O		O					$ 15.0		O	F	1	
FS	Payette NF	McCall	ID	Cinnabar Mine OPLM	OPLM	G1,PM4									$ 20.0		N	O		
FS	Boise NF	Boise	ID	MISSOURI MINE OPLM	OPLM	G1,PM4		O		O					$ 20.0		O	F	1	
FSAKCO	Barnes Grain Bin Site	Barnes	KS	Response action monitoring	O&M	G1,PM4		O		O					$ 30.0		O	O		
FSAKCO	Dennis Grain Bin Site	Centralia	KS	Response action monitoring	O&M	G1,PM4		O		O					$ 100.0		O	O		
FSAKCO	Fairmont Grain Bin Site	Keynston	KS	Response action monitoring	O&M	G1,PM4		O		O					$ 100.0		N	O		
FS	HURON-MANISTEE NATIONAL FOREST-BALDWIN RANGER DISTRICT	BALDWIN	MI	BALDWIN/ADAMS SITE MONITORING	OPLM	G1,PM4		O	B	O			$ 35.0							
FS	OTTAWA NATIONAL FOREST	KENTON	MI	CO7 DISPOSAL SITE MONITORING	OPLM	G1,PM4		O	B	O			$ 30.0							
FS	OTTAWA NATIONAL FOREST-KENTON RANGER DISTRICT	KENTON	MI	DUNCAN LANDFILL MONITORING	OPLM	G1,PM4		O	B	O			$ 30.0							
FS	Ottawa NF	Ironwood	MI	Duncan Township Landfill - Post Removal Monitoring	OPLM	G1,PM4		O		O					$ 20.0		O	F	1	
FS	Ottawa NF	Ironwood	MI	C07 Disposal Site - Post Removal Monitoring	OPLM	G1,PM4		O		O					$ 60.0		O	F	1	
FSAFLP	Foley Inventory Farm	Bark River	MI	Post Cleanup/Vapor Extraction	OPLM	G1,PM4		O		O			$ 20.0		$ 100.0		O	F	1	
FSAFLP	Bobby Jones Inventory Farm	Simpson	MS	Post cleanup monitoring (120th)	OPLM	G1,PM4		O		O			$ 20.0		$ 20.0		O	F	1	
FS	BEAVERHEAD-DEERLODGE NATIONAL FOREST-JEFFERSON RANGER DISTRICT	DILLON	MT	BUCKEYE/ENTERPRISE O&M	O&M	G1,PM4		O	B	O			$ 10.0							
FS	BEAVERHEAD-DEERLODGE NATIONAL FOREST-MISE RIVER RANGER DISTRICT	DILLON	MT	KUHORN MINE O&M	O&M	G1,PM4		O	B	N			$ 10.0							
FS	HELENA NATIONAL FOREST-HELENA RANGER DISTRICT	HELENA	MT	TEN MILE/ARMSTRONG/BEATRICE JUSTICE O&M	O&M	G1,PM4		O	B	O			$ 10.0							
FS	BEAVERHEAD-DEERLODGE NATIONAL FOREST-BUTTE RANGER DISTRICT	BUTTE	MT	HIGHLAND MUL TAILINGS O&M	OPLM	G1,PM4		F	B	O	1		$ 10.0							
FS	BEAVERHEAD-DEERLODGE NATIONAL FOREST-JEFFERSON RANGER DISTRICT	DILLON	MT	BOULDER WS O&M	OPLM	G1,PM4		O	B	O			$ 50.0							

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FS	Northern Region - Region 1	Missoula	MT	MINE SITE O&M/OPLM/OM&M/OPLM - BLACK HORSE , BUCKEYE, BULLION SMELTER, BULLION#3-D, DAILY WEST, ENTERPRISE, HECTOR, KING, JUSTICE, LADY LEITH, , UPPER PARAGON, O&M - PARAGON, SILVER CRESCENT MILL, WARM SPRING TAILINGS, BEAUTY CRK)	OPLM	G1,PM4									$ 130.0		G	G		
FS	Northern Region - Region 1	Missoula	MT	AML WATERSHED MONITORING/BOULDER RIVER WS, PRICHARD/EAGLE/BEAVER WS, PROWLY (PEAK W.S)	OPLM	G1,PM4									$ 150.0		G	G		
FS	NATIONAL FOREST S IN NORTH CARO, INA-GRANDFATHER RANGER DISTRICT	MARION	NC	NORTH CAROLINA UST MONITORING AND CLOSED	OWM	G1,PM4		F	B	H	2		$ 25.0							
FS/CCC	Shelby Grain Bin Site	Shelby	NE	Response action monitoring	O&M	G1,PM4		O		O			$ 58.0		$ 30.0		G	G		
FS/CCC	Geneva Grain Bin Site	Geneva	NE	Response action O&M	O&M	G1,PM4		O		O			$ 100.0							
FS/CCC	Clay Center Grain Bin Site	Clay Center	NE	Response action O&M	O&M	G1,PM4		O		O			$ 160.0							
FS/CCC	Waverly Grain Bin Site	Waverly	NE	Response action monitoring	O&M	G1,PM4		O		O			$ 100.0		$ 66.0		G	G		
FS/CCC	Hartford Grain Bin Site	Hartford	NE	Response action monitoring	O&M	G1,PM4		O		O			$ 400.0							
FS/CCC	Utica Grain Bin Site	Utica	NE	Response action monitoring	O&M	G1,PM4		O		O					$ 66.0		O	O		
FS	Carson NF	Taos	NM	Eagle mine work - OPLM	OPLM	G1,PM4									$ 10.0		O	F	1	
FS	CIBOLA NATIONAL FOREST	ALBUQUERQU	NM	DOUBLE EAGLE MINE OPLM	OPLM	G1,PM4									$ 10.0		O	M	1	
FS	Carson NF	Questa	NM	CITY PARK ADITY OPLM	OPLM	G1,PM4									$ 10.0		O	O		
FS	HUMBOLDT-TOYABE NATIONAL FOREST-MOUNTAIN CITY RANGER DISTRICT	MOUNTAIN CITY	NV	BUCKSKIN MINE O&M	O&M	G1,PM4		O	B	H			$ 30.0							
FS	HUMBOLDT-TOYABE NATIONAL FOREST-	AUSTIN	NV	FURY-GRANDSVILLE MINE O&M	O&M	G1,PM4		O	B	H			$ 60.0							
FS	Humboldt-Toiyabe NF	Elko	NV	Fury-Grandsville Mine O&M	O&M	G1,PM4		O		O					$ 60.0		O	F	1	
FS	HUMBOLDT-TOYABE NATIONAL FOREST-	AUSTIN	NV	FURY-GRANDSVILLE MINE MONITORING	OPLM	G1,PM4		O	B	N			$ 30.0							
FS	HUMBOLDT-TOYABE NATIONAL FOREST- MOUNTAIN CITY RANGER DISTRICT	MOUNTAIN CITY	NV	BUCKSKIN MINE MONITORING	OPLM	G1,PM4		O	B	N			$ 30.0							
FS	HUMBOLDT-TOYABE NATIONAL FOREST- BRIDGEPORT RANGER DISTRICT	BRIDGEPORT	NV	AURORA MINE MONITORING	OPLM	G1,PM4		O	B	N			$ 60.0							
FS	Humboldt-Toiyabe NF	Elko	NV	AURORA MINE OPLM	OPLM	G1,PM4									$ 10.0		N	O		
FS	Humboldt-Toiyabe NF	Elko	NV	Buckskin Mine monitoring	OPLM	G1,PM4		O		O					$ 20.0		O	O		
FS	Humboldt-Toiyabe NF	Elko	NV	Fury-Grandsville Mine OPLM	OPLM	G1,PM4		O		O					$ 30.0		O	O		
FS	Humboldt-Toiyabe NF	Elko	NV	Getchell Mine OPLM	OPLM	G1,PM4		O		O					$ 30.0		N	O		
FS	Humboldt-Toiyabe NF	Elko	NV	Lewis Mine OPLM	OPLM	G1,PM4									$ 20.0		N	O		
FS/AHTP	Watershed	Oswego	NY	Pole cityrop monitoring (120h)	OPLM	G1,PM4		F		D	1		$ 5.0		$ 10.0		O	F	1	
FS/LE,P	Finch Creig Diversity Farm	Oswego	NY	Pole Cityrop monitoring (120h)	OPLM	G1,PM4		F		D	1		$ 20.0		$ 20.0		O	F	1	
FS	Northeastern Station	Delaware	C-1	DELAWARE RADIOLOGICAL SITE O&M	O&M	G1,PM4									$ 26.0	B	C	F	1	
FS	Fremont NF	Lakeview	OR	Lakeview Resource Base Cleanup/LAKEVIEW RETARDANT BASE OPLM)	OPLM	G1,PM4									$ 25.0		O	F	1	
FS	Wallowa-Whitman NF	Baker	OR	COMMODORE MINE OPLM	OPLM	G1,PM4									$ 25.0		O	O		
FS	BLACK HILLS NATIONAL FOREST	Custer	SD	BLUE LAGOON MINE O&M	O&M	G1,PM4									$ 6.0		O	O		
FS	Black Hills NF	Custer	SD	Standards Ridge Mine O&M	O&M	G1,PM4									$ 6.0		O	O		
FSA/FLP	Marvin Schmidt Inventory Farm	Pierre	SD	Deaths of monitoring wells	OPLM	G1,PM4											FY02			
FS	Uinta NF	Provo	UT	AFC MONITORING POST-REMOVAL/BAY STATE, DUCHMAN FLAT, PACIFIC, SULTANA SMELTER, WILD DUTCHMAN)	OPLM	G1,PM4									$ 25.0		N	O		
FS	GIFFORD PINCHOT NATIONAL FOREST- WIND RIVER RANGER DISTRICT	CARSON	WA	WIND RIVER GAS UST	OWM	G1,PM4		O		N	1									
FS	Mt Baker-Snoqualmie NF	Mountlake Terrace	WA	CASHMAN MILL SITE OPLM	OPLM	G1,PM4									$ 50.0		O	O		
FS	Hiawatha Circle Station	Rhinelander	WI	RHINELANDER RURAL SITE O&M	O&M	G1,PM4									$ 25.0	B				
FS	CHEQUAMEGON-NICOLET NATIONAL FOREST-LAONA RANGER DISTRICT	LAONA	WI	LAONA (BLACKWELL) LANDFILL MONITORING	OPLM	G1,PM4		O	B	N			$ 65.0							
FS	Florest NF	Rhinelander	WI	Laona (Blackwell) Landfill - Post Removal Monitoring	OPLM	G1,PM4		O		O					$ 25.0		O	O		
				Completed O&M and Post-Cleanup Monitoring (G1,PM4) Total			$ 120.0			10			$ 1,475.0		$ 1,915.0				14	
FS/IS	Nationwide	Burnsville	WO	Lab serv mgt, assts & related activities to comply with applicable administrative regs	AUDT	G2,PM5	$ 90.0	O		O	3	3		$ 50.0			O	O	3	3
FS	R2 REGIONAL OFFICE	DENVER	CO	COMPLIANCE AUDITS	AUDT	G2,PM5		F	B	O	6		$ 800.0							
FS	Regional Forester - Region 7	Lakewood	CO	NATIONAL COMPLIANCE AUDITS AUDITS	AUDT	G2,PM5									$ 600.0		N	F	5	
FS	Intermountain Region / Region 4	Ogden	UT	FORESTWIDE COMPLIANCE AUDITS	AUDT	G2,PM5											138	N	O	3	3

Planned Programs of Work and Performance Targets, Fiscal Years 2003 and 2004
USDA Hazardous Materials Management Program

Agency	Facility Name	City	State	Project or Action Name	Activity	HMMP Performance Measure	Actual FY03 HMMA Allocations	Goal for Status When FY03 Ends	FY03 Priority for HMMA Funds	Actual Status When FY03 Started	FY03 HMMP Performance Targets	FY03 Targets w/ HMMA Funds	FY03 Agency Support	FY04 President's HMMA Request	FY04 Agency Funding Commitment	FY04 Agency Priority	FY04 Start Expected Status	FY04 End Progress Goal	FY04 HMMP Targets	FY04 Targets with HMMA Funds
				Completed Environmental Audits (G2,PM1) Total	$		90.0				12	3	$ 600.0	$ 60.0	$ 600.0				15	6
ARS	Beltsville Office Complex	Beltsville	MD	Agencywide pollution prevention activities & Recycling	POLP	G2 PM2		O		O			$ 148.0		$ 154.0					
FSRS	Nutrient lab	Beltsville	MD	Investigations for hair waste recycling in labs	POLP	G2,PM2	$ 18.0	O		O	1	1								
				Completed Pollution Prevention Projects (G2,PM2) Total	$		18.0				1	1	$ 148.0	$ -	$ 154.0				6	6
FS	TONGASS NATIONAL FOREST-JUNEAU RANGER DISTRICT	JUNEAU	AK	LTF ASSESSMENTS	CHAR			O	b	N			$ 400.0							
recission				FY 2003 recission			$ 102.0													
FS	Region 10 - Chugach		AK	EAGLE NE MINE ENFS	ENFS										$ 50.0	B	N	2	1	
FS	TONGASS NATIONAL FOREST-HOONAH RANGER DISTRICT	HOONAH	AK	APEX EL NIDO MINE ENFS	ENFS			O	B	N			$ 50.0							
FS	CHUGACH NATIONAL FOREST-GLACIER RANGER DISTRICT	GIRDWOOD	AK	CLAUDIUS MINE AML	IMP-S			O	33	N			$ 50.0							
FS	CHUGACH NATIONAL FOREST-SEWARD RANGER DISTRICT	SEWARD	AK	PRIMROSE MINE AML	IMP-S			O	30	N			$ 50.0							
FS	R-10 REGIONAL OFFICE	JUNEAU	AK	R10 AML SAFETY MITIGATION	IMP-S			O	8	O			$ 50.0							
FS	TONGASS NATIONAL FOREST-HOONAH RANGER DISTRICT	HOONAH	AK	APEX EL NIDO AML	IMP-S			O	50	N			$ 50.0							
FS	TONGASS NATIONAL FOREST-JUNEAU RANGER DISTRICT	JUNEAU	AK	AURORA BOREALIS MINE AML	IMP-S			O	56	N			$ 50.0							
FS	TONGASS NATIONAL FOREST-KETCHIKAN RANGER DISTRICT	KETCHIKAN	AK	PORTLAND MINE AML	IMP-S			O	66	N			$ 75.0							
FS	Regional Office	Juneau	AK	R10 AML PROGRAM MGMT PGMT	OTHR			O		O					$ 420	B	O	O		
FS	Regional Office	Juneau	AK	R10 RAT PROGRAM MGMT PGMT	PGMT										$ 5.0	-	O	O		
FS	Regional Office	Juneau	AK	R10 ECAP PROGRAM MGMT PGMT	PGMT			O		O					$ 50.0	B	O	O		
FS	R10 REGIONAL OFFICE	JUNEAU	AK	R10 RAT PROGRAM MGMT	PGMT		$ 5.0	O	6	O										
FS	R10 REGIONAL OFFICE	JUNEAU	AK	R10 AML PROGRAM MGMT	PGMT			O	8	O			$ 50.0							
FS	R10 REGIONAL OFFICE	JUNEAU	AK	R10 ECAP PROGRAM MGMT	PGMT			O	8	O			$ 50.0							
FS	Prescott NF	Prescott	AZ	HUMBUG MINING DISTRICT CHAR (GAZELLE, MASCOT, ORO BELLE, RAPID TRANSIT, SAVOY, STANDPIKE, TIGER, TURNER)	CHAR										$ 25.0	B	N	F	8	
FS	TONTO NATIONAL FOREST-PLEASANT VALLEY RANGER DISTRICT	YOUNG	AZ	TONTO URANIUM MINES RED BLUFF/WORKMAN	CHAR			F	B	O	2		$ 65.0							
FS	Tonto NF	Prescott	AZ	TONTO URANIUM MINES ENFS (RED BLUFF, WORKMAN CREEK URANIUM MINES)	ENFS										$ 25.0	B	N	F	2	
FS	Prescott NF	Prescott	AZ	BIG BUG WATERSHED MINES ENFS-SCORSDOF TAILINGS (NEW ERA, POLAND WALKER TUNNEL, RED ROCK, SNOWDRIFT)	ENFS										$ 25.0	B	N	F	8	
FS	PRESCOTT NATIONAL FOREST-BRADSHAW RANGER DISTRICT	POLAND JUNCTION	AZ	BIG BUG WATERSHED MINES	ENFS			O	B	N			$ 15.0							
FS	LOS PADRES NATIONAL FOREST-SANTA LUCIA RANGER DISTRICT	SANTA BARBARA	CA	DEER TRAIL MINE AREA (COORDINATION WITH O	DO			F	B	N	1		$ 10.0							
FS	HUMBOLDT-TOIYABE NATIONAL FOREST-CARSON RANGER DISTRICT	CARSON CITY	CA	LEVIATHAN MINE, INDIA OVERSIGHT	DO			O	B	M			$ 29.0							
FS	Tahoe NF	Nevada City	CA	SCOTCHMAN DEBRIS DAM ENFS	ENFS										$ 10.0	B	N	F	1	
FS	Six Rivers NF	Eureka	CA	UNION FAIR PRP	ENFS										$ 10.0	B	N	O		
FS	Cleveland NF	Rancho Bernardo	CA	LAGUNA AIR BASE ENFS-N	ENFS										$ 50.0		N	O		
FS	R5 REGIONAL OFFICE	VALLEJO	CA	R5 AML SAFETY MITIGATION	IMP-S			O	B	N			$ 50.0							
FS	Region 5	Vallejo	CA	R5 ECAP PROGRAM MGMT PGMT	PGMT			O		O					$ 50.0	B	O	O		
FS	Lake Tahoe Basin MU	South Lake Tahoe	CA	GENESIS database/EMS national support	PGMT										$ 350.0		O	O		
FS	R5 REGIONAL OFFICE	VALLEJO	CA	RAT SUPPORT	PGMT		$ 15.0	O	B	N										
FS	R5 REGIONAL OFFICE	VALLEJO	CA	EVS AND GENSS DEVELOPMENT	PGMT		$ 250.0	O	B	O			$ 250.0							
FS	R5 REGIONAL OFFICE	VALLEJO	CA	REGIONAL GIS PROJECT MANAGEMENT	PGMT			O	B	N			$ 40.0							
FS	R5 REGIONAL OFFICE	VALLEJO	CA	R5 AML PROGRAM MANAGEMENT	PGMT			O	B	O			$ 50.0							
FS	SHASTA-TRINITY NATIONAL FOREST-WEAVERVILLE RANGER DISTRICT	WEAVERVILLE	CA	MERCURY INVESTIGATION OF TRINITY WATERSH	PGMT			O	7%	N			$ 80.0							
FS	R5 REGIONAL OFFICE	VALLEJO	CA	R5 SAFETY/TRAINING	PGMT			O	B	O			$ 200.0							
FS	Region 5	Vallejo	CA	LANDFILL ASSESSMENTS	RTO										$ 110.0	B	N	F	1	
FS	Region 5	Vallejo	CA	AML PRIORITIZING AND PRIORITIZATION	RTO										$ 150.0	B	N	F	1	
FS	PIKE-SAN ISABEL NATIONAL FOREST-SOUTH PLATTE RANGER DISTRICT	MORRISON	CO	CORING GLUCH CHARACTERIZATION, RO	CHAR		$ 5.0	F	B	N	1	1								
FS	PIKE-SAN ISABEL NATIONAL FOREST-SOUTH PARK RANGER DISTRICT	FAIRPLAY	CO	LAKE GEORGE WE PENTA SITE, RO	CHAR			F	-	N	1									

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USDA Hazardous Materials Management Program

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FS	PIKE-SAN ISABEL NATIONAL FOREST-LEADVILLE RANGER DISTRICT	LEADVILLE	CO	PIKE SAN ISABELL PA/SI S. PSICC (TEMPLE GULCH, WHALE MINE)	CHAR			F	D	N	2									
FS	GRAND MESA UNCOMP GUNNISON NATIONAL FOREST-MONNOOD RANGER DISTRICT	GUNNISON	CO	OPHIR BASIN CHAR, PA/SI, GWJG (CARRUSEAU, NORTH CHAPMAN GULCH, TLR SOURCE WATER)	CHAR			F	D	N	5									
FS	Regional Forester - Region 2	Lakewood	CO	REGIONWIDE PRP SEARCH-ESTH (WANTER BASIN AREA, FERROCRETE MINE 1, HAWKEYE, KENTUCKY BELLE SILVER MOUNTAIN MINESITE) (FY 04)	ENFS										$ 60.0	E	N	F	6	
FS	GRAND MESA UNCOMP GUNNISON NATIONAL FOREST-GUNNISON RANGER DISTRICT	GUNNISON	CO	OPHIR BASIN CHAR., PA/SI, GWJG (ANNON MINE)	ENFS			F	D	N	1									
FS	PIKE-SAN ISABEL NATIONAL FOREST-SOUTH PLATTE RANGER DISTRICT	MORRISON	CO	GEM DANDY MINE PASI, ENVS, PSICC	ENFS			F	D	N	1									
FS	SAN JUAN NATIONAL FOREST-COLUMBINE RANGER DISTRICT	BAYFIELD	CO	RED TRIB, PA AND PRP SEARCH, SJ	ENFS			F	D	N	1									
FS	SAN JUAN NATIONAL FOREST-COLUMBINE RANGER DISTRICT	BAYFIELD	CO	SAN JUAN PA/SI, LAND LINES, AND PRP SEARCHES, SJ (FERROCARBITE MINE 1, RUBY TRUST MINE, US BASIN 1)	ENFS			F	D	N	3									
FS	WHITE RIVER NATIONAL FOREST-DILLON DISTRICT	SILVERTHORN E	CO	SHARP RIVER, RECAS, W.A. (ALLAN EMORY, JESSIE MINE, WARREN GULCH)	ENFS			F	D	N	3									
FS	R2 REGIONAL OFFICE	DENVER	CO	R2 ANL, SAFETY MITIGATION, RO	IMPS			O	B	O			$ 50.0							
FS	Regional Forester - Region 2	Lakewood	CO	R2 RNT PROGRAM MGMT PGMT	OTHR			-		-					$ 8.0		O	O		
FS	Regional Forester - Region 2	Lakewood	CO	R2 ANL, PROGRAM MGMT PGMT	OTHR			-		-					$ 50.0	B	O	O		
FS	Regional Forester - Region 2	Lakewood	CO	R2 ECAP PROGRAM MGMT PGMT	PGMT			O		O					$ 80.0	B	O	O		
FS	R2 REGIONAL OFFICE	DENVER	CO	RPRT SUPPORT	PGMT		$ 8.0	O	B	O										
FS	R2 REGIONAL OFFICE	DENVER	CO	R2 ANL, PROGRAM MANAGEMENT	PGMT			O	B	O			$ 50.0							
FS	R2 REGIONAL OFFICE	DENVER	CO	R2 ECAP PROGRAM MANAGEMENT, RO	PGMT			O	B	O			$ 50.0							
FS	R2 REGIONAL OFFICE	DENVER	CO	R2 REGIONWIDE NRDA, RO	PGMT			O	B	M			$ 50.0							
OGC	Office of General Counsel	Washington	DC	Legal services - 385 cases	CASE		$ 1,883.0	O		O				$ 1,999.0		1	O	O		
FC	National Office	Washington	DC	Environmental Site Assessment Process	CESA		$ 50.0	O	4	O	28	3	$ 30.0	$ 80.0	$ 65.0	6	O	O	8	2
FC	National Office	Washington	DC	Foreclosure Property Cleanup	CLEP			O	3	O	6		$ 80.0			3	O	O		
FS	Washington Office	Washington	DC	R3 Historic Support - Lyng 13815	PGMT			O		O					$ 758.0		O	O		
FS	Washington Office	Washington	DC	WO PURCHOT	PGMT		$ 285.0	O	B	O			$ 260.0							
FSAVCC	CLERO Staff	Washington	DC	General program management	PGMT		$ 100.0	O		O				$ 105.0		3	O	O		
FSAVCC	Multiple sites	Multiple sites	DC	Program management	PGMT		$ 300.0	O		O							O	O		
HMMG	Hazardous Materials Mgt. Group	Washington	DC	Program mgt. supporting Goal 2, Factory Operation	PGMT		$ 184.6	O		O				$ 191.0		1	O	O		
HMMG	Hazardous Materials Mgt. Group	Washington	DC	Prog mgt. to support Goal 1, Factory Restoration	PGMT		$ 715.2	O		O				$ 723.0						
RD	National Office	Washington	DC	Environmental program management	PGMT			O	9	O			$ 20.0		$ 20.0	4	O	O		
RD	National Office	Washington	DC	Project Oversight	PJMT			O	5	O			$ 5.0			5	O	O		
RD	National Office	Washington	DC	State Program Management	PJMT			O	8	O			$ 15.0			7	O	O		
FSAVCP	National Office	Washington	DC	CENCLAN/ANCHOR training	TRNG			O		O	4	2	$ 20.0			2	O	O		
RD	National Office	Washington	DC	HAZWOPER (60 RD State Env Coordinators)	TRNG			O	7	O			$ 10.0		$ 20.0	8	O	O		
RD	National Office	Washington	DC	Hazsat Awareness (100 RD Site Inspectors)	TRNG			O		O			$ 5.0			9	O	O		
FS	R8 REGIONAL OFFICE	ATLANTA	GA	R8 ANL, SAFETY MITIGATION	IMPS			O	8	N			$ 60.0							
FS	Southern Region, Region 8	Atlanta	GA	R8 RNT PROGRAM MGMT PGMT	OTHR			-		-					$ 10.0		O	O		
FS	Southern Region, Region 8	Atlanta	GA	R8 ANL PROGRAM MGMT EQMT	OTHR			O		O					$ 50.0	B	O	O		
FS	Southern Region, Region 8	Atlanta	GA	R8 ECAP PROGRAM MGMT PGMT	PGMT			O		O					$ 80.0	B	O	O		
FS	R6 REGIONAL OFFICE	ATLANTA	GA	R6 RNT PROGRAM MGMT	PGMT		$ 10.0	O	B	O			$ 10.0							
FS	R6 REGIONAL OFFICE	ATLANTA	GA	R6 ANL PROGRAM MGMT	PGMT			O	B	O			$ 50.0							
FS	R6 REGIONAL OFFICE	ATLANTA	GA	R6 ECAP PROGRAM MGMT	PGMT			O	B	O			$ 90.0							
FS	BOISE NATIONAL FOREST-IDAHO CITY RANGER DISTRICT		ID	GONDARMILL SITE ENFS	ENFS			F	B	O	1		$ 2.0							
FS	SAWTOOTH NATIONAL FOREST-SAWTOOTH NATIONAL RECREATION AREA		ID	LIVINGSTON MILL SITE ENFS	ENFS			F	B	O	1		$ 8.0							
FS	CARIBOU NATIONAL FOREST-SODA SPRINGS RANGER DISTRICT	SODA SPRINGS	ID	DIAMOND GULCH MINE ENFS	ENFS			F	B	O	1		$ 28.0							
FS	CARIBOU NATIONAL FOREST-SODA SPRINGS RANGER DISTRICT	SODA SPRINGS	ID	CHAMP MINE ENFS	ENFS			F	B	O	1		$ 40.0							
FS	CARIBOU NATIONAL FOREST-SODA SPRINGS RANGER DISTRICT	SODA SPRINGS	ID	MOUNTAIN FUEL MINE ENFS	ENFS			F	B	O	1		$ 40.0							
FS	CARIBOU NATIONAL FOREST-SODA SPRINGS RANGER DISTRICT	SODA SPRINGS	ID	NORTH MAYBE CANYON MINE ENFS	ENFS			F	B	O	1		$ 48.0							
FS	CARIBOU NATIONAL FOREST-SODA SPRINGS RANGER DISTRICT	SODA SPRINGS	ID	RASMUSSEN RIDGE MINE ENFS	ENFS			F	B	N	1		$ 40.0							
FS	CARIBOU NATIONAL FOREST-SODA SPRINGS RANGER DISTRICT	SODA SPRINGS	ID	SMOKEY CANYON MINE ENFS	ENFS			F	B	N	1		$ 40.0							

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USDA Hazardous Materials Management Program

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FS	CARIBOU NATIONAL FOREST-SODA SPRINGS RANGER DISTRICT	SODA SPRINGS	ID	WOOLY VALLEY MINE ENFS	ENFS			P	B	O	1		$ 40.0							
FS	NEZ PERCE NATIONAL FOREST-REID RIVER RANGER DISTRICT	MISSOULA	ID	REGIONAL PRP SEARCHES (ATLANTIC TAILINGS BIG CHERRY/SHOSHOE COMBINATION MILL, FOREST ROSE TAILINGS, IDORA MILL SITE, LONE EAGLE QUARTZ, MOGULLION, NEW YORK, ONEA, RED MONARCH, SALIE BELLE)	ENFS			P	B	N	11		$ 80.0							
FS	CARIBOU NATIONAL FOREST-SODA SPRINGS RANGER DISTRICT	SODA SPRINGS	ID	ENOCH VALLEY MINE ENFS	ENFS			O	B	N			$ 40.0							
FS	SHAWNEE NATIONAL FOREST-HOWARD M. MCDOWELL NATIONAL TALLGRASS PRAIRIE	WILMINGTON	IL	McDEWIN COORDINATION	PGMT			O	B	O			$ 130.0							
FSAGCC	Beattie Grain Bin Site	Beattie	KS	PRP search	ENFS			F		O	1	1								
FSAGCC	Bremen Grain Bin Site	Bremen	KS	PRP search	ENFS			F		O	1	1								
FSAGCC	Courtland Grain Bin Site	Courtland	KS	PRP search	ENFS			F		O	1	1								
FSAGCC	Home City Grain Bin Site	Home City	KS	PRP search	ENFS			F		O	1	1								
FSAGCC	Interagency Agreement - KS	Kansas	KS	IAG-reporting Agreement	NEGO		$ 50.0	O		O				$ 50.0		2	O	O		
FS	Daniel Boone National Forest	Stearns	KY	WILDCAT BRANCH ENFS-S (WILDCAT BRANCH #3 & 6)	ENFS															
FS	DANIEL BOONE NATIONAL FOREST-STEARNS RANGER DISTRICT	WHITLEY CITY	KY	ROCK CREEK MINES PRP SEARCH	ENFS			O	B	N			$ 80.0							
FS	DANIEL BOONE NATIONAL FOREST-STEARNS RANGER DISTRICT	WHITLEY CITY	KY	ROCK CREEK MINES EECA ALLOCATIONS	NEGO			O	B	N			$ 72.0							
ARS	Beltsville Office Complex	Beltsville	MD	Agencywide HW Disposal	DISP			O		O			$ 588.0		$ 874.0					
ARS	Beltsville Office Complex	Beltsville	MD	Agencywide Travel	PGMT			O		O			$ 81.0		$ 63.0					
ARS	Beltsville Office Complex	Beltsville	MD	Agencywide Audits/Inspections/Assessments /Reviews	PGMT			O		O			$ 33.0		$ 07.0					
ARS	Beltsville Office Complex	Beltsville	MD	Agencywide Miscellaneous	PGMT			O		O			$ 63.0		$ 67.0					
ARS	Beltsville Office Complex	Beltsville	MD	Agencywide Cleaning Supplies	PGMT			O		O					$ 70.0					
ARS	Beltsville Office Complex	Beltsville	MD	Agencywide Training/Conferences	PGMT			O		O			$ 104.0		$ 104.0					
ARS	Beltsville Office Complex	Beltsville	MD	Agencywide Equipment/Supplies/Materials	PGMT			O		O			$ 249.0		$ 279.0					
ARS	Beltsville Office Complex	Beltsville	MD	Agencywide solvent rental program management	PGMT			O		O			$ 1,841.0		$ 2,018.0					
ARS	Fecal & Nursery Plants Research Lab	Glenn Dale	MD	RCRA Closure Plans	RPLN									$ 200.0		7	N	O		
FS	National Forests in Mississippi	Jackson	MS	CATTLE CRPS #1 MS ENFS-S	PAPR										$ 60.0	B	N	F	1	
FS	Northern Region - Region 1	Missoula	MT	AML WATERSHED CHARACTERIZATIONS (CARPENTER CREEK TAILINGS, SOUTH BOULDER WS)	CHAR										$ 150.0	B	N	F	2	
FS	BEAVERHEAD-DEERLODGE NATIONAL FOREST-PHILLIPSBURG RANGER DISTRICT	DILLON	MT	RED LION/GARRET MINES CHAR	CHAR		$ 40.0	F	45	N	1	1								
FS	Northern Region - Region 1	Missoula	MT	PRP SEARCHES (BRAINARD BASIN MINE, COLSEN JACK, GRAVE GULCH, LAKESHORE MINE AND MILL, METER MILL, PEORIA, RED PIN, RICHMOND GROUP, SCHLOTT PROSPECT, UNCLE SAM URSAVE)	ENFS										$ 60.0	B	N	F	10	
FS	BEAVERHEAD-DEERLODGE NATIONAL FOREST-PHILLIPSBURG RANGER DISTRICT	DILLON	MT	COMBINATION MILL/LOWER WILLOW CR ENFORCEMENT	ENFS		$ 85.0	F	20	N	1	1								
FS	Northern Region - Region 1	Missoula	MT	R1 AML PROGRAM MGMT POINT	AMPS			O		O					$ 50.0	B	O	O		
FS	REGION 1 REGIONAL OFFICE	MISSOULA	MT	AML SAFETY HAZARDS	AMPS			O	B	O			$ 50.0							
FS	REGION 1 REGIONAL OFFICE	MISSOULA	MT	AML PROGRAM DEVELOPMENT	PGMT			O	B	O			$ 50.0							
FS	REGION 1 REGIONAL OFFICE	MISSOULA	MT	ENVIRONMENTAL PROGRAM MANAGMENT	PGMT			O	B	O			$ 50.0							
FS	Northern Region - Region 1	Missoula	MT	R1 ESAP PROGRAM MGMT POINT	PGMT			O		O					$ 50.0	B	O	O		
FSAGCC	Milford Grain Bin Site	Milford	NE	Expanded site investigation - Phase II	CHAR		$ 150.0	O		N										
FSAGCC	Ord Grain Bin Site	Ord	NE	PSI search	ENFS			F		O	1	1								
FSAGCC	Interagency Agreement - NE	Nebraska	NE	IAG-reporting Agreement	NEGO		$ 50.0	O		N				$ 50.0		1	O	O		
FS	WHITE MOUNTAIN NATIONAL FOREST-PEMIGEWASSET RANGER DISTRICT	PLYMOUTH	NH	ORE HILL CHAR	CHAR			F	B	I	1		$ 30.0							
FS	Gila NF	Silver City	NM	GOLD HILL MINE FS CHAR	CHAR										$ 35.0	B	N	F	1	
FS	Gila NF	Silver City	NM	ROYAL JOHN MINE ENFS-S	ENFS										$ 10.0	B	N	F	1	
FS	Gila NF	Silver City	NM	GEORGETOWN MINING DISTRICT ENFS-S(COMMERCIAL LINE, CORNER STORE, GEORGETOWN MINES)	ENFS										$ 10.0	B	N	F	3	
FS	Gila NF	Silver City	NM	SAN FRANCISCO WATERSHED MINES ENFS-S (BEARCUB, CHALLENGE MILL, FANNY HILL, HARD LUCK, HUMMINGBIRD, IRON HAT, SILVER CREEK)	ENFS										$ 30.0	B	N	F	7	

Planned Programs of Work and Performance Targets, Fiscal Years 2003 and 2004
USDA Hazardous Materials Management Program

Agency	Facility Name	City	State	Project or Action Name	Activity	HMMP Performance Measure	Actual FY03 HMMA Allocations	Goal for Action When FY03 Ends	FY03 Priority for HMMA Funds	Actual Status When FY03 Started	FY03 HMMP Performance Targets	FY03 Targets w/ HMMA Funds	FY03 Agency Support	FY04 President's HMMA Request	FY04 Agency Pending Commitment	FY04 Agency Priority	FY04 Start Expected Status	FY04 End Progress Goal	FY04 HMMP Targets	FY04 Targets with HMMA Funds
FS	GILA NATIONAL FOREST-SILVER CITY RANGER DISTRICT	SILVER CITY	NM	GERMAN MINE SITE	ENFS			F	B	D	1		$ 3.0							
FS	GILA NATIONAL FOREST-GLENWOOD RANGER DISTRICT	GLENWOOD	NM	SAN FRANCISCO WATERSHED	ENFS			F	B	N	1		$ 30.0							
FS	R3 REGIONAL OFFICE	ALBUQUERQUE	NM	R3 SAFETY MITIGATION	IMP-S			O	B	O			$ 60.0							
FS	Region 3	Albuquerque	NM	R3 AML PROGRAM MGMT PGMT	OTHR										$ 60.0	B	O	O		
FS	Region 3	Albuquerque	NM	R3 FRT Support	PGMT										$ 10.0		O	O		
FS	Region 3	Albuquerque	NM	R3 ECAP PROGRAM MGMT PGMT	PGMT			O		O					$ 60.0	B	O	O		
FS	R3 REGIONAL OFFICE	ALBUQUERQUE	NM	R3 FRT PROGRAM MGMT	PGMT		$ 10.0	O	B	O										
FS	R3 REGIONAL OFFICE	ALBUQUERQUE	NM	R3 AML PROGRAM MGMT	PGMT			O	B	O			$ 60.0							
FS	R3 REGIONAL OFFICE	ALBUQUERQUE	NM	R3 ECAP PROGRAM MGMT	PGMT			O	B	O			$ 30.0							
FS	Wayne NF	Athens	OH	PINE GROVE LAKE COAL E NFS-9	ENFS										$ 40.0	B	N	F	1	
FS	R9 REGIONAL OFFICE	MILWAUKEE	OH	WIRE SITE DOCKET COORDINATION	PJMT			F	B	N			$ 10.0							
FS	Mohawr NF	Mohawr City	OR	ANDES MINE ENFS-5	ENFS										$ 15.0	B	N	F	1	
FS	Mahoning NF	Ames	OR	COOL CITY ENFS-8	ENFS										$ 15.0	B	N	F	1	
FS	Mt. Hood Nf	Sandy	OR	HAGGINS MINE ENFS-5	ENFS										$ 15.0	B	N	F	1	
FS	Umpqua NF	Glide	OR	HELENA MINE ENFS-5	ENFS										$ 15.0	B	N	F	1	
FS	Umpqua NF	Glide	OR	WAR EAGLE NO. 1 AND 2 ENFS-5	ENFS										$ 15.0	B	N	F	1	
FS	Wallowa-Whitman NF	Baker	OR	GOLCONDA MINE ENFS 5	ENFS										$ 15.0	B	N	F	1	
FS	Regional Forester, Region 6	Portland	OR	R6 AML PROGRAM MGMT PGMT	OTHR			O		O					$ 60.0	B	O	C		
FS	Regional Forester, Region 6	Portland	OR	R6 ECAP PROGRAM MGMT PGMT	PGMT			O		O					$ 30.0	B	O	C		
FS	R6 REGIONAL OFFICE	PORTLAND	OR	AML PROGRAM MGMT (RJ LINGTON)	PGMT			O	B	O			$ 60.0							
FS	R6 REGIONAL OFFICE	PORTLAND	OR	ECAP PROGRAM MGMT (SANDAY)	PGMT			O	B	O			$ 60.0							
FS	NORTHEASTERN STATION	NEW TOWN SQUARE	PA	ENVIRONMENTAL PROGRAM MANAGEMENT	PGMT			O	B	O			$ 60.0							
FS	BLACK HILLS NATIONAL FOREST-CUSTER RANGER DISTRICT	CUSTER	SD	BLACK HILLS CHAR, PA'S, ECA'S, BH (MONTANA)	CHAR			F	D	N	1									
FS	BLACK HILLS NATIONAL FOREST-CUSTER RANGER DISTRICT	CUSTER	SD	BLACK HILLS CHAR, PA'S, ECA'S, BH (KING OF THE WEST/YELLOWBIRD, MONTANA)	ENFS			F	D	N	2									
FS	MANTI-LASAL NATIONAL FOREST-MOAB RANGER DISTRICT	MOAB	UT	LA SAL CREEK WATERSHED ENFS - 5	ENFS			F	B	O	5		$ 5.0							
FS	Intermountain Region - Region 4	Ogden	UT	R4 AML PROGRAM MGMT PGMT	OTHR										$ 60.0	B	O	O		
FS	Intermountain Region - Region 4	Ogden	UT	R4 ECAP PROGRAM MGMT PGMT	PGMT			O		O					$ 30.0	B	O	O		
FS	R4 REGIONAL OFFICE	OGDEN	UT	R4 AML PROGRAM MANAGEMENT	PGMT			O	B	O			$ 60.0							
FS	R4 REGIONAL OFFICE	OGDEN	UT	R4 ECAP PROGRAM MANAGEMENT	PGMT			O	B	O			$ 60.0							
FS	R4 REGIONAL OFFICE	OGDEN	UT	R4 SAFETY HAZARDS	PGMT			O	B	O			$ 60.0							
FS	GEORGE WASHINGTON AND JEFFERSON NATIONAL FOREST-GLENWOOD/FEDLAR RANGER DISTRICT	NATURAL BRIDGE STATION	VA	MANGANESE MINE SAMPLING	CHAR			O	B	N			$ 25.0							
FS	R9 REGIONAL OFFICE	MILWAUKEE	WI	R9 AML SAFETY MITIGATION	IMP-S			O	B	O			$ 60.0							
FS	Eastern Region Region 9	Milwaukee	WI	R9 AML PROGRAM MGMT PGMT	OTHR										$ 60.0	B	O	O		
FS	Eastern Region Region 9	Milwaukee	WI	R9 FRT PROGRAM MGMT PGMT	PGMT										$ 25.0		O	O		
FS	Eastern Region Region 9	Milwaukee	WI	R9 ECAP PROGRAM MGMT PGMT	PGMT			O		O					$ 60.0	B	O	O		
FS	North Central Station	Rhinelander	WI	R9 ECAP PROGRAM MGMT PGMT	PGMT										$ 60.0	B				
FS	R9 REGIONAL OFFICE	MILWAUKEE	WI	R9 FRT PROGRAM MGMT	PGMT		$ 30.0	O	B	O										
FS	R9 REGIONAL OFFICE	MILWAUKEE	WI	R9 ECAP PROGRAM MGT	PGMT			O	B	O			$ 170.0							
FS	CHEQUAMEGON-NICOLET NATIONAL FOREST-LAKEWOOD RANGER DISTRICT	LAKEWOOD	WI	CHRONIC EPA DOCKET INVESTIGATIONS	PJMT			F	B	N			$ 60.0							
FS	MONONGAHELA NATIONAL FOREST-GAULEY RANGER DISTRICT	RICHWOOD	WV	BEAR RUN ENFS	ENFS			O	B	N			$ 30.0							
FSAGCO	Multiple sites - FY03	Multiple sites		CPT Hazardous Materials Sites FY03	CHAR			O		D			$ 3,456.0				FY03	F		
FSAGCO	Multiple sites - FY04	Multiple sites		FY04 Season	ENFS								$ 43.0				S	N	F	2
				Program Management and Administration:			$ 3,980.0				67	13	$ 9,736.0	$ 9,911.0	$ 6,426.9				61	4
				Grand Total:			$ 16,665.0				275	100	$ 23,796.0	$ 15,713.0	$ 27,330.0				305	142

The table below summarizes the number of projects underway in each performance area as of the beginning of fiscal year 2003 and the performance targets for completed projects of each type in each fiscal year. These targets are programmatic and without regard to funding source. A project may be made up of multiple units of the same activity performed (e.g., removal actions) at the same or different facilities.

Government Performance and Results Act Performance		Number of Open Projects[2]	Target for Completions in:	
Measure	Data Code[1]		FY 2003	FY 2004
Non-mine CERCLA cleanups	G1,PM3c	54	32	15
Mine CERCLA cleanups	G1,PM3m	36	7	23
UST and Other RCRA cleanups	G1,PM3r	124	23	16
Post-cleanup monitoring, operations and maintenance	G1,PM4	36	10	14
Cleanup plans	G1,PM2	57	120	81
Investigations of the need for cleanup	G1,PM1	198	78	83
Environmental auditing and related activities by USDA agencies	G2,PM1	n/a	15	15
Pollution prevention and related activities by USDA agencies	G1,PM2	n/a	3	0

[1] G=strategic goal; PM=performance measure
[2] Ongoing projects as of the start of fiscal year 2003.

FOREST SERVICE SITES CLEANUP COSTS

Mr. Bonilla: What is the estimated cost of the cleanup of the Forest Service sites?

Response: The working cost estimate exceeds $3 billion. The actual cost to the Government will depend on a number of factors, including the nature and extent of contamination at each site and the amount potentially responsible parties contribute towards cleanup costs.

FOREST FUNDING FOR CLEANUP FOREST SERVICE SITES

Mr. Bonilla: How much Forest Service money has been spent to cleanup Forest Service sites?

Response: The Forest Service reported that it obligated more than $56 million of its appropriated funds in support of this program in fiscal years 1994 through 2002.

FOREST SERVICE REIMBURSEMENT

Mr. Bonilla: Does the Forest Service reimburse the Hazardous Waste Materials account for the investigation and cleanup of the sites?

Response: No, the appropriation language for the Hazardous Materials Management Account --HMMA-- provides for necessary expenses of the Department of Agriculture to comply with the Comprehensive Environmental Response, Compensation, and Liability Act --CERCLA-- and the Resource Conservation and Recovery Act --RCRA. The funds remain available until expended and may be transferred to any agency of the Department for its use in meeting all requirements pursuant to CERCLA and RCRA on Federal and non-Federal lands.

Rather than reimbursing the HMMA account, the Forest Service is allocated a portion of the HMMA funds each year for priority projects to supplement agency funding available for the Hazardous Materials Management Program--HMMP. For fiscal year 2003, the Forest Service has been allocated $6,570,000 of HMMA funds, and the agency has committed $14,199,000 of its appropriated funds to support of the HMMP. For fiscal year 2004, the Forest Service allocation of HMMA funds is $6,750,000, and the agency commitment of its funds to the HMMP is $14,073,000. Any funds that are recovered from potentially responsible parties are used to fund additional cleanup work. The estimated value of cleanup work performed by or paid for by potentially responsible parties accomplished through the Forest Service CERCLA initiative is tracked separately and exceeds $200 million for fiscal year 1995 through fiscal year 2002.

AGENCIES COMPRISING THE HAZARDOUS MATERIALS WORKING GROUP

Mr. Bonilla: Which agencies comprise the Hazardous Materials Working Group?

Response: The USDA Hazardous Materials Policy Council consists of senior policy representatives of the affected mission areas and agencies, as well as the Office of the General Counsel. The following mission areas and agencies are represented on the Hazardous Materials Policy Council: Agricultural Marketing Service, Animal and Plant Health Inspection Service, Agricultural Research Service, Farm and Foreign Agricultural Services, Forest Service, Farm Service Agency (including the Commodity Credit Corporation), Food Safety and Inspection Service, Natural Resources Conservation Service, Office of the General Counsel, Rural Development, and Departmental Administration. The current Chair of the Policy Council, appointed by the Secretary, is one of the Department's two Environmental Executives.

[Clerk's Note. — The President's budget request for fiscal year 2004 was submitted on February 3, 2003. This preceded final Congressional action of the fiscal year 2003 bill, which was completed in the House of Representatives on February 13, 2003. The President's fiscal year 2004 budget request (including the explanatory notes) compared the submission with the budget request for fiscal year 2003, NOT with the fiscal year 2003 enacted amounts. The following material covers portions of the fiscal year 2004 explanatory notes revised to reflect enactment of the fiscal year 2003 appropriations act.]

DEPARTMENTAL ADMINISTRATION

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Departmental Administration (Including Transfers of Funds):

For Departmental Administration, [$38,095,000] $45,128,000, to provide for necessary expenses for management support services to offices of the Department and for general administration [and disaster management of the Department], security, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 is for employment under 5 U.S.C. 3109: *Provided*, That this appropriation shall be reimbursed from applicable appropriations in this Act for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551-558.

The first change in language more correctly defines the role of Departmental Administration in homeland security and planning for emergencies.

The second change in language reinstates appropriation language that was deleted in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of FY 2003. This language is necessary to allow Departmental Administration the flexibility to invoke the authority in the event such a need arises.

Lead-Off Tabular Statement

Appropriations Act, 2003		$38,095,000
Budget Estimate, 2004		45,128,000
Increase in Appropriation		+7,033,000
Adjustments in 2003:		
Appropriations Act, 2003	$38,095,000	
Rescission under P.L. 108-7 a/	-248,000	
Activities Included in the DHS b/	-218,570	
Adjusted base for 2003		37,628,430
Budget Estimate, 2004		45,128,000
Increase over adjusted 2003		+7,499,570

a/ The amount is rescinded pursuant to Section 601(a) of Division N, Title VI of P.L. 108-7.

b/ Pursuant to P.L. 107-296, The Homeland Security Act of 2002, net rescission. Annual amount. Actual amount of transfer to be determined.

SUMMARY OF INCREASES AND DECREASES
(On basis of adjusted appropriation)

Item of Change	2003 Estimated	Pay Costs	Program Changes	2004 Estimated
Departmental Administration	$37,628,430	+$964,000	$6,514,570	$45,107,000
FECA	--	--	+21,000	21,000
Departmental Administration	$37,628,430	+$964,000	$6,535,570	$45,128,000

DEPARTMENTAL ADMINISTRATION

EXPLANATION OF INCREASES AND DECREASES

(1) An increase of $7,499,570 for Departmental Administration ($38,095,000 available in 2003) consisting of:

To help accomplish strategic goal 2, DA is requesting:

(a) An increase of $4,332,570 and 32 staff years to restore the FY 2003 budget request.

(1) An increase of $2,005,000 and 17 FTEs for Civil Rights Enforcement.

This increase supports the DA strategic goal 2 to provide the best solutions to USDA's corporate administrative issues to support the efficient and timely delivery of Departmental programs and services. This increase will enable the Office of Civil Rights (CR) to enhance its leadership and direction in ensuring fair and equitable treatment of USDA customers and employees. It will provide the resources needed to significantly decrease the processing time to resolve program and employment complaints of discrimination. It is the USDA goal to eventually be able to process civil rights complaints within the required statutory time frame. This request will also permit the Department to address the conditions which cause complaints and address the deficiencies noted in the audit reports of the Inspector General.

In October 2000, CR completed a Long Term Improvement Plan (LTIP) that examined the weaknesses in civil rights case processing. The study showed that USDA has been unable to meet case processing goals due to insufficient staff, inadequate training, lack of program knowledge, inefficient workflow processes, and an inefficient automated tracking system.

Improvements in the workflow processes as identified in the LTIP are already being implemented. As these incremental improvements are made, USDA will evaluate what additional improvements are necessary to keep pace with the workload.

(2) An increase of $2,177,570 and 12 FTEs for Security and Emergency Preparedness.

This increase supports the DA strategic goal 2 to provide the best solutions to USDA's corporate administrative issues to support the efficient and timely delivery of Departmental programs and services. The Office of Crisis Planning and Management (OCPM) was created to improve USDA's ability to carry out its emergency management, national security, and personnel security functions and responsibilities. Original funding and staffing for OCPM were derived from transferring existing staff and associated funding from other Departmental Administration (DA) offices. With the events of September 11, 2001, additional funding needs were identified in security, emergency planning and homeland defense.

This funding will ensure that USDA's emergency programs are well coordinated both within USDA and with other federal agencies, such as HHS and FEMA. OCPM operates USDA's Emergency Operations Center, which serves as the focal point to coordinate USDA's response to emergencies and other crises. OCPM coordinates USDA's role under the Federal Response Plan.

This funding will also support OCPM in the improvement of USDA's national security responsibilities that include Continuity of Government (COG), Continuity of Operations (COOP), and the national security information security/document control program. OCPM intends to complete the COOP planning for USDA Headquarters functions and begin implementing COOP at USDA critical facilities outside the Washington, D.C. area.

(3) An increase of $200,000 and 3 FTEs for the Administration's procurement policy initiatives.

This increase supports the DA strategic goal 2 to provide the best solutions to USDA's corporate administrative issues to support the efficient and timely delivery of Departmental programs and services. The Administration has tasked USDA and all Federal agencies with the improvement and streamlining of procurement processes; increased use of Performance Based Service Contracts (PBSC); and e-business, and increased competitions for commercial services under the Federal Activities Inventory Reform Act of 1998 (FAIR). DA has dedicated procurement policy staffing and expertise to the development of a new corporate procurement system to help meet demands for e-procurement initiatives. This has left very little staff support for other Administration initiatives, such as performance-based service contracting. As one of the Federal government's largest purchasers, DA has significant contributions to make to these initiatives. Therefore, DA is requesting 3 additional staff to support the expansion of key initiatives in procurement and meet or exceed the Administration's procurement goals.

This increase supports the DA's Objective 2.4 to improve procurement and property processes and systems.

(b) An increase of $300,000 and 3 staff years for the physical security of USDA Facilities Nationwide. See page 2-12 of the Explanatory Notes.

(c) An increase of $400,000 and 0 staff years for the Continuity of Operations (COOP)/Continuity of Government (COG) Staff. See page 2-12 of the Explanatory Notes.

(d) An increase of $800,000 and 0 staff years for the Personnel and Document Security Division. See page 2-12 of the Explanatory Notes.

(e) An increase of $500,000 and 1 staff year for the computer security initiative. See page 2-13 of the Explanatory Notes.

(f) An increase of $964,000 for pay costs. See page 2-13 of the Explanatory Notes.

(g) A decrease of $116,000 IT Procurement Savings. See page 2-14 of the Explanatory Notes.

(h) An increase of $21,000 for the Federal Employees' Compensation Act (FECA) program.

The fiscal year 2004 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) An increase of $248,000 for the FY 2003 Rescission pursuant to Section 601(a) of the Division N, Title VI of P.L. 108-7.

DEPARTMENTAL ADMINISTRATION

PROJECT STATEMENT
(On basis of appropriation)

STRATEGIC GOAL 1: Ensure that USDA provides fair and equitable service to all customers and upholds the civil rights of its employees.

STRATEGIC GOAL 2: Provide the best solutions to USDA's corporate administrative issues to support the efficient and timely delivery of Departmental programs and services.

STRATEGIC GOAL 3: Ensure high quality services so that USDA missions have the space, facilities, mail and property services, personnel support and resources they need to deliver their programs in a timely and efficient manner.

	2002 Actual		2003 Estimated		Increase or Decrease	2004 Estimated	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
Goal 1: Ensure equal access to USDA programs and uphold civil rights of employees.	$14,607,474	138	$15,209,000	163	+$2,202,000	$17,411,000	176
Promote and measure increased participation in USDA programs by socially disadvantaged persons.	1,126,000	8	1,061,000	7	+230,000	1,291,000	9
Promote increased participation of small business in USDA contract and program activities.	1,480,000	12	1,415,000	13	+137,000	1,552,000	14
Subtotal, Goal 1	17,213,474	158	17,685,000	183	+2,569,000	20,254,000	199
Goal 2: Improve return on human capital.	3,803,000	36	3,386,000	38	+562,000	3,948,000	40
Implement corporate HR practices and systems.	675,000	6	564,000	7	+139,000	703,000	7
Improve USDA employees' ethics awareness and programs.	492,000	4	452,000	6	+123,000	575,000	6
Improve USDA procurement and property processes and systems.	3,216,000	28	3,161,000	39	+458,000	3,619,000	37
Reduce USDA energy consumption.	404,000	4	451,000	2	-25,000	426,000	4
Improve USDA homeland security posture.	1,485,000	14	3,275,430	22	+2,462,570	5,738,000	34
Subtotal, Goal 2	10,075,000	92	11,289,430	114	+3,719,570	15,009,000	128

Goal 3: Anticipate and deliver timely and efficient services to USDA's capital region customers.	4,450,000	32	4,154,000	37	+545,000	4,699,000	40
Provide a safe and functional workplace for USDA Headquarters.	220,000	1	173,000	1	+5,000	178,000	1
Improve HR service to USDA Headquarters.	3,125,000	28	2,856,000	31	+393,000	3,249,000	33
Provide administrative law functions.	1,622,000	15	1,471,000	15	+247,000	1,718,000	16
Subtotal, Goal 3	9,417,000	76	8,654,000	84	+1,190,000	9,844,000	90
FECA	--	--	--	--	+21,000	21,000	--
Unobligated Balance	337,911	--	--	--	--	--	--
Total Available or Estimate	37,043,385	326	37,628,430	381	+7,499,570 (1)	45,128,000	417
Rescission	+35,615	--	+248,000	--			
Transfer to Department of Homeland Security	--	--	+218,570	+2			
Total, Appropriation	37,079,000	326	38,095,000	383			

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Agriculture Buildings and Facilities and Rental Payments (Including Transfers of Funds):

For payment of space rental and related costs pursuant to Public Law 92-313, including authorities pursuant to the 1984 delegation of authority from the Administrator of General Services to the Department of Agriculture under 40 U.S.C. 486, for programs and activities of the Department which are included in this Act, and for alterations and other actions needed for the Department and its agencies to consolidate unneeded space into configurations suitable for release to the Administrator of General Services, and for the operation, maintenance, improvement, and repair of Agriculture buildings [and facilities, and for related costs, $196,781,000], $199,332,000 to remain available until expended: *Provided*, That [the Secretary of Agriculture may transfer a share of that agency's appropriation made available by this Act to this appropriation, or may transfer a share of this appropriation to that agency's appropriation to cover the costs of new or replacement space for such agency, but such transfers shall] not to exceed 5 percent of [the funds] amounts which are made available for space rental and related costs [to or from this account] for the Department of
1 Agriculture in this Act may be transferred between such appropriations to cover the costs of new or replacement space 15 days after notice thereof is transmitted to the Appropriations Committees of both Houses of Congress.

1 This change clarifies the reprogramming procedures for this account to include the normal Congressional notification requirement.

Lead-Off Tabular Statement

Appropriations Act, 2003		$196,781,000
Budget Estimate, 2004		199,332,000
Increase in Appropriation		+2,551,000
Adjustments in 2003:		
Appropriations Act, 2003	$196,781,000	
Rescission under P.L. 108-7 a/	- 1,279,000	
Activities included in the DHS b/	- 8,623,580	
Adjusted base for 2003		$186,878,420
Budget Estimate, 2004		199,332,000
Increase over adjusted 2003		+12,453,580

a/ The amount is rescinded pursuant to Section 601(a) of Division N, Title VI of P.L. 108-7.
b/ Pursuant to P.L. 107-296, the Homeland Security Act of 2002, net rescission. Annual Amount. Actual amount of transfer to be determined.

SUMMARY OF INCREASES AND DECREASES
(On basis of adjusted appropriation)

Item of Change	2003 Estimated	Pay Cost	Program Changes	2004 Estimated
Rental Payments to GSA	$120,795,420	--	+$3,114,580	$123,910,000
Building Operations and Maintenance	32,327,000	+232,000	+8,886,000	41,445,000
Strategic Space Plan	33,756,000	--	+221,000	3,397,700
Total Available	186,878,420	+232,000	+12,221,580	199,332,000

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

PROJECT STATEMENT
(On basis of adjusted appropriation)

	2002 Actual		2003 Estimated		Increase or Decrease	2004 Estimated	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
1. Rental Payments to GSA	$130,139,668	--	$120,795,420	--	+$3,114,580(1)	$123,910,000	--
2. Building Operations and Maintenance	31,438,000	89	32,327,000	94	+9,118,000(2)	41,445,000	94
3. Strategic Space Plan	25,943,000	--	33,756,000	--	221,000	33,977,000	--
Total Available or Estimate	187,520,668	89	186,878,420	94	+12,453,580	199,332,000	94
Rescission	+126,332	--	+1,279,000	--			
Transfer to Department of Homeland Security	--	--	+8,623,580	--			
Total, Appropriation	187,647,000	89	196,781,000	94			

HAZARDOUS MATERIALS MANAGEMENT

APPROPRIATION LANGUAGE AND EXPLANATION OF CHANGES IN LANGUAGE

The estimates include appropriation language for this item as follows (new language underscored, deleted matter enclosed in brackets):

Hazardous Materials Management (Including Transfers of Funds):

For necessary expenses of the Department of Agriculture, to comply with the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9601 et seq.) and the Resource Conservation and Recovery Act (42 U.S.C. 6901 et seq.) [$15,685,000] $15,713,000 to remain available until expended: Provided, That appropriations and funds available herein to the Department for Hazardous Materials Management may be transferred to any agency of the Department for its use in meeting all requirements pursuant to the above Acts on Federal and non-Federal lands. (42 U.S.C. 6961, et seq., 42 U.S.C. 9601, et seq.)

Appropriations Act, 2003		$15,685,000
Budget Estimate, 2004		15,713,000
Increase in Appropriation		+28,000
Adjustments in 2003:		
Appropriations Act, 2003	$15,685,000	
Rescission under P.L. 108-7 a/	-102,000	
Adjusted base for 2003		15,583,000
Budget Estimate, Current Law 2004		15,713,000
Increase over adjusted 2003		130,000

a/ The amount is rescinded pursuant to Section 601 (a) of Division N, Title VI of P.L. 108-7.

Summary of Increases and Decreases
(on basis of adjusted appropriation

Item of Change	2003 Estimated	Pay Costs	Program Change	2004 Estimated
Hazardous Materials Management	$15,583,000	+$28,000	+$102,000	$15,713,000

Project Statement
(On basis of appropriation)

STRATEGIC GOAL 1: Improve and restore the environmental condition of facilities and lands under the jurisdiction, custody and control of USDA.

STRATEGIC GOAL 2: Ensure responsible management in the use, storage, and disposal of hazardous materials and wastes.

HAZARDOUS MATERIALS MANAGEMENT

Project Statement
(On basis of appropriation)

	2002 Actual		2003 Estimated		Increase or	2004 Estimated	
	Amount	Staff Years	Amount	Staff Years	Decrease	Amount	Staff Years
Goal 1: Improve and restore environmental condition of facilities and lands	$15,318,840	5	$15,288,000	5	+130,000 (1)	$15,418,000	5
Goal 2: Ensure responsible management in the use, storage, and disposal of hazardous materials ...	326,000	1	295,000	1	--	295,000	1
Rescission	+10,080	--	--	--	--	--	--
Total, Appropriation	15,654,920	6	15,583,000	6	+130,000 (1)	15,713,000	6

Project Statement
(On basis of available funds)

	2002 Actual		2003 Estimated		Increase or	2004 Estimated	
	Amount	Staff Years	Amount	Staff Years	Decrease	Amount	Staff Years
Goal 1; Improve and restore environmental condition of facilities and lands	$21,039,597	5	$15,288,000	5	+$130,000	$15,418,000	5
Goal 2: Ensure responsible management in the use, storage, and disposal of hazardous materials	326,000	1	295,000	1	--	295,000	1
Unobligated Balance start of year	-1,280,868	--	--	--	--	--	--
Recoveries	-5,591,382	--	--	--	--	--	--
Unobligated Balance end of yr ..	+1,171,653	--	--	--	--	--	--
Total, Appropriation	15,665,000	6	15,583,000	6	+130,000	15,713,000	6

[Clerk's Note. – Following are the explanatory notes submitted as part of the President's fiscal year 2004 budget request prior to enactment of the fiscal year 2003 appropriations act.]

DEPARTMENTAL ADMINISTRATION

2004 Explanatory Notes

Table of Contents

	Page
Purpose Statement	2-1
Statement of Available Funds and Staff Years	2-4
Permanent Positions by Grade and Staff Year	2-6
Classification by Objects	2-7
Staff Offices:	
Appropriations Language	2-8
Justifications	2-12
Geographic Breakdown of Obligations and Staff Years	2-14
Status of Program	2g-1
Agriculture Buildings and Facilities and Rental Payments:	
Classification by Objects	2-15
Appropriations Language	2-16
Justifications	2-19
Geographic Breakdown of Obligations and Staff Years	2-20
Status of Program	2g-13
Hazardous Materials Management:	
Purpose Statement	2-21
Statement of Available Funds and Staff Years	2-23
Classification by Objects	2-24
Appropriations Language	2-25
Justifications	2-27
Geographic Breakdown of Obligations and Staff Years	2-27
Status of Program	2g-15
Advisory Committees:	
USDA Advisory Committees	2-28
Status of Program	2g-17

2-1

DEPARTMENTAL ADMINISTRATION

Purpose Statement

Departmental Administration (DA) was established to provide leadership and direction to ensure that the USDA is managed effectively, efficiently, and fairly, and to provide essential administrative programs and services. DA comprises Staff Offices and activities that report to the Assistant Secretary for Administration who is responsible for administering program and administrative activities under 7 U.S.C. 2202. The DA Staff Offices provide support to the policy officials of the Department and overall direction and coordination to the administrative work of the Department. DA activities are carried out by: the Office of Human Resources Management; Office of Ethics; Office of Civil Rights; Office of Procurement and Property Management; Office of Operations; Office of Planning and Coordination; Office of Small and Disadvantaged Business Utilization; and Office of Outreach. In addition, the Office of Administrative Law Judges, the Judicial Officer, and the Board of Contract Appeals have been placed within DA for administrative purposes.

Departmental Administration. This account finances a significant amount of the day to day activities of the DA Staff Offices.

Agriculture Buildings and Facilities and Rental Payments. This account finances the appropriated portion of payments to the General Services Administration for rental of leased space and related services. Funding is not provided for payments to GSA made by the Forest Service, since the Forest Service is funded in the Interior and Related Agencies Appropriations Act.

This account finances the day to day operations, repair, improvement, and maintenance activities at the USDA Headquarters Complex including the administrative costs for the building management and support staff. Since 1989, when the GSA delegation expired, USDA has been responsible for managing, operating, maintaining, repairing, and improving the Headquarters Complex, which encompasses 14.1 acres of ground and 4 buildings containing approximately 3 million square feet of space occupied by approximately 8,000 employees. This account also finances the project to renovate the Agriculture South Building.

Hazardous Materials Management. The purposes of the USDA Hazardous Materials Management Program (HMMP) are the efficient management and cleanup of hazardous materials on facilities and lands under the jurisdiction, custody, and control of the Department and prevention of releases of hazardous substances from USDA facilities. Activities in the program are conducted pursuant to the requirements of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and the Resource Conservation and Recovery Act (RCRA). Critical funding is provided by the Hazardous Materials Management Appropriation (HMMA).

The HMMA was established in 1988 to provide funding for priority hazardous materials cleanup projects. These funds are distributed to the Forest Service, Agricultural Research Service, Farm Service Agency, Rural Development, Office of the General Counsel, Animal and Plant Health Inspection Service, and the Food Safety and Inspection Service. Several agencies also fund this program with agency funds to meet the requirements of their mission. Annually, USDA agencies update their proposed programs of work, request funding for current year activities, and report accomplishments.

Not all Departmental Administration activities are financed from direct appropriations. The central services financed under the Department's Working Capital Fund (7 U.S.C. 2235) provide operational services and some management services to USDA agencies and Departmental staff activities respectively. A detailed description of these activities is provided under the Purpose Statement of the Working Capital Fund (WCF).

Reimbursable Activities. Under the Economy Act, 31 U.S.C. 1535, Departmental Administration is also reimbursed for services provided to USDA and non-USDA agencies. The following activities are financed through other reimbursements: day to day activities of the Board of Contract Appeals, travel and printing for the Administrative Law Judges, miscellaneous personnel details, selected short-term activities, as well as administrative and operational support to Working Capital Fund activities.

Headquarters. The majority of the Departmental Administration functional activities are located in Washington, D.C.

As of September 30, 2002, there were 721 employees, of which 666 were full-time permanent employees and 55 were other than full-time permanent employees included under Departmental Administration. These employees were assigned as follows (includes Working Capital Fund):

Location	Full-time Permanent	Other	Total
Washington, D.C.	663	55	718
Field Units	3	0	3
Total	666	55	721

OIG Reports
#23-099-0002-FM 05/22/02 Security of Information Technology Resources at USDA Departmental Administration.

#50-099-0004-HQ 10/16/01 USDA's Physical Critical Infrastructure Program.

#50-099-0005-HQ 06/27/02 Review of Policies and Procedures for New Offices and Facilities.

#50-099-0050-FM 09/10/02 FY 2002 USDA Government Information Security Reform Act Report.

#50-601-0004-HQ 08/06/02 Review of USDA Agencies' Official Websites for Sensitive Content.

GAO Reports
#GAO-02-1004 09/17/02 Interagency Security Committee Has Had Limited Success In Fulfilling Its Responsibilities.

#GAO-02-326 02/26/02 Career and Other Appointments of Former Political Appointees, October 1998 - April 2001.

#GAO-02-57 10/26/01 Hubzone Program Suffers From Reporting and Implementation Difficulties.

#GAO-02-607 TBD Survey of Capitalization Threshold and Other Policies for Property, Plant, and Equipment.

#310327 TBD Survey of Agencies Privacy Act Practices.

#842038 TBD Review of OPM's Research and Demonstration Project Authority.

#320089 TBD Biological Weapons Regimes.

#450034 TBD Federal Hiring.

2-3

#190053 TBD Purchase Card Programs - USDA.

#450111 TBD Homeland Security Performance and Management.

#350123 TBD Funding to Combat Terrorism.

#310432 TBD Federal Bioterrorism Information Technology Infrastructure Review.

#310340 TBD Continuity of Critical Federal Programs.

#543033 TBD Utilization of Federal Real Property.

#120150 TBD Profiles of Agency Acquisitions.

#250109 TBD Small Business Procurement.

#120195 TBD Federal Agency Use of the Government Purchase Card.

2-4

DEPARTMENTAL ADMINISTRATION

Available Funds and Staff Years
2002 Actual and Estimated 2003 and 2004

Item	2002 Actual		2003 Estimated		2004 Estimated	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Direct Appropriation:						
Departmental Administration..	$37,079,000	326	$42,280,000	413	$45,128,000	417
Rescission.....	-35,615	--	--	--	--	--
Ag. Buildings & Facilities.....	187,647,000	89	188,982,000	94	199,332,000	94
Rescission.....	-126,332	--	--	--	--	--
Hazardous Materials Mgmt.....	15,665,000	5	15,685,000	6	15,699,000	6
Rescission.....	-10,080	--	--	--	--	--
Total Direct.....	240,218,973	420	246,947,000	513	260,097,000	517
Obligations under other USDA appropriations:						
Departmental Administration:						
Radiation Safety.....	855,063	5	993,000	9	1,034,000	9
Honor Awards.....	112,201	--	132,000	--	136,000	--
1890 USDA Program.....	--	--	1,884,000	1	1,941,000	1
Employee Express.....	400,000	--	400,000	--	400,000	--
Personnel Misconduct Investigations.....	60,669	--	200,000	--	200,000	--
Homeland Security Act.....	--	--	4,077,000	--	--	--
ADR Services.....	--	--	50,000	--	50,000	--
US Veterans Claims Court....	7,000	--	7,000	--	7,000	--
HR Training/Software.....	556,337	--	750,000	--	750,000	--
Diversity Council.....	1,405,547	8	1,479,000	7	1,524,000	8
SES Candidate Development Program.....	199,424	--	1,013,000	--	242,000	--
EEO Investigations.....	3,202,622	4	2,685,000	--	3,000,000	1
IRD - Coastal America.....	25,000	--	--	--	--	--
Drug Testing.....	91,055	--	140,000	--	145,000	--
Shuttle Services.....	548,694	--	577,000	--	600,000	--
Health Care Services.....	30,940	--	31,000	--	32,000	--
TARGET Center	907,234	4	899,000	4	926,000	5
OSEC Drivers.....	91,051	1	67,000	1	69,000	2
Interpreter Service.....	652,152	2	442,000	2	450,000	2
OCFO IT Services.....	--	--	210,000	--	215,000	--
Travel to Admin. Hearings...	25,130	--	36,000	--	36,000	--
Board of Contract Appeals...	992,830	7	1,655,000	10	1,676,000	10
Visitors Center.....	355,296	3	366,000	3	377,000	3
Miscellaneous Reimbursements.....	34,072	--	--	--	--	--
Personnel Details.....	252,029	3	--	--	--	--
Management Support to WCF Activities.....	3,772,235	32	4,121,000	35	4,266,000	35
Subtotal, DA Reim.....	14,576,581	69	22,214,000	72	18,076,000	76

2-5

Item	2002 Actual		2003 Estimated		2004 Estimated	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Ag. Buildings & Facilities:						
Other Building Services.....	1,550,125	--	2,196,000	--	2,100,000	--
Subtotal, Ag. Buildings & Facilities Reim.	1,550,125	--	2,196,000	--	2,100,000	--
Total, Reimbursements.....	16,126,706	69	24,410,000	72	20,176,000	76
Working Capital Fund:						
Supply & Other Cntrl Svs....	30,476,000	202	33,758,000	216	34,199,000	209
Purchase of Equipment.....	4,685,000	--	7,188,000	--	6,439,000	--
Total,WCF.....	35,161,000	202	40,946,000	216	40,638,000	209
Total, USDA Funds.....	291,506,679	691	312,303,000	801	320,911,000	802
Total, Departmental Administration.....	291,506,679	691	312,303,000	801	320,911,000	802

2-6

DEPARTMENTAL ADMINISTRATION

Permanent Positions by Grade and Staff Year Summary
2002 Actual and Estimated 2003 and 2004

Grade	2002			2003			2004		
	Wash DC	Field	Total	Wash DC	Field	Total	Wash DC	Field	Total
ES-6	--	--	--	1	--	1	1	--	1
ES-5	2	--	2	2	--	2	2	--	2
ES-4	2	--	2	2	--	2	2	--	2
ES-3	2	--	2	3	--	3	3	--	3
ES-2	2	--	2	2	--	2	2	--	2
ES-1	1	--	1	1	--	1	1	--	1
CA-01	1	--	1	1	--	1	1	--	1
CA-02	1	--	1	1	--	1	1	--	1
CA 03	3	--	3	3	--	3	3	--	3
AL-3	3	--	3	3	--	3	3	--	3
SL-1	1	--	1	1	--	1	1	--	1
GS-15	43	1	44	56	1	57	58	1	59
GS-14	106	1	107	130	1	131	132	1	133
GS-13	139	--	139	167	--	167	167	--	167
GS-12	47	1	48	50	1	51	50	1	51
GS-11	21	--	21	23	--	23	23	--	23
GS-10	10	--	10	11	--	11	11	--	11
GS-9	18	--	18	23	--	23	23	--	23
GS-8	17	--	17	18	--	18	18	--	18
GS-7	37	--	37	43	--	43	41	--	41
GS-6	10	--	10	11	--	11	11	--	11
GS-5	9	--	9	11	--	11	11	--	11
GS-4	7	--	7	2	--	2	7	--	7
GS-3	1	--	1	--	--	--	1	--	1
Ungraded Pos..	16	--	16	17	--	17	17	--	17
Total Perm. Pos.....	499	3	502	582	3	585	590	3	593
Unfilled Positions end-of-year.....	-23	--	-23	--	--	--	--	--	--
Total, Permanent Full-Time Employment, end-of-year.....	476	3	479	582	3	585	590	3	593
Staff Year Estimate	686	3	689	582	3	585	590	3	593

Note: This exhibit includes DA Direct, DA Reimbursement, Agriculture Buildings and Facilities, and Hazardous Materials Management.

2-7

DEPARTMENTAL ADMINISTRATION

Classification by Objects
2002 Actual and Estimated 2003 and 2004

		2002	2003	2004
Personnel Compensation:				
Washington, D.C.		$23,856,307	$28,998,000	$30,325,000
11	Total personnel compensation	23,856,307	28,998,000	30,325,000
12	Personnel benefits	5,191,129	6,017,000	6,287,000
13	Benefits for former personnel	15,200	--	--
	Total pers. comp. & benefits	29,062,636	35,015,000	36,612,000
Other Objects:				
21	Travel	366,797	160,000	193,000
22	Transportation of things	17,369	7,000	5,000
23.3	Communications, utilities, and misc. charges	1,143,881	553,000	434,000
24	Printing and reproduction	358,155	14,000	9,000
25.2	Other services	2,607,000	3,262,000	4,472,000
25.3	Purchases of goods and services from Government Accounts	1,693,372	2,983,000	2,873,000
26	Supplies and materials	834,955	122,000	366,000
31	Equipment	439,527	164,000	164,000
42	Insurance claims and indemnities	181,235	--	--
43	Interest and dividends	547	--	--
	Total other obligations	7,642,838	7,265,000	8,516,000
Total direct obligations		36,705,474	42,280,000	45,128,000
Position Data:				
Average Salary, ES positions		$135,371	$139,390	$143,014
Average Salary, GS positions		$61,684	$67,982	$70,817
Average Grade, GS positions		11.7	11.9	11.9

2-8

DEPARTMENTAL ADMINISTRATION

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Departmental Administration:

For Departmental Administration, $45,128,000, to provide for necessary expenses for management support services to offices of the Department and for general administration, security, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 is for employment under 5 U.S.C. 3109: Provided, That this appropriation shall be reimbursed from applicable appropriations in this Act for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551-558.

Lead-Off Tabular Statement

President's Budget, 2003		$42,500,000
Budget Estimate, 2004		45,128,000
Increase in Appropriation		+2,628,000
Adjustments in 2003:		
President's Budget, 2003	$42,500,000	
Transfer to the Department of Homeland Security a/	-220,000	
Adjusted base for 2003		42,280,000
Budget Estimate, 2004		45,128,000
Increase over adjusted 2003		+2,848,000

a/ Estimates for the transfer to the new Department of Homeland Security are included in the budget as a one-time shift of funds. On a comparable basis, the FY 2004 transfer to the Department of Homeland Security is $220,000.

SUMMARY OF INCREASES AND DECREASES
(On basis of adjusted appropriation)

Item of Change	2003 Estimated	Pay Costs	Program Changes	2004 Estimated
Departmental Administration	$42,280,000	+$964,000	$1,884,000	$45,128,000

2-9

DEPARTMENTAL ADMINISTRATION

PROJECT STATEMENT
(On basis of appropriation)

STRATEGIC GOAL 1: Ensure that USDA provides fair and equitable service to all customers and upholds the civil rights of its employees.

STRATEGIC GOAL 2: Provide the best solutions to USDA's corporate administrative issues to support the efficient and timely delivery of Departmental programs and services.

STRATEGIC GOAL 3: Ensure high quality services so that USDA missions have the space, facilities, mail and property services, personnel support and resources they need to deliver their programs in a timely and efficient manner.

	2002 Actual		2003 Estimated			2004 Estimated	
	Amount	Staff Years	Amount	Staff Years	Increase or Decrease	Amount	Staff Years
Goal 1: Ensure equal access to USDA programs and uphold civil rights of employees.	$14,607,474	138	$17,086,000	177	+$346,000	$17,432,000	176
Promote and measure increased participation in USDA programs by socially disadvantaged persons.	1,126,000	8	1,273,000	9	+18,000	1,291,000	9
Promote increased participation of small business in USDA contract and program activities.	1,480,000	12	1,523,000	14	+29,000	1,552,000	14
Subtotal, Goal 1	17,213,474	158	19,882,000	200	+393,000	20,275,000	199
Goal 2: Improve return on human capital.	3,803,000	36	3,864,000	40	+84,000	3,948,000	40
Implement corporate HR practices and systems.	675,000	6	687,000	7	+16,000	703,000	7
Improve USDA employees' ethics awareness and programs.	492,000	4	562,000	6	+13,000	575,000	6
Improve USDA procurement and property processes and systems.	3,216,000	28	3,516,000	42	+103,000	3,619,000	37
Reduce USDA energy consumption.	404,000	4	414,000	5	+12,000	426,000	4

2-10

Improve USDA homeland security posture.	1,485,000	14	3,700,000	23	+2,038,000	5,738,000	34
Subtotal, Goal 2	10,075,000	92	12,743,000	123	+2,266,000	15,009,000	128
Goal 3: Anticipate and deliver timely and efficient services to USDA's capital region customers.	4,450,000	32	4,619,000	40	+80,000	4,699,000	40
Provide a safe and functional workplace for USDA Headquarters.	220,000	1	174,000	1	+4,000	178,000	1
Improve HR service to USDA Headquarters.	3,125,000	28	3,178,000	33	+71,000	3,249,000	33
Provide administrative law functions.	1,622,000	15	1,684,000	16	+34,000	1,718,000	16
Subtotal, Goal 3	9,417,000	76	9,655,000	90	+189,000	9,844,000	90
Unobligated Balance	337,911	--	--	--	--	--	--
Total Available or Estimate	37,043,385	326	42,280,000	413	+2,848,000 (1)	45,128,000	417
Rescission	+35,615	--	--	--			
Transfer to Department of Homeland Security	--	--	+220,000	+2			
Total, Appropriation	37,079,000	326	42,500,000	415			

2-11

DEPARTMENTAL ADMINISTRATION
Performance Goals and Indicators

	FY 2002 Target	FY 2002 Actual	FY 2003	FY 2004
Goal 1:				
Ensure equal access to USDA programs and uphold civil rights of employees:				
Provide full and equal access to USDA programs				
Percent of major USDA programs reviewed each year	20%	20%	20%	20%
Reduction in Civil Rights case processing time	5%	27%	15%	10%
Promote and measure increased participation in USDA programs by socially disadvantaged persons.				
Percent improvement from preceding year in minority participation in USDA programs	N/A	N/A	Develop baseline	TBD
Promote increased participation of small business in USDA contract and program activities.				
Percent increase over prior year in contract set-asides for small business	10%	-12.2%	10%	10%
Goal 2:				
Improve return on human capital.				
Link human capital plans with business plans	N/A	N/A	50% of USDA agencies have Human Capital Plans in their Performance Planning	100% of USDA agencies have Human Capital Plans in their Performance Planning
Improve USDA employees' ethics awareness and programs.				
Percent of executive managers trained in government ethics	100%	96%	100%	100%
Improve USDA procurement and property processes and systems.				
Percent use of performance-based service contracts (PBSC)	20%	40%	30%	40%
Reduce USDA energy consumption.				
Number of energy savings performance contracts/ delivery orders issued	2	0	3	3
Improve USDA homeland security posture.				
Percent deployment of COOP planning at USDA-wide critical facilities	25%	0%	75%	100%
Goal 3:				
Anticipate and deliver timely and efficient services to USDA's capital region customers.				
Provide mail, copier, property, forms, supply services at competitive prices				
Percent of customers satisfied with mail serv	85%	88%	85%	87%
Provide a safe and functional workplace for USDA Headquarters.				
Reduce USDA HQ facilities energy consumption				
Percent reduction in HQ energy consumption per gross square foot from FY 1999 base yea	3.3%	3.1%	4.3%	5.3%
Improve HR service to USDA Headquarters.				
Satisfaction rate for HR service customers	75%	N/A	80%	80%
Provide administrative law functions.				
Number of adjudicatory hearings and dispositic	187	161	187	199

2-12

JUSTIFICATION OF INCREASES AND DECREASES

(1) An increase of $2,848,000 for Departmental Administration ($42,500,000 available in 2003) consisting of:

To help accomplish strategic goal 2, DA is requesting:

(a) An increase of $300,000 and 3 staff years for the physical security of USDA Facilities Nationwide.

This increase supports the DA strategic goal 2 to provide the best solutions to USDA's corporate administrative issues to support the efficient and timely delivery of Departmental programs and services. These funds are an essential part of fully expanding Continuity of Operations (COOP) planning nationwide by 2004. USDA conducts its programs in approximately 25,000 facilities at more than 7,000 sites around the world. The Office of Procurement and Property Management (OPPM) has the responsibility for developing policy and standards for physical security at USDA facilities and for other critical assets (such as aircraft) Nationwide; for monitoring compliance with these policies and standards; and for conducting security assessments for agencies that do not possess the expertise or staff to conduct their own assessments. Since September 11, 2001 the United States has been prosecuting a war against terrorism and the country has been at a high state of security alert. There is a need for OPPM to significantly ramp up its physical security program oversight responsibilities. USDA agencies, recognizing the significant expertise in our one Senior Physical Security Specialist, have requested OPPM's assistance in responding to OIG Management Alerts regarding vulnerabilities with the security of USDA laboratories, aircraft, and aircraft facilities and to Congressional directives for security assessments at ARS labs.

An additional 3 staff years of effort will be used to assist in carrying out responsibilities associated with these security issues. Funds will be used for contractor support to develop and maintain a database to track USDA security assessments, vulnerabilities, recommended countermeasures, and measures implemented across USDA.

(b) An increase of $400,000 and 0 staff years for the Continuity of Operations (COOP)/Continuity of Government (COG) Staff.

This increase supports the DA strategic goal 2 to provide the best solutions to USDA's corporate administrative issues to support the efficient and timely delivery of Departmental programs and services. By 2004, USDA will fully deploy Continuity of Operations (COOP) planning nationwide. Since September 11, 2001 the United States has been prosecuting a war against terrorism and the country has been under a high state of alert. As a result, Congress passed an Emergency Supplemental to provide necessary funding through FY 2003. Because of these attacks, COOP and COG planning and exercise missions will be expanded USDA-wide resulting in an increased workload. In addition, the Emergency Supplemental also provides authorization for the purchase of Web-based COOP supporting software, but it does not provide sufficient funding to cover the annual cost of the maintenance contract for the following years.

Funds of $331,000 will be used to continue the expanded mission of COOP/COG. In addition, funds of $10,000 will be used for printing and reproduction needs and $59,000 for the purchase of software.

(c) An increase of $800,000 and 0 staff years for the Personnel and Document Security Division.

This increase supports the DA strategic goal 2 to provide the best solutions to USDA's corporate administrative issues to support the efficient and timely delivery of Departmental programs and services. These funds will enable USDA to reduce the personnel security processing time by 60 percent in 2004. USDA's personnel security program is presently a paper driven process that has not changed significantly since the 1950's. Forms are still completed in hard copy and sent through the mail to several locations.

In addition, USDA's personnel security files are still in hard copy. For USDA to take full benefit of e-security, the program needs significant modernization. Modernization of the program will coincide with OPM's e-Security initiative, which is intended to make the process as paperless as possible. Anticipated benefits from modernization include reduction in errors on personnel security forms, reduction in the loss of files during shipment, reduction in processing time by several weeks per case by eliminating the need to physically move files from multiple locations throughout the U.S., more efficient storage and retrieval of personnel security files, and improved worker productivity.

Funds will be used to contract with a consultant to design a modernized personnel security program and a vendor to begin implementation. Additional funds to complete the implementation will be requested in fiscal year 2005.

(d) An increase of $500,000 and 1 staff year for the computer security initiative.

This increase supports the DA strategic goal 2 to provide the best solutions to USDA's corporate administrative issues to support the efficient and timely delivery of Departmental programs and services. Homeland security demands an effort from all segments of the enterprise. These funds will be used to improve the security of information. Today's computing environment offers a vast number of potential vulnerabilities. DA supports a number of functions such as Human Resources Management, Civil Rights, and Procurement that handle sensitive data on a routine basis. It is imperative that DA's Information Systems Security Program (ISSP) be strong and be reviewed on a periodic basis. This can be accomplished by reviewing the ISSP program and plan; reviewing the network and desktops to ensure compliance with the ISSP; and implementing any necessary upgrades. Also, in case of a disaster in the Washington Metropolitan area, the Information Resources Division (IRD) must be in a position to provide IT support to DA functions. A disaster recovery plan is needed to ascertain the critical DA functions, the associated vital records, and the level of IT support needed. Based on the requirements, a recovery site (or sites) must be identified, prepared, and maintained. The cost of the site preparation and maintenance will be dependent on the requirements developed and the ability of the organization to utilize existing resources or collaborate with other organizations. Infrastructure improvements are also needed to ensure that the network has the speed and security to effectively handle the constantly increasing levels of usage. The other is a tool set that will benefit the day-to-day operation of the organization. While not necessarily part of any of the larger initiatives, this tool set will be a collaborative effort with other USDA agencies to optimize interoperability and minimize cost.

This increase will be used to hire a security systems analyst ($99,400). The analyst would provide policy development, network planning, and security procedure development and monitoring for the DA network, as well as ensuring security training for DA employees and staff. Funds will also be used for the following: ISSP Review contract ($15,000); Compliance Review contract ($25,000); Hardware/Software Upgrades ($135,000); Disaster Recovery Planning contract ($25,000); Recovery Site Identification which may include travel ($15,000); Recovery Site Preparation which is dependent on requirements ($75,000); Communications ($6,000 for 1st year); Data ($8,000 for 1st year); and Tool set software and maintenance ($96,600).

(e) An increase of $964,000 for pay costs which includes $296,000 for annualization of the fiscal year 2003 pay raise and $668,000 for the anticipated fiscal year 2004 pay raise.

This increase supports the DA strategic goals 1 thru 3. This increase will enable DA to continue to provide leadership and direction in ensuring that the USDA is managed effectively, efficiently, and fairly, and to provide essential administrative program and services. Without this increase the ability to provide effective staff support to the top policy officials of the Department and overall policy direction and coordination to the work of USDA's program agencies would be severely curtailed. Many of the goals and objectives set forth in its Annual Performance Plan would not be achieved. Implications of these cuts would result in the quality, quantity, and timeliness of services in most areas of service.

In most areas, there would be increased risk and vulnerability (i.e., waste, abuse, duplication or gaps in services and losses in productivity, etc.) for higher costs to the agencies and staff offices.

(f) A decrease of $116,000 IT Procurement Savings.

Reduction for the savings associated with centralization and improvement of information technology. Savings are associated with consolidated buys for infrastructure and office automation, and consolidation of enterprise architecture projects within the Department. USDA continues to ensure that information technology investments utilize enterprise licenses for hardware and software where appropriate and reduce the information technology costs.

DEPARTMENTAL ADMINISTRATION

Geographic Breakdown of Obligations and Staff Years
2002 Actual and Estimated 2003 and 2004

	2002		2003		2004	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
District of Columbia	$36,471,221	323	$42,038,497	410	$44,876,076	414
Maryland	234,253	3	241,503	3	251,924	3
Subtotal, Available or Estimate	36,705,474	326	42,280,000	413	45,128,000	417
Unobligated Balance	337,911	--	--	--	--	--
Total, Available or Estimate	37,043,385	326	42,280,000	413	45,128,000	417

2g-1

DEPARTMENTAL ADMINISTRATION

STATUS OF PROGRAM

Departmental Administration (DA) provides overall direction and coordination for the U. S. Department of Agriculture in the areas of human resources, civil rights, and procurement and property management. DA also provides direct staff support in these areas. DA activities are executed by the Office of Human Resources Management, Office of Ethics, Office of Civil Rights, Office of Procurement and Property Management, Office of Operations, Office of Planning and Coordination, Office of Small and Disadvantaged Business Utilization, and Office of Outreach. In addition, DA funded activities include the Office of Administrative Law Judges and the Judicial Officer. The Hazardous Materials Management Group, which is funded separately, and the Board of Contract Appeals, which is funded as a reimbursable activity, receive administrative support from DA.

OFFICE OF HUMAN RESOURCES MANAGEMENT

The Office of Human Resources Management (OHRM) provides Department-wide policy development and oversight of USDA human resources management programs. It represents USDA in Government-wide initiatives that include liaison and coordination with the Office of Personnel Management (OPM) and other central guidance agencies. OHRM programs cover the full breadth of personnel activities and functions. OHRM maintains leadership and oversight for the workforce planning process by providing assistance to attract, develop, and retain the quality and representative workforce USDA needs to accomplish its mission. OHRM provides Department-wide leadership, guidance, coordination and support for the prevention and effective and early resolution of conflict impacting USDA employees and customers through the use of appropriate dispute resolution techniques and the development of conflict management skills. OHRM also provides support services for USDA's use of the payroll/personnel system at the National Finance Center and day-to-day operating personnel services for the Office of the Secretary and Departmental Staff Offices.

USDA faces many challenges in the next five years as articulated in the Secretary's *Food and Agriculture Policy: Taking Stock for the New Century*. Success depends in large part on a USDA workforce that is highly motivated, skilled, flexible and technologically adept. Maintaining such a workforce will be difficult given the unprecedented rate of change in our food and farm system and the constraints that face us as one of the most diverse and complex agencies in the Federal government. Many of our most critical functions, such as food safety, research and conservation, are labor intensive, and we are predicting significant gaps in either the number of or skills of some of our most critical occupations. Human capital planning is critical to ensuring that the Department's workforce is capable of providing effective leadership on food, agriculture, resource and related issues. The President has also identified improving Human Capital as one of his five management agenda initiatives. OHRM was tasked with leading the Human Capital Planning effort in the Department.

Current Activities:

Human Capital Initiative. OHRM and the USDA agency personnel offices developed a 5-year Human Capital Plan for the Department. USDA is beginning to implement the Plan by: 1) developing a Human Capital Management Accountability System under which the agencies can report on progress and which is based on the Office of Personnel Management's Human Resources Management Accountability System Development Guide and includes balanced measures and standard indicators of strategic alignment, effectiveness, efficiency, and legal compliance; 2) implementing Phase II of the Skills Gap Analysis/Workforce Planning to address the remaining 43 percent of the Department's workforce, refine the analysis for the initial 21 mission critical occupations, and develop strategies to address the skill and inventory gaps; 3) developing a Forum to exchange best practices internally and with external sources, to foster an environment of learning innovation and collaboration regarding human capital efforts; and, 4) developing new ways to attract new applicants and retrain current employees.

Selected Examples of Recent Progress:

Human Capital Initiative. USDA established a Human Capital Planning Team in August 2002 comprising human resources professionals from all USDA agencies and staff offices and Presidential Management Agenda (PMA) leaders to develop the Human Capital Plan. Additionally, USDA developed a preliminary communications strategy that ensures all internal stakeholders understand the Department's Human Capital Plan and their roles and responsibilities related to it, and provides regular progress reports to external and internal stakeholders. As part of the human capital planning process, USDA also conducted a skills gap analysis of its top 20 critical skills.

USDA implemented a Senior Executive Service (SES) performance system. The new system, based on the balanced scorecard concept, ensures that senior executives have consistent performance expectations that incorporate both mission and management results. In September 2002, training was aligned with the USDA SES performance management plan. USDA developed an SES Candidate Development Program (SESCDP) and established developmental programs for incumbent executives to provide the executive talent required to manage the Department's diverse and challenging programs. The SESCDP was announced in November 2002.

The Department has implemented a policy on both Telework and Child Care Tuition Assistance as a part of its Work/Life Program. Both of these programs are tools to attract applicants and retain employees. The Foreign Agriculture Service has implemented a Child Care Tuition Assistance Plan and has 16 active participants. In addition, mission areas were authorized and encouraged to implement a pre-tax parking program under the Internal Revenue Service Code 132(f). The Department developed and implemented marketing pamphlets and posters on Balancing Options, Children Services, and Elder Care Services and Referrals. The marketing tools are being utilized by mission area recruiters at job fairs and educational institutions' career fairs, as well as for new employee orientation packages.

Career Intern Program. In March 2002, USDA implemented the Career Intern Program, which is designed to help agencies recruit and attract exceptional individuals at grades GS-5, GS-7, and GS-9 into a variety of occupations in the sciences and in administration/professional areas. Recent college graduates with a bachelors's or graduate degree with an overall college GPA of 3.0 or better and/or experienced professionals are eligible to participate in this program. This program is providing USDA with key personnel flexibility to help meet hiring requirements as a result of the new Farm Bill. To date, USDA has hired 87 individuals in this creative and innovative hiring program.

Mentoring Program. USDA launched the first USDA-wide mentoring program designed to help employees explore career opportunities. The first class of 50 mentees and 50 mentors have begun working together. USDA's Graduate School provides the training facilitation for the program.

Focused Recruitment. At the completion of the second year of the five-year hiring plan for people with disabilities, the Department hired a total of 2,527 individuals with disabilities, of which 277 were individuals with severe disabilities. USDA's recruitment of students increased Department-wide by almost 10 percent from 8,765 students in FY 2001 to 9,611 in FY 2002, including persons with disabilities. Women students in USDA increased from 4,151 women in FY 2001 to 4,389 in FY 2002. Minorities represent 2,558 of the Department-wide student total. This is an increase over last year's total of 2,452 students. Hispanic students increased by almost 1.7 percent. American Indian students also showed an increase in the number of students. African American students represented 10.9 percent of all students. Also, Asian and Pacific Islander students showed a significant increase in their numbers rising from 297 students in FY 2001 to343 in FY 2002. The number of Career Experience Program positions increased by more than 15 percent from 1,177 positions in FY 2001 to 1,377 positions in August 2002. USDA's mission areas reported the conversion of 150 students from the Career Experience Program to permanent positions that will help USDA fill behind persons who leave due to retirement.

OFFICE OF ETHICS

The Office of Ethics (OE) manages the Department-wide ethics program and oversees its administration. The goal of the office is to ensure that all USDA staff members are trained on, and comply with, the law and regulations governing standards of conduct, conflicts of interest, and political activity. Oversight and support of mission area ethics programs is provided through training, staff development, uniform procedures, program review and technical assistance. This office also directly services USDA Headquarters in the review of their public financial disclosure reports, ethics training, and counseling and advice.

Current Activities:

Policy. OE participates extensively in meetings with scientists from the Research, Economics and Education mission area to develop comprehensive ethics guidance for USDA scientists co-located at colleges and universities.

OE is working with the Rural Development mission area and with the Natural Resources Conservation Service on proposed additions to the Supplemental Standards of Ethical Conduct for Employees of the Department of Agriculture (USDA Supplement), 5 CFR Part 8301, which will complement existing provisions in the USDA guidance applicable to employees of the Farm Service Agency. OE is assisting State Directors in Rural Development in understanding the ethics restrictions that will most likely impact them. The issuance is designed to be a quick-reference compendium of pertinent rules taken from statutory and regulatory references.

OE participated in drafting a revision to the Agriculture Property Management Regulation aimed at broadening and streamlining USDA's authority for acceptance of gifts while maintaining a high level of accountability and avoiding the appearance of a loss of impartiality.

OE continues to process appeals made by program discrimination complainants to the Assistant Secretary for Administration under 7 CFR Part 15f.

Training. OE is developing four new ethics training modules for use on its website. Current modules are also being revised, either to change or increase existing guidance, or to make the modules more user-friendly. In addition, OE is developing a means of determining user satisfaction with the modules. The modules enable employees worldwide to engage in self-instruction on specific ethics issues and to self-certify completion by semi-automatic e-mail messages back to their ethics advisors.

The Ethics web site continues to enjoy high volume usage. In the week of October 27, 2002, it had 265,555 accesses. A typical visit to the Ethics web site lasted 12 minutes.

Disclosure. In collaboration with the National Finance Center (NFC), OE continued development of the secure, online reporting system implemented in FY 2000 to enable senior staff to complete financial disclosure reports over any PC or Macintosh with access to the World Wide Web. Users of the online reporting system are filing their reports earlier and encountering fewer technical filing inquiries.

OE and NFC are continuing to develop a system for Department agencies to use in tracking ethics training for individuals and another to prepare for true electronic filing of reports.

Selected Examples of Recent Progress:

Policy. Pursuant to section 5321 of the Farm Security and Rural Investment Act of 2002, OE in October 2002 revised the provisions of the Supplemental Standards of Ethical Conduct For Employees of the Department of Agriculture (5 C.F.R. § 8301.101-106) specifically applicable to Farm Service Agency (FSA) employees to permit them to seek FSA direct loans.

Training. OE implemented two additional computer-based training modules for the ethics web site at www.usda.gov/ethics. This brought the total number of training modules to 15. Eighteen other Federal agencies have been provided access to these modules for their own staff training. The City of Los Angeles, the Hong Kong Independent Commission Against Corruption, the U.S. Chemical Safety Board, and the New York State Ethics Commission have also been provided access to the modules.

Disclosure. In February 2002, OE assumed responsibility for the processing, review, and certification of confidential financial disclosure reports submitted by officers and employees within Departmental Administration.

Program Development. In October 2002, OE revised the ethics delegations of authority from the Designated Agency Ethics Official to subordinate ethics programs within USDA. The revised delegations aim at improving the professionalism of USDA ethics officers by setting baseline ethics competency requirements and requiring continued ethics education, and by requiring that ethics be made a key element in their performance appraisals.

OE began issuing a quarterly newsletter on October 2002 aimed at providing timely ethical guidance and information both to ethics personnel throughout USDA and to USDA employees.

2g-4

OFFICE OF CIVIL RIGHTS

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

Current Activities:

Regulations and Procedures. The Office of Civil Rights is:

- developing guidance on Limited English Proficiency (LEP) by developing a new Appendix to 7 CFR 15 that provides specific guidance to recipients on their LEP obligations;
- developing an amendment to the Statue of Limitations Regulations to clarify and explain the processing of ineligible complaints;
- developing a revision of Departmental Regulation 4300-6, "Civil Rights Policy for the Department of Agriculture", which will amend the bases of discrimination to conform to recent Executive Orders and the Equal Credit Opportunity Act, and implement regulations that prohibit discrimination;
- developing a Departmental Regulation which details the Annual Civil Rights Training requirement for the Department;
- developing a new Final Rule to amend 7 CFR 15a "Nondiscrimination on the Basis of Sex in Education Programs Receiving Federal Financial Assistance";
- developing a Final Rule which would amend 7 CFR 15c to incorporate all guidance on age discrimination in Federally assisted programs and activities; and
- developing a new the Memorandum of Understanding with Department of Housing and Urban Development that is in compliance with the Management Decision of the Office of the Inspector General's Audit Findings.

Systems and Process Improvement. Based on the findings in the Long Term Improvement Plan (LTIP) which analyzed CR's workload and its complaint processes, CR is continuing to enhance the Program Complaints Tracking System (PCTS, formally known as CRCTS) to support the processing of civil rights program complaints of discrimination. Implementation of PCTS and the Employee Data Tracking System (EDTS) is expected to facilitate many improvements to CR work processes. Additionally, the systems will provide reliable information and statistics needed to reduce CR case processing cycle times.

Technical Assistance. CR continues to provide technical guidance and workshop opportunities on compensatory damages, settlement agreements, and attorney's fees to USDA agencies' civil rights staffs. This technical assistance clarifies the agencies' responsibilities and provides evidence for adjudication in these areas.

Employment Compliance Reviews. CR is conducting employment compliance reviews and providing follow-up reports for designated USDA agencies to ensure compliance with Equal Employment Opportunity Commission (EEOC) laws and regulations as they relate to protected groups.

Selected Examples of Recent Progress:

Affirmative Employment Plan (AEP). The Department submitted an "Affirmative Employment Program Plan" to EEOC that incorporated annual employment changes and Civilian Labor Force disparity information in its analysis of workforce patterns.

Long Term Improvement Plan (LTIP). CR has accomplished the following:

- Employee Training: CR provided career development training for all CR employees. The training included (1) InfoMapping, a writing course which is an analytical approach to organizing and presenting information, and (2) "Empowering Yourself: the Organizational Game Revealed" a course on understanding the employee's role in the organization.

- Copy/Reproduction: CR established a state-of-the-art Copy and Reproduction Center. The Center has assisted the professional staff with spending less time copying materials and more time processing cases.

- Decision Document: CR developed a standard format and accompanying guidelines for all civil rights decision documents.

- Web Page Development: CR redesigned and updated the CR web page. The new page provides customers with links to: (1) current USDA civil rights and EEO polices as well as Federal laws and regulations applicable to civil rights; (2) EEO/Civil Rights Reports; (3) a Schedule of USDA Mandated Civil Rights Training; and (4) the USDA Employment Complaints Report.

Program Complaints Caseload. CR reduced the average processing time for 1,126 program complaints from 315 days to 195 days. An analysis of the processing time indicates that the average processing time was reduced 38 percent in 2002.

EEO Caseload. CR reduced the average processing time for 693 employment complaints from 571 days to 448 days. An analysis of the processing time indicates that the average processing time was reduced 22 percent in 2002.

OFFICE OF PROCUREMENT AND PROPERTY MANAGEMENT

The Office of Procurement and Property Management (OPPM) provides Departmental policy, oversight and guidance for acquisition and procurement, real and personal property, transportation, supply, motor vehicles, aircraft, recycling and energy conservation. In addition to these responsibilities, under Secretarial Memorandum 1020-52, Establishment of the Homeland SecurityStaff, the OPPM was given those functions formerly assigned to the Office of Crisis Planning and Management (OCPM) that were not delegated to the Homeland Security Staff. Additionally, lead responsibility for hazardous material management and federal facilities compliance was re-delegated to OPPM.

Current Activities:

Physical Security Assessments of Mission Critical Facilities. USDA conducts its programs in approximately 25,000 buildings at more than 7,000 sites around the world. Since the terrorist attacks of September 11, 2001, USDA has determined that there is an immediate need to upgrade the security posture of 187 mission critical facilities. Most of these mission-critical facilities are Government owned. The remainder are leased facilities for which USDA will be responsible for the cost of the upgrades. Currently, we have several teams of USDA personnel and contractors conducting security assessments and identifying and implementing security countermeasures at these facilities. We will continue to schedule and conduct assessments, provide recommendations on countermeasures needed, and implement those countermeasures as quickly as possible. As of September 30, 2002, we have conducted physical security assessments for 87 of these mission critical facilities and an additional 33 laboratories for Agricultural Research Service (ARS) with funding appropriated to ARS under the Homeland Security Supplemental.

Information and Personnel Security. On September 30, 2002, the President granted the Secretary the authority to classify National security information up to the SECRET level. USDA has not had the authority to classify documents since 1978. During FY 2003, OPPM will establish an effective information security program within the Personnel and Document Security Division that will ensure that National security information is properly safeguarded throughout USDA. Though significant improvement has been achieved in the personnel security program, several additional improvements are underway for FY 2003. These include the establishment of the first Department-wide regulation on personnel security and a process reengineering study to look for possible improvements in processing efficiencies.

Energy Efficiency for USDA Laboratory Facilities. OPPM successfully secured agreements from the Animal and Plant Health Inspection Service (APHIS) and ARS to designate the new Ames, Iowa, Animal Health Facility Modernization Project as a Laboratory for the 21st Century (LABs 21) Pilot Partner Project. The LABs 21 Program is a joint Department of Energy (DOE) and Environmental Protection Agency (EPA) initiative to improve energy efficiency and environmental stewardship in U.S. laboratories. Ames will be the first mainland USA Federal laboratory facility outside of DOE and EPA to sign on as a partner and will be designed and constructed to serve as a demonstration model for sustainability.

Integrated Acquisition System (IAS). The mission of the IAS program is to provide modern, integrated procurement automation tools to the USDA acquisition community that will enable it to enhance support of USDA's mission. The OPPM Procurement Systems Division (PSD) was chartered to lead this modernization effort. In February 2002, OPPM awarded the IAS contract. OPPM aggressively moved ahead with pilot and implementation activities at the Food and Nutrition Service (FNS) and Rural Business - Cooperative Service.

Also during March and April 2002, the USDA worked closely with the agencies in preparing for business process design, change management, and financial interface activities. In 2003, the IAS program will implement pilot activities at the Food Safety Inspection Service (FSIS), the National Resources Conservation Service (NRCS) and the Forest Service (FS). Also, the design, development and implementation of an interface with the Foundation Financial Information System (FFIS) is planned. The IAS tool supports the President's "Getting to Green" initiative of expanded e-Government by allowing speedier electronic transactions, providing Web-based delivery of services to employees, and by integrating procurement data with financial information.

Selected Examples of Recent Progress:

Purchase Card Management System (PCMS). In May 2002, a PCMS Configuration Management Plan and process was developed and implemented to ensure the software and all coding changes are approved, prioritized, and documented. Additionally, PCMS version 2.2 was released. The enhancements of this version include improved payment processing timeframes and audit features.

Federal Excess Personal Property Program. Section 923 of the Federal Agriculture Improvement and Reform Act (FAIR) of 1996 authorized the Secretary of Agriculture to acquire and transfer title of excess Federal personal property to any of the 1994 Institutions (as defined in section 532 of the Equity in Education Land Grant Status Act of 1994 (Public Law 103-382; 7 U.S.C. 301 note)); any Hispanic-Serving Institution (as defined in section 316(b) of the Higher Education Act of 1965 (20 U.S.C. 1059c(b)); and any college/university eligible to receive funds under the act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee University. During FY 2002, OPPM transferred $2.9 million worth of personal property under the Federal Excess Personal Property Program, bringing the total of property transferred to greater than $13.2 million since the program began in FY 1998. This program provides much needed property and equipment to institutions that otherwise would not be able to acquire these essentials due to limited funds. The property and equipment will be utilized in institutions located in economically disadvantaged rural and urban areas and will improve the community and the institutions' capability in the areas of research, educational, technical, and scientific activities. In April 2002, OPPM attended the Cooperative State Research, Education, and Extension Service's business meeting that was held in Kansas City, Missouri, to inform the many different institutions in attendance of the program. OPPM also developed an information plan designed to highlight the program to various Institutions by conducting workshops in different locations throughout the United States.

Personnel Security Actions. Upon assignment of the personnel security program to OCPM in February 2001, personnel security clearance actions were taking 12 months to process. OCPM established a goal of reducing the processing time by 30 percent (8.4 months) during FY 2002. Following the terrorist attacks on September 11, 2001, the demand for personnel security services increased significantly. To meet this increased workload, additional resources in the form of additional contractor staff and the support of temporarily reassigned USDA staff were secured. With these additional resources, OCPM made significant strides in reducing processing times for personnel security actions to, on the average, approximately 2 months. This far exceeds the goal of a 30 percent reduction set for FY 2002 and the FY 2003 goal of a 55 percent reduction has been achievedas well. The achievements of the personnel security program were recognized by the OPM in November 2002 by awarding USDA the *2002 Guardian Award* for using innovative solutions to address USDA's personnel security challenges.

Alternative Fuel Vehicle (AFV) Program. USDA for the very first time exceeded the mandated 75 percent AFV acquisition requirement in the Energy Policy Act , achieving a 76 percent rate for FY 2001 and a 92 percent rate for FY 2002. Use of over 100,000 gallons of B20 biodiesel fuel contributed to this accomplishment. OPPM issued revisions to the Agricultural Property Management Regulations incorporating the Secretary's policy memorandum on use of ethanol and biodiesel and acquisition of AFVs. This action makes permanent and gives USDA regulation status to the Secretary's policy decisions, which were first issued in an August 8, 2001, Secretary's Memorandum.

OFFICE OF OPERATIONS

The Office of Operations (OO) provides facilities management and day-to-day operations support to all USDA activities in and around the Washington Metropolitan Area. Organizations within the office include the Beltsville Service Center, Washington Area Service Center, Design and Construction Division, Mail and Reproduction Management Division, Information Resources Division, and the Accessible Technology Program for employees with disabilities. Additionally, the Office of Operations provides interpreter services for the hearing impaired and occupational health services through its medical unit.

Current Activities:

Information Resources Division. The Information Resources Division continues to increase the capacity and security of the Departmental Administration (DA) network, while providing increased web capability as well as system access for Administration employees who telecommute. Emphasis in FY2003 will focus on strengthened security over DA Information Technology Resources.

Medical Services Unit. OO operates the health unit at the Headquarters Complex and at existing USDA offices in Riverdale, BARC-WEST, and the George Washington Carver Center. Primary health services are administered through the South Building Health Unit that serves over 8,000 employees and is staffed by three nurses, one Administrative Support Assistant, and one Medical Officer. The other health units are each staffed with one Occupational Health Nurse. Services at all locations include allergy shots, blood pressure screening, flu shots, preventative health maintenance and screening programs, health education and awareness activities, health fairs and responding to health emergencies arising during the workday.

Selected Examples of Recent Progress:

Information Resources Division. In August 2002, the Information Resources Division drafted an Information Technology Security Policy Manual, which is expected to be approved in FY 2003, with procedural guidance to follow. In addition, a Disaster Recovery plan was completed in October 2002 and procedures for conducting routine network scans are now in place.

Employee Visits to the Health Units: In FY 2002 there were 28,805 office visits made by employees at USDA Health Units. Included in this total were 4,002 allergy shots, 10,258 blood pressure checks, and 7,548 medical visits.

Flu Shots (Influenza Immunization). The USDA Health Units in the Washington Metropolitan area administered 4,257 flu vaccines during the month of October 2002. The program is available during the months of October, November, and December. USDA offered the shots at no charge to encourage greater participation.

Cardiac Defibrillators. All USDA Health Units have Automatic External Defibrillators (AED's) and all staff are certified yearly. Additionally, in FY 2002 a total of 36 AED's were installed in the four building headquarters complex and the contract security guard force was trained in their use, in conjunction with CPR training. The security guards have been designated as first responders.

Nursing Mother's Room. Each Health Unit provides a Nursing Mother's Room equipped with a refrigerator, appropriate educational materials and breast pumps. These facilities provide support to employees returning to work after childbirth by helping them successfully carry out an early childcare measure considered beneficial to both mother and child. Approximately 40 mothers used the facilities in FY 2002, continuing the trend of increased usage.

Blood Drives. The American Red Cross holds blood drives in all of the USDA Health Units. Each health unit schedules six blood drives annually. Total donors in FY 2002 were approximately 3,000, an increase from last year.

Health Fairs. For FY 2002, approximately 1,000 employees attended the annual health fair at each of the USDA locations. This year's health fairs consisted of blood screening (including diabetes), vision, glaucoma and hearing testing, echocardiogram, stroke, and osteoporosis screening. The screenings inform USDA employees on how to prevent heart attacks, strokes and the loss of bone marrow. These screenings help support a healthier and more informed workforce.

Interagency Agreements. Interagency agreements were established with the Federal Aviation Administration and the Internal Revenue Service. The agreements permit their employees to obtain the same services as USDA employees, at the health units located in Riverdale and Beltsville, Maryland, on a reimbursable basis.

OFFICE OF PLANNING AND COORDINATION

The Office of Planning and Coordination (OPC) assists the Assistant Secretary for Administration and other officials of the Department in the development and execution of administrative policies that cut across mission

and functional lines. OPC provides strategic planning, performance reporting, management analysis, budget and financial coordination, and special initiative support to DA.

OFFICE OF ADMINISTRATIVE LAW JUDGES/HEARING CLERK'S OFFICE

The Office of Administrative Law Judges, a three-Judge office, conducts formal adjudicatory hearings under approximately 37 statutes administered by the Department whose proceedings are subject to the Administrative Procedure Act (APA), 5 U.S.C. § 554 *et seq*. A Judge's initial decision becomes the Secretary's final decision unless appealed to the Secretary's Judicial Officer. Final consent orders are issued by a Judge following a hearing or waiver of hearing. Judges also perform related duties, which are not inconsistent with their duties under the APA, such as conducting non-APA rulemaking hearings for Department agencies and ruling on appeals involving government-wide nonprocurement debarments and suspensions.

The Hearing Clerk's Office, which operates under the overall management of the Chief Administrative Law Judge, receives, files and serves pleadings, briefs, and decisions. It maintains the official transcripts and records of adjudicatory and rulemaking hearings, and in the event of a court appeal, certifies such records to a federal district or appeals court.

In addition to processing cases for the Office of Administrative Law Judges, other cases processed by the Hearing Clerk's Office in FY 2002 included:

Perishable Agricultural Commodities Act Reparation Cases	175
Packers and Stockyards Act Reparation Cases	5
Certification of Administrative Records to Federal Courts	40
Scheduling Reporting Service:	
Board of Contract Appeals	7
Office of Civil Rights	3

The following three-year table includes hearings held by Administrative Law Judges, initial decisions after hearings, initial decisions upon default, and final consent orders following hearing or waiver of hearing:

2g-9

HEARINGS AND DISPOSITIONS
(Adjudicatory; Unless Otherwise Indicated)

	FY 2000		FY 2001		FY 2002	
Type of Proceedings	Hear-ings	Dispo-sitions	Hear-ings	Dispo-sitions	Hear-ings	Dispo-sitions
Agricultural Marketing Agreement Act	–	4	4	10	3	5
Agricultural Marketing Agreement Act (Rule-Making)	3	3	2	2	7	6
Animal Quarantine	–	2	–	7	–	5
Animal Welfare Act	6	34	7	43	3	37
Beef Promotion & Research Act	–	2	–	1	–	1
Cotton Research Promotion Act	–	–	–	–	–	–
Debarment (Non-Procurement)	–	2	–	1	–	2
Egg Research & Consumer Information Act	–	1	–	–	–	–
Endangered Species Act	–	–	–	–	–	1
Federal Crop Insurance Act	–	6	–	5	–	4
Fluid Milk Promotion	–	–	–	–	–	1
Food Stamp Program Act	–	4	–	2	–	5
Grain Standards Act	–	1	–	2	–	–
Horse Protection Act	7	20	2	20	2	23
Inspection & Grading	1	–	–	2	3	–
Meat/Poultry Inspection Acts	–	6	–	7	–	8
Packers & Stockyards Act	2	13	1	8	1	26
Perishable Agricultural Commodities Act	3	17	1	29	4	26
Perishable Agricultural Commodities Act Appeal	–	1	1	2	1	2
Plant Quarantine Act	–	22	2	24	1	21
Tobacco Inspection/Price Support (Rule-Making)	–	–	1	1	–	–
Veterinary Accreditation	–	1	–	–	–	1
Totals	22	139	21	166	25	174

The Judicial Officer serves as final deciding officer in regulatory proceedings of a quasi-judicial nature, including appeals from the Administrative Law Judges' initial decisions and reparation proceedings under the Perishable Agricultural Commodities Act and the Packers and Stockyards Act. Any party to a proceeding may appeal an Administrative Law Judge's initial decision to the Judicial Officer. The Judicial Officer also rules on questions certified by the Administrative Law Judges, motions, requests, and objections.

In addition to 600 reparation decisions under the Perishable Agricultural Commodities Act and two reparation decisions under the Packers and Stockyards Act, the Judicial Officer issued decisions as follows in FY 2002:

Animal Quarantine Act	1
Animal Welfare Act	8
Beef Promotion and Research Act	1
Horse Protection Act	2
Packers and Stockyards Act	3
Perishable Agric. Commodities Act	8
Plant Quarantine Act	3
Plant Variety Protection Act	4
Total	30

2g-10

OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION

The Office of Small and Disadvantaged Business Utilization (OSDBU) provides Department-wide leadership in the implementation and execution of programs under sections 8(a) and 15 of the Small Business Act, as amended, as well as numerous Executive Orders. OSDBU's primary responsibility is to promote the growth and competitiveness of small, minority-owned and women-owned businesses, service disabled, and Historically Underutilized Business Zones (HUBZone) businesses, through equitable participation in the Department's procurement and program activities.

Current Activities:

BRAVO Program. Bringing Rural America Venture Opportunities (BRAVO) is a USDA program that establishes and utilizes partnerships of rural communities, Indian tribes, Alaskan Native Corporations (ANC's), small disadvantaged businesses, private corporations, educational institutions, and government organizations to bring jobs to rural areas. BRAVO employs USDA's and other Federal contracting opportunities to enhance rural economies. Small rural firms are paired in mentor-protégé relationships with experienced Federal contractors. BRAVO constantly reviews current and future contract opportunities to locate those suitable for direction to Tribal 8(a)s and other categories of small rural firms. OSDBU continuously seeks large Information Technology and other categories of firms to serve as mentors to provide the resources and technical assistance pivotal for growing rural small business capacity. In addition, due to the success of the Ute Tribe and Uinta River Technology, Governor Leavitt and the State of Utah are extending the BRAVO model to four Community Development Corporations in non-tribal areas (Carbon, Duschesne, Emery and Sanpete counties). By January 2003, BRAVO expects to have at least two additional tribal companies certified for 8(a) contracting, have contracts in place, and employees hired.

USDA Southwest Border Region Initiative. OSDBU is expanding economic opportunities in the border communities of Texas, New Mexico, Arizona and California, through building the capacity of small border businesses " to unleash the power of enterprise." USDA is facilitating business-driven, mentor-protégé relationships between experienced Federal contractors and small border companies. These alliances will provide small border businesses with the resources, training, and technical assistance that will prepare them to participate in the government-contracting arena and create jobs. Public/private partnerships continue to be developed and augmented to enable small firms to leverage all available Federal/State/Private programs to grow their capacity. This will assist the border in building self-sustaining communities. The initial pilots will be announced in January 2003 and additional pilots will be incrementally expanded across the border.

The OSDBU Rural Small Business Development Division held Regional Planning Conferences in Texas, New Mexico, Arizona and California to collaborate with border officials and small business owners on how to build the capacity of small border businesses and create jobs. Region-specific strategic small business plans were produced and will be refined and implemented by July 2003.

Alabama Black Belt Initiatives. OSDBU is taking steps to expand economic opportunities and improve the quality of life in the "Black Belt," located in the southeastern portion of the United States. The initial focus is on Alabama and North Carolina. OSDBU is working to increase the number of Federal contracts awarded to small firms located in these States. Assistance is being provided in building the capacity of municipalities with a high level of unemployment and a high potential for successful economic development. USDA is utilizing existing Federal small business programs to generate economic activity. OSDBU encourages the creation of mentor-protégé relationships between experienced Federal contractors and locally-based small business protégés. Small firms that have the capacity or potential capacity to satisfy second and third tier procurement requirements are being paired.

Service Disabled Veteran Owned Businesses (SDVOB). OSDBU is working with the American Legion to establish a list of certified Service Disabled Veteran Owned Fire Suppression Businesses so that Forest Service (FS) will be able to utilize their services. With the 2002 fire season being one of the worst, it was brought to our attention that SDVOBs felt they were not being used to their capacity. In August 2002, a meeting was conducted in Sacramento, California, between the SDVOBs, American Legion, OSDBU and FS Region 5 representatives. It was agreed that OSDBU and the American Legion would work together to establish a list of State and Federally certified SDVOB Fire Suppression Companies to be used by the FS. Steps are also being taken to establish more refined guidelines as to what makes up a fire suppression company and equipment descriptions.

Vendor Outreach. OSDBU conducts monthly Vendor Outreach Sessions to allow small businesses the opportunity to meet in one central location with USDA procurement officials to market their companies' capabilities. Technical assistance is provided to 20-30 small businesses on a monthly basis. Special sessions are scheduled monthly for women-owned, veteran-owned and other categories of small business.

Selected Examples of Recent Progress:

Historically Black Colleges and Universities and Hispanic Serving Institutions. OSDBU has established a working relationship with the White House Initiative on Historically Black Colleges and Universities pursuant the President's Executive Order 13256, dated February 12, 2002.

BRAVO Conference. The Department of Agriculture served as a co-sponsor to the National Summit on Emerging Tribal Economies, September 17-19, 2002, in Phoenix, Arizona. The major goals of the Summit were to develop Indian Country business strategies and alliances to create 100,000 Indian Country jobs by 2008 and sustainable market-driven tribal economies by 2020. OSDBU conducted three workshops. Two of the workshops were BRAVO specific, to explain the criteria for participating in the BRAVO Program and the benefits of participating in mentor-protégé relationships. Tribal participants were taught how to leverage public/private partnerships to obtain access to resources and technical assistance necessary for capacity building. The third workshop was geared toward USDA lending programs and opportunities. In addition, OSDBU conducted one-to-one counseling and assistance to tribes on business planning, capacity building, Federal contracting procedures and marketing.

Procurement Forecast Automation. OSDBU implemented an automated web-based procurement forecast. Public Law 100-656 requires USDA to make available to the small business communityon an annual basis a forecast of procurement opportunities. The system provides the small business community easy access and retrieval of USDA procurement information. The system standardizes the old process and enables the Department to easily and quickly update the annual forecast.

Women-Owned Business Survey. In March 2002, OSDBU conducted a survey of the USDA procurement community to determine the reason(s) why the percentage of awards to women-owned businesses have not increased and to learn why awards to women-owned firms are disproportionate to their percentage in the available contractor pool. After reviewing the results of the survey, OSDBU is planning training sessions to remedy the identified problem areas and to reduce the impediments to women-owned business participation in the Department's contracting programs.

OFFICE OF OUTREACH

The Office of Outreach (OR) provides leadership, coordination, facilitation and expertise to internal and external partners to ensure equal and timely access to USDA programs for all constituents, with emphasis on the underserved. OR develops, manages, coordinates and supports national level outreach initiatives, programs, and activities that provide information and technical assistance and training to underserved USDA constituents. OR also develops and maintains effective vehicles for internal and external coordination and sharing of activities and information. The Outreach for Socially Disadvantaged Farmers Program (2501 Program), previously a responsibility of OR, has been transferred to the Cooperative State Research, Education, and Extension Service (CSREES).

Current Activities:

2002 Farm Bill Briefings. The 2002 Farm Bill made important changes to USDA programs, services, and funding opportunities that need to be disseminated to USDA's present and potential customers. OR is working with USDA agencies and external partners to coordinate a series of Farm Bill briefing sessions conducted across the country. The first briefing was held November 7, 2002, at Virginia State University. There were 322 participants, 129 of whom were farmers. The second briefing was held on December 12, 2002, and additional briefings are planned during FY 2003.

USDA Agency Outreach Coordinators Program. OR provides Department-wide leadership for USDA's outreach efforts and has established a USDA Agency Outreach Coordinators Program. Each USDA Agency Coordinator is selected by the Agency Head to work with OR to plan, lead, and harmonize outreach efforts within USDA agencies. OR coordinates and reviews the development of individual agency strategic outreach plans to ensure that the goals and objectives stated in the Department's Strategic Outreach Plan are incorporated. OR also monitors and works with the Agency Coordinators in the implementation of these plans.

Increased Partnerships. OR maintains partnerships with 1890/1862 Land-Grant Institutions; 1994 Institutions, including Tuskegee University; Indian Tribal Community Colleges and Alaska Native Cooperative Colleges; Hispanic Educational Institutions; other post-secondary educational institutions; Community and Faith Based Organizations; and, special interest groups that provide training and technical assistance to underserved customers in rural and urban areas. OR aggressively seeks out and enters into traditional and non-traditional partnerships to better serve and expand the Department's customer base. OR organizes specialized training and assists in planning workshops. In addition, OR facilitates the participation of technical experts and coordinates USDA program information required to accomplish specific workshop objectives. OR routinely provides partners and stakeholders with updates on changes made to USDA policies, regulations and programs.

Environmental Justice (EJ). OR and the Program Manager for USDA's Environmental Justice program are participating on the Federal Interagency Working Group on Environmental Justice (IWG) as USDA representatives. The IWG is composed of representatives of 14 Federal agencies and White House offices, designated in Executive Order 12898 ("Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations," February 11, 1994). The IWG's primary goal is to work with each Federal agency to integrate environmental justice into its programs, policies, and activities. OR and the EJ Program Manager are working with partners to promote local demonstration projects. In addition, OR coordinates and disseminates information on a broad range of issues that environmental justice embodies at USDA.

Memorandum of Understanding (MOU) with the National Conference of Black Mayors (NCBM) . OR is coordinating the implementation of an MOU between USDA and NCBM. The goals of the MOU include working together to improve communications; expanding the delivery of program resources; providing technical and management assistance; and, identifying new initiatives for rural areas. USDA has identified rural communities and rural areas that have endured decades of poverty as priority locations needing improved program delivery efforts.

Minority Farm Register. OR is continuing its work with representatives from the National Agricultural Statistics Service (NASS) and the Farm Service Agency (FSA) to facilitate the development and implementation of the Minority Farm Register.

Selected Examples of Recent Progress:

Princeville, North Carolina Revitalization. OR is assisting the city of Princeville, North Carolina in its recovery from a devastating flood as part of the USDA and NCBM Memorandum of Understanding. A full-time project manager from the Food and Nutrition Service has been appointed to work with city management, and equipment and infrastructure assistance has been provided.

National Program for Food Safety. In FY 2002, OR worked with the Food Safety Inspection Service (FSIS) to support a seamless farm-to-table National program for food safety. OR assisted FSIS in its effort to communicate and disseminate food safety information to underserved customers. This activity supports USDA's Hazard Analysis Critical Control Point system that was developed to help eliminate pathogens in the U.S. food supply. To increase the number of rural customers receiving access to this USDA food safety information, OR and FSIS partnered with agricultural colleges and universities.

Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers (2501). In December 2001, OR awarded 29 grants to provide training and technical assistance to farmers and ranchers in 22 States. These efforts will continue to reduce delinquency rates of current USDA borrowers, bring more producers into USDA loan programs, and increase the net return to small farmers through financial and farm plan improvements, including increased marketing initiatives. This promotes the continued viability of small farms and the retention of ownership. OR will monitor and provide technical assistance to these projects until the project periods have ended. The 2501 Program was transferred to CSREES on August 15, 2002, (Secretary's Memorandum 1030-51). OR continues to provide outreach, serve as liaisons, and coordinate collaborations between 2501 awardees and USDA agencies that administer agricultural programs targeted for outreach under these projects.

2-15

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS
Classification by Objects
2002 Actual and Estimated 2003 and 2004

		2002	2003	2004
Personnel Compensation:				
Washington, D.C.		$5,994,902	$6,385,000	$7,092,000
11	Total personnel compensation	5,994,902	6,385,000	7,092,000
12	Personnel benefits	1,343,920	1,794,000	1,773,000
13	Benefits for former personnel	3,751	4,000	4,000
	Total pers. comp. & benefits	7,342,573	8,183,000	8,869,000
Other Objects:				
21	Travel	45,719	50,000	70,000
22	Transportation of things	3,133	6,000	6,000
23.1	Rental payments to GSA	131,702,799	121,586,000	123,910,000
23.3	Communications, utilities, and misc. charges	5,115,698	4,830,000	4,830,000
24	Printing and reproduction	46,917	100,000	100,000
25.1	Advisory and assistance services	95,219	140,000	140,000
25.2	Other services	14,486,377	20,936,000	24,812,000
25.3	Purchases of goods and services	869,509	575,000	3,859,000
25.4	Operation and maintenance of facilities	--	2,471,000	2,471,000
25.7	Operation and maintenance of equipment	11,640,643	29,200,000	29,127,000
26	Supplies and materials	535,055	216,000	224,000
31	Equipment	2,741,625	545,000	770,000
32	Lands and structures	133,500	144,000	144,000
43	Interest and dividends	41,235	--	--
	Total other obligations	167,457,429	180,799,000	190,463,000
Total direct obligations		174,800,002	188,982,000	199,332,000
Position Data:				
Average Salary, GS positions		$65,857	$66,401	$74,008
Average Grade, GS positions		11.29	11.33	11.33

2-16

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

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

For payment of space rental and related costs pursuant to Public Law 92-313, including authorities pursuant to the 1984 delegation of authority from the Administrator of General Services to the Department of Agriculture under 40 U.S.C. 486, for programs and activities of the Department which are included in this Act, and for alterations and other actions needed for the Department and its agencies to consolidate unneeded space into configurations suitable for release to the Administrator of General Services, and for the operation, maintenance, improvement, and repair of Agriculture buildings, $199,332,000 to remain available until expended: Provided, That not to exceed 5 percent of amounts which are made available for space rental and related costs for the Department of Agriculture in this Act may be transferred between such appropriations to cover the costs of new or replacement space 15 days after notice thereof is transmitted to the Appropriations Committees of both Houses of Congress.

Lead-Off Tabular Statement

President's Budget, 2003		$197,662,000
Budget Estimate, 2004		199,332,000
Increase in Appropriation		+1,670,000
Adjustments in 2003:		
President's Budget, 2003	$197,662,000	
Transfer to Department of Homeland Security a/	- 8,680,000	
Adjusted base for 2003		$188,982,000
Budget Estimate, 2004		199,332,000
Increase over adjusted 2003		+10,350,000

a/ Estimates for transfer to the new Department of Homeland Security are included in the budget as a one-time shift of funds. On a comparable basis, the FY 2004 transfer to the Department of Homeland Security is $8,680,000.

SUMMARY OF INCREASES AND DECREASES
(On basis of adjusted appropriation)

Item of Change	2003 Estimated	Pay Cost	Program Changes	2004 Estimated
Rental Payments to GSA	$121,586,000	--	+$2,324,000	$123,910,000
Building Operations and Maintenance	33,419,000	+232,000	+7,794,000	41,445,000
Strategic Space Plan	33,977,000	--	--	33,977,000
Total Available	188,982,000	+232,000	+10,118,000	199,332,000

2-17

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

PROJECT STATEMENT
(On basis of adjusted appropriation)

	2002 Actual		2003 Estimated		Increase or Decrease	2004 Estimated	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
1. Rental Payments to GSA	$130,139,668	--	$121,586,000	--	+$2,324,000(1)	$123,910,000	--
2. Building Operations and Maintenance	31,438,000	89	33,419,000	94	+8,026,000(2)	41,445,000	94
3. Strategic Space Plan	25,943,000	--	33,977,000	--	0	33,977,000	--
Total Available or Estimate	187,520,668	89	188,982,000	94	+10,350,000	199,332,000	94
Rescission	+126,332	--	--	--			
Transfer to Department of Homeland Security	--	--	+8,680,000	--			
Total, Appropriation	187,647,000	89	197,662,000	94			

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

PROJECT STATEMENT
(On basis of available funds)

DA STRATEGIC GOAL 2: Provide the best solutions to USDA's corporate administrative issues to support the efficient and timely delivery of Departmental programs and services.

DA STRATEGIC GOAL 3: Ensure high quality services so that USDA missions have the space, facilities, mail and property services, personnel support and resources they need to deliver their programs in a timely and efficient manner.

	2002 Actual		2003 Estimated		Increase or Decrease	2004 Estimated	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
Goal 2: Improve USDA Homeland Security posture	$6,992,000	4	$9,155,614	4	-$1,184,814	$7,970,800	4
Goal 3: Provide safe and functional workplace for USDA Headquarters	167,808,002	85	219,734,741	90	-28,373,541	191,361,200	90
Total, Direct Obligations	174,800,002	89	228,890,355	94	-29,558,355	199,332,000	94
Unobligated Balance, start of year	-25,488,904	--	-39,908,355	--	+39,908,355	--	--
Recoveries	-1,698,785	--	--	--	--	--	--
Unobligated Balance, end of year	+39,908,355	--	--	--	--	--	--
Total Available or Estimate	187,520,668	89	188,982,000	94	+10,350,000	199,332,000	94
Rescission	+126,332	--	--	--			
Transfer to Department of Homeland Security	--	--	8,680,000	--			
Total Appropriation	187,647,000	89	197,662,000	94			

Performance Goals and Indicators

	FY 2002 Target	FY 2002 Actual	FY 2003	FY 2004
Goal 2:				
Improve USDA homeland security Posture				
Percent completion of work in four areas to ensure security of USDA Headquarters facilities and personnel	N/A	N/A	N/A	75%
Goal 3:				
Operate, maintain USDA Headquarters complex				
Percent completion of South Building renovation	15%	15%	20%	26%

Justification of Increases and Decreases

A net increase of $10,350,000 for Agriculture Buildings and Facilities and Rental Payments ($188,982,000 available in fiscal year 2003) consisting of:

To help accomplish DA performance goal 2, Agriculture Buildings and Facilities and Rental Payments is requesting:

(1) A net increase of $4,128,000 which comprises:

(a) An increase of $3,191,000 for Homeland Security Requirements.

This increase supports the Departmental Administration (DA) strategic goal 2 to provide the best solutions to USDA's corporate administrative issues to support the efficient and timely delivery of Departmental programs and services. The funding will help address Homeland Security deficiencies that cannot be funded within the amounts provided by the fiscal year 2002 emergency appropriation. These deficiencies include the following: (1) COOP Sites Levels 3 and 4; (2) Headquarters Security Equipment; (3) Biomed Testing and Laboratory Services; (4) Defensive Equipment and Structures; and (5) Emergency Response Equipment.

(b) An increase of $999,000 for Physical Security, Occupational Safety, and Environmental Protection and Compliance.

This increase supports the DA strategic goal 2 to provide the best solutions to USDA's corporate administrative issues to support the efficient and timely delivery of Departmental programs and services. It will help provide such things as:

(1) Funding for mail security screening operations. The Working Capital Fund formerly funded this function as part of mail operations. It was realigned post September 11, 2001, from the Mail and Reproduction Management Division to Protective Operations, where it can be managed by physical security specialists and benefit from the synergy inherent in being part of a larger organization with a like mission. The increase will help fund improved screening equipment and improved training for the employees. Funding by the Agriculture Buildings and Facilities appropriation is consistent with the funding of other similar physical security operations.

(2) Funding for improved physical security program management and oversight, and increased requirements for staff training, travel, and technology, to be used as follows:
•Training;
•Travel;
•ADP Acquisitions;
•Maintenance, upgrades, and replacement of ID equipment and other technology procured with fiscal year 2002 emergency homeland security funds; and,
•Vehicle lease.

(3) Funding for increased costs of contract services associated with the higher standards of protection now required. Until fiscal year 2004, increased costs for the following will be funded from the fiscal year 2002 emergency homeland security appropriation.
•Security Force Contract at HQ and George Washington Carver Center (GWCC);
•Security systems installation and maintenance technicians (3);
•Leased Building Guard Service;
•Federal Protective Service patrols at GWCC;
•Special Police Officer Certification;
•Increased background investigations;
•Supplies;
•Safety program contracts; and
•Environmental program contracts (air quality, etc.).

To continue a higher level of protection, increased funding is needed.

To help accomplish DA Performance Goal 3, Agriculture Buildings and Facilities and Rental Payments is requesting:

(1) An increase of $6,160,000 which comprises:

(a) An increase of $3,604,000 for costs related to the Fair Labor Standards Act and Collective Bargaining.

This request supports the DA strategic goal 3 to ensure high quality services so that USDA missions have the space, facilities, mail and property services, personnel support and resources they need to deliver their programs in a timely and efficient manner. These funds are needed to pay mandatory increases due to inflation for payroll and other fixed and discretionary costs associated with conducting a program of this type. USDA is required by law to pay these increases and no other funds are available to address these requirements.

(b) An increase of $2,324,000 for Rental Payments to GSA Central Account.

This increase supports the DA strategic goal 3 to ensure high quality services so that USDA missions have the space, facilities, mail and property services, personnel support and resources they need to deliver their programs in a timely and efficient manner. It is needed for increased rental costs for the National Capital region for Rural Development ($1,000,000), National Agriculture Statistics Services ($1,245,000), and Cooperative State Research Education, and Extension Service ($79,000).

(c) An increase of $232,000 for pay costs, which includes $58,000 for annualization of the fiscal year 2003 pay raise and $174,000 for the anticipated fiscal year 2004 pay raise.

This increase supports the Departmental Administration (DA) strategic goal 3 to ensure high quality services so that USDA missions have the space, facilities, mail and property services, personnel support and resources they need to deliver their programs in a timely and efficient manner. This increase will enable Agriculture Buildings and Facilities to meet its objective of providing effective building operations and maintenance services in support of all USDA employees and their activities. This office cannot absorb pay costs and maintain its current staffing levels without compromising its efforts to provide a safe and modern workplace for USDA Headquarters Complex and the George Washington Carver office facility.

Geographic Breakdown of Obligations and Staff Years
2002 Actual and Estimated 2003 and 2004

	2002		2003		2004	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
District of Columbia	$134,891,647	89	$188,982,000	94	$199,332,000	94
Unobligated Balance	39,908,355	--	--	--	--	--
Total, Available or Estimate	174,800,002	89	188,982,000	94	199,332,000	94

2g-13

AGRICULTURE BUILDINGS AND FACILITIES

STATUS OF PROGRAM

In FY 1985, USDA began a pro-active maintenance and construction program to repair, improve, and restore the 4-building Washington Headquarters complex.

USDA's facilities strategy in the Washington area incorporates the renovation of the South Building with the newly completed George Washington Carver facility in Beltsville, Maryland. The goal of the strategy is to consolidate USDA agencies into the facilities at Beltsville and the downtown Headquarters Complex. After the planned 8-phase renovation is completed, USDA agencies and employees will be housed in renovated safe facilities, leased space will be reduced, and USDA agencies will be better able to accomplish their missions.

Current Activities:

South Building Renovation. Construction of Phase 2 of the South Building Renovation is now being completed. The renovation program includes extensive interior demolition with the abatement of hazardous materials; upgraded mechanical, electrical, telecommunications, and plumbing systems; and new fire alarm and sprinkler systems to protect personnel, the building and its contents. The completed Phase 2 will provide more efficient office space tailored to the needs of the tenant agencies, which include NASS, WAOB, OCFO, GIPSA, elements of the Office of Operations and the USDA Health Unit. Occupancy began in December 2002 and will be completed in February 2003. The design of Phase 3 of the Renovation is completed and a construction contract is expected to be awarded in FY 2003, using a best-value acquisition strategy to select a highly qualified construction contractor. An architect-engineer contract for the design of Phase 4 and future phases was advertised in FY 2002 and the design of Phase 4 will begin in FY 2003. The Phase 3 Swing Space Programming is complete. South Building space being vacated by the Phase 2 tenants is the major source of Phase 3 swing space.

Physical Security. Physical security is provided for USDA Headquarters personnel and facilities in the National Capital Region and at other locations specified by the Director of Operations. That responsibility includes specialized program functions such as: security and protective operations management; special police and security officer contract management; access control of buildings and high security facilities; electronic examination of visiting personnel, closed circuit video monitoring and alarm annunciation monitoring; security assessments, inspections and inquiries; security technology design, installation and maintenance; parking assignment and enforcement; mobile escort and protection of specified USDA senior officials; and, mail screening.

Safety and Environmental Protection. Safety and environmental protection is provided for USDA Headquarters personnel and facilities in the National Capital Region and at other locations specified by the Director of Operations. That responsibility includes specialized program functions such as: safety and environmental operations management; implementation of the Occupant Emergency Plan and other plans for the safe movement, containment, control and well being of personnel during emergency situations; safety and environmental assessments and inspections; technical response to environmental hazards and the application of suitable remedies; and education and training of USDA personnel and contractors relative to safety and environmental measures ands practices.

Building Operations and Maintenance. In FY 2003, USDA will continue to keep the headquarters buildings safe and operational while renovation of the South Building continues. Maintaining integrity of these buildings continues to be challenging as major repair projects and have to be prioritized within budget constraints.

Procurement of Bio-Products and Environmentally Preferable Products. In FY 2003, our efforts in the Procurement of Bio-Products and Environmentally Preferable Products will focus on ensuring these products are procured and installed in Phase 3 of the South Building Renovation. The new Janitorial Contract and its associated selection criteria will need to be updated to include the procurement of Bio-Products and Environmentally Preferable Products. The new Food Services Contract will be awarded in FY 2003. The selection criteria for the Food Services Contract will be updated to encourage the procurement of Bio-Products and Environmentally Preferable Products.

Energy Management Program. In FY 2003, the energy management program will focus on commissioning the new Wing 4 energy management system that is being installed in Phase 2 of the South Building Renovation and the construction and commissioning of Phase 3 of the South Building Renovation. The South Building Renovation includes the replacement of the inefficient lighting and heating, ventilation, and air conditioning

(HVAC) systems with energy efficient systems. The energy management program will also include procuring lighting retrofit projects through the new energy conservation term contract and will continue focusing on operations, maintenance, and repair opportunities to reduce energy consumption.

Selected Examples of Recent Progress:

South Building Renovation. The design for Phase 3 of the Renovation was completed and a notice of intent for a construction contract was advertised in FY 2002. Based on a blast and security assessment, the design was modified to include blast-resistant windows on Independence Avenue after the original advertisement.

Space Management (acquiring, releasing, reductions). We released 7,300 square feet at Ft Meyer Drive. The tenants were relocated and consolidated within existing allocated space at the South Building, Reporter's Building, and at the George Washington Carver Center. We acquired an additional 15,000 of square feet for Farm Service Agency at the Portals Building Phase 2 swing space and program expansion. We also consolidated the Economic Research Service within their existing allocation at 1800 M Street, making available 8,600 of square feet to be used for Phase 3 swing and other agency program expansion space.

Physical Security. We completed security technology upgrades at USDA leased locations and the USDA Headquarters Complex. The Headquarters USDA security force was upgraded from a standard GSA guard force to a well-trained special police force. The security posture of the Headquarters Complex was upgraded by means of improved access control, security force applications and state of the art technology.

Safety and Environmental Protection. We updated and improved the effectiveness of the Occupant Emergency Plan (OEP) and associated training. The OEP was broadened into a full Incident Management Handbook with response procedures for an array of potential employee safety and environmental hazard scenarios.

Improvement of Operation, Maintenance, and Management of USDA Complex. More than 19,500 hours of preventive maintenance were performed on building mechanical, electrical, vertical transportation, and structural equipment during FY 2002. In addition, various roof repairs, pump replacements, sidewalk and paving repairs and waterproofing projects were completed. During FY 2002 several major repairs were accomplished including the replacement of Cooling Tower #2 in sub-central chilled water plant, the replacement of the roof at the sub-central chilled water plant, repairing the waterproofing in Court 1 and Court 3 and stabilizing parking lot 10B.

Energy Management. In FY 2002, the energy management program focused on constructing/commissioning the new Wing 4 energy management system installed in Phase 2 of the South Building Renovation and designing Phase 3 Renovation (Headhouse) and Mail Room Renovation (Court 4) of the South Building Renovation. Phase 2 South Building Renovation includes the replacement of the inefficient lighting and heating, ventilation, and air conditioning (HVAC) systems with energy efficient systems in Wing 4. The energy management program also included awarding $60,000 worth of lighting retrofit projects through a Section 8A Contractor. The energy management program also included initiating an alternative power purchase agreement with PEPCO Services. The alternative power purchase agreement includes purchasing 10% of the Office of Operations' electric power from renewable energy sources. The energy management program included improving operations, maintenance, and repair opportunities to reduce energy consumption.

2-21

HAZARDOUS MATERIALS MANAGEMENT

Purpose Statement

The purposes of the Hazardous Materials Management Program (HMMP) are:

a) to respond to historical releases and threatened releases of hazardous substances and materials on facilities and lands under USDA jurisdiction, custody, and control; and
b) to prevent future releases of hazardous materials from USDA facilities.

The HMMP was established at the Department level after a nationwide inventory of USDA facilities in 1985 found numerous inadequacies in the storage, handling, and disposal of hazardous substances and wastes and thousands of sites with releases or potential releases of hazardous substances. Many of these site problems are attributed to the activity of non-USDA parties on lands under USDA jurisdiction, custody, and control.

The Hazardous Materials Management Appropriation (HMMA) was established in 1988 to provide targeted funding for priority hazardous materials cleanup projects on facilities and lands under USDA jurisdiction, custody, and control and USDA's share of the costs of cleaning up non-USDA sites where USDA activities may have resulted in contamination. Agency funds and the HMMA are both used in meeting HMMP goals and objectives. Projects and activities performed with HMMA funds are limited to those required by and conducted pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and the Resource Conservation and Recovery Act (RCRA).

The Hazardous Materials Policy Council (HMPC) was established in 1999 to provide Departmental leadership of the HMMP and to improve consistency in program management and execution across all USDA agencies. The HMPC consists of senior policy representatives from affected mission areas and agencies and is chaired by an appointee of the Secretary. The Agricultural Marketing Service, Animal and Plant Health Inspection Service, Agricultural Research Service, Farm and Foreign Agricultural Services, Forest Service (FS), Farm Service Agency (including the Commodity Credit Corporation, CCC), Food Safety and Inspection Service, Natural Resources Conservation Service, Office of the General Counsel (OGC), Rural Development, and Departmental Administration are currently represented on the HMPC.

The HMMG provides day-to-day administration of the HMMP and HMMA on behalf of the HMPC. The HMMG recommends policies regarding management and cleanup and prepares HMMA budget requests, annual performance plans, and accomplishments reports, using data submitted by the agencies. It also provides guidance, assistance, and oversight of compliance with hazardous materials requirements by USDA programs and facilities. HMMG represents USDA on the National Response Team for oil and hazardous substances.

USDA employs its authorities under CERCLA and related executive orders to expedite cleanups. As a result, very few cleanups are conducted under administrative or other orders initiated by federal or state regulatory agencies. However, this proactive approach and its favorable results are dependent upon the availability of funding to address priority work.

CERCLA (Superfund) Program - Activity in this area includes the identification, investigation, and cleanup of hazardous substances and wastes at facilities currently or previously managed by USDA, and on lands under the jurisdiction, custody and control of the Department. These sites include former grain storage facilities, research facilities, abandoned mines, landfills and dumps including trespass dumps, and illegal drug lab wastes. Funding is needed to perform the investigative work to make and support cleanup decisions, to prepare cleanup plans, to complete cleanup actions, and to conduct monitoring to confirm that cleanup objectives were met. Many of these site problems are attributed to the activity of non-USDA parties on lands under Department jurisdiction, custody, and control. When private responsible parties perform the necessary cleanup work, funds

allocated for that work are redirected to other priority hazardous materials cleanup projects within the Department, including those where there may be no financially viable responsible parties.

RCRA Program - Activity under this program was focused on compliance with underground storage tank (UST) requirements, now essentially complete. However, cleanup of contamination at several former UST sites is continuing. Other RCRA activities address proper management and disposal of solid and hazardous wastes, local and regional solid waste landfills, abandoned and illegally disposed wastes, and illegal drug laboratories on lands that are now or have been under the jurisdiction, custody, and control of USDA.

Pollution Prevention/Source Reduction (P2/SR) Program - These types of projects are typically required to pay for themselves in under 10 years and are intended to reduce the use of hazardous materials and the generation of hazardous waste. Generally, HMMA funds are not used for these projects.

Mission

The HMMP's mission is:

1) to improve and restore the environmental condition of facilities and lands under USDA jurisdiction, custody, and control by addressing contamination associated with sites releasing or with the potential to release hazardous materials and substances to the environment, primarily under provisions of CERCLA and Executive Orders 12580 and 13016;
2) to seek compensation from, or cleanup by, those responsible for contamination; and
3) to enhance USDA's environmental performance and the quality of the work environment for employees and cooperators through increased environmental awareness, compliance with applicable provisions of RCRA, and pursuit of related objectives of the Pollution Prevention Act (PPA) and the Emergency Planning and Community Right-to-Know Act (EPCRA).

This mission primarily supports the USDA Strategic Goal to protect and enhance the nation's natural resource base and environment.

OIG Report
#50801-12 09/24/02 Management of Hazardous Materials Management Funds.

Headquarters of the Program is located in Washington D.C. As of September 30, 2002, there were six full time employees, five located in the national office and one in a satellite office in Denver, Colorado.

2-23

HAZARDOUS MATERIALS MANAGEMENT

Available Funds and Staff-Years
2002 Actual and Estimated, 2003 and 2004

Item	2002 Actual		2003 Estimated		2004 Estimated	
	Amount	Staff-Years	Amount	Staff-Years	Amount	Staff-Years
Direct Appropriation	$15,665,000	6	$15,685,000	6	$15,713,000	6
Rescission	-10,080	--		--	--	--
Deduct allotments to other agencies:						
Agricultural Research Service	3,655,000	--	3,655,000	--	3,655,000	--
Animal and Plant Health Inspection Service	200,000	--	200,000	--	200,000	--
Commodity Credit Corporation	2,500,000	--	2,500,000	--	2,500,000	--
Farm Service Agency	80,000	--	80,000	--	80,000	--
Food Safety and Inspection Service	150,000	--	150,000	--	150,000	--
Forest Service	6,815,000	--	6,815,000	--	6,815,000	--
Rural Development	100,000	--	100,000	--	100,000	--
Office of the General Counsel	1,365,000	--	1,365,000	--	1,365,000	--
Departmental Program Management	789,920	--	820,000	--	848,000	--
Total Allotments	-15,654,920	--	-15,685,000	--	-15,713,000	--
Total, Direct Appropriation	--	6	--	6	--	6
Recovery of prior year obligations	5,591,382	--	--	--	--	--
Total, Hazardous Materials Management	21,246,302	6	15,685,000	6	15,713,000	6

2-24

HAZARDOUS MATERIALS MANAGEMENT

Classification by Objects
2002and Estimated 2003 and 2004

	2001	2002	2003
Personnel Compensation: a/ b/			
Washington, D.C.	$4,372,959	$4,488,874	$4,508,521
Field	90,299	93,126	96,479
11 Total personnel compensation	$4,463,258	$4,582,000	4,605,000
12 Personnel benefits	956,218	982,000	987,000
Total personnel compensation & benefits	5,419,476	5,564,000	5,592,000
Other Objects:			
21 Travel	425,100	417,000	417,000
22 Transportation of things	5,208	4,000	4,000
23.3 Communications, utilities and misc charges.	208,509	27,000	27,000
24 Printing and reproduction	11,364	9,000	9,000
25.1 Advisory and Consulting Services	10,377,624	4,852,000	4,852,000
25.2 Other Services	4,258,793	4,177,000	4,177,000
25.3 Purchases of Goods and Services from Govt	8,246	5,000	5,000
26 Supplies and materials	480,817	478,000	478,000
31 Equipment	152,300	152,000	152,000
Total other objects	15,927,961	10,121,000	10,121,000
Total obligations	21,347,437	15,685,000	15,713,000
Position Data			
Average Salary, GS positions	$87,986	$90,740	$94,008
Average Grade, GS positions	13.67	13.83	14.00

a/ Funds for hazardous materials management activities are allotted directly to the USDA agencies identified in the Available Funds and Staff Years exhibit. This approach allows these agencies to charge the central account directly for in-house staff time used for cleanup projects, when they undertake cleanup in-house rather than through outside contractors.

b/ The DA Hazardous Materials Management Group consists of 6 full time equivalent staff years, 2 GS-15 positions, 3 GS-14 positions, and 1 GS-10 position. Staff years used for in-house cleanup operations are charged against each USDA agencies' staff year ceiling.

2-25

HAZARDOUS MATERIALS MANAGEMENT

Appropriation Language and Explanation of Changes in Language

For necessary expenses of the Department of Agriculture, to comply with the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 9601, et seq., and the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq., $15,713,000 to remain available until expended: Provided, That appropriations and funds available herein to the Department for Hazardous Materials Management may be transferred to any agency of the Department for its use in meeting all requirements pursuant to the above Acts on Federal and non-Federal lands (42 U.S.C. 6961, et seq., 42 U.S.C. 9601, et seq.)

President's Budget, 2003	$15,685,000
Budget Estimate, 2004	15,713,000
Increase in Appropriation	+28,000

Summary of Increases and Decreases
(on basis of appropriation)

Item of Change	2003 Estimated	Pay Costs	2004 Estimated
Hazardous Materials Management	$15,685,000	+28,000	$15,713,000

Project Statement
(On basis of appropriation)

STRATEGIC GOAL 1: Improve and restore the environmental condition of facilities and lands under the jurisdiction, custody and control of USDA.

STRATEGIC GOAL 2: Ensure responsible management in the use, storage, and disposal of hazardous materials and wastes.

2-26

HAZARDOUS MATERIALS MANAGEMENT
Project Statement
(On basis of appropriation)

	2002 Actual		2003 Estimated		Increase or	2004 Estimated	
	Amount	Staff Years	Amount	Staff Years	Decrease	Amount	Staff Years
Goal 1: Improve and restore environmental condition of facilities and lands	$15,318,840	5	$15,390,000	5	+28,000 (1)	$15,418,000	5
Goal 2: Ensure responsible management in the use, storage, and disposal of hazardous materials	326,000	1	295,000	1	--	295,000	1
Rescission	+10,080	--	--	--	--	--	--
Total, Appropriation	15,654,920	6	15,685,000	6	+28,000 (1)	15,713,000	6

Project Statement
(On basis of available funds)

	2002 Actual		2003 Estimated		Increase or	2004 Estimated	
	Amount	Staff Years	Amount	Staff Years	Decrease	Amount	Staff Years
Goal 1; Improve and restore environmental condition of facilities and lands	$21,039,597	5	$15,390,000	5	+$28,000	$15,418,000	5
Goal 2: Ensure responsible management in the use, storage, and disposal of hazardous materials	326,000	1	295,000	1	--	295,000	1
Unobligated Balance start of year	-1,280,868	--	--	--	--	--	--
Recoveries	-5,591,382	--	--	--	--	--	--
Unobligated Balance end of yr	+1,171,653	--	--	--	--	--	--
Total, Appropriation	15,665,000	6	15,685,000	6	+28,000	15,713,000	6

2-27

HAZARDOUS MATERIALS MANAGEMENT

Summary of Appropriated Funds for FY 2004 by Strategic Goals

Program	Strategic Goal 1	Strategic Goal 2	Total Estimate	Total Staff Years
Improve and restore environmental condition of facilities and lands	$15,418,000	--	$15,418,000	5
Ensure responsible management in the use, storage, and disposal of hazardous management	--	295,000	295,000	1
Total, Hazardous Materials Management	15,418,000	295,000	15,713,000	6

Justification of Increases and Decreases

(1) An increase of $28,000 for Hazardous Materials Management.

(a) An increase of $28,000 for pay costs that includes $10,000 for the annualization of the fiscal year 2003 pay raise and $18,000 for the anticipated 2004 pay raise.

This increase will enable the Hazardous Materials Management Group (HMMG) to continue to provide leadership and direction in ensuring that the Department's HMMP is managed effectively, efficiently, and fairly, and to provide essential administrative program support and services. Without this increase, the ability to deliver effective staff support would be severely curtailed.

Geographic Breakdown of Obligations and Staff-Years
2002 Estimated 2003 and 2004

	2002		2003		2004	
District of Columbia	$21,257,138	5	$15,591,874	5	$15,616,521	5
Colorado	90,299	1	93,126	1	96,479	1
Unobligated Balance	+1,171,653	--	--	--	--	--
Total, Available or Estimate	22,519,090	6	15,685,000	6	15,713,000	6

2g-15

HAZARDOUS MATERIALS MANAGEMENT

STATUS OF PROGRAM

The mission of the Hazardous Materials Management Program (HMMP) is to clean up and restore USDA-managed lands and sites contaminated from past USDA activities; contribute to USDA and other efforts to improve the quality of life for rural Americans; participate in Federal, state, and local efforts to effectively plan and prepare for and respond to discharges of oil and releases of hazardous substances, pollutants, and contaminants, regardless of the cause of the incident; seek compensation from, or cleanup by, financially viable parties responsible for contamination on USDA managed lands; and enhance USDA's current environmental performance and the quality of the work environment for employees and cooperators. Many HMMP activities are required by and performed pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), which is commonly referred to as Superfund, the Resource Conservation and Recovery Act (RCRA), and related state environmental requirements. The Hazardous Materials Management Appropriation (HMMA) provides critical funding for the program. The HMMP directly supports key outcomes in USDA's strategic plan related to homeland security, management of natural resources, and quality of life in rural America.

Current activities and progress in relation to the strategic goals of the HMMP are outlined below:

Goal 1: Provide effective services related to the environment to USDA constituents with decisions based on the best available science and efficient management.

Key Outcome 1.1: Effectively meet responsibilities for environmental cleanup and related compliance activities on USDA-managed lands and at other sites where USDA activities continues to cause unacceptable threats to human health or the environment.

Current Activities: Under this program, USDA has cleaned up over 2,200 sites, many of them underground storage tanks that did not meet current standards. However, 2,000 more complex and costly sites where releases of hazardous substances have occurred or may occur remain to be addressed under CERCLA. Activities include cleanup of contamination at agricultural research and operations facilities, former grain storage bins, cattle dip vats, abandoned mines, and landfills. The working cost estimate to complete the cleanup program exceeds $4 billion. USDA encourages financially viable parties to perform cleanups if the contamination resulted from their activities.

Selected Examples of Recent Progress: USDA agencies reported completing a total of 29 CERCLA cleanups, 10 non-mine and 19 mine, in fiscal year 2002 in Alaska, Arizona, California, Colorado, the District of Columbia, Idaho, Montana, Nevada, Oregon, South Dakota, and Virginia. This total substantially exceeded the FY 2002 performance targets of completing 7 non-mine and 10 mine CERCLA cleanups. Since 1998, 166 CERCLA cleanups have been completed. USDA exceeded its five-year performance goal of completing 150 CERCLA cleanups by the end of FY 2002.

Currently, more than 150 additional sites are progressing through the cycle of investigation, cleanup planning, cleanup, and post-cleanup monitoring established in CERCLA. USDA agencies also reported completing 128 CERCLA investigations, 34 CERCLA cleanup plans, 6 RCRA cleanups, and 6 CERCLA post-closure monitoring activities in FY 2002. The corresponding performance targets were 109, 64, 15, and 7, respectively. One target was exceeded, and three were not met, largely because resources were diverted due to the bad fire season.

The Office of the General Counsel (OGC) actively worked on many environmental cleanup cases in fiscal year 2002. Negotiations were conducted for 58 sites, resulting in 18 agreements. Five of the completed agreements require financially viable responsible parties to perform or pay for cleanup work with USDA oversight. Increasingly, OGC plays a pivotal role in defending USDA and negotiating settlements to resolve USDA liability. OGC also plays a significant role in protecting USDA from liability arising out of land transactions, including negotiating pollution control provisions in contracts, memorandums of agreement, deeds, easements, and legislation.

Key Outcome 1.2: Promote, sponsor, and provide assistance to public and private efforts under the Administration's brownfields initiative, which now includes rural communities, mine-scarred lands, and tribal areas.

Current Activities: In cooperation with the Rural Development mission area and Forest Service, HMMG participates in interagency working groups and committees to implement the Brownfields National Partnership Action Agenda. Passage of the Small Business Liability Relief and Brownfields Revitalization Act in 2002 shifts the scope and focus of the program to more rural areas of the country. Similarly, where mining was once the only activity in many communities in the West, HMMP resources can help heal the environmental damage and facilitate efforts to improve economic vitality.

Selected Examples of Recent Progress: HMMG participated in efforts that resulted in the Environmental Protection Agency designating the Town of Cape Charles and Northampton County, Virginia as a Brownfields Showcase Community. This site, which is also a USDA Enterprise Community, was one of the original 15 Brownfields Assessment Pilots. It is one of four national eco-industrial park demonstration projects. One project goal is to stimulate economic and environmental renewal in one of the most impoverished areas in the nation. Twenty-seven percent of its 13,000 residents live in poverty. We also were successful in getting showcase designations for the rural and tribal communities of Metlakatla, Alaska, and Gila River, Arizona.

Key Outcome 1.3: Promote and participate in National, state, and local efforts to plan for, prepare for, and respond to discharges of oil and releases of hazardous substances, contaminants, and pollutants, whether accidental or intentional.

Current Activities: HMMG represents USDA on the National Response Team (NRT), which is charged with planning, coordinating, and maintaining national-level capabilities to respond to emergencies involving the release or threatened release of hazardous substances, contaminants, and pollutants. These capabilities are deployed under the National Interagency Incident Management and Federal Response System.

Selected Examples of Recent Progress: HMMG participated in planning, executing, and evaluating exercises to test the readiness and capabilities of the National Response System. HMMG assisted in emergency response actions to address anthrax contamination in non-USDA facilities and provided assistance to the Office of Operations in carrying out the time-critical removal of anthrax contamination at three USDA facilities in the Washington, DC area.

Goal 2: Increase the stock of USDA's corporate good will through improved environmental performance.

Key Outcome 2.1: Reduced costs and risks (including security risks) associated with storage and use of hazardous materials and the generation and disposal of hazardous wastes in agency operations.

Current Activities: Activities in support of this goal and key outcome are increasingly aimed at implementation of effective environmental management systems (EMSs) to meet Administration objectives. HMMG is working with other Federal agencies and within USDA to establish the framework and systems to evaluate environmental performance in general, as well as to minimize the purchase, storage, and use of hazardous materials and to reduce the generation of hazardous waste in current operations. HMMG and several USDA agencies use reviews and environmental audits to advance toward the desired outcome of superior environmental performance.

Selected Examples of Recent Progress: During FY 2002, several agencies continued to implement EMSs with HMMG advice, guidance, and assistance. Specific work products included preliminary or draft EMS policies, training, gap analysis, and/or environmental auditing reports. USDA is the lead for drafting the guide for beneficial landscaping to be used throughout the Federal Government.

2-28

ADVISORY COMMITTEES

In fiscal year 2002, language in the General Provisions of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act permited agencies funded in the Act to finance the activities of selected committees that advise them from their own funds, subject to the limitation on total obligations for these committees.

Provided below is a list of those committees subject to this spending limitation and their actual obligations for fiscal year 2002 and estimated funding levels for fiscal year 2003.

USDA ADVISORY COMMITTEES		
Policy Area and Committee Title	2002 Actual	2003 Estimate
FOOD, NUTRITION AND CONSUMER SERVICES:		
National Advisory Council on Maternal, Infant and Fetal Nutrition	$50,000	$50,000
FOOD SAFETY:		
National Advisory Committee on Meat and Poultry Inspection	65,000	67,000
National Advisory Committee on Microbiological Criteria for Foods	40,000	40,000
Total, Food Safety	105,000	107,000
RESEARCH, EDUCATION AND ECONOMICS:		
Forestry Research Advisory Council	26,000	26,000
Subtotal, CSREES	26,000	26,000
National Genetic Resources Advisory Council	0	25,000
Subtotal, ARS	0	25,000
Advisory Committee on Agriculture Statistics	30,000	35,000
Subtotal, NASS	30,000	35,000
USDA/Hispanic Association of Colleges and Universities	17,000	20,000
Total, REE	73,000	106,000

2-29

USDA ADVISORY COMMITTEES		
Policy Area and Committee Title	2002 Actual	2003 Estimate
MARKETING AND REGULATORY PROGRAMS:		
Advisory Committee on Foreign Animal and Poultry Diseases	20,000	25,000
General Conference Committee on the National Poultry Improvement Plan	12,000	12,000
National Wildlife Services Advisory Committee	18,000	18,000
Subtotal, APHIS	50,000	55,000
National Organic Standards Board	86,000	90,000
Fruit and Vegetable Industry Advisory Committee	52,000	60,000
Subtotal, AMS	138,000	150,000
Federal Grain Inspection Advisory Committee	33,000	34,000
USDA/American Indian Higher Education Consortium	41,000	42,000
Subtotal, GIPSA	74,000	76,000
Total, MRP	262,000	281,000
FARM AND FOREIGN AGRICULTURAL SERVICES:		
Agricultural Policy Advisory Committee for Trade	14,000	14,000
Ag. Tech. Adv. Comm. For Trade in:		
Animals & Animal Products	14,000	14,000
Fruits and Vegetables	14,000	14,000
Grains, Feed, and Oilseeds	14,000	14,000
Sweeteners and Sweetener Products	14,000	14,000
Tobacco, Cotton, Peanuts, and Planting Seeds	14,000	14,000
Advisory Committee on Emerging Markets	33,000	33,000
Edward R. Madigan Agricultural Export Excellence Award Board	15,000	15,000
Subtotal, FAS	132,000	132,000

USDA ADVISORY COMMITTEES		
Policy Area and Committee Title	2002 Actual	2003 Estimate
Advisory Committee on Beginning Farmers and Ranchers.	47,000	70,000
Subtotal, FSA	47,000	70,000
Total, FFAS	179,000	202,000
NATURAL RESOURCES AND ENVIRONMENT:		
Task Force on Agricultural Air Quality Research	53,000	75,000
USDA/1890 Task Force	–	15,000
Total, NRE	53,000	90,000
Subtotal, Advisory Committees	722,000	836,000
Contingencies/Reserve	1,078,000	964,000
TOTAL, ADVISORY COMMITTEES LIMITATION	1,800,000	1,800,000

2g-17

ADVISORY COMMITTEES

STATUS OF PROGRAM

From fiscal year (FY) 1983 through FY 1996, a central appropriation provided for direction and financial support of all authorized USDA Advisory Committee activities other than those included in the Forest Service and those financed from user fees. Beginning in FY 1997, language in the General Provisions of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act permits agencies funded in the Act to finance the activities of selected committees that advise them from their own funds, subject to a department-wide limitation on expenditures for those committees. These Explanatory Notes provide information on the activities of committees during FY 2002 and planned activities for FY 2003.

FOOD, NUTRITION, AND CONSUMER SERVICES:

National Advisory Council on Maternal, Infant and Fetal Nutrition

The Council studies the operation of the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) and related programs such as the Commodity Supplemental Food Program (CSFP) and makes recommendations to the programs for how they may be improved as deemed appropriate. The Council is composed of 24 members and includes representatives of Federal, State and local governments, the medical field, industry, WIC and CSFP parent participants, and advocacy groups.

The Council met at Food and Nutrition Service (FNS) Headquarters in Alexandria, Virginia, on September 4-6, 2002. A total of 46 individuals attended the meeting, including 17 Council members, the general public, and FNS staff. The Council was briefed by FNS staff on current issues pertaining to WIC and CSFP.

FOOD SAFETY:

National Advisory Committee on Meat and Poultry Inspection

Congress established the National Advisory Committee on Meat and Poultry in 1971 under authority of the Federal Meat and Inspection Act (FMIA) and the Poultry Products Inspection Acts (PPIA). Both acts require the Secretary of Agriculture to consult with an advisory committee before issuing product standards and labeling changes or any matters affecting federal and state program activities.

The Committee represents a broad spectrum of competing interests in food safety along the farm-to-table continuum. The Agency seeks public participation in its regulatory and policy making processes and the Committee in meetings with public participation represents a unique forum for the exchange of ideas, the identification of issues, and the articulation of concerns and recommendations to assess the impact of changes to federal programs designed to protect the public health.

The Committee met November 14 - 5, 2001, and June 5-6, 2002, to discuss retail exemptions, and modernization standards of identity for meat and poultry products and FSIS field workforce roles and structure, new poultry operations, and Farm Bill changes.

National Advisory Committee on Microbiological Criteria for Foods (NACMCF)

The National Advisory Committee on Microbiological Criteria for Foods, established under Departmental Regulation 1043-28, is currently co-sponsored by the Food Safety and Inspection Service (FSIS), the Food and Drug Administration (FDA), the Centers for Disease Control and Prevention (CDC), National Marine Fisheries Service (NMFS) and the Department of the Defense Veterinary Service Activity. A new charter for NACMCF was approved on September 5, 2002. We are currently in the process of appointment and reappointment of members to

the NACMCF for the year 2002-2004. The membership will consist of expertise in analytical methodologies, poultry science, predictive microbiology, epidemiology and other quantitative food safety-related areas.

NACMCF held two full committee meetings in FY 2002. The first full Committee meeting was on January 23-25, 2002, to discuss: Salmonella performance standards in meat and poultry products; E. Coli O157:H7 in blade-tenderized, non-intact beef; the evaluation of hot holding temperatures; Codex "Discussion Paper on Proposed Draft Guidelines for the Validation of Food Hygiene Control Measures"; and the scientific basis for establishing safety-based "use by" date labeling for refrigerated, ready-to-eat foods. The second full Committee meeting was on August 28, 2002, to continue discussions on Salmonella performance standards and criteria for refrigerated shelf-life based on safety. The full Committee also addressed two new topics: 1) assessing the analytical utility of Campylobacter identification and quantification methodologies, and 2) redefining the meaning of the term "pasteurization."

The activities of NACMCF are carried out, in part, by subcommittees that are focused on specific areas being considered by the full Committee. The NACMCF held five subcommittee meetings in Washington, D.C., for fiscal year 2002. Currently, three separate subcommittees are dealing with the issues of microbiological performance standards for meat and poultry; criteria for refrigerated shelf-life based on safety; and Campylobacter. Two other subcommittees have produced final reports on blade-tenderized meat and E.coli O157:H7 and hot holding temperatures, respectively. These reports were adopted by the full Committee on January 25, 2002, and can be viewed on the NACMCF website at www.fsis.usda.gov/OPHS/NACMCF/index.htm. At the August 28, 2002, meeting, the Codex and Microbiological Performance Standards subcommittees produced final reports which were adopted by the full Committee.

RESEARCH, EDUCATION, AND ECONOMICS:

Forestry Research Advisory Council

The Forestry Research Advisory Council (FRAC) was authorized for the purpose of providing the Secretary of Agriculture with recommendations and advice on regional and national planning for forestry research supported by the McIntire-Stennis Cooperative Forestry Program. The council also provides advice related to the Forest Service research program, authorized by the Forest and Rangeland Renewable Resources Act of 1978. The Council comprises 20 members appointed by the Secretary and drawn from Federal, university, state, industry, and non-governmental organizations.

FRAC held one meeting July 31, 2002, in Washington DC. At this meeting, FRAC discussed recommendations to correct the federal budget system regarding wildfire suppression costs. The current system of short-term borrowing leads to less than efficient use of suppression resources and disrupts long term efforts in research and improved services to the states and cities. The FRAC made the following specific recommendations to the Secretary: 1) initiate and augment existing research specifically targeted toward enhancing the productivity of our private and public forests; increasing the financial benefits, including tax incentives, of nonfederal forests to landowners, the rural community, and state and national economies, 2) recommended that the 1890 Colleges be added to the pool of institutions eligible to receive McIntire-Stennis formula funds, with concurrent increases in the national funding level, 3) increased awareness and utilization of Forestry Research, 4) development of a research agenda to address potential threats to our forest resources as they may relate to national security, 5) coordinate with USDA/CSREES and other agencies to help guide research priorities of McIntire-Stennis, PREA, NRI, and other grant programs.

Advisory Committee on Agriculture Statistics

The Advisory Committee on Agriculture Statistics was established on July 16, 1962, in the Department of Commerce, and was chartered under the Federal Advisory Committee Act, 5 U.S.C. App. 2, in January 1973. This Committee was moved to USDA in fiscal year 1997 when responsibility for the Census of Agriculture transferred from the Department of Commerce to the Department of Agriculture.

The Committee is discretionary and provides advice to the Secretary of Agriculture and the National Agricultural Statistics Service (NASS). It makes recommendations on the conduct of the periodic censuses and surveys of

agriculture, other related surveys, and the types of agricultural information obtained from respondents. The Committee also advises on the content and frequency of agricultural reports.

The Committee is composed of members with professional knowledge regarding the data needs of the food and fiber sector. It provides a direct link with the major agricultural organizations and farm groups which could not be as effectively or efficiently obtained from any other source. The Committee is the primary forum for reconciling the divergent data needs among data user and provider groups. It is also instrumental in helping NASS provide the maximum value from their statistics, within available funding, and to continually improve its products and services.

During the fiscal year, one meeting was held in Arlington, Virginia on February 19-20, 2002. The meeting was scheduled to help NASS focus on its plans related to the 2002 Census of Agriculture promotion, Agriculture Resource Management Survey improvements, and input on confidentially issues.

The committee discussions on the 2002 Census of Agriculture promotion raised several suggestions such as videotaping farmers promoting Census, avoiding mailing promotional material around November elections, posting notices at Country Extension offices, tailoring messages to unique farming groups, and creating a video on confidentiality.

Committee discussions also included concerns about how NASS would define a proposed new census table on animal units, the sensitive nature of publishing animal units due to potential regulatory use of this information, and a concern about including government payments when deriving the economic classes.

Finally, the Committee discussed the issue of voluntary survey reporting as compared to mandatory census reporting. They were also interested in how the Horticulture and Aquaculture Censuses were to be funded and expressed the need for accurate county estimates.

In FY 2003, the Committee will meet in Louisville, Kentucky on February 24 and 25, 2003. One purpose of this meeting will be to tour the National Processing Center and Kentucky Agricultural Statistics Service Calling Center to better inform the committee on the Census of Agriculture processes. In addition, NASS will seek advice on its progress of integrating the environmental statistics program and review of its annual surveys.

Advisory Committee on Small Farms

Departmental Regulation, Number 1043-46, issued November 16, 1999, established the Advisory Committee on Small Farms. This Departmental Regulation evolved from a February 1997 Civil Rights Action Team (CRAT) report which recommended that USDA change its management and program delivery practices to address long term bias and discrimination against small farmers. The Committee was established to provide an external advisory entity on small farms issues and recommend to the Secretary of Agriculture actions to take to enhance the viability and economic livelihood of small farmers and ranchers in America.

A draft of an advisory document (report), Building on a Time to Act: A Report of the USDA Advisory Committee on Small Farms, consisting of 75 pages was submitted to the Secretary in June 2002. The report has been cleared by the Department and is being prepared for printing.

USDA/Hispanic Association of Colleges and Universities (HACU)

The USDA-HACU Leadership Group consists of members from USDA and HACU member institutions. The Leadership Group is a national body appointed by the Secretary of Agriculture and the President of HACU.

The Leadership Group supports the long-term ability of Hispanic-Serving Institutions (HSIs) to carry out educational programs that contribute to the national interest of the U.S. agricultural community. The Leadership Group serves

as the lead advisory group to the Secretary on issues relating to the HSIs and Hispanic education. The group also ensures the fulfillment of the objectives set forth in the USDA-HACU Memorandum of Understanding . The Secretary of Agriculture renewed members' terms on November 2, 2001, to ensure that the Hispanic community equably participates in USDA employment, programs, resources, and services.

The Leadership Group met in Washington, D.C. on May 16-17, 2002, and October 24-25, 2002, in Denver, Colorado.

MARKETING AND REGULATORY PROGRAMS:

Advisory Committee on Foreign Animal and Poultry Diseases (FAPD)

This Committee advises the Secretary on issues regarding the prevention, suppression, control or eradication of an outbreak of foot-and-mouth disease (FMD) or other destructive foreign animal disease should such disease enter the United States. Committee duties involve advising and counseling on policy and regulatory action with regard to dealing with an outbreak, changing practices in the production and marketing of animals, the importation of animals and animal products, and the handling and treatment of unusual or suspicious animal or poultry problems.

The FAPD met on September 24-26, 2002. The Committee recognized the urgent need for (1) national laboratory testing capacity to be expanded to handle testing needs that would arise in the event of a Foreign Animal Disease (FAD) incursion such as FMD; (2) State diagnostic laboratories to be well-staffed and mandated to protect local livestock by providing rapid and accurate diagnosis; (3) modern nucleic acid-based assays to make it possible to perform FAD diagnosis without the need to culture infectious agents; and (4) rapid reporting of laboratory results to be available to policymakers, stakeholders, and the general public. Therefore, the Committee recommended that USDA should:

- Rapidly expand the National Animal Health Laboratory Network (NAHLN) system to include all state and university-based diagnostic laboratories that meet established accreditation criteria;
- Establish, in collaboration with the American Association of Veterinary Laboratory Diagnosticians (AAVLD), criteria for accrediting state and university-based diagnostic labs in the detection of various FAD agents;
- Standardize FAD testing procedures by providing qualified labs that desire to establish FAD testing with at least one real-time PCR machine when they become part of the NAHLN system; and
- Implement a NAHLN information technology reporting network that will allow for rapid and seamless flow of information among appropriate USDA and state agencies. This network should be compatible with the public health network to facilitate sharing of information on zoonotic disease agents.

Following the recommendations for fiscal year 2001, the Committee continues to support: 1)implementation of the Master Plan for the Ames ARS/APHIS Consolidated Biocontainment joint facility; 2) modernizing of facilities housing the Southeast Poultry Research Laboratory; 3) development of transparent and sound risk assessment methodologies that are specific for diseases, species, and disease situations and development of a standardized process for conducting risk assessments for regionalization; and 4) initiation of an Emerging Disease Awareness/Response and that USDA investigate the safety and possible threats associated with the emerging bat virus and other wildlife species. The Committee notes that all issues and programs have been addressed diligently by the Secretary and APHIS staff. Emergency management functions have been recognized in the Homeland Security funds to help enhance their emergency preparedness, surveillance programs and laboratory network. The modernization of USDA animal health diagnostic and research facilities has received startup funding for renovation and replacement/upgrades of Ames, and the Committee urges that the remaining funds be appropriated to complete the project in a timely manner. The Committee commends APHIS laboratories for absorbing the increased workload in foreign animal disease without a corresponding increase in staff, and having held a record number of foreign animal disease training courses, providing valuable education to veterinarians throughout the country. A major achievement was the passage of the Animal Health Protection Act (AHPA) which provides greater authority to meet both domestic and international challenges to animal health.

The Committee findings and recommendations to the Secretary for fiscal year 2002 included that USDA should: 1) develop emergency management plans and partnerships with other Federal, state, tribal, local industry and academic entities; 2) actively support and participate in the National Animal Health Emergency Management Steering Committee in its leadership role as a critical partner and bring to the National Animal Health Emergency Management System the expertise of other USDA agencies; 3) support the development and implementation of a state-based nationally coordinated plan to control and eradicate all H5 and H7 Avian influenza in commercial poultry and the live bird market systems; 4) establish a Memorandum of Understanding in regard to the transfer of Agricultural Quarantine Inspection (AQI) activities to the Department of Homeland Security (DHS) to state that USDA will continue attention to agricultural issues, and ongoing training of personnel by USDA regarding agricultural functions should be a priority; and 5) address Aquaculture diseases as they emerge or appear to provide states assistance in the development of disease control programs.

General Conference Committee (GCC) of the National Poultry Improvement Plan (NPIP)

The GCC represents cooperating State agencies and poultry industry members and serves as a liaison between the poultry industry and the U.S. Department of Agriculture on matters pertaining to poultry health. The purpose of this committee is to maintain and ensure industry involvement in and advice to Federal administration in matters pertaining to poultry health and to the administration of the Nation Poultry Improvement Plan.

The GCC met on May 30, 2002. The following topics were discussed: 1) election of a new member-at-large to serve as Chairperson of this Committee, and the reestablishment of the General Conference Committee as the official advisory committee to the Secretary of Agriculture on matters pertaining to poultry health, 2) testing activities that are being conducted at the National Veterinary Services Laboratories (NVSL) on avian influenza, and Salmonella serotyping, 3) update on avian Mycoplasmosis, 4) MG vaccine used in breeders, 5) the 5th international avian influenza symposium conference held in Athens, Georgia, this year, 6) recent outbreak of Salmonella phase type 4 in turkey breeders, (7) the outbreak of low pathogenic avian influenza in Virginia, 8) egg safety action plan. On this latter topic, discussion centered on the status of human outbreaks of Salmonella enteritidis, Salmonella typhimurium DT 104 as an egg-transmitted disease, and a report on Salmonella newport, which appears mainly in cattle, but is of concern because of its resistance to certain antibiotics.

The GCC proposed action to amend the provisions of the NPIP to reflect the changes approved by the voting delegates at the NPIP's 2002 biennial conference in San Antonio, Texas. Proposed amendments to the NPIP:

- Make minor adjustments to spike males sampling levels for Mycoplasma gallisepticum and M. Synoviaae;
- Add new protocol for handling reactor birds to an official test for pullorum-typhoid;
- Remove the requirement that pelletized feed contain either no animal protein or only animal protein products produced under the Animal Protein Products Industry (APPI) Salmonella Education/Reduction Program or the Fishmeal Inspection Program of the National Marine Fisheries Services (NMFS), while retaining the existing requirements for moisture content and heating;
- Add a new U.S. Avian Influenza Clean classification for turkey and waterfowl, exhibition poultry, and game bird breeding flocks and adding reinstatement provisions to the U.S. Salmonella Enteritidis Clean classification for meat-type chicken breeding flocks;
- Add a new Part 146 that would contain guidelines for emergency poultry disease control; and
- Provide for the use of a rapid ruthenium labeled Salmonella sandwich immunoassay for determining the presence of Salmonella in samples after selective enrichment.

The GCC: 1) adopted the resolution that the present NPIP "U.S. Avain Influenza Clean" program for poultry breeding flocks be recognized as an integral part of the official national Avian Influenza program, 2) endorsed the resolution for consideration of all of the official delegates of the 36th biennial conference of the NPIP, 3) approved the reestablishment of the charter of the General Conference Committee as the official advisory committee to the Secretary of Agriculture on matters pertaining to poultry health.

2g-22

National Wildlife Services Advisory Committee

This Committee provides advice to the Secretary on policies, program issues, and research needed to conduct the Wildlife Services (WS) program. Members represent a broad spectrum of agricultural, environmental and conservation groups, academia, and other interests.

The Committee met on June 4-5, 2002, in Riverdale, Maryland. Discussion topics included: 1) strategic planning issues including the WS mission and program priorities, 2) aerial operations activities, 3) airport safety activities, 4) concerns about the expanding wolf populations and their impact on livestock and domestic animals in the Great Lakes area, and 5) the increasing threat of wildlife rabies in the United States.

The Committee submitted eighteen recommendations including:

- Seeking additional staff and funding necessary to review and update WS National Environmental Policy Act (NEPA) documents, including the Programmatic Environmental Impact Statement (EIS) every 5-10 years;
- Seeking a $5 million augmentation to the WS Methods Development annual base budget to fully fund applied research programs at the national Wildlife Research Center and its field stations;
- Encouraging wide dissemination of information to the public relating to the findings of the November 2001 General Accounting Office (GAO) "Information on Activities to Management Wildlife Damage" report;
- Defining the role of WS for emergency preparedness for intentionally or unintentionally introduced wildlife diseases and provide funding and appropriate training of WS employees at all levels;
- Reexamining the decision to convert to or contract with turbine only helicopters in light of new Federal Aviation Administration (FAA) research that indicates piston-driven helicopters may be safer;
- Periodically recognizing a WS employee/team for outstanding achievement in the development, implementation, and/or utilization of an innovative, non-lethal effective management technique(s);
- Requesting that WS enhance their outreach efforts by increasing working relationships with Federal, State, and local entities such as the Cooperative State Research Education, and Extension Service, Natural Resource Conservation Service, and farm and ranch organizations to expand the availability of technical information to the public;
- Working with the Secretary of Interior to fully fund the alternatives for Double-crested Cormorant (DCC) management as identified in the U.S. Fish and Wildlife Service's (FWS) draft EIS on DCC;
- Having WS work collectively with the U.S. FWS and State wildlife agencies to 1) scientifically assess the need, 2) examine the probability of success if implemented, and 3) implement predator management to improve the survival of the target species in selected habitats seasonally used by candidate, proposed, threatened, or endangered species;
- Assessing the damage caused by invasive exotic wildlife species to agriculture, natural resources, public health and safety, and threatened and endangered species and initiate research on best methods to control and eradicate species causing the greatest damages;
- Implementing, when and where possible, existing methods that achieve control of breeding coyotes causing damage;
- Commending WS for establishing and using Standard Operating Procedures (SOP) and recommending further development of SOP's for field operations;
- Requesting that WS continually update predator management techniques while considering their impacts on target and nontarget species as well as their long-term effectiveness and costs;
- Supporting the wildlife disease programs outlined in WS business plan;
- Expanding the wildlife disease program to include 1) the study of interactions on the impact of agricultural resources and public health, and 2) update and distribution of current information on risk assessments for the benefit of client, stakeholders, and other interested parties;
- Expediting the appointment of the Eastern Regional Director for WS with a background in wildlife management;
- Seeking adequate funding in FY 2004 and FY 2005 to fully implement the Management Information System (MIS) 2000; and

- Seeking adequate additional funding to manage eastern wolf populations and continued funding for western wolf management.

National Organic Standards Board (NOSB)

The NOSB was established to provide recommendations to the Secretary on implementing the Organic Foods Production Act of 1990 (OFPA), which authorizes a national organic program establishing national standards for the production and certification of organically produced foods. The NOSB comprises four farmers/growers, two handlers/processors, one retailer, one scientist, three consumer/public interest advocates, two environmentalists, and one certifying agent. Members come from all four U.S. regions.

NOSB also assists in the development of standards, reviews substances to be used in organic production, and advises the Secretary on any other aspects of program implementation. In addition to recommending standards for the production, handling, and labeling of organically produced agricultural products, the NOSB assists in establishing and implementing a program for certifying products as organically produced, through the use of USDA accredited organic certifying agents.

Recently, at the October 2001, May 2002 and September 2002 meetings, the NOSB sought public comment on recommendations regarding the production and handling of organic agricultural crops and livestock products. The NOSB made a final recommendation to the Secretary at the October 19-20, 2002, NOSB meeting held in Washington, D.C. The recommendation consisted of grower group certification criteria, dairy animal replacements, sodium nitrate annotation, hydroponics, planting stock, US/EU equivalency, and difference between handling and processing for producers and retailers. The NOSB will continue work on substances for inclusion on the National List of materials as required by statute.

The NOSB plans on holding three meeting during fiscal year 2003.

Fruit and Vegetable Industry Advisory Committee

The Fruit and Vegetable Industry Advisory Committee was established on August 6, 2001. The purpose of the Committee is to examine the full spectrum of fruit and vegetable issues and provide suggestions to the Secretary on how the Department of Agriculture (USDA) can tailor its programs to meet the industry's needs.

The Committee is led by an elected Chairperson and Vice-Chairperson. The Deputy Administrator of the Agricultural Marketing Service's Fruit and Vegetable Programs serves as the Committee's Executive Secretary. Representatives from other USDA mission areas and agencies affecting the fruit and vegetable industry are asked to participate in the Committee's meetings as determined by the Committee Chairperson. Committee members are appointed by the Secretary of Agriculture to 2-year terms. No member will serve more than six consecutive years on the Committee. The 23 members represent the fruit and vegetable industry and include fresh fruit and vegetable growers/shippers, wholesalers, brokers, retailers, food service suppliers, a state department of agriculture official, and a trade association representative.

In fiscal year 2002, meetings were held on April 16-17, 2002 and on September 4, 2002. During the first meeting the 23 member Committee elected Maureen Marshall as Chairperson and Karen Caplan as Vice-Chairperson for fiscal years 2002-2003. At the second meeting, the Committee discussed USDA programs that encourage increased consumption of fruits and vegetables, a pilot project to increase purchases of fresh produce for domestic feeding programs, a possible inspection fee increase at destination markets, and a review of the market news service.

The Committee plans on holding a meeting once a year. The next meeting is tentatively scheduled for April 1, 2003.

Federal Grain Inspection Advisory Committee

The Grain Inspection, Packers and Stockyards Administration's (GIPSA) Grain Inspection Advisory Committee was established under section 20 of the United States Grain Standards Act on September 29, 1981. The Committee is

chartered with advising the GIPSA Administrator on the implementation of the United States Grain Standards Act and the Agricultural Marketing Act of 1946, or, more simply, on implementing the Agency's grain inspection and weighing programs. The Committee comprises 15 members and 15 alternate members who represent all segments of the U.S. grain industry, including producers, processors, handlers, exporters, grain inspection agencies, academicians, and scientists.

The Committee counsels GIPSA on various important issues affecting agency operations and the official grain inspection and weighing system. In fiscal year 2002, the Committee met on December 4-5, 2001, in Chicago, Illinois; and on May 15-16, 2002, in Memphis Tennessee. At the December meeting, the Committee addressed GIPSA's financial status, the effect of the evolving bulk and value-enhanced commodity markets on GIPSA's programs and services, as well as biotechnology, policies and procedures, and other issues impacting the delivery of grain inspection and weighing services to American agriculture. At the May meeting, members focused on the financial performance of GIPSA's field offices; technical topics, including wheat dockage, factor determinations, electronic certification, and soybean test weight; GIPSA's participation in international efforts to bring uniformity to definitions and measurement technologies; promoting the accuracy of biotechnology testing; and evaluating the feasibility of using contractors to provide inspection services under the Agricultural Marketing Act of 1946. At both of these meetings, the Committee offered the Administrator recommendations for addressing these issues and others that impact service delivery.

In fiscal year 2003, the committee met on October 22-23, 2002, in New Orleans, Louisiana; and will likely meet once during the Spring of 2003 (location to be determined).

USDA/American Indian Higher Education Consortium (AIHEC)

Section 882 of the Federal Agriculture Improvement and Reform Act of 1996 required the Secretary of Agriculture to establish programs to ensure that tribally controlled colleges and universities and American Indian communities equitably participate in USDA employment, programs, services, and resources.

USDA developed a formal Memorandum of Agreement (MOA) with the American Indian Higher Education Consortium (AIHEC) and on February 3, 1998, the Secretary of Agriculture signed the MOA. AIHEC represents the thirty 1994 Land-Grant Institutions as defined in Section 532 of the Equity in Educational Land-Grant Status Act of 1994. The MOA created a USDA/AIHEC Leadership Group, consisting of six USDA and six AIHEC officials, to serve as an advisory body for all partnership initiatives.

In fiscal year 2002, the USDA/AIHEC Leadership Group met on July 31, 2002. Participants included ten Leadership Group members, two staff members, and one invited guest. A strategic planning document called the Action Agenda continued to be developed to address specific priority areas of opportunity and cooperation. Priority areas for fiscal year 2002 included faculty and staff recruitment, development, and retention; and the creation of a regional tribal college liaison team. Follow-up meetings via teleconferencing were held throughout the rest of the fiscal year to continue work on the Action Agenda.

A top priority of the Action Agenda is to aggressively work to create a team of regionally-based USDA/AIHEC Liaisons. There is currently one USDA/AIHEC liaison retained under the provisions of the Intergovernmental Personnel Act of 1970. The Grain Inspection, Packers and Stockyards Administration provides Departmental leadership for USDA/AIHEC activities.

In fiscal year 2003, the USDA/AIHEC Leadership Group plans to implement priority areas of the Action Agenda. Two USDA/AIHEC Leadership Group meetings are being planned for fiscal year 2003. One vacancy on the USDA/AIHEC Leadership Group will be filled.

2g-25

FARM AND FOREIGN AGRICULTURAL SERVICES:

Agricultural Policy Advisory Committee for Trade
and
Agricultural Technical Advisory Committees for Trade

Pursuant to Departmental Regulation 1042-68, USDA currently administers the Agricultural Policy Advisory Committee for Trade (APAC) and five Agricultural Technical Advisory Committees for Trade (ATACs): (1) Animals and Animal Products; (2) Fruits and Vegetables; (3) Grains, Feed, and Oilseeds; (4) Sweeteners and Sweetener Products; and (5) Tobacco, Cotton, Peanuts, and Planting Seeds.

The Committees were established in 1974 when Congress established a private sector advisory committee system to ensure that trade policy and trade negotiation objectives adequately reflect U.S. commercial and economic interests. The Committees provide the Secretary of Agriculture and the U.S. Trade Representative information, advice on negotiating objectives, bargaining positions, and other matters related to the development, implementation, and administration of U.S. agricultural trade policy.

The Committees are encouraged to have a balanced representation, but there is no legal requirement stating that committee membership be composed of exact numbers from each sector of an industry. The representation is as follows: 35 members on the APAC; 41 members on the Animals and Animal Products ATAC; 54 members on the Fruits and Vegetables ATAC; 41 members on the Grains, Feed, and Oilseeds ATAC; 14 members on the Sweeteners and Sweetener Products ATAC; and 27 members on the Tobacco, Cotton, Peanuts, and Planting Seeds ATAC.

All members have demonstrated leadership qualities, commodity expertise, and knowledge of the effects that various trade barriers or absence of trade barriers can have on the commodities they represent. All members are recognized leaders in their field and are able to represent those interests with balance and fairness.

The APAC and the ATACs are jointly chartered by the U.S. Department of Agriculture and the Office of the U.S. Trade Representative. The Committees provide a formal mechanism to ensure ongoing liaison between the Federal Government and private sector regarding international agricultural trade matters. Negotiating objectives and bargaining positions on agricultural issues before and after entering trade agreements are maintained, as well as supporting recommendations and information on their respective commodities. As a result, the APAC provides policy advice, while the ATACs provide detailed commodity technical advice.

During FY 2002, the APAC met four times; Animals and Animal Products ATAC met twice; Fruits and Vegetables ATAC met twice; Grains, Feeds, & Oilseeds ATAC met three times; Sweeteners and Sweetener Products ATAC met twice; and Tobacco, Cotton, Peanuts, and Planting Seeds ATAC met three times. All meetings were held in Washington, D.C. Both committees focused on the status of the World Trade Organization (including market access, domestic support and export competition) Free Trade Agreement of the Americans (FTAA), bilateral trade agreements, and International Treaty on Plant Resources.

The Administration continues to receive crucial advice on a variety of bilateral issues, including the Chile and Singapore Free Trade Agreements.

FY 2003 will be another extremely busy year for the Committees. The APAC and ATACs will be called upon frequently with the new round of WTO Doha negotiations and ongoing WTO implementation and monitoring issues; FTAA negotiations; China trade issues; and sanitary phytosanitary access issues for U.S. products; and upcoming regional and bilateral agreements such as Central America, Morocco, and Australia.

Advisory Committee on Emerging Markets

The Advisory Committee on Emerging Markets comprises of representatives from the private sector experienced in agribusiness and management, with interest and/or experience in exports and similar overseas operations. The primary general mission of the Committee is to make recommendations on policies and programs which will

enhance agricultural exports to emerging markets through the use of Emerging Markets Program authority. Specifically, Committee members review from a business perspective qualified proposals submitted to the Program for funding assistance, principally from the private sector. This review is done prior to obtaining policy level approval and funding commitments from the agency. Committee reviews of proposals balance private sector perspectives with government views, an important consideration since the program emphasizes involvement by private industry.

Mandated by the Farm Security and Rural Investment Act of 2002, the members operate under a Federal charter and are appointed by the Secretary of Agriculture for 2-year terms. The Committee's charter was re-authorized on June 14, 2002.

The Committee consists of up to 20 members from both private industry and academia representing a cross-section of the agricultural industry and geographic diversity of the United States. Sectorial expertise among members is in agricultural policy; banking and finance; marketing; production and processing of food and feed; livestock; farm cooperatives and management; transport, storage and handling; and project development.

Frequency of meetings varies, depending upon the issues to be considered and the range and importance of activities under consideration by FAS at any given time. The Committee last convened on July 18, 2002, in Washington, D.C., and reviewed selected applications to the Emerging Markets Program from the private sector in fiscal year 2002.

Edward R. Madigan Agricultural Export Excellence Award Board

Section 261 of the Federal Agriculture Improvement and Reform Act of 1996 ("the Fair Act") authorized the establishment of the Edward R. Madigan Agricultural Export Excellence Award to honor those who substantially encourage entrepreneurial efforts in the food and agriculture sector for advancing United States agricultural exports. It was subsequently renewed under "the Fair Act" in fiscal year 2002.

The Edward R. Madigan Agricultural Export Excellence Award Board comprises private-sector officials whose mission is to make recommendations concerning the selection of Award recipients and other matters relating to the presentation of the Award, administered by the Foreign Agricultural Service. The Board's charter was reestablished in April 2002. On September 16, 2002 , the Board of Evaluators selected EP International Company of Irvine, California, and Graceland Fruit, Inc. of Frankfort, Michigan, to receive Madigan Awards for fiscal year 2002. EP International was selected on the strength of its entrepreneurial efforts to create new Asian markets for various U.S. dried legumes, seasonings, and processed ingredients. Graceland Fruit was selected for its efforts to develop new innovative infused dried fruit products and market them successfully in East Asian and targeted European markets.

Advisory Committee on Beginning Farmers and Ranchers

The Advisory Committee on Beginning Farmers and Ranchers was established by Section 5 of the Agricultural Credit Improvement Act of 1992 (Pub. L. 102-554). The Committee's purpose is to advise the Secretary on the administration of the Farm Service Agency's (FSA) beginning farmer programs and methods to increase participation between Federal and State programs to provide joint financing to beginning farmers and ranchers. The duration of the Committee is indefinite.

As required by law, members include representatives from FSA, State beginning farmer programs, commercial lenders, private nonprofit organizations with active beginning farmer programs, the Cooperative State Research, Education, and Extension Service, community colleges, and other entities or persons providing lending or technical assistance for qualified beginning farmers or ranchers. Several farmers were also appointed to serve.

The Committee held its latest meeting in St. Louis, Missouri on May 6-7, 2002, to review recommendations related to the farm credit provisions of the 2002 Farm Bill.

On June 21, 2002, the Committee Chair submitted a memorandum to the Secretary addressing numerous recommendations, including that USDA: provide funding for the Beginning Farmer and Rancher Development

Program established in the 2002 Farm Bill; take a strong role in promoting Federal-State Beginning Farmer Partnerships; and encourage cooperation between the Farm Credit System and FSA to improve delivery of programs to beginning farmers and ranchers.

NATURAL RESOURCES AND ENVIRONMENT:

Task Force on Agricultural Air Quality Research

The Task Force on Agricultural Air Quality (AAQTF) was established by statute in 1996, P.L. 104-127 Sec. 391, to ensure intergovernmental cooperation in research activities relating to agricultural air quality. The Task Force advises the Secretary in providing oversight and coordination of air quality activities as they relate to agriculture. The Task Force was reestablished by Departmental Regulation 1042-126 on August 26, 2002 and is currently awaiting Secretarial and White House approval on members for its fourth two-year term. The Chief of the Natural

Resources Conservation Service chairs the 22 member Task Force with representatives from agricultural production, agricultural industry, research/academia, and health science/regulators or public interest groups.

In FY 2002, the AAQTF met three times. The first meeting was January 16-17, 2002 in Phoenix, Arizona with over 30 attendees in addition to members. Members sent a letter to the Secretary of Agriculture recommending that funds be set aside within the CSREES budget specifically to address air quality research needs. They also provided comments to the Western Regional Air Partnerships' Fire Emissions Joint Forum on their paper entitled "Summary of Crop Production, Agricultural Burning, and Non-Burning Alternatives for the Western United States." The AAQTF agreed to form an Implementation Subcommittee to further work on Emission Reduction Credits and make recommendations on monitoring for particulate and application of dispersion modeling for emission sources.

The second meeting was in Washington, DC April 30 through May 1, 2002 with over 20 attendees in addition to members. At this meeting the Emissions Factors Subcommittee presented findings of their survey which indicated two top emission factors needing development were emissions from concentrated animal feeding operations (CAFOs) and emissions from agricultural burning.

The third meeting was held in Davenport, Iowa, July 17 and 18, 2002 with over 35 attendees in addition to members. The Emission Factors Subcommittee stressed the importance of funding and research for developing emission factors to provide accurate emission factors for regulation. The AAQTF recommended that air quality be made a separate funding item for USDA funding including the Initiative for Future Agriculture and Food Systems, the National Research Initiative and the Environmental Quality Incentives Program. The Task Force passed a recommendation that EPA consider information in the Task Force issue papers regarding dispersion modeling and particulate when carrying out five-year reviews of the PM standard.

AUTHORITY AND COMPOSITION OF USDA ADVISORY COMMITTEES IN EXISTENCE BETWEEN FY 2002 AND FY 2003			
Committee Title	USDA Agency	Authority Statutory (S) or Discretionary (D)	Committee Membership
FOOD, NUTRITION AND CONSUMER SERVICES:			
National Advisory Council on Maternal, Infant and Fetal Nutrition	FNS	S 42 U.S.C. 1786	24
FOOD SAFETY:			
National Advisory Committee on Meat and Poultry Inspection	FSIS	S 21 U.S.C. 601	17
National Advisory Committee on Microbiological Criteria for Foods	FSIS	D Departmental Regulation 1043-28	33
RESEARCH, EDUCATION, AND ECONOMICS:			
Forestry Research Advisory Council	CSREES	S 16 U.S.C. 582a	20
Advisory Committee on Agriculture Statistics	NASS	S 5 U.S.C. App. 2	21
USDA/Hispanic Association of Colleges and Universities	REE	D Memorandum of Agreement dated 10/96	18
MARKETING AND REGULATORY PROGRAMS:			
Advisory Committee on Foreign Animal and Poultry Diseases	APHIS	D Departmental Regulation 1043-31	20
General Conference Committee of the National Poultry Improvement Plan	APHIS	D Departmental Regulation 1043-8	7

2g-29

AUTHORITY AND COMPOSITION OF USDA ADVISORY COMMITTEES IN EXISTENCE BETWEEN FY 2002 AND 2003			
Committee Title	USDA Agency	Authority Statutory (S) or Discretionary (D)	Committee Membership
National Wildlife Services Advisory Committee	APHIS	D Departmental Regulation 1043-27	20
National Organic Standards Board	AMS	S 7 U.S.C. 6518	14
Fruit and Vegetable Industry Advisory Committee	AMS	D Departmental Regulation 1042-139	20
Federal Grain Inspection Advisory Committee	GIPSA	P. L. 103-156 S 7 U.S.C. 87i	15
USDA/American Indian Higher Education Consortium	GIPSA	S P.L. 104-127	30
FARM AND FOREIGN AGRICULTURAL SERVICES:			
Agricultural Policy Advisory Committee for Trade	FAS	D Departmental Regulation 1042-68	48
Ag. Tech. Adv. Comm. For Trade in:			
Animals & Animal Products	FAS	D Departmental Regulation 1042-68	24
Fruits and Vegetables	FAS	D Departmental Regulation 1042-68	19
Grains, Feed & Oilseeds	FAS	D Departmental Regulation 1042-68	27
Sweeteners and Sweetener Products	FAS	D Departmental Regulation 1042-68	14
Tobacco, Cotton, Peanuts and Planting Seeds	FAS	D Departmental Regulation 1042-68	20
Advisory Committee on Emerging Markets	FAS	S P.L. 104-127	16
Edward R. Madigan Agricultural Export Excellence Award Board	FAS	S P.L. 104-127	9
Advisory Committee on Beginning Farmers and Ranchers	FSA	S P.L. 102-554	17

2g-30

AUTHORITY AND COMPOSITION OF USDA ADVISORY COMMITTEES IN EXISTENCE BETWEEN FY 2002 AND 2003			
Committee Title	USDA Agency	Authority Statutory (S) or Discretionary (D)	Committee Membership
NATURAL RESOURCES AND ENVIRONMENT:			
Task Force on Agricultural Air Quality Research	NRCS	D Departmental Regulation 1042-126	22

Fiscal Year 2004 Hearing Questions

Office of the Chief Financial Officer/Working Capital Fund

WORKING CAPITAL FUND

Mr. Bonilla: Provide specific examples where stove piping has been reduced as a result of USDA moving to a corporate management approach. What feeder systems have been eliminated and what has been the associated cost savings?

Response: The Office of the Chief Financial Officer is addressing the matter of "stove-piping" through application of a corporate approach that recognizes the relationships - both in processes and automated systems - among financial, administrative, and related information technology functions. Central to this approach was the completion, on October 1, 2002, of the Foundation Financial Information System (FFIS) implementation effort that now provides a standard general accounting system for all USDA agencies.

A second important element of this corporate approach was elimination of separate feeder systems such as Billing and Collection, Miscellaneous Payments, the non-payroll portion of Correction Adjustment Payment System, Department-wide Financial Information System, and the funds control portion of the Central Accounting Database Inquiry system.

The value captured by this corporate system approach includes elements beyond cost savings, such as improved internal controls, data integrity, management information, and timely financial reporting. In addition, business benefits include the reduction in costs associated with the operations and maintenance of those feeder systems that are eliminated and in the actual reduction in the number of stove piped systems still in use. Predominantly, the savings have accrued over time through streamlining and realigning the staffing levels to ensure the appropriate skills and staffing levels in the accounting and systems areas.

In fiscal year 2002, the Imprest Fund System was retired. Also during fiscal year 2002, analysis was performed to provide a corporate approach to asset management, including a business case covering real property and a personal property automated information system solution. The business case and investment were approved by the USDA investment review board and OMB. During fiscal year 2003, significant work and progress is being made to implement a real property system at USDA, replacing manual processes. The implementation date of this corporate system is approximately the second quarter of fiscal year 2004, and at that time decisions will be made to determine the replacement strategy for the legacy personal property systems. Also concurrently during fiscal year 2003, the Transportation System will be retired and the capabilities integrated into the corporate financial management system, FFIS. Plans for fiscal year 2004 include the elimination of the Fedstrip process. FedStrip is a General Services Administration (GSA) supply ordering process. USDA is working closely with GSA to provide detailed accounting transaction data to process these transactions directly into FFIS. Also, beginning in fiscal year 2004, the USDA will begin deployment of the Presidential e-government initiative, the e-travel solution. Depending upon the e-travel solution and timing, two legacy systems will be retired, and those costs

can be used to support the e-travel solution. It is not yet clear what the costs of this will be for USDA.

As USDA's corporate administrative systems strategy is implemented, the number of feeder systems will continue to collapse into a manageable and efficient set of integrated financial management systems that function as subsystems to FFIS.

Mr. Bonilla: Provide a table that shows, by current agency structure, the amount paid into the Working Capital Fund for fiscal year 2002 and estimates for fiscal year 2003 and 2004.

Response: We will provide that response for the record.

[The information follows:]

WORKING CAPITAL FUND INCOME DISTRIBUTION SUMMARY: FY 2002 - 2004
(Dollars in Thousands)

Agency	FY 2002 Actual	FY 2003 Estimate/1	FY 2004 Estimate/1
Office of the Secretary	562	616	725
Agricultural Marketing Service	5,713	6,567	6,754
Agricultural Research Service	7,765	9,138	9,141
Rural Development	23,684	21,653	22,145
Risk Management Agency	1,249	1,683	1,729
Foreign Agricultural Service	2,847	2,913	3,110
Forest Service/2	60,014	67,136	68,270
Office of Communications	959	889	915
Office of the General Counsel	684	869	887
Natural Resources Conservation Service	12,862	14,330	14,467
Economics Research Service	533	555	551
National Agricultural Statistics Service	2,719	3,126	3,267
Cooperative State Research, Education, and Extension Service	2,122	2,282	2,387
Office of the Inspector General	1,141	1,303	1,286
Food and Nutrition Service	3,441	4,372	4,451
Animal and Plant Health Inspection Service	9,069	10,087	10,392
Grain Inspection, Packers and Stockyards Administration	1,349	1,682	1,745
Food Safety Inspection Service	9,758	9,393	9,271
Office of the Chief Economist	267	325	333
Office of Budget and Program Analysis	442	427	449
Office of the Chief Financial Officer	5,722	5,720	5,857
Departmental Administration	4,335	4,564	4,628
Office of the Executive Secretariat	81	112	103
Farm Service Agency	22,771	24,891	25,465
Office of the Chief Information Officer	4,267	4,772	5,123
National Appeals Division	417	502	526
Total/USDA Basic Services	187,773	199,907	203,977
Non-USDA/Non-TSP	68,499	63,496	66,749
Thrift Savings Plan	52,408	58,311	55,623
Subtotal Working Capital Fund	305,680	321,714	326,349
Intrafund Adjustments	-4,900	-5,478	-5,637
Total, Working Capital Fund/3	300,780	316,236	320,712

1/ Amounts are estimates; actual costs incurred under agreements or specific service demand will be billed to USDA customer agencies consistent with methodologies published and provided to USDA customer agencies. Non-USDA costs will be billed in accordance with agreements between WCF activities and serviced non-USDA agencies.

2/ Notwithstanding limitations on billings to Forest Service set forth in law, the amounts for fiscal year 2003 and fiscal year 2004 represent estimated cost of services to Forest Service. To the extent these amounts are greater than limitations Congress may establish for transfers to the Working Capital Fund from the Forest Service, approval will be sought in accordance with enacted language from both the House and Senate Committees on Appropriations to implement such transfers.

3/ Amounts reflect income; fiscal year 2002 income amount shown here will not necessarily equal fiscal year 2002 amounts shown in other exhibits, which reflect costs. Incidental profits or losses occur during execution in revolving funds such as the WCF and are recorded in the fund's cumulative results of operation.

Mr. Bonilla: In addition, update the table in last year's hearing record that compares the Working Capital Fund operating plan and actual expenditures for fiscal years 1994 through 2003.

Response: We will provide that information for the record.

[The information follows:]

WORKING CAPITAL FUND OPERATING COSTS,
COMPARISON OF OPERATING PLAN
AND ACTUAL EXPENDITURES
FY 1994-FY 2003
(Dollars in millions)

	Plan	Actual
1994	187.1	178.0
1995	194.2	184.1
1996	203.3	197.4
1997	211.1	208.9
1998	230.7	235.7*
1999	251.4	248.2
2000	265.3	258.0
2001	290.1	282.1
2002	312.5	305.3
2003 (est.)	321.7	--

* Actual expenses exceeded plan as a result of customer-requested work in fiscal year 1998 (primarily mail and reproduction management services, supply and other central services).

Mr. Bonilla: How much did the fund contribute toward the purchase of computer equipment and services in the Department for fiscal year 2002 and how much is estimated for these purchases in fiscal years 2003 and 2004?

Response: We will provide that information for the record.

[The information follows:]

WORKING CAPITAL FUND
COMPUTER EQUIPMENT AND SERVICES PURCHASES
FY 2002 - FY 2004
(Dollars in millions)

	FY 2002	FY 2003	FY 2004
Capital Acquisitions (capital)*	$18.1	$16.7	$17.5
Hardware/Software Leases (operating costs)	14.9	15.8	17.7
Non-Capital Equipment (operating cost)	5.0	3.3	3.0
Other Capital (proceeds from unobligated balances)**	0	21.6	--
Total	$38.0	$57.4	$38.2

* Additional detail is provided in the response to the question below.

** Fiscal year 2003 expenditures reflect amounts transferred under General Provisions of fiscal year 2002 appropriations language and approved for obligation by both the House and Senate Committees on Appropriations. The fiscal year 2004 amount (reflecting fiscal year 2003 amounts transferred to the WCF) is not known at this time.

Mr. Bonilla: What capital acquisitions are planned in fiscal years 2003 and 2004?

Response: We will provide that information for the record.

[The information follows:]

WORKING CAPITAL FUND - CAPITAL ACQUISITIONS
FY 2003 - FY 2004
(Dollars in millions)

Activity	FY 2003	FY 2004
Administration	$0.0	$0.0
Video, Teleconferencing, and Visual Design Services	0.2	0.2
Finance and Management	3.0	3.0
Information Technology	3.6	4.1
Corporate Systems	9.9	10.2
Total	$16.7	$17.5

USDA TRAVEL

Mr. Bonilla: Please provide the Committee with a table displaying department-wide travel costs for the past five years to include fiscal year 2002.

Response: We will provide that information for the record:

[The information follows:]

USDA TRAVEL COSTS
(Dollars in Millions)

FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
$306	$275	$320	$355	$337

Mr. Bonilla: What are the estimated department-wide travel costs for fiscal year 2003 and 2004?

Response: The Department currently estimates that travel costs will be $343 million for fiscal year 2003 and $351 million for 2004.

FOUNDATION FINANCIAL INFORMATION SYSTEM

Mr. Bonilla: Provide a table showing the agencies that are now in production operation in Foundation Financial Information System (FFIS). Are there any remaining agencies that are not in FFIS? Which ones? When will they be in production operation?

Response: [The information follows:]

The final cut-over to production operation of the Foundation Financial Information System was completed on October 1, 2002. Conversion of all historical data was completed by March 31, 2003.

USDA FFIS IMPLEMENTATION

Fiscal Year	FFIS Production Operation Date	Agency Name
1998	October 1, 1997	Office of the Chief Financial Officer (Appropriated) Forest Service (approximately 1/3 of the Forest Service)
1999	October 1, 1998	Risk Management Agency
2000	October 1, 1999	Remaining 2/3 of Forest Service Food Safety and Inspection Service
2001	October 1, 2000	Natural Resources Conservation Service Farm Service Agency Animal and Plant Health Inspection Service Rural Development
2002	October 1, 2001	Departmental Administration/Staff Offices (Headquarters, including Working Capital Fund) Office of the Inspector General Agricultural Marketing Service Food and Nutrition Service Agricultural Research Service Economic Research Service National Agricultural Statistics Service Cooperative State Research, Education and Extension Service
2003	October 1, 2002	Foreign Agriculture Service Grain Inspection, Packers & Stockyards Administration

Mr. Bonilla: Provide an agency-by-agency breakout of the fiscal years 1999 through 2004 costs for FFIS implementation. Please list the data warehouse costs to agencies separately from FFIS systems cost.

Response: We will provide that information for the record.

[The information follows:]

Foundation Financial Information System
FY 1999-2004 Implementation Costs by Agency
(Amounts in 000's)

Agency	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Est.	FY 2004 Est.
Office of the Secretary	70	11	13	3	1	0
Agricultural Marketing Service	1,126	599	781	143	51	0
Agricultural Research Service	1,019	1,417	1,773	358	143	0
Foreign Agricultural Service	146	134	158	35	14	0
Office of Communications	43	21	23	5	2	0
Office of the General Counsel	59	63	69	15	5	0
Economic Research Service	98	96	97	21	8	0
National Agricultural Statistics Service	171	197	222	49	17	0
Cooperative State Research, Education, and Extension Service	78	65	71	16	6	0
Office of the Inspector General	127	133	138	30	11	0
Food and Nutrition Service	271	309	328	72	25	0
Grain Inspection, Packers and Stockyards Administration	173	145	156	34	12	0
Office of the Chief Economist	20	7	10	2	1	0
Office of Budget and Program Analysis	15	13	12	3	1	0
Office of the Chief Financial Officer	10	18	359	75	28	0
Departmental Administration	255	119	124	27	11	0
Office of the Executive Secretariat	8	3	4	1	0	0
Office of the Chief Information Officer	73	42	89	11	5	0
National Appeals Division	32	23	26	6	2	0
Farm Service Agency	700	1,162	1,162	256	96	0
Rural Development	897	1,293	1,434	309	111	0
Risk Management Agency	84	96	107	24	9	0
Forest Service	13,228	7,253	7,929	1,710	662	0
Natural Resources Conservation Service	2,778	2,208	2,423	534	193	0
Animal and Plant Health Inspection Service	995	1,144	1,334	284	128	0
Food Safety and Inspection Service	1,116	1,789	1,982	436	161	0
Non-USDA	161	70	87	0	0	0
Total	23,753	18,430	20,911	4,459	1,703	0

Foundation Financial Information System FY 1999-2004 Operations Costs by Agency (Amounts in 000's)						
Agency	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Est.	FY 2004 Est.
Office of the Secretary	0	0	0	7	4	4
Agricultural Marketing Service	0	0	0	140	303	334
Agricultural Research Service	0	0	0	339	340	374
Foreign Agricultural Service	0	0	0	161	51	56
Office of Communications	0	0	0	10	7	7
Office of the General Counsel	0	0	0	28	16	18
Economic Research Service	0	0	0	22	18	20
National Agricultural Statistics Service	0	0	0	221	219	241
Cooperative State Research, Education, and Extension Service	0	0	0	20	49	54
Office of the Inspector General	0	0	0	36	35	38
Food and Nutrition Service	0	0	0	66	71	79
Grain Inspection, Packers and Stockyards Administration	0	0	0	207	256	281
Office of the Chief Economist	0	0	0	5	4	4
Office of Budget and Program Analysis	0	0	0	5	3	3
Office of the Chief Financial Officer	0	0	0	140	76	84
Departmental Administration	0	0	0	55	35	39
Office of the Executive Secretariat	0	0	0	2	1	1
Office of the Chief Information Officer	0	0	0	25	15	16
National Appeals Division	0	0	0	11	6	6
Farm Service Agency	0	0	0	917	799	880
Rural Development	0	0	0	350	305	336
Risk Management Agency	0	0	0	30	42	46
Forest Service	0	0	0	7,555	9,437	10,384
Natural Resources Conservation Service	0	0	0	482	512	563
Animal and Plant Health Inspection Service	0	0	0	600	618	680
Food Safety and Inspection Service	0	0	0	541	466	512
Non-USDA	0	0	0	0	0	0
Total	0	0	0	11,975	13,688	15,060

Foundation Financial Information System
FY 1999-2004 Data Warehouse Costs by Agency
(Amounts in 000's)

Agency	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Est.	FY 2004 Est.
Office of the Secretary	0	6	42	7	4	4
Agricultural Marketing Service	0	81	478	148	290	307
Agricultural Research Service	0	26	239	359	325	344
Foreign Agricultural Service	0	7	130	0	49	52
Office of Communications	0	3	33	10	6	7
Office of the General Counsel	0	3	43	30	15	16
Economic Research Service	0	5	29	23	17	18
National Agricultural Statistics Service	0	7	78	234	209	222
Cooperative State Research, Education, and Extension Service	0	4	53	22	47	50
Office of the Inspector General	0	5	58	38	33	35
Food and Nutrition Service	0	10	56	71	68	72
Grain Inspection, Packers and Stockyards Administration	0	10	52	0	244	259
Office of the Chief Economist	0	2	15	6	3	4
Office of Budget and Program Analysis	0	1	14	6	3	3
Office of the Chief Financial Officer		1	20	148	74	77
Departmental Administration	0	17	171	59	33	35
Office of the Executive Secretariat	0	1	6	2	1	1
Office of the Chief Information Officer	0	5	38	26	15	16
National Appeals Division	0	2	9	11	6	6
Farm Service Agency	0	7	143	0	764	809
Rural Development	0	20	209	371	291	309
Risk Management Agency	0	3	30	32	40	43
Forest Service	0	622	3,117	8,002	9,015	9,551
Natural Resources Conservation Service	0	159	850	511	489	518
Animal and Plant Health Inspection Service	0	38	217	636	590	625
Food Safety and Inspection Service	0	15	194	573	445	472
Non-USDA	0	12	36	0	0	0
Total	0	1,072	6,360	11,325	13,076	13,855

Foundation Financial Information System FY 1999-2004 Total Costs, by Agency (Amounts in 000's)						
Agency	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Est.	FY 2004 Est.
Office of the Secretary	70	18	55	17	9	8
Agricultural Marketing Service	1,126	680	1,259	431	644	641
Agricultural Research Service	1,019	1,443	2,012	1,056	808	718
Foreign Agricultural Service	146	141	288	196	114	108
Office of Communications	43	25	57	25	15	14
Office of the General Counsel	59	66	112	73	36	34
Economic Research Service	98	100	126	66	43	38
National Agricultural Statistics Service	171	204	300	504	445	463
Cooperative State Research, Education, and Extension Service	78	69	124	58	102	104
Office of the Inspector General	127	138	196	104	79	73
Food and Nutrition Service	271	319	384	209	164	151
Grain Inspection, Packers and Stockyards Administration	173	154	208	241	512	540
Office of the Chief Economist	20	9	25	13	8	8
Office of Budget and Program Analysis	15	14	26	14	7	6
Office of the Chief Financial Officer	10	19	378	363	178	161
Departmental Administration	255	136	295	141	79	74
Office of the Executive Secretariat	8	4	10	5	2	2
Office of the Chief Information Officer	73	47	128	62	35	32
National Appeals Division	32	25	35	28	14	12
Farm Service Agency	700	1,169	1,305	1,173	1,659	1,689
Rural Development	897	1,313	1,642	1,030	707	645
Risk Management Agency	84	99	137	86	91	89
Forest Service	13,228	7,875	11,045	17,267	19,114	19,935
Natural Resources Conservation Service	2,778	2,367	3,273	1,527	1,194	1,081
Animal and Plant Health Inspection Service	995	1,182	1,551	1,520	1,336	1,305
Food Safety and Inspection Service	1,116	1,804	2,176	1,550	1,072	984
Non-USDA	161	82	122	0	0	0
Total	23,753	19,502	27,269	27,759	28,467	28,915

Mr. Bonilla: What has been the cost of contract support at the National Finance Center for FFIS? Please provide this information in table form listing major contractors by year from the date of the initial contract for FFIS through 2003.

Response: [The information follows:]

Year	Contractors	Costs
1994 -97	American Management Systems, Inc.	$22,068,000
1998	Logistics Management Institute	$419,447
1998	American Management Systems, Inc.	$2,575,459
1999	International Business Machines	$1,218,436
1999	American Management Systems, Inc.	$6,135,562
1999	Planning Technology Institute	$615,320
1999	Logistics Management Institute	$654,370
2000	Executive Information Systems, Inc (SAS)	$517,467
2000	PriceWaterhouseCoopers	$303,224
2000	Logistics Management Institute	$993,062
2000	Government Micro-Resources (Advanced Data Tools Corporation)	$1,335,800
2000	American Management Systems, Inc.	$12,270,712
2001	PriceWaterhouseCoopers	$847,512
2001	Logistics Management Institute	$1,299,609
2001	American Management Systems, Inc.	$15,412,191
2002	PriceWaterhouseCoopers	$680,000
2002	American Management Systems, Inc.	$11,394,740
2002	Logistics Management Institute	$690,000
2003	PriceWaterhouse Coopers	$1,004,354
2003	American Management Systems, Inc.	$14,500,000
2003	Logistics Management Institute	$170,000
2003	Communication Resource Inc.*	$331,085
2003	Enterprise Integration Corp*	$156,595
2003	Newberry Group*	$380,189
2003 est.	Backbone Security*	$450,000
2003	Management Information Systems*	$450,000
2003	RS Information Systems*	$116,042

* Indicates Small Business contractor

Mr. Bonilla: Provide a table showing the staff year levels at the National Finance Center for fiscal years 1993 through 2002 and estimates for fiscal years 2003 and 2004. Please add a column that lists the NFC staff years devoted to FFIS for the same time period. Please add an additional column that lists other OCFO staff years devoted to FFIS implementation.

Response: [The information follows:]

NATIONAL FINANCE CENTER
STAFF YEAR UTILIZATION
FY 1993 - 2000

YEAR	NFC TOTAL	FFIS/a of NFC	FFIS/a Headquarters
1993	1,535	1/b	0
1994	1,613	5/b	0
1995	1,584	20/b	0
1996	1,591	44/b	3/b
1997	1,617	81/c	0
1998	1,634	73/d	0
1999	1,595	96/d	0
2000	1,574	135/e	40/e
2001	1,538	143/e	43/e
2002	1,564	235/e	22/e
2003 Estimate	1,547	127/f	22/f
2004 Estimate	1,456	133/f	22/f

a/Before 1999, direct FTEs only; fiscal year 1997, 1998-1999 includes all FTEs (NFC and FFIS were reported as a consolidated entity)
b/ Development only
c/Development and Implementations
d/ Development, Implementations, and Operations
e/Implementations and Operations
f/Operations only, includes Financial Systems and NFC/Data Center support

Mr. Bonilla: Please update the statistics on participation in the use of Direct Deposit/Electronic Funds Transfer provided in last year's hearing record.

Response: [The information follows:]

PERCENT OF EMPLOYEES USING ELECTRONIC FUNDS TRANSFER

	February 2000	February 2001	February 2002	February 2003
USDA Agencies	96.4	96.9	95.0	96.1
Department of the Treasury	91.6	92.5	92.9	95.9
Other Non-USDA Agencies	98.8	99.1	99.3	99.1
Average	95.8	96.3	96.1	97.2

As of February 8, 2003, checks mailed were as follows: USDA agencies, 2,981; Department of Treasury bureaus, 9,096; and other non-USDA agencies, 1,240.

GAO AND OIG REPORTS

Mr. Bonilla: Briefly describe the findings and recommendations and actions taken on any GAO and OIG audit listed in the explanatory notes.

Response: [The information is provided for the record:]

50401-43-FM 02/26/02 FY 2001 Consolidated Financial Statements
The Office of Inspector General (OIG) concluded that, during fiscal year 2001, the Department achieved some major accomplishments in improving its overall financial management. The Office of the Chief Financial Officer (OCFO) hired a new Associate Chief Financial Officer and four additional controllers to assist in improving departmental operations. The Credit Reform Task Force developed new cash flow models for estimating and re-estimating subsidy costs for the Department's lending agencies. As a result, the OIG was able to remove its qualification on the financial statements line item "Credit Program Receivables, Net". The Office of the Chief Financial Officer/National Finance Center (NFC) was able to reconcile differences related to Financial Management Service Form 224 "Statement of Transactions" for the agencies it services, increasing the reliability of the Fund Balance with Treasury line item. As of the end of fiscal year 2002, 98 percent of the Department have implemented the Foundation Financial Information System, mitigating the financial management problems reported in the Central Accounting System. However, despite these efforts, the OIG was unable to express an opinion on the Department's financial statements for the year ending September 30, 2001, as several of the agencies were unable to provide timely and accurate financial information to the Department for incorporation into the consolidated financial statements. In particular, the OIG was unable to validate the "Fund Balance with Treasury" line items because the Forest Service had not completed reconciliations in its general ledger with that recorded by Treasury. The OIG was unable to

determine the reliability of "General Property, Plant & Equipment, Net" line item because of the reliability of Forest Service real property assets line items. OCFO completed corrective action for eight of the nine recommendations included in this report in fiscal year 2002 and early fiscal year 2003, and is in the process of closing out the final audit recommendation in order to close out the audit report.

50401-42-FM 06/24/02 Audit of Selected Foundation Financial Information System Operations
This report represents the results of tests performed by the OIG on access, document processing controls, funds control, and audit trail processes for each USDA agency implemented into the Foundation Financial Information System (FFIS) as of October 1, 2000. Overall, the OIG found that the accounting policies and internal control procedures established by each agency were not consistent, adequate or proper. Agencies were not following the guidance issued by the OCFO. OIG recommended that OCFO issue formal guidance to the agencies establishing accounting and internal control processes that conform to Government-wide financial management requirements. The OIG recommended that agencies periodically review FFIS accesses and that the OCFO develop an automated process to remove FFIS user IDs that should no longer be authorized to access FFIS. The OCFO should provide oversight to ensure agencies utilize the controls available in FFIS, including full control of appropriated funds and budgetary limits on appropriated funds, establish procedures to ensure agencies review obligations processed in the current year from prior year funds, ensure agencies research, and report as warranted, each potential Anti-Deficiency Act violation, periodically review those funds to ensure that potential Anti-Deficiency Act spending does not occur, strengthen controls over rejected documents in FFIS to require one level of approval for rejected "feeder system" documents, and strengthen audit trails to assure agencies are able to identify parties who edit or delete documents. In fiscal year 2002, the OCFO issued several bulletins to agencies addressing the OIG recommendations and continues to implement system changes needed to address the remaining audit findings and recommendations.

50601-03-HQ 8/27/02 FMFIA Reporting Requirements
This report presents the results of OIG's review of the Department's Federal Financial Managers' Financial Integrity Act (FMFIA) reporting requirements. The OIG's objective was to assess the adequacy of the OCFO's guidance regarding what constitutes a material internal control weakness and thus warrants disclosure in the Department's FMFIA Report to Congress. The OIG recommended that the Department develop and implement a definition of a material weakness that contains quantitative characteristics that properly reflects the relative risk and significance of deficiencies. The OCFO published a revised Departmental Management Control Manual in 2002 to address this audit recommendation and the audit has been closed.

11401-09-FM 3/18/02 Selected Information Technology Controls at National Finance Center Need Strengthening
This report represents the results of the OIG's review of application change controls at the NFC. OIG recommended that the NFC strengthen application change controls over Application Systems

Division (ASD) applications and establish controls and guidance to ensure that user approval of the functional requirements developed by ASD is obtained, software testing performed is adequately documented, and acceptance testing is performed for all application changes. The OIG also made recommendations to improve controls over "emergency" changes to ASD applications to improve special production processing and to prepare system security plans for the NFC's major applications. NFC has completed corrective action on 15 of the 24 recommendations in the report. The remaining recommendations will be implemented by December 2003.

11401-11-FM 12/13/01 Agreed-Upon Procedures: Retirement, Health and Life Insurance and Headcount Information Submitted to OPM
This report presents the results of agreed-upon procedures performed on the retirement, health and life insurance withholdings/contributions and supplemental semiannual headcount reports submitted to the Office of Personnel Management by the NFC for fiscal year 2001. The procedures are detailed in the Office of Management and Budget Bulletin 01-02 "Audit Requirements for Federal Financial Statements". The OIG reported that the NFC needed to reconcile the payroll information to the FFIS general ledger and correct the general ledger posting of retirement health benefits and life insurance. The NFC is taking corrective action to record a quarterly adjustment that reclassifies the expense for financial reporting for retirement health benefits and life insurance. The payroll reconciliation with FFIS will be implemented by December 31, 2003.

Audits in Process as of September 30, 2002:

50401-47-FM FY 2002 Consolidated Financial Statements
The final audit report was issued January 15, 2003. The report contained an unqualified audit opinion and the results of OIG's assessment of the Department's internal control structure and compliance with laws and regulations for the fiscal year ending September 30, 2002. The OIG noted significant progress in performing the Fund Balance With Treasury (FBWT) and reconciliations for the NFC's serviced agencies, including the reliability of the FBWT line item. However, further work is needed to insure the FBWT is reconciled as of fiscal year end. As of fiscal year 2003, all USDA agencies have implemented the FFIS, mitigating the financial management problems reported in the legacy Central Accounting System. Significant improvements were made by USDA agencies in correcting real and personal property accounting deficiencies. Additional improvement is needed in the Forest Service. The OIG reported that the OCFO has developed immediate and long term plans to address substantially all of the weaknesses in its and the agencies financial management systems. The OIG made one recommendation about developing guidance and providing assistance in implementing an effective quality control review program throughout the Department. The OCFO has developed an action plan to address the audit recommendation and will complete corrective action by the end of fiscal year 2003.

50601-05-HQ Adequacy of Internal Controls Over Travel Card Expenditures

Audit completed. The OIG has not yet issued the final Audit report. A discussion draft report was issued in March 2003.

50401-45-FM U.S. Department of Agriculture's Working Capital Fund Financial Statement Audit for Fiscal Year 2001

The audit report was issued on November 19, 2002. The auditors issued a qualified opinion on the Working Capital Fund (WCF) balance sheet as of September 30, 2001. The report includes a review of the WCF's internal controls and compliance with law and regulations. The WCF fiscal year 2001 financial statements were produced using data maintained in the Department's Central Accounting System. The system was replaced in fiscal year 2002 by the Foundation Financial Information System, which will significantly enhance the likelihood of improved opinions in future periods. Auditors reported that a sustainable system of internal controls for the WCF has not yet been established. The OCFO provided a detailed action plan to address recommendations to improve the procedures for recording accounting transactions; the process for recording and monitoring General Property, Plant, and Equipment, WCF's billing process, and accounting for liabilities, accounts payable, and accounts receivable. Management responses to the audit recommendations were provided to OIG on March 7, 2003.

11099-42-FM Audit of Payroll Systems
Audit completed. The OIG has not yet issued the Audit report.

11099-43-FM Audit for USDA Improper Payments
Audit completed. The OIG has not yet issued the Audit report.

11401-13-FM FY 2001-2002 General Controls at National Finance Center
The Audit Report was issued on November 20, 2002. This report represents the results of the OIG audit of the internal control structure at the National Finance Center. The report contains a qualified opinion on the internal control structure, which was attributed to weak access controls in the NFC's applications, including the payroll/personnel systems, the Foundation Financial Information System general ledger system, and an online database utility that allows overall access to NFC applications. The OIG recommended that the NFC ensure that a current network map and IP address list are maintained, eliminate or provide "read-only" access for several systems identified as "update-only" systems, modify the program that matches the Form 1099 file with payment activity to ensure payments are accurately reported, and ensure that all Online Payment and Accounting System payments are tracked and reconciled. The OCFO completed detailed action plans to address the 9 audit recommendations in the report to the OIG on March 6, 2003. We plan to complete implementation for eight of the nine recommendations in fiscal year 2003, and we plan to implement one recommendation the end of fiscal year 2004.

11401-14-FM Agreed-Upon Procedures: Retirement, Health and Life Insurance and Headcount Information Submitted to OPM

This report was issued on November 15, 2002, and represents the results of agreed-upon procedures performed on the retirement, health and life insurance withholdings/contributions and supplemental semiannual headcount reports submitted to the Office of Personnel Management by the NFC for fiscal year 2002. The procedures are detailed in the Office of Management and Budget Bulletin 01-02 "Audit Requirements for Federal Financial Statements". There were no recommendations issued for this report.

General Accounting Office Reports :

GAO-02-29 10/1/01 Financial Management: FFMIA Implementation Critical For Federal Accountability
The GAO issued its annual report on Federal Agencies' system compliance with FFMIA. The GAO noted that one of FFMIA's requirements is that agencies financial management systems account for transactions in accordance with federal accounting standards. Agencies face significant challenges implementing these standards. The GAO noted that about 98 percent of the Department of Agriculture has implemented a COTS package to serve as its financial management system. According to an Agriculture OIG report dated June 2002, Agriculture's new system could provide the Department with a materially strengthened accounting system, strengthened financial controls, and better financial reporting. The OIG found that the accounting policies and procedures developed by the agencies were not consistent, adequate or proper. Furthermore, the agencies were not following the guidance issued by the OCFO. For example, the OIG found that the agencies were not limiting access to the Federal Foundation Information System, sufficiently segregating duties or monitoring appropriation balances. Therefore, although the Department of Agriculture has significantly completed implementing a COTS package, its longstanding financial management problems have not yet been solved. In fiscal year 2002, OCFO issued several bulletins to agencies addressing the OIG recommendations and continues to implement system changes needed to address the remaining audit findings and recommendations

GAO-02-277T 12/4/01 Debt Collection Improvement Act of 1996: Department of Agriculture Faces Challenges Implementing Certain Key Provisions
The GAO testified before the Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations, Committee on Government Reform, House of Representatives. The GAO assessed the progress being made at USDA's Rural Housing Service and Farm Service Agency in referring debt for administrative offset and cross-servicing to Treasury's Financial Management Service. The GAO also reviewed USDA progress toward collecting federal non-tax debt through the Treasury Offset Program and implementing administrative wage garnishment and the debtor bar provision.

GAO-02-313 2/28/02 Debt Collection Improvement Act of 1996: Status of Selected Agencies' Implementation of Administrative Wage Garnishment

GAO conducted a review of various debt collection tools being used being used by Federal creditor agencies to collect delinquent debt. This report represents the results of their review of the use of administrative wage garnishment (AWG), which the Debt Collection Improvement Act of 1996, authorizes but does not require agencies to use. This report provides detailed information about the status of implementation of AWG at the nine largest Chief Financial Officer Act agencies, including USDA. GAO recommended that creditor agencies prepare comprehensive implementation plans to identify the type of debt that will be subject to AWG, the policies and procedures for administering AWG, and the process for conducting hearings. USDA provided GAO with a detailed plan for implementing AWG on June 26, 2002.

GAO-02-372 4/26/02 Performance Reporting: Few Agencies Reported on the Completeness and Reliability of Performance Data
The GAO conducted a review of the 24 CFO Act agencies compliance with the Reports and Consolidation Act requirements and to identify any useful practices for describing the credibility of performance data in the agencies' fiscal year 2000 performance reports. The GAO provided a draft of their report to Office of Management and Budget for review and comments but did not make any recommendations to or request comments from the USDA or other CFO Act agencies.

GAO-02-376 3/15/02 Single Audit: Survey of CFO Act Agencies
GAO issued a report on the results of their survey of single audit practices and procedures at Federal agencies. Three USDA agencies participated in the survey; Food and Nutrition Service, the Rural Development Mission Area, and the Cooperative State Research, Education and Extension Service. GAO reported that Single Audits, as implemented by the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, provides a tool that federal agencies can use to identify meaningful information on entities financial status, their management of federal funds, and areas that need further audit or investigative work. The survey captured information from 24 CFO Act agencies about their single audit processes and responsibilities, use of single audits, and use of the Federal Audit Clearinghouse database. Survey results indicated that CFO Act agencies have generally developed processes and assigned responsibilities to meet their requirements under the Single Audit Act, as amended. No additional action was required by Federal agencies that responded to the survey.

GAO-02-462 3/29/02 Debt Collection Improvement Act of 1996: Major Data Resources Inadequate for Implementing the Debtor Bar Provision
The GAO conducted a survey of federal agencies use of various tools to identify delinquent debtors for the purpose of complying with the Debt Collection Improvement Act of 1996's debtor bar provision. GAO determined that the Treasury Offset Program database, with modifications, offered the best opportunity to offer an adequate reference point for Federal lending agencies, including USDA, to

identify delinquent debtors for the purpose of denying them additional financial assistance. The GAO recommended that the Commissioner of the Financial Management Service (FMS), of the Department of the Treasury, pursue maximizing the effectiveness of the Barring Delinquent Debtors Program by enhancing or supplementing information from the Treasury Offset Program database that will be made available for the program. The Commissioner of FMS largely disagreed with the recommendations as well as the basic premises underpinning the need for improved quality of such information.

GAO-02-749 8/9/02 Financial Management: Coordinated Approach Needed to Address the Government's Improper Payments Problems
GAO conducted a review of improper payments reported in agency fiscal year 2001 financial statements and agency performance plans under the Government Performance and Results of Act of 1990. GAO noted that four agencies (USDA, Health and Human Services, Housing and Urban Development and the Social Security Administration) collectively report the majority of improper payments. Agencies have been actively working to address improper payments through their systems of internal controls. GAO recommended that agencies assign responsibility to a senior official, such as the Chief Operating Officer or the CFO, for establishing policies and procedures for assessing agency program risks of improper payments and developing detailed action plans to determine the nature and extent of improper payments. USDA responded that the Chief Operations Officer is responsible for addressing this initiative as part of the President's Management Agenda, and the Chief Financial Officer has the responsibility to provide policy guidance to direct cash management activities, and monitoring the detection of overpayments because of the negative impact on limited government resources. The Under Secretary for Food and Nutrition Services, in collaboration with other senior officials, is aggressively working these issues with the Office of Management and Budget and Congress.

PAYROLL SYSTEM

Mr. Bonilla: Do you plan to make any changes to the payroll system at NFC during fiscal year 2003 or 2004 as a result of NFC being selected as one of four government wide payroll systems? If so, what changes are you planning and when do you anticipate implementation?

Response: NFC's Payroll/Personnel System (PPS) has made or will make the following changes that either directly or indirectly support the e-Payroll initiative.

OCTOBER 2002

Special Payroll Processing System (SPPS): Phase 4 of SPPS was implemented on October 17, 2002. This phase added functionality for the agencies and the NFC Payroll Operations Unit for processing of payroll transactions that are not part of the normal bi-weekly processing cycle. Functionality implemented in this phase for the agencies to use included the ability to process transactions for: annual and restored leave payments, compensatory time payments, and payments for back-pay settlement cases. The Operations Unit received additional functionality to process transactions for computing Administratively Uncontrollable Overtime, Cost Of Living

Allowance (COLA), Post-Differential, and various allowances. Previously, these types of transactions had to be calculated manually by operations personnel and then entered into the system for payment. The additional functionality continues to decrease the amount of work that needs to be performed in processing special payroll transactions and also allows agencies to enter the data themselves without having to send paper to NFC for processing. This results in employees receiving their payments quicker and reduced costs to the agencies and NFC for processing the transactions.

Employee Personal Page (EPP)/Employee Self-Service (ESS): On October 17, 2002, a new EPP was implemented. The EPP was enhanced to be easier to read, to provide additional information to the employee concerning their various leave balances, and to allow employees to change the look of their EPP to meet their needs. Functionality was also added to allow employees who forget their personal identification number (PIN) to receive a new PIN online by answering a series of questions. In addition, employees were able to update through the EPP/ESS feature information for processing in the PPS relating to state and Federal tax withholdings, direct deposit data, allotments, and residence address changes.

Long-Term Care: The Federal Long-Term Care (LTC) Insurance Program is an important new benefit for over 20 million members of the Federal Family, including Federal and Postal employees and annuitants, members and retired members of the uniformed services and qualified relatives. The Office of Personnel Management contracted with John Hancock and MetLife through a joint venture called Long-Term Care Partners to provide this insurance for Federal employees. Effective with the processing of pay period 20, NFC clients can now pay their LTC premiums, as well as those of their spouse and/or dependents, through payroll deduction.

DECEMBER 2002

Internet Billing System (IBIL): In an effort to continue improving services to our users, the NFC enhanced the Administrative Billings & Collections billing transaction process by implementing Phase II of the Internet Billing System (IBIL). IBIL Phase II was implemented on December 3, 2002.

Highlights of IBIL Phase II:

Users are afforded quick and easy access to billing information online with real-time edits.
Users may now enter bills for all vendor types except bills for employees.
Agencies that have internal agreements can use a common agreement number (Foundation Financial Information System (FFIS) agreement number) in lieu of a vendor code for all intradepartmental transactions.

The hard copy bill (NFC-631, Bill for Collection) was also redesigned for billing and remittance convenience. It became a one-part form with a perforated bottom to be used for remittances, as opposed to the previous three-page bill interleaved with carbon paper.

JANUARY 2003

Bureau of Alcohol, Tobacco, Firearms, and Explosives: NFC representatives worked with the Departments of the Treasury (DoT) and Justice (DoJ) on the project to transfer approximately 4,500 of the current Alcohol, Tobacco, and Firearms (ATF) employees to DoJ. This new DoJ bureau was renamed to the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF). The remaining 600 employees that will be retained by the DoT are now known as the Bureau of Tax and Trade. The effective date for the ATF transfer was Pay Period 2, January 26, 2003.

Department of Homeland Security Implementation: The Department of Homeland Security (DHS) began their implementation into the NFC PPS in Pay Period 01, 2003, with the Office of the Secretary (OS). OS implemented additional employees in Pay Period 02, 2003.

MARCH 2003

Department of Homeland Security Component Agency Conversion: The President issued a Homeland Security Presidential Directive that provides the Secretary of Homeland Security with the responsibility to manage major domestic incidents by establishing a single, comprehensive national incident management system. On November 9, 2002, Executive Order 13234 became effective. Effective March 9, 2003, pay period 5, existing NFC Payroll/Personnel customer components (approximately 79;000 accounts) were converted into DHS.

APRIL 2003

Employee Self-Service: The second phase of the ESS portion of EPP was implemented on April 4, 2003. This phase provided employees with the ability to change Thrift Savings Plan elections during the open season to and update state tax information when they have withholdings from two different states. This new phase also introduced e-mail notifications to employees to confirm any changes they have made.

MAY 2003

2003 Retroactive Pay Increase Update: Based on Executive Order 13291 signed by President Bush on March 21, 2003, a retroactive pay increase effective January 12, 2003, will be processed for many of the customers serviced by NFC, effective in Pay Period 10. This process will include the generation of a retroactive pay transaction for all active and separated employees.

JUNE 2003

Flexible Spending Accounts: The Federal Flexible Benefits Plan ("FedFlex") enables eligible employees to pay for benefits with pre-tax dollars. The initial FedFlex benefit, Health Benefits Premium Conversion, was implemented in October 2000. In calendar year 2003, OPM will expand FedFlex to include a second pre-tax benefit called Flexible Spending Accounts (FSA's). OPM awarded the contract to SHPS Inc., of Louisville, Kentucky, to administer the FSA program.

The FSA's will first become available on July 1, 2003, with the initial open season running from May 19 through June 20, 2003. Employees may enroll only during open season or after a qualifying Life Event. FedFlex will provide two FSAs:

- A Health Care FSA [HCFSA] allows pre-tax reimbursement of eligible medical costs not covered or reimbursed by insurance. Examples include FEHB plan deductibles, co-payments and coinsurance, dental and vision services not covered by FEHB plans, etc. The annual deduction minimum is $250 and the annual deduction maximum is $3,000.
- A Dependent Care FSA [DCFSA] allows participants to be reimbursed on a pre-tax basis for childcare or adult dependent care expenses that are necessary to allow the employee (and his/her spouse) to work or seek work. The annual deduction minimum is $250 and the annual deduction maximum is $5,000.

NFC will implement FSAs for our Federal community with the processing of Pay Period 12, 2003.

AUGUST 2003

TSP Over-50 Catch Up - Employees who will be age 50 or older by the end of the 2003 plan year, December 31, 2003, may make tax-deferred "catch-up" contributions from their basic pay to the TSP accounts. NFC's Payroll/Personnel system will implement this enhancement in Pay Period 16, 2003.

OCTOBER 2003

Health Insurance Portability and Accountability Act of 1996 (HIPAA): NFC anticipates system changes to comply with HIPAA relating to SF-2809 and SF-2810 type transaction processing.

FISCAL YEAR 2003-2004

Implementation of the Department of Labor, the Environmental Protection Agency, the Federal Energy Regulatory Commission, Office of Thrift Supervision, and the Federal Bureau of Investigation will take place in late fiscal year 2003 through fiscal year 2004 as part of the e-Payroll initiative. Work with the customers to identify recurring system changes in support of their implementations is still ongoing.

DEBT AND CREDIT MANAGEMENT

Mr. Bonilla: Please provide for the record a list of all outstanding debt and credit management issues facing the Department on an agency-by-agency basis.

Response: USDA is developing processes and procedures to permit implementation of Administrative Wage Garnishment (AWG) through the Department of the Treasury (Treasury) Cross-Servicing Program. Although AWG is optional under the Debt Collection Improvement Act, we believe it can be an effective collection tool. We have developed a revised draft regulation to promulgate hearing procedures for the AWG and to update the Federal Claims Collection Standards into the USDA regulations. Completion

of the final regulation is anticipated for Fall 2003, along with implementation of the AWG program.

Rural Housing Service is in the process of making regulatory changes for referring losses on guaranteed loans to Treasury and expects to complete them by 2004.

Commodity Credit Corporation (CCC) is working with Treasury to develop an interface so eligible Treasury Offset Program debts can be matched and offset against CCC payments. Treasury anticipates the completion of the interface by December 2003.

UNOBLIGATED BALANCES

Mr. Bonilla: The conference report included statutory language that allows the USDA to transfer unobligated balances of the USDA to the Working Capital Fund for the acquisition of plant and capital equipment of primary benefit to USDA. What are the Department's plans for using this authority? Have any estimates been conducted to determine the amount of unobligated balances that would be available under this authority? If so, how much does USDA estimate to transfer to the WCF using this authority and what does USDA plan to acquire with those funds? If not, when does USDA expect to know how much will be available?

Response: In accordance with language requirements, USDA submitted to the Committees on Appropriations its plan to use unobligated balances from fiscal year 2002 for the acquisition of plant and capital equipment of primary benefit to USDA. The Committees approved the plan in March 2003. As noted in the plan, we will use these resources to further our efforts to improve the performance of corporate financial and administrative systems in USDA. Specifically, we will use funds to undertake efforts in the following areas in fiscal year 2003:

- Financial Data Warehouses. The Office of the Chief Financial Officer will acquire hardware and software upgrades to improve the effectiveness and efficiency of reporting functions, acquire a new software tool to extract data from multiple USDA financial and program systems supplying the warehouses, and acquire capabilities in Treasury reporting.

- Enterprise Architecture. Funds will be used by the Office of the Chief Information Officer to purchase software to support an enterprise architecture repository, to develop and implement agency architecture plans, to provide common enterprise services and a common-look portal for USDA e-services, and for enterprise telecommunications architecture management. Funds also will be used by the Office of the Chief Financial Officer to purchase configuration management software for the National Finance Center and the National Information Technology Center to provide common controls for software development and deployment.

- Integrated Acquisition System. Funds will be used to acquire hardware and software for development of the interface ith the corporate financial system and to increase security and the number of simultaneous users that can be accommodated by the system.

- Universal Telecommunications Network. Funds will be used for capital improvements and implementation of the network.

- Corporate Asset Management. Funds will be used for the enhancement and implementation of an existing corporate system. Funds also will be used for enhancement to the existing interface to the corporate financial system, testing, data conversion, hardware and software, telecommunications, and security.

- e-Travel. Funds will be used by the Office of the Chief Financial Officer to acquire hardware and software, and revise business processes to develop and implement an interface between the corporate financial system/data warehouse reporting systems and the government-wide e-Travel solution. Funds also will be used to create a USDA-wide travel data mart in the data warehouse to facilitate USDA-wide travel reporting and expense analysis, a capability that does not now exist.

- Enterprise Human Resources Management. Funds will be used to develop a business case and alternatives analysis as a first step in acquiring corporate human resources software. Software currently available inside and outside USDA will be identified and examined, and a software solution will be recommended for USDA. This is preliminary work that will lead to software acquisition and a Department-wide implementation plan, as well as an interface with government-wide e-Government human resources initiatives.

To support this plan, $21,693,500 in fiscal year 2002 unobligated balances were transferred to the Working Capital Fund. With respect to fiscal year 2003 funds, we are not yet in a position to estimate what funds will be available for transfer. Those estimates will be made at the end of the current fiscal year.

Fiscal year 2003 funds, once identified, would be used to further the efforts describe above and to begin work on other projects, where appropriate. A comprehensive proposal for the use of fiscal year 2003 funds will be developed and submitted to the Appropriations Committees for approval early in fiscal year 2004.

A-76 FAIR ACT

Mr. Bonilla: Provide examples by agency of the types of positions currently on the list of commercial jobs that could be contracted.

Response: Examples of the functions currently under study include the following:

Forest Service: IT Infrastructure, Maintenance, and Job Corps Centers;

Rural Development: Centralized Servicing Center and Human Resources;

Food and Nutrition Service: Administrative Functions.

Mr. Bonilla: Are the 5 and 10 percent contracting targets being applied across-the-board, or are they based on a review of whether a function is truly governmental? Please specifically describe any targets that have been given to USDA agencies.

Response: USDA agencies identified functions for review based on program delivery requirements and the need to show progress towards meeting the goal. Positions identified for review are based on the FAIR Act inventory that identifies commercial activities.

Mr. Bonilla: What is the typical cost of performing an A-76/Fair Act study in USDA and what is your target time frame per study?

Response: Costs per study are not known since this is the first year USDA has conducted competitive sourcing studies. The target time frame to complete studies varies, depending on the function. USDA is working to complete studies in a timely manner and with the knowledge that OMB's standard is to have 15 percent of our inventory studied by September 30, 2003.

Mr. Bonilla: Do agencies have the funds and trained personnel necessary to complete the studies required by A-76?

Response: Agencies are funding competitive sourcing studies using funds currently available. USDA is focusing on building the infrastructure and the knowledge base and influencing USDA's culture to make competitive sourcing a routine business decision within the larger context of human capital management.

Mr. Bonilla: Have you requested funds in the budget to carry out these studies? If not, where will the resources come from?

Response: Some USDA agencies have requested additional funding in the budget to carry out the studies; others have decided to fund their studies from existing resources. In most cases , we expect cost avoidance savings will eventually offset the cost of the studies.

FINANCIAL STATEMENTS

Mr. Bonilla: How many staff years will OCFO expend on the preparation of the fiscal year 2002 financial statements? In addition, please provide a summary estimate of the staff years expended by USDA agency personnel in the preparation of these statements. Please differentiate between the agency efforts to prepare program versus administrative financial statements. How has the requirement for quarterly statements affected workload?

Response: Development of the financial statement is a core function within OCFO that creates value as an integral element of a system of internal control, data integrity, management and financial reporting and effective and efficient asset management of USDA resources. At the corporate level, USDA devoted 8.0 FTE's to preparing the USDA fiscal year 2002 consolidated financial statements. Agency staff-years expended are 21.5 for administrative statements, 24.0 for program statements. The preparation efforts included the following tasks:

a) Compiling financial statements for the administrative and program data;

b) Reviewing the submission of all financial data to ensure adequacy and consistency of presentation and disclosure;

c) Coordinating with USDA agencies, the Office of Inspector General (OIG), the General Accounting Office, and the Office of Management and Budget to resolve outstanding material credit reform issues and other material internal control weaknesses and system non-conformances;

d) Coordinating with USDA agencies and the OIG to respond to requests for additional information and the extraction of information from the Department's accounting system;

e) Responding to OIG's audit issue papers;

f) Preparing the work papers to support the financial statement compilation;

g) Allocating Departmental overhead to the agencies.

h) Compilation and analysis of performance information presented in Management's Discussion and Analysis.

i) Development and issuance of implementing policies and procedures for the preparation of financial statements in compliance with accounting standards and OMB's For and Content guidance.

j) Providing actual or estimated amounts from central government agencies to be recorded by agencies, e.g., Federal Employee Compensation Act charges and OPM benefits.

k) Coordination of department's efforts to identify, reconcile, and report on intradepartmental and intra-governmental transactions and recordation of entries to eliminate these balances for the consolidated financial statements.

l) Development and implementation of a comprehensive project plan to assure that the Department meets the Government-wide financial report requirements and timeframes.

m) Providing oversight to USDA agencies to monitor abnormal balances, Fund Balance with Treasury, Property, Suspense and Alternate Fund Codes to insure that balances were properly identified and corrected in a timely manner.

n) Designing, testing, and approving the new Financial Statements Reporting Tool - Financial Statements Data Warehouse II (FSDW II)

o) Attending meetings, seminars, and training sessions to keep abreast of the latest financial statements updates and to improve skill sets.

p) Planning and conducting meetings, seminars, and training sessions with the responsible personnel within the Department to assure that all requirements personnel possess a clear and concise understanding as to their roles and responsibilities in the Consolidate Financial Statement process. These planned meetings also allow us to provide timely and necessary updates on all required financial statement issues and latest developments.

In addition, the preparation of quarterly statements may require additional resources. The quarterly reporting requirements are similar to the year-end reporting. However, we are required to prepare footnotes to the quarterly financial statements.

COST ACCOUNTING AND USER FEE REVIEWS

Mr. Bonilla: You state that agencies are not complying with laws and regulations regarding cost accounting and user fee reviews. Please be more specific in describing what laws and regulations are being violated. What is the impact of these violations?

Response: The primary legislation is the Chief Financial Officer's Act of 1990, which requires both the biennial review of fees and the adherence to government-wide accounting standards. Stemming from these legislative requirements, OMB issued OMB Circular A-25, User Charges, which establishes Federal policy regarding fees assessed for Government services and for sale or use of Government goods or resources. Statement of Federal Financial Accounting Standard No. 4, Managerial Cost Accounting Concepts and Standards for the Federal Government, describes managerial cost accounting concepts and standards to be used to provide program managers with information to respond to inquiries about the costs of the activities they manage; to assist managers in improving operational economy and efficiency; and to provide relevant and reliable cost information to assist in allocating Federal resources, authorizing and modifying programs, and evaluating program performance. OMB Bulletin No. 01-09, Form and Content of Agency Financial Statements, provides that the Statement of Net cost should present responsibility segments and costs that align directly with the major goals and outputs described in the agency's strategic and performance plans (required by the Government Performance and Results Act). The Clinger-Cohen Act was passed in 1996 with the intent of improving government performance through the effective application of information technology. The guidance requires agency processes and systems to provide the means for management to obtain timely information regarding the progress of an investment in terms of cost. Finally, the President's Management Agenda on Budget and Performance Integration states that agencies will be expected to identify high quality outcome measures, monitor program performance, and integrate this performance with associated cost.

The impact of not fully complying with the Laws and Regulations means that USDA cannot provide consistent and reliable cost information in an automated fashion - internally or externally.

COMPUTER SECURITY

Mr. Bonilla: In the last year, OIG reviewed the computer security vulnerabilities of USDA agencies and found a need for

improvements. Please provide updated information that can be printed in the public record that describes your efforts to improve computer security. Please indicate what actions are NFC related.

Response: USDA is working to address weaknesses identified by the OIG in the Department's ability to protect its assets from fraud, misuse, disclosure, and disruption. Efforts to improve information and information technology security controls are focused in the following areas.

Risk Assessment And Mitigation :

Accomplishments include:

- Developed a comprehensive USDA Risk Assessment Methodology that addresses the full spectrum of risk management, including sensitivity, assessment, remediation, and business case development. The methodology incorporates the widespread use of 12 security self-assessment tools developed to address both overall security management and specific technical platforms. National Finance Center personnel have been active participants in the development of these tools and have hosted pilot exercises to ensure their accuracy.

- Instituted a reporting and monitoring process to manage and track USDA progress addressing over 1,400 remedial activities that address over 200 specific material security weakness discovered throughout the Department as part of our Government Information Security Reform Act review. An automated system now provides the Department and its agencies with a mechanism to submit current progress reports on activities designed to correct security deficiencies.

- Strengthened cyber security guidance within the USDA IT Capital Planning and Investment Control process to ensure that security is considered throughout the entire life-cycle of system development.

- Established a partnership with a contractor to conduct independent risk assessments of and security plans for USDA agency cyber security program and mission critical systems. Over two dozen contracts have been established thus far, that will result in the assessment of dozens of critical USDA applications. The National Finance Center has contracted for assessments of specific applications for which they are responsible.

- Conducted onsite risk assessments at key USDA computer facilities. The teams interview security personnel to determine if security measures, both in place and planned, are adequate to protect the integrity, availability and safety of information resources. Specialists in the areas of security policy, logical controls, physical controls, mainframe operations, and intrusion detection participate in these reviews. OCIO staff has visited the National Finance Center in each of the past two years to review aspects of security management.

Physical And Logical Access Controls

Established physical security policy and guidance. Conducted onsite review at mission critical facilities. Future activities will also focus on additional oversight, counseling and training. In addition, common logical security toolsets were identified, purchased, and deployed.

Disaster Recovery And Contingency Planning (DR/CP) :

Initiated a program to guide USDA agencies in the establishment of executable Disaster Recovery and Business Resumption plans for USDA's critical information systems. This program will provide methods, policy, training, tools, guidance and oversight to ensure that agency program and technical managers gain the expertise to develop and test Disaster Recovery and Business Resumption plans for the mission-critical systems they manage. This initiative is being coordinated with similar facilities (physical) DR/CP initiative.

Accomplishments include:

- Established inter-agency council to sub-council that has assisted in developing draft policy on DR Planning, and evaluated software planning tools.
- Acquired common software tool to be used department-wide for both cyber security and facilities (physical) DR planning.
- Developed templates to ensure a consistent format for developing USDA IT Contingency Plans that will be used once software tool is deployed.
- Acquired contractor assistance to support this project
- Conducted DR training sessions for USDA Executives, sub-council members, as well as other USDA employees.
- Initiated development of testing process and guidance, which will be used to develop final system DR plans.
- National Finance Center conducted pilot of Business Impact Analysis software, a critical component to successful plan development.

Intrusion Detection And Response : (deploying a common preventive patch maintenance software and scanning tool across USDA agencies, as well as operating a 24 X 7 IDS capability that monitors USDA's network),

- Began operating an enterprise-wide Intrusion Detection System and developed procedures for detecting and reporting intrusion incidents.
- Negotiated contracts, deployed tools, and trained users in the use of common Internet scanning software and virus protection software.
- Developed Departmentwide contract for security patch management and providing training for technicians in installation and operation.

Certification & Accreditation: (developing methodology to be used by agencies in certifying all major IT systems that will be consistent with National Institute of Standards and Technology and Office of Management and Budget guidance),

- Began development of a USDA Certification and Accreditation Methodology that will used by agencies to ensure all mission critical systems comply with Federal system certification requirements.

- National Finance Center staff actively participating in development of methodology and certification of systems.

Security Awareness: (implementing plan to meet all Federal security training requirements).

- Acquired 5 online security awareness courses, through Government E-learning program (GoLearn.gov) to provide all USDA employees with access to basic security awareness training. Some online courses are directed at system administrators and other technical users.

- Began developing security awareness program that includes training specific to multiple levels of management and technical support, using a variety of delivery mechanisms (CD, video, Internet, etc.)

Mr. Bonilla: What is the impact on staffing levels of OCFO and agencies with the final implementation of FFIS?

Response: The OCFO completed the implementation of the corporate financial management system, Foundation Financial Information System, on October 1, 2002. Our focus is transitioning our skills from accounting processing to financial analysis and effective action. The implementation of FFIS improves funds control and the availability of financial information with real time access, and provides opportunities to perform additional analyses to support the financial management decision process. Further, FFIS enables the OCFO and agencies' financial managers to review past business practices, revise those practices to make improvements, and address recurrent issues with feeder systems. As FFIS integration with feeder systems improves, fewer people are required to perform data entry, work rejects, and perform reconciliations. As a result, OCFO eliminated thirty-three vacant positions reserved for these functions in fiscal year 2003.

In an effort to fully leverage the system improvements, the OCFO established a controllership function at the National Finance Center and also at headquarters to focus on financial management, internal controls, risk management, cash management and reporting. Implementation of FFIS is more than a systems implementation - it is a fundamental change in the way financial management is done at USDA.

We are not yet in a position to determine precisely what quantitative or qualitative effects the implementation ultimately will have on agency staffing. Processing and skills required under FFIS are fundamentally different than under the previous 25 year old system. This is an area we

will be observing closely, and we will keep the Committee apprised of our progress in this area.

CORPORATE SYSTEMS

Mr. Bonilla: Please explain the current plan for modernizing corporate systems.

Response: The Office of the Chief Financial Officer (OCFO), along with partners from the Assistant Secretary for Administration (ASA), the Office of the Chief Information Officer (OCIO), and the Office of Budget and Program Analysis (OPBA) have established a major initiative to address modernization of corporate systems.

The USDA was granted authority to use unobligated balances to fund the modernization of the corporate systems. During Fiscal Year 2002, USDA received approval from OMB and the appropriations committees of Congress to use unobligated balances. In January 2003, the OCFO, OCIO, ASA and OBPA allocated unobligated funds to specific modernization initiatives as submitted to OMB and Congress. Funds were allocated to several concurrent initiatives to ensure the broadest coverage during fiscal year 2003. These initiatives include: Universal Telecommunications Network, the Integrated Acquisition System, the Data Warehouses, the Corporate Asset Management System (Real Property), Corporate Travel (includes department interface to the Presidential e-government initiative, e-travel), USDA e-government initiatives, and USDA Enterprise Architecture. During fiscal year 2003, USDA will submit an unobligated balances plan to OMB and the appropriations committees of Congress, to receive approval to use similar funds for fiscal year 2004.

ACCOUNTING SYSTEMS

Mr. Bonilla: USDA agencies are currently paying for the operation of the new and old accounting systems. When will the old system be turned off? Please describe the time schedule and events for this change.

Response: The old accounting system, the Central Accounting System CAS), was made up of multiple applications. The complete suite of CAS applications no longer operates. Full functionality and billing for CAS ceased when the last USDA agency implemented into FFIS in October 2002. A few USDA agencies still use one of the CAS modules for salaries and benefits projections, and that usage is billed separately.

NFC continues to use several of the former CAS modules for processing payroll accounting and has renamed the collection of these modules as the Payroll Accounting System (PAC). PAC is used to process payroll data for both USDA and non-USDA agencies and to balance payroll data within the cash reconciliation process. The cost to operate PAC is shared by all customers of the Payroll/Personnel System.

Mr. Bonilla: What are the estimated cost savings to agencies over the next five years with the elimination of the old accounting system?

Response: The old accounting system, Central Accounting System (CAS) was a system that was non-compliant with laws and regulations, had severe functional and internal control limitations and did not meet modern

accounting standards. The implementation of FFIS improves the availability of financial information and provides opportunities to perform additional analyses to support the financial management decision process. Further, FFIS enables the OCFO and agencies' financial managers to review past business practices, revise those practices to make improvements, and address recurrent issues with feeder systems. As FFIS integration with feeder systems improves, fewer people are required to perform data entry, work rejects, and perform reconciliations.

Implementation of FFIS is more than a systems implementation – it is a fundamental change in the way financial management is done at USDA. We are not yet in a position to determine precisely what quantitative or qualitative effects the implementation ultimately will have on agency costs. The USDA has dramatically improved financial management, as witnessed by the FY 2002 clean opinion. The implementation of FFIS has been a fundamental building block for this achievement. We very well could find that proposed savings from discontinuing the antiquated system may be offset by costs in other areas because internal controls, risk management and cash management tasks are being institutionalized within the USDA financial community. This is an area we will be observing closely, and we will keep the Committee apprised of our progress in this area.

Mr. Bonilla: What are your plans for eliminating old feeder systems? What are the cost implications to agencies of these planned changes?

Response: The OCFO has activated an aggressive and concurrent plan to renovate or replace many of the existing feeder systems. As we have completed the FFIS implementations, we have transitioned our resources and energy to address these feeders and their systems, functional and internal control weaknesses. During fiscal year 2002, we retired the Imprest Fund System. The Integrated Acquisition System (IAS) is being piloted during fiscal year 2003, with an expected implementation during fiscal year 2004, thus replacing the Purchase Order System (PRCH). The Personal Property System (PROP) reconciliations have been addressed from a resource and automation standpoint and improvements in the backlog occurred and a sustainable process is in place. The OCFO is heading an effort to implement the first phase of a corporate asset management system, Real Property, during fiscal year 2004. Additionally in fiscal year 2004, a decision will be made as to the solution to replace the Personal Property system as part of the corporate asset management strategy. USDA is a participating member of the Presidential e-government Initiative, e-travel. The e-travel solution, once awarded in summer 2003, will replace the USDA legacy travel suite. During fiscal year 2003, the USDA is developing the requirements to interface the e-travel system with the USDA corporate Financial Management System. Also during fiscal year 2003, the Transportation system will be retired and the functionality will be integrated into FFIS. This is scheduled for August 2003.

USDA is managing feeder replacements as a concurrent process and is taking advantage of the e-government projects to use the government-wide approach for renovation/replacement.

Currently investment costs are not being borne by the agencies. Investment funds for asset management and the travel/etravel integration are being funded by the unobligated balances. Operations and maintenance costs for these systems, once implemented, will be funded through the

Working Capital Fund. The Integrated Acquisition System investment is funded by a variety of funding sources, including unobligated balances. Operations and Maintenance costs will be funded through the Working Capital Fund.

As with the discontinuation of CAS, we very well may find that proposed savings from discontinuing the old systems may be offset by costs in other areas because internal controls, risk management and cash management tasks are being institutionalized within the USDA financial community. This is an area we will be observing closely and we will keep the Committee apprised of our progress.

NFC EMERGENCY RECOVERY

Mr. Bonilla: Please provide information that can be printed in the record that describes your plans for NFC's emergency recovery site.

Response: NFC has a Disaster Recovery Plan to provide for continuity of business operations in the event a disaster would render the facility inoperable. This plan was originally developed in 1987. The plan has been maintained, updated and tested at least twice each year. This plan is based on a general Recovery Time Objective (RTO) of 48 hours.

Under the current plan, magnetic tape copies of system programs and data are delivered to an off-site facility in New Orleans, La. Upon declaration of a disruptive event, those tapes are shipped to recovery facilities centers in Philadelphia, Pa., and Atlanta, Ga. Approximately 40,000 to 50,000 computer tapes would be shipped and loaded onto the recovery facility's computer system(s) in order to resume processing.

NFC is now examining the business requirements and the risk threats associated with business continuity. Once completed, this assessment will define updated RTO's for each major business area, which in turn will lead to an updating of the Disaster Recovery Plan. The new plan will describe any necessary changes for NFC's emergency recovery site.

AUDITS

Mr. Bonilla: Please provide for the record, for each of fiscal years 2000-2003, the amounts spent by the CFO for audit work performed by contractors including any amounts that may have been transferred out of the CFO to another USDA entity, and then to have those funds used to perform audit work.

Response: For Fiscal Year 2001, as previously reported, the funds spent were as follows:

Fiscal Year	Amount	Purpose
2001	$ 95,100	Follow-up security audit
2001	$801,731	Validate beginning and ending balances.

The CFO did not spend any additional funds to perform audit work in fiscal years 2002 or 2003.

WORKING CAPITAL FUND UNOBLIGATED BALANCES

Mr. Bonilla: Please provide the Committee with an update on the implementation of the $21,693,5000 of unobligated balances to the Working Capital Fund for the acquisition of plant and capital equipment necessary for the delivery of financial, administrative, and information technology services of primary benefit to the agencies of the Department of Agriculture for data warehouses, enterprise architecture, integrated acquisition system, universal telecommunications network, corporate asset management, e-travel, and enterprise human resources integration.

Response: USDA received approval from the Committees on Appropriations in March 2003 to use $21,693,500 in unobligated balances transferred to the Working Capital Fund. The various project managers have been actively submitting obligating documents for the funds. We are on plan to obligate the funds in accordance with the plan provided to the committees.

Mr. Bonilla: Is the spending for the unobligated balances for new programs or for existing ones? Will there be any new RFP's as a consequence?

Response: The spending is for projects approved by the Committees on Appropriations in accordance with requirements contained in appropriations language. The plan reflects the USDA corporate system strategy for replacement of feeder systems and the implementation of enterprise architecture. There will be some RFPs required to implement spending for the approved projects.

Mr. Bonilla: Who controls the spending for each of the items?

Response: The first level of control for spending rests with the Deputy Chief Financial Officer, consistent with the provision that funds be transferred to the Working Capital Fund, which is administered under the Office of the Chief Financial Officer. Oversight over funds and project operations is performed by an executive committee comprised of the Deputy Secretary, the Chief Financial Officer, the Assistant Secretary for Administration, the Chief Information Officer, and the Director of the Office of Budget and Program Analysis. Project management is performed by the business owners of systems supported by these funds.

Mr. Bonilla: According to the explanatory notes, the Office of the Chief Information Officer had an unobligated balance of $50,286 for fiscal year 2003. Was this balance transferred to the Working Capital Fund pursuant to section 704 of the Agriculture Appropriations Act?

Response: OCIO cannot identify the $50,286 as an unobligated balance. Page 4-6 of OCIO's Explanatory Notes for FY 2004 shows that the unobligated balance in OCIO at the end of FY 2002 was $70. Due to the small amount, no transfer to WCF was made. OCIO will not know until the end of FY 2003 in September what OCIO's FY 2003 unobligated balance will be. OCFO will continue to work with OCIO to identify potential unobligated balances that can be transferred pursurant to Section 704.

The OCFO, however, did have an unobligated balance of $50,286 at the end of FY 2002. Due to the fact that this amount was less than 1% of OCFO's total appropriation, the OCFO decided not to transfer the balance but

rather to leave it available for any late occurring future adjustments to the OCFO obligations.

REMOTE MIRRORING BACKUP TECHNOLOGY

Mr. Bonilla: Please provide the Committee with a current update on the status of the acquisition of remote mirroring backup technology of NFC data.

Response: NFC is in the process of gathering information required for a Feasibility Study including data from a Business Impact Analysis (BIA), Technology Assessment, and Zone Study. The BIA will provide information regarding the Recovery Time Objective (RTO), Recovery Point Objective (RPO), and business resources (e.g., desks, chairs, phones, people, etc.) required for recovery. The Technology Assessment is an assessment of the alternatives for remote mirroring backup technology of NFC data. The Zone Study will indicate locational areas that share the threat exposures of the NFC facility in New Orleans.

Mr. Bonilla: When will the feasibility study that is required by law be submitted to the Committees on Appropriations?

Response: The Feasibility Study will be submitted not later than August 2003.

[Clerk's Note. — The President's budget request for fiscal year 2004 was submitted on February 3, 2003. This preceded final Congressional action of the fiscal year 2003 bill, which was completed in the House of Representatives on February 13, 2003. The President's fiscal year 2004 budget request (including the explanatory notes) compared the submission with the budget request for fiscal year 2003, NOT with the fiscal year 2003 enacted amounts. The following material covers portions of the fiscal year 2004 explanatory notes revised to reflect enactment of the fiscal year 2003 appropriations act.]

OFFICE OF THE CHIEF FINANCIAL OFFICER

The estimates include appropriation language for this item as follows (new language underscored, deleted matter enclosed in brackets):

Office of the Chief Financial Officer

> For necessary expenses of the Office of the Chief Financial Officer, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 is for employment under 5 U.S.C. 3109, [$5,572,000] $7,902,000. *Provided,* That the Chief Financial Officer shall actively market and expand cross-servicing activities of the National Finance Center.

The change in language reinstates appropriation language that was deleted in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of FY 2003. This language is necessary to allow the Office of the Chief Financial Officer the flexibility to invoke the authority in event such a need arises.

OFFICE OF THE CHIEF FINANCIAL OFFICER

Appropriations Act, 2003		$5,572,000
Budget Estimate, 2004		7,902,000
Increase in Appropriation		+2,330,000
Adjustments in 2003		
Appropriations Act, 2003	$5,572,000	
Rescission under P. L. 108-7 a/	-36,000	
Activities included in the DHS b/	-39,740	
Adjusted base for 2003		5,496,260
Budget Estimate, Current Law 2004		7,902,000
Increase over adjusted 2003		+2,405,740

a/ The amount is rescinded pursuant to Section 601 (a) of Division N, Title VI of P. L. 108-7.

b/ Pursuant to P. L. 107-296, the Homeland Security Act of 2002, net rescission.

SUMMARY OF INCREASES AND DECREASES
(On basis of adjusted appropriation)

Item of Change	2003 Actual	Program Changes	2004 Estimated
Office of the Chief Financial Officer	$5,496,260	+2,364,740	$7,861,000
FECA	–	+41,000	41,000
Total, OCFO	$5,496,260	+2,405,740	7,902,000

Project Statement
(On basis of adjusted appropriation)

	2002 Actual		2003 Budget		Increase or Decrease	2004 Estimated	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
Office of the Chief Financial Officer	$5,329,010	51	$5,496,260	62	+$2,364,740	$7,861,000	79
Unobligated Balance	50,286	–	–	–	–	–	–
FECA					+41,000	41,000	–
Total available or estimate	5,379,296	51	5,496,260	62	+2,406,740	7,902,000	79
Transfer to Dept. of Homeland Security			+39,740	–			
Rescission	+4,704	–	+36,000				
Total Appropriation	5,384,000	51	5,572,000	62			

[Clerk's Note. – Following are the explanatory notes submitted as part of the President's fiscal year 2004 budget request prior to enactment of the fiscal year 2003 appropriations act.]

2004 Explanatory Notes
Office of the Chief Financial Officer

Table of Contents

	Page
Purpose Statement	3-1
Statement of Available Funds and Staff Years	3-3
Permanent Positions by Grade and Staff Year Summary	3-4
Classification by Object	3-5
Office of the Chief Financial Officer:	
Appropriations Language	3-5
Justifications	3-9
Geographic Breakdown of Obligations and Staff Years	3-9
Status of Program	3g-1

3-1

OFFICE OF THE CHIEF FINANCIAL OFFICER

Purpose Statement

Under authority provided in Reorganization Plan No. 2 of 1953 (7 U.S.C. 2201), the Secretary of Agriculture established the Office of the Chief Financial Officer (OCFO) in fiscal year 1995. The Chief Financial Officers Act of 1990 established a Chief Financial Officer to provide overall direction and leadership in the development of modern Federal financial management structures and systems.

The purpose of the OCFO is to shape an environment in which USDA officials have and use high quality financial and performance information to make and implement effective policy, management, stewardship and program decisions.

OCFO operations are led by the CFO, who is assisted by the Deputy CFO and three Associate CFOs for Financial Policy and Planning, Financial Systems, and Financial Operations. OCFO is responsible for:

- Financial management system policy and the provision of timely, accurate, and reliable information from financial systems.
- Development of financial statements, cost accounting policy and financial management budgets.
- Policy guidance and oversight of the Department's internal controls and management accountability programs and reporting to ensure adequate controls over Department assets.
- Oversight of the Departmental Working Capital Fund (WCF).
- Coordination of the implementation of the Government Performance and Results Act (GPRA) in USDA, including strategic planning and performance planning.
- Providing policy guidance and oversight of the travel system, grants management, cash and credit management operations, A-76 cost comparison studies and other financial management functions.
- Budget support for Departmental Offices and the Office of the Secretary.
- Operation of the National Finance Center (NFC).

NFC employs approximately 1,700 staff in the operation of centralized, automated, and integrated financial payroll, personnel, administrative payments, and central accounting systems which serve more than 100 Departments, independent agencies, and congressional entities, including USDA. Operations at NFC are financed entirely by fee-for-service contracts with customers through the USDA WCF. No direct appropriated funding for NFC is reflected in the OCFO operating budget.

The Headquarters Office is located in Washington, D.C. As of September 30, 2002, there were 1,721 employees, of which 1,635 were full-time permanent employees and 86 other than full-time permanent employees. These employees were assigned as follows:

Location	Full Time Permanent	Other	Total
Washington, DC	70	2	72
Field Unit, New Orleans, LA	1,565	84	1,649
Total	1,635	86	1,721

Office of the Inspector General Reports
Audit reports released during fiscal year 2002:
50401-43-FM 02/26/02 FY 2001 Consolidated Financial Statements
50401-42-FM 06/24/02 Audit of Selected Foundation Financial Information System Operations
50601-03-HQ 09/11/02 FMFIA Reporting Requirements
11401-09-FM 3/18/02 Selected Information Technology Controls at National Finance Center Need Strengthening
11401-11-FM 12/13/01 Agreed-Upon Procedures: Retirement, Health and Life Insurance and Headcount Information Submitted to OPM

Audits in Process as of September 30, 2002:
50401-47-FM FY 2002 Consolidated Financial Statements
50601-05-HQ Adequacy of Internal Controls Over Travel Card Expenditures
50401-45-FM U.S. Department of Agriculture's Working Capital Fund Financial Statement Audit for Fiscal Year 2001(note: completed 11/02)
11099-42-FM Audit of Payroll Systems
11099-43-FM Audit for USDA Improper Payments
11401-13-FM FY 2001-2002 General Controls at National Finance Center
11401-14-FM Agreed-Upon Procedures: Retirement, Health and Life Insurance and Headcount Information Submitted to OPM

General Accounting Office Reports:
GAO-02-29 10/1/01 Financial Management: FMFIA Implementation Critical For Federal Accountability
GAO-02-277T 12/4/01 Debt Collection Improvement Act of 1996: Department of Agriculture Faces Challenges Implementing Certain Key Provisions
GAO-02-313 2/28/02 Debt Collection Improvement Act of 1996: Status of Selected Agencies' Implementation of Administrative Wage Garnishment
GAO-02-372 4/26/02 Performance Reporting: Few Agencies Reported on the Completeness and Reliability of Performance Data
GAO-02-376 3/15/02 Single Audit: Survey of CFO Act Agencies
GAO-02-462 3/29/02 Debt Collection Improvement Act of 1996: Major Data Resources Inadequate for Implementing the Debtor Bar Provision
GAO-02-749 8/9/02 Financial Management: Coordinated Approach Needed to Address the Government's Improper Payments Problems

OFFICE OF THE CHIEF FINANCIAL OFFICER

Available Funds and Staff Years
2002 Actual and Estimated 2003 and 2004

Item	2002 Actual		2003 Estimated		2004 Estimated	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Direct Appropriation	$5,384,000	51	$7,918,000	79	$7,902,000	79
Rescission	-4,704	--	--	--	--	--
Transfer to Department of Homeland Security	--	--	-40,000			
Total	5,379,296	51	7,878,000	79	7,902,000	79
Obligations Under Other USDA Appropriations:						
Management, Oversight, and Administrative Services (provided to WCF Activities)	1,942,356	12	2,177,982	13	2,218,302	13
Total, USDA Appropriatons	7,321,652	63	10,055,982	92	10,120,302	92
Working Capital Fund a/:						
National Finance Center	117,129,000	1,032	117,109,000	996	121.603,000	955
Thrift Savings Plan	52,408,000	532	58,311,000	551	55,623,000	501
Corporate Systems	37,631,000	66	38,725,000	71	38,867,000	70
Financial Services	--	--	2,947,000	20	3,038,000	20
Purchase of Equipment	7,596,000	--	17,530,000	--	4,900,000	--
Total, WCF	214,764,000	1,630	234,622,000	1,638	224,031,000	1546
Total, Office of the Chief Financial Officer	222,085,652	1,693	244,677,982	1,730	234,151,302	1,638

a/ This section only includes WCF activities managed by OCFO. Please refer to the WCF Explanatory Notes for more details about the WCF.

3-4

OFFICE OF THE CHIEF FINANCIAL OFFICER

Permanent Positions by Grade and Staff Year Summary
2002 Actual and Estimated 2003 and 2004 a/

	2002	2003	2004
Grade	Washington, DC	Washington, DC	Washington, DC
EX-4	1	1	1
ES-5	1	1	1
ES-4	1	1	1
GS-15	6	7	7
GS-14	10	28	28
GS-13	33	39	39
GS-12	1	2	2
GS-10	2	2	2
GS-9	2	4	4
GS-7	5	6	6
GS-3	1	1	1
Total, Permanent Positions.....	63	92	92
Unfilled Positions end-of-year.....	-9	–	–
Total, Permanent Full-Time Employment, end-of year.....	54	92	92
Staff Year Estimate. a/.....	63	92	92

a/ Table includes OCFO appropriated and reimbursed positions and staff years only.

3-5

OFFICE OF THE CHIEF FINANCIAL OFFICER

Classification by Objects
2002 Actual and Estimated 2003 and 2004

	2002	2003	2004
Personnel Compensation:			
Washington, D.C.	$3,466,004	$5,650,000	$5,903,000
11 Total personnel compensation	3,466,004	5,650,000	5,903,000
12 Personnel benefits	621,223	1,115,000	1,074,000
Total personnel compensation & benefits.	4,087,227	6,765,000	6,977,000
Other Objects:			
21 Travel	42,526	41,000	41,000
22 Transportation of things	759	1,000	1,000
23.3 Communications, utilities, and misc. charges	115,185	100,000	100,000
24 Printing and reproduction	90,053	43,000	43,000
25.1 Contractual Services	186,221	--	
25.2 Other services	288,825	451,000	263,000
25.3 Purchase of goods and services from Government Accounts	59,255	335,000	335,000
25.5 Research and Development Contracts	3,268	--	--
25.6 ADP Services	657	--	--
25.7 Operation and maintenance of equipment.	56,755	--	--
26 Supplies and materials	73,654	30,000	30,000
31 Equipment	324,625	112,000	112,000
Total other objects	1,241,783	1,113,000	925,000
Total direct obligations	5,329,010	7,878,000	7,902,000
Position Data:			
Average Salary, EX/ES positions	$133,933	$138,486	$141,256
Average Salary, GS positions	$62,006	$72,835	$74,292
Average Grade, GS positions	12.5	13.3	13.3

OFFICE OF THE CHIEF FINANCIAL OFFICER

The estimates include appropriation language for this item as follows (new language underscored, deleted matter enclosed in brackets):

For necessary expenses of the Office of the Chief Financial Officer, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 is for employment under 5 U.S.C. 3109, $7,902,000. Provided, that the Chief Financial Officer shall actively market and expand cross-servicing activities of the National Finance center.

3-6

OFFICE OF THE CHIEF FINANCIAL OFFICER

President's Budget, 2003	$7,918,000
Budget Estimate, 2004	7,902,000
Increase in Appropriation	+16,000

Adjustments in 2003		
President's Budget 2003	$7,918,000	
Transfer to Department of Homeland Security	-40,000	
Adjusted base for 2003		7,878,000
Budget Estimate, Current Law 2004		7,902,000
Increase over adjusted 2003		+24,000

a/ Estimates for the transfer to the new Department of Homeland Security are included in the budget as a one-time shift of funds. On a comparable basis the FY 2004 transfer to the Department of Homeland Security is $40,000.

SUMMARY OF INCREASES AND DECREASES
(On basis of adjusted appropriation)

Item of Change	2003 Estimated	Program Changes	2004 Estimated
Office of the Chief Financial Officer	$7,878,000	+$24,000	$7,902,000

OFFICE OF THE CHIEF FINANCIAL OFFICER

STRATEGIC GOAL 1: Promote sound financial management through leadership, policy, and oversight.

Project Statement
(On basis of appropriation)

	2002 Actual		2003 Budget		Increase	2004 Estimated	
Goal 1:	Amount	Staff Years	Amount	Staff Years	or Decrease	Amount	Staff Years
Office of the Chief Financial Officer	$5,379,296	51	$7,878,000	79	+24,000	$7,902,000	79

Note: Staff years are appropriated only.

Project Statement
(On basis of appropriation)

	2002 Actual		2003 Estimated		Increase or	2004 Estimated	
	Amount	Staff Years	Amount	Staff Years	Decrease	Amount	Staff Years
Office of the Chief Financial Officer...	$5,329,010	51	$7,878,000	79	+$24,000	$7,902,000	79
Unobligated Balance.....	50,286	--	--	--	--	--	--
Total available or estimate.....	5,379,296	51	7,878,000	79	+24,000	7,902,000	79
Transfer to Dept. of Homeland Security.....			+40,000	--			
Rescission.....	+4,704	--					
Total Appropriation.....	5,384,000	51	7,918,000	79			

Performance Goals and Indicators

	2002 Target	2002 Actual	2003 Target	2004 Target
1. Achieve an unqualified opinion on the USDA Consolidated Financial Statements for 2002.	Unqualified	Unqualified	Unqualified	Unqualified
2. Number of audit findings with management decision	200	226	100	5
3. Number of material deficiencies	7	19	9	0
4. Treasury Offset Program a/	97%	98%	98%	100%
5. Cross Servicing Program b/	40%	96%	80%	100%
6. Provide timely annual USDA FAIR Act Inventory Updates	Yes	Yes	Yes	Yes
7. Develop USDA for incremental competition/ conversion of FAIR Act Inventory	Yes	Yes	Yes	Yes
8. Competition/ conversion of FAIR Act inventory	N/A	N/A	15%	25%

a/ Percent of eligible debt referred to the Treasury Offset Program.
b/ Percent of eligible debt referred to the Treasury Cross Servicing Program.

Justification of Increases and Decreases

(1) An net increase of $24,000 for the Office of the Chief Financial Officer ($7,878,000 available for fiscal year 2003):

To help accomplish performance goal 1, the agency is requesting:

(a) An increase of $24,000 for salary and other adjustments.

Approximately 90 percent of the Office of the Chief Financial Officer's obligations are for salaries and benefits. This leaves little flexibility for absorbing increased costs such as inflationary costs, within grades increases, and career ladder promotions that are critical in retaining a high quality workforce.

(b) An increase of $188,000 for pay costs which includes $47,000 for the annualization of the fiscal year 2003 pay raise and $141,000 for fiscal year 2004.

This increase is needed to maintain staffing sufficient to ensure adequate leadership, guidance, and direction of the Department's financial management. Over 90 percent of the OCFO's costs are for salaries and benefits leaving little flexibility to reduce other costs without a severe impact on operations. This is critical since OCFO recently received an unqualified audit opinion on it's financial statements. To continue this, and to successfully implement the initiatives to compete commercial positions, and the Government Performance and Results Act, it is necessary that this request be granted.

(c) An administrative decrease of $188,000 for Information Technology savings from the centralization and improvement of information technology. Reduction for the savings associated with centralization and improvement of information technology. Savings are associated with consolidated buys for infrastructure and office automation, and consolidation of enterprise architecture projects within the Department. USDA continues to ensure that information technology investments utilize enterprise licenses for hardware and software where appropriate and reduce the information technology costs.

Geographic Breakdown of Obligations and Staff Years
2002 Actual and Estimated 2003 and 2004

	2002		2003		2004	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
District of Columbia..	$5,329,010	51	$7,878,000	79	$7,902,000	79
Unobligated balance.	50,286	–	–	–	–	–
Total, Available or Estimate.....	5,379,296	51	7,878,000	79	7,902,000	79

Note: Staff Years include appropriated only.

3g-1

OFFICE OF THE CHIEF FINANCIAL OFFICER

STATUS OF PROGRAM

The mission of the Office of the Chief Financial Officer (OCFO) is to shape an environment in which USDA officials have and use high quality financial and performance information to make and implement effective policy, management, stewardship, and program decisions. OCFO has Department-wide leadership responsibility for financial operations, activities, systems, and personnel. The OCFO is the USDA's chief financial management policy officer and is the chief financial management advisor to the Secretary and the mission area heads. In addition to responsibilities in financial policy and operations, the OCFO is responsible for the administration of the Working Capital Fund (WCF). The Chief Financial Officer is the Departmental official charged with responsibility for the financial health of the WCF, and the Associate Chief Financial Officer for Financial Policy and Planning serves as Controller of the WCF in charge of day to day financial management. In addition to responsibilities for administration of the WCF, OCFO also manages three WCF activities: the National Finance Center, Financial Services and the Foundation Financial Information System (FFIS) Project Office.

Goal 1: Promote sound financial management through leadership, policy, and oversight.

Current Activities:

Departmental Financial Statements. For the Fiscal Year ending 30 September 2002, the U. S. Department of Agriculture, and all of its agencies, including the Forest Service, received unqualified (clean) opinions on its annual financial audits for the first time ever.

Audit Follow-up. As required by the Single Audit Act and the Inspector General Act Amendments of 1988, the OCFO: (1) codifies into regulations and interprets revisions to OMB Circulars A-50, "Audit Follow-up," and A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and (2) researches and analyzes audits, making determinations on final actions, monitoring management's actions on audits, tracking individual audit recommendations, and reporting results annually to the Congress. The OCFO also provides policy guidance and assistance to agencies on technical matters. Specific efforts are focused on:

- Updating/developing Department-wide audit follow-up policy for Office of the Inspector General (OIG) audits, General Accounting Office (GAO) audits, and single audits.
- Completing development of the new web-based integrated audit follow-up tracking system for OIG, GAO, and single audits.
- Increasing management's awareness of open audit issues that are not completed in a timely manner.
- Working with agency management and the OIG to ensure that management actions in response to audits are appropriate and achievable, will correct the identified deficiencies, are cost effective, and provide an action plan with milestones for completion.
- Providing useful and timely information on the status of audits to management and the Congress for decision making and resource allocation purposes.
- Reviewing, analyzing, and reporting quarterly on progress in achieving corrective actions for audits one year or more past management decision but without final action.

- Working with OIG and agency management to implement the added responsibilities of the Single Audit Act, requirements of OMB Circular A-133, and audit follow-up for GAO audits.

Management Accountability and Control. The OCFO is responsible for management accountability and control under the CFO Act and the Federal Managers' Financial Integrity Act (FMFIA), for ensuring that USDA agencies comply with the requirements of FMFIA, and for determining and reporting on material weaknesses and financial system nonconformances to be included in the FMFIA annual report to the Congress. The OCFO is working with agencies to integrate FMFIA with the strategic planning, annual performance planning, and budgeting processes. Current efforts include:

- Reviewing current Department-wide policy on management controls for necessary revisions.

- Increasing management's awareness of open material deficiencies and encouraging timely correction.

- Reviewing, analyzing, and reporting quarterly progress in achieving major corrective actions during the reporting period.

- Working with management and the OIG to verify the continued materiality of deficiencies.

Performance Management. The OCFO establishes Departmental Performance Management Guidance and coordinates the development of Department-wide plans and reports. USDA uses requirements from the Government Performance and Results Act (GPRA) of 1993 and the Office of Management and Budget's Circular A-11 in establishing the content and timeframes for USDA's Strategic Plan, Annual Performance Plan, and Annual Performance Report. The OCFO works with the Department's leadership, Department-wide Planning Team, and Agency Performance Management Coordinators in the following performance management activities:

- Working with the Office of Budget and Program Analysis to better integrate budget and performance.

- Enhancing and refining USDA performance goals and indicators.

- Developing an annual performance plan for the Department that clearly demonstrates the linkages to the strategic plan.

- Enhancing coordination within USDA and with other Federal agencies to develop common goals and performance measures for cross-cutting functions and programs.

Federal Financial Assistance Management. The OCFO develops, coordinates, and oversees the implementation of Department-wide Federal financial assistance regulations and processes. For the past several years, the Office of Management and Budget has led an effort to ensure a reasonable level of uniformity in the administrative processes used by the Federal Departments. Emphasis is being placed upon uniformity to decrease the burden recipients face when they have to provide administrative information, and the use of electronic interfaces to simplify and speed up the exchange of required data. The Federal Financial Assistance Team works with the Department's leadership and USDA agency Federal financial assistance coordinators in the following Federal Financial Assistance management activities:

- Coordinating and ensuring the information going into the Federal Assistance Award Data System (FAADS) is correct and up to date.

- Developing policy, regulations and guidelines to USDA agencies regarding Federal financial assistance.

- Coordinating Non-procurement Debarment and Suspension issues, guidelines, and regulations within USDA.

- Providing leadership and coordination efforts for Grants Streamlining (Public Law 106-107) within USDA.

- Ensuring the USDA portion of the Catalog of Federal Domestic Assistance (CFDA) is current and all new programs are included on the CFDA website.

Debt Management. The OCFO coordinates and guides USDA agencies in debt management. As of September 30, 2002, USDA had $102.1 billion in gross accounts and loans receivable, down from $107.5 billion in FY 1996. Delinquencies were $7 billion as of September 30, 2002, down from $8.8 billion in FY 1996. OCFO 's recent efforts include revising debt management regulations to incorporate the Federal Claims Collection Standards and Administrative Wage Garnishment hearing procedures; providing guidance to USDA agencies in referring eligible debts to the Treasury offset and cross servicing programs; and monitoring USDA agencies implementation of General Accounting Office Debt Collection Improvement Act report recommendations.

Cash Management and Electronic Funds Transfer (EFT). The OCFO provides direction and guidance to USDA agencies in use of electronic collection and payment methods for all customers. USDA continues to expand the use of EFT, specifically including Automated Clearing House, Fedwire, Plastic Card Collection Network, Purchase Card, Travel Card, and Fleet Card. OCFO efforts are focused on working with Treasury to develop collection cash flows review procedures to recommend more efficient EFT collection methods.

Credit Reform. The OCFO provides direction and leadership to USDA agencies in implementing the Federal Credit Reform Act of 1990. The Act requires the accurate measurement of the cost of Federal credit programs by placing the cost of programs on a budgetary basis equivalent to other Federal spending. Only the unreimbursed costs of making new loans are counted in the budget totals. These unreimbursed costs are (1) the administrative expenses and (2) the subsidy costs, which are defined as the estimated long term cost to the government, on a net present value basis, of the cash flows to and from the government. Cash flows are widely defined to include loan disbursements, repayments of principal and interest, prepayments, fees, estimated defaults, penalties, and other recoveries.

USDA formed a working group in May 1999 to correct long-standing deficiencies in credit reform at three specific agencies: Rural Development (RD), Farm Service Agency (FSA), and the Commodity Credit Corporation (CCC). OCFO leads this working group with participation from OIG and GAO. The group made significant progress during FY 2001, developing new models for RD direct housing and FSA direct farm loans, liquidating portfolio valuation models for all three agencies, and developing action plans to meet new financial statement footnote disclosure requirements. The qualification on credit reform related financial statement line items was removed in the FY01 financial statement opinion and all material credit reform audit issues were resolved in FY02. The group will continue to meet on an as needed basis to address auditor concerns that affect multiple USDA credit agencies due to new requirements for accelerated interim reporting.

Travel Management Services. OCFO develops, coordinates and implements Department-wide policy and procedures on travel management services and the travel card program. USDA, in collaboration with GSA,

began planning to centralize travel management services into several Nationwide contracts. Emphasis is being placed on performing business-use analysis to decrease the number of contracts held by the Department and to obtain consolidated services for simplified, administrative reporting of travel expenditures. USDA plans to implement its first nationwide contract by January 2004.

The misuse of government travel cards has recently become a major issue of concern government-wide. In FY 2002, USDA provided re-mediation plans to OMB to address the ongoing issues of delinquency and abuse in the travel card program. OCFO developed monitoring reports, implemented travel card controls, and created a best practice guide to assist in the oversight of travel card activity.

The e-Travel project was launched in response to the President's Management Agenda. The e-Travel initiative is a collaborative, interagency effort to realize the efficiencies, cost-savings and increased service associated with a common, automated, and integrated approach to managing the Federal government's travel function. The project consolidates travel processes at the department level and centrally manages them through a customer-centric, self-service, web-based environment offering end-to-end travel services from planning, authorization and reservation, through claims and voucher reconciliation. As a major stakeholder, OCFO actively participates in this project as a pilot agency for the development, deployment and on-going improvement cycle of the e-Travel service. OCFO policy and systems staff, in a collaborative effort, are working on developing the travel data warehouse as a required interface for e-Travel services and to serve the current needs of a department-wide travel reporting system.

Budget Services. A wide variety of budgetary services are provided to the Office of the Secretary, Executive Operations, the Office of Communications, the Office of the Chief Information Officer, and Departmental Administration offices. These services include: (1) the preparation of detailed tables, computer print materials, and supporting justification for the budget requests submitted to the Office of Management and Budget and the Congress; and (2) financial advice and assistance to policy and program officials relating to ongoing operating programs, including analysis of issues, monitoring of resource utilization, and development of alternatives and recommended courses of action. This service covers 20 appropriation accounts and up to 20 subprograms, which encompass diverse functions or programs, each of which require technical service at a level equivalent to the operation of a separate appropriation.

Competitive Sourcing/A-76. The OCFO provides guidance and direction to USDA mission areas and agencies in the implementation of OMB Circular A-76, the Revised Supplemental Handbook and Departmental regulations in this critical President's Management Agenda item. USDA submitted its plan for competitions on 15% of its fiscal year 2000 Federal Activities Inventory Reform Act (FAIR) inventory to OMB in May 2002 and is on track for meeting this goal by September 2003. Currently, USDA is developing plans for achieving the long range goals established by OMB in the 2004 budget passback of competition of 50 percent of the fiscal year 2000 commercial activities inventory by the end of 2005. Undertaking such a goal requires investment in resources and training to sustain the effort. Accordingly, USDA is focusing on building the infrastructure and the knowledge base and influencing USDA's culture to make competitive sourcing a routine business decision—within the larger context of human capital management. Current competitive sourcing activities include:

- A revised fiscal year 2002 FAIR Act inventory that increased USDA's commercial activities by approximately 7,000 positions. This inventory was approved by OMB and is scheduled for public release in OMB's third round of inventory publication notices.
- The successful award of a contract for use by USDA mission areas and agencies to procure competitive sourcing contract support.

Selected Examples of Recent Progress:

Management Accountability and Control. For the first time in more than 10 years, USDA is providing reasonable assurance of compliance with the objectives of Section 2 and Section 4 of the Federal Managers' Financial Integrity Act. In addition, the number of material deficiencies has decreased by almost half (40 percent), from 32 in FY 2001 to 19 at the end of FY 2002. There are currently 17 material weaknesses and 2 financial system nonconformances outstanding. Our FY 2003 goal is to reduce the remaining deficiencies by half and eliminate them in FY 2004.

The OCFO finalized a new Management Controls Manual for implementation Department-wide beginning in the first quarter of FY 2003. This manual institutionalizes control processes to aid in the early identification, detection, and correction of potentially material control deficiencies.

Audit Follow-up. The OCFO continued to work with the Office of Inspector General and USDA agencies to increase the resolution of old audits. There has been a decreasing trend in the number of audits that are one year or more past management decision and without final action. The inventory of audits in this category has decreased from 164 in FY 1999 to 147 in FY 2002. For the 107 audits closed in FY 2002, USDA agencies collected $13,468,226 in costs that should not have been charged to USDA programs and project achievement of more efficient usage of funds totaling $89,000,369.

Additionally, the OCFO completed and implemented the revised Departmental Regulation 1720-1, Audit Follow-up and Management Decision, which provides new oversight requirements and establishes a link to the Government Performance and Results Act and Federal Managers' Financial Integrity Act requirements.

Performance Management. The OCFO worked closely with Departmental Leadership, the Department-wide Planning Team, Agency Chief Financial Officers and Performance Management Coordinators to execute USDA's performance management activities, including: (1) developing USDA guidance for strategic planning, annual performance planning, and annual performance reporting; (2) conducting regular Department-wide Planning Team meetings to draft a new USDA Strategic Plan for Fiscal Years 2002-2007 and supporting annual plans and reports; (3) establishing a new intranet web site for USDA Performance Management activities; (4) reviewing and providing comments on agency and USDA plans and reports to ensure consistency with issued guidance and the President's Management Agenda; (5) posting USDA plans and reports to the OCFO homepage and responding to internal and external requests for information on these documents; (6) meeting with other Federal agencies, external groups, and representatives from other countries to discuss USDA performance management efforts and results; and (7) participating in USDA and Federal interagency forums related to GPRA and performance management.

Federal Financial Assistance Management. OCFO organized a Federal Financial Assistance Committee with representation from each USDA agency. This organization will coordinate the implementation of Public Law 106-107 through the next six years. The Federal Financial Assistance Committee has been instrumental in developing and updating regulations for the following: (1) Debarment and Suspension Common Rule, (2) 7 CFR 3020, and (3) 7 CFR 3021. The Federal Financial Assistance Committee has been responsible for ensuring that the CFDA and the List of Parties Excluded from Procurement and Non-procurement Programs are kept current. OCFO has developed an internal USDA website which contains grants related issues. It serves as a repository for all Federal financial management issues.

Debt Management. During FY 2002, USDA collected $262.9 million of delinquent debt through administrative offset and other Debt Collection Improvement Act (DCIA) tools. DCIA tool collections increased over 300 percent from the $63.2 million collected in FY 1996. In addition, USDA collected $681.8 million of delinquent debt through internal USDA tools. During FY 2002, $1.4 billion of delinquent debt was written off and $7.2 billion was reported to the Internal Revenue Service as 1099-C debtor income. This means the amount of the debt forgiven becomes income to the debtor for tax purposes. As of September 30, 2002, USDA had referred 98 percent of the eligible $1.4 billion of delinquent receivables to the Treasury Offset Program and referred 96 percent of the eligible $364 million to the Treasury Cross Service Program. These indicators show favorable progress in managing and collecting debt owed to

USDA.

Cash Management and Electronic Funds Transfer (EFT). During FY 2002, 97 percent of USDA's 3.1 million salary payments were by EFT, up from 90 percent in FY 1996. During FY 2002, USDA had closed the centralized imprest fund system with only Forest Service having 135 domestic imprest funds (mostly for making change). This represents a decrease of 88 percent in the number of domestic imprest funds from FY 1996.

Travel Management. e-Travel will leverage policy and state of the art technologies to deliver a trusted, easy to use, integrated travel service tool to the desktop of every government customer. During FY 2002, the e-Travel regulatory group was established to focus on the regulatory changes within the Federal Travel Regulations (FTR) and define the Government's Travel Management System by incorporating the use of e-Travel services. USDA actively participated in weekly group meetings to determine the requirements analysis and define the Request for Proposal of the e-Travel service. Participation in this effort is expected to continue until June 2003.

At the end of FY 2002, USDA was ranked 3rd. out of the largest five civilian agencies with the least delinquencies in its travel card program individual billed accounts. Taking an aggressive approach, the department is requiring:

*Review and deactivation of travel cards for employees who have separated.
*Categorization of cardholder activity into travel frequency categories.
*Initiation of the deactivation process for infrequent travelers.
*Review of merchant cost codes for improper travel usage.

At the end of FY 2002, OCFO revamped the Travel Policy User Group (TPUG) to establish consistent travel management practices within the Department. The group will address issues concerning the monitoring of the Carlson Wagonlit Travel, Bank of America Travel Card Program and future travel issues such as e-Travel and its impact on travel operations.
Competitive Sourcing/A76 USDA recently completed the following: (1) developed and published a draft competitive sourcing guidebook to assist mission areas and agencies in implementing OMB Circular A-76; (2) developed and gained OMB approval of an express review process for those organizations desiring to compete a government organization with fewer than ten positions; (3) conducted over 48 hours of on-site training for USDA staff on competitive sourcing policies and practices; and (4) established a department-wide working group to share knowledge and lessons learned.

2004 Explanatory Notes
Working Capital Fund

Table of Contents

	Page
Purpose Statement	3-10
Statement of Available Funds and Staff Years	3-13
Permanent Positions by Grade and Staff Year Summary	3-14
Classification by Objects	3-15
Working Capital Fund	
Recurring Operations	3-16
Capital Acquisitions	3-16
Total Working Capital Fund	3-16
Summary of Increases and Decreases	3-17
Project Statement:	
Program Activity	3-18
USDA Activity	3-19
Non-USDA Activity	3-20
Justification of Increases and Decreases	3-21
Geographic Breakdown of Funding and Staff Years	3-26
Income Distribution Summary	3-27
Status of Program	3g-7

3-10

WORKING CAPITAL FUND

Purpose Statement

The USDA Working Capital Fund (WCF) was established in FY 1944 (7 U.S.C. 2235). The mission of the WCF is to provide an effective financing mechanism to support those services the Secretary, with the approval of the Director of the Office of Management and Budget, determines may be performed more advantageously as central services and to make unnecessary the maintenance of separate like services in the agencies of the Department. The WCF is used to finance services provided to USDA and non-USDA agencies on a centralized basis. The costs of providing services to all WCF clients are recovered on the basis of the level of service each client receives. Services to non-USDA agencies reduce USDA's share of fixed costs for WCF-supported services. Centrally managed operations provide efficient, economical services through economies of scale, extensive management attention, and high-level, regular fund reviews.

The Office of the Chief Financial Officer (OCFO) performs duties of the WCF Controller, including monitoring and supervising fund management activities. Activities financed under the WCF are managed in five organizations, as follows:

1. Departmental Administration (DA) manages 7 activity centers in three broad categories:

   (A) Beltsville Service Center:

   - Central Supply Stores: operates a self-service supply facility in the USDA South Building (Washington, DC) and a bulk warehouse in Beltsville, Maryland. Both facilities stock common office supplies.
   - Consolidated Forms and Publications Distribution Center: provides forms warehousing, distribution, and transportation services for Departmental, agency, and standard forms.
   - Central Excess Property Operation: provides Departmental agencies with excess and surplus property disposition services in addition to furniture rehabilitation services.

   (B) Mail and Reproduction Management:

   - Central Mail Unit: furnishes USDA agencies in the D.C. Buildings Complex with door-to-door mail pick up and delivery services.
   - Departmental Mailing List Service: furnishes USDA agencies with Departmental mailing lists, and high-volume headquarters local printing services for National Finance Center reports.
   - Reproduction Services: provides short-order and special order duplicating services, and walk-up/self-service and high volume copying services (this item includes what was identified in previous years as Duplicating Unit and Copier Service).

   (C) Miscellaneous Central Services:

   - Central Shipping and Receiving: administers receipt and shipment of parcels in the D.C. Buildings Complex and the Beltsville Office Facility (George Washington Carver Center).

2. The Office of Communications manages 2 WCF activities:

   (A) Broadcast Media and Technology Center (BMTC): provides video production services to USDA agencies, and studio and production facilities for teleconferences in which USDA agencies participate.

   (B) Design Center: provides USDA agencies with exhibit design and visitor center support services.

3. OCFO manages two WCF activities:

   (A) National Finance Center (NFC): which provides financial and administrative management services to USDA agencies and more than 100 non-USDA entities. Services provided by NFC fall into three broad categories: USDA Services, External Support (services to non-USDA/non-Thrift Savings Plan agencies), and Thrift Savings Plan (TSP) Support.

   (B) Financial Services: provides financial operations and financial statement support, and provides Department-level coordination of competitive sourcing/A-76 activities. Because of the importance of these functions, they are reflected as a distinct WCF activity.

4. The Office of the Chief Information Officer (OCIO) manages information technology services under 6 activity centers in two organizations:

   (A) National Information Technology Center:

   - IT Services: provides mainframe computing services, ADP training, and other ADP services to USDA agencies and non-USDA entities
   - Applications Services: supports systems and software development services to USDA agencies and non-USDA users.

   (B) Telecommunications Services and Operations:

   - Telecommunications Business Services: responsible for Department-wide telecommunications management support services; provides an integrated information system for inventory management, FTS2001 billing, reporting, and validation; supports telecommunications modernization efforts; manages internet access; provides optimal wide area network solutions for security and operations, and telecommunications research and development, test and evaluation (this activity includes the former "Network Engineering" function).
   - Computer Services Unit: plans, acquires, implements, and manages information technology (IT) resources for the Office of Secretary and Office of the Chief Information Officer, ensures compliance with information resources management standards and polices, provides economies and efficiencies in the use of IT through elimination of duplication and sharing of resources.
   - Telecommunications Customer Services: maintains and administers the USDA telecommunications equipment and services inventory in the D.C. Buildings Complex, publishes the USDA telephone directory, provides automated telephone directory-employee locator services, manages the Departmental voice mail system service.
   - Network Services: provides technical and operations assistance on data networking telecommunications systems, and design, installation, operation, and management of value-added, common shared services provided on Departmental Headquarters networks and platforms.

5. The Office of the Executive Secretariat (OES) analyzes, manages, and tracks mail in fulfilling its responsibilities to control executive correspondence. OES ensures a timely and accurate response to inquiries made to the Department, provides information to Department officials in a timely manner and establishes Department-wide procedures and policies for handling executive records and documents.

In addition to the operating activities of the WCF, the fund supports efforts in corporate systems development and implementation. Initiatives funded in FY 2002/2003 include the following:

1. Foundation Financial Information System (FFIS) Project Management Office: Managed by OCFO, this office administers development, implementation, and data warehousing of FFIS. The objectives of this initiative are to implement improved financial and accounting processes at USDA; to replace the current accounting system at the NFC (thereby ensuring compliance with the Standard General Ledger, a

prerequisite for achieving unqualified opinions of Departmental financial statements); and to develop a Financial Data Warehouse that will merge financial information from FFIS, program systems, and administrative systems.

2. Integrated Procurement Systems: Managed by DA, efforts in this area are geared toward streamlining and improving procurement processes and systems, and developing and implementing an integrated acquisition "toolkit;" improvements in purchase card processes and development, implementation, and operation of a purchase card system; and maintenance and upgrade of software systems to provide agencies with standard contract language support services.

3. Universal Telecommunications Network: Managed by OCIO, this initiative supports comprehensive telecommunications strategy to expand capacity; improve response time/availability; enhance network management practices; implement more effective security; and establish the means to respond to future expansion of telecommunications needs.

Management of the WCF through the Office of the Chief Financial Officer is accomplished in Washington, D.C.

OIG Reports

#50401-45-FM Working Capital Fund Financial Statement Audit for Fiscal Year 2001.

3-13

WORKING CAPITAL FUND

Available Funds and Staff Years
2002 Actual and Estimated 2003 and 2004

Item	2002 Actual		2003 Estimated		2004 Estimated	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Working Capital Fund						
Recurring Oper. (USDA)						
Administration	$21,052,000	161	22,770,000	185	23,657,000	185
Communications	4,522,000	25	4,220,000	28	4,347,000	28
Fin. & Mgt.	67,034,000	600	72,129,000	610	72,796,000	568
Info. Technology	59,444,000	195	64,897,000	211	67,224,000	211
Exec. Secretariat	1,959,000	18	2,644,000	21	2,724,000	21
Corporate Syst.	37,631,000	66	38,725,000	71	38,866,000	70
Intrafund Adj. a/	-4,900,000	0	-5,478,000	0	-5,637,000	0
Subtotal	186,742,000	1,065	199,907,000	1,126	203,977,000	1,083
Purch of Equip.	18,098,000	0	37,653,000	0	17,479,000	0
Corporate Systems	0	0	0	0	0	0
Subtotal (USDA)	204,840,000	1,065	237,560,000	1,126	221,456,000	1,083
Recurring Oper. (Non-USDA)						
Administration	926,000	15	909,000	0	928,000	0
Communications	238,000	0	484,000	1	493,000	1
Fin. & Mgt.	50,095,000	439	47,927,000	406	51,845,000	407
Info. Technology	14,868,000	36	14,176,000	41	13,483,000	41
Subtotal (Non-USDA)	66,127,000	490	63,496,000	448	66,749,000	449
Recurring Oper. (Non-Federal)						
Thrift Svgs Plan	52,408,000	525	58,311,000	551	55,623,000	501
Total, WCF	323,375,000	2,080	359,367,000	2,125	343,828,000	2,033

a/ Represents costs for service billed by one WCF activity to another, primarily by the National Information Technology Center to the FFIS project. Without the adjustment, costs would be "double-counted" in the total WCF estimate.

3-14

WORKING CAPITAL FUND
Permanent Positions by Grade and Staff Year Summary
2002 Actual and Estimated 2003 and 2004

Grade	2002			2003			2004		
	Wash DC	Field	Total	Wash DC	Field	Total	Wash DC	Field	Total
ES-5	0	1	1	1	1	2	0	1	1
ES-4	0	0	0	0	1	1	0	1	1
ES-3	0	5	5	1	4	5	1	4	5
ES-2	1	2	3	0	2	2	0	2	2
ES-1	1	0	1	0	0	0	0	0	0
GS-15	9	24	33	8	24	32	8	24	32
GS-14	26	81	107	31	80	111	30	75	105
GS-13	43	218	261	56	226	282	58	216	274
GS-12	41	317	358	38	320	358	39	311	350
GS-11	22	143	165	26	144	170	26	134	160
GS-10	1	38	39	0	38	38	0	38	38
GS-9	12	59	46	16	52	68	14	51	65
GS-8	2	78	49	1	67	68	2	63	65
GS-7	12	384	371	16	369	385	16	359	375
GS-6	20	248	268	18	243	261	18	233	251
GS-5	16	106	122	16	106	122	15	91	106
GS-4	34	80	114	38	81	119	38	66	104
GS-3	3	13	16	4	12	16	4	12	16
GS-2	0	20	20	0	20	20	0	18	18
GS-1	0	1	1	0	1	1	0	1	1
Other Graded Positions	23	0	23	26	0	26	26	0	26
Ungraded Positions	5	35	40	0	38	38	0	38	38
Total Permanent Positions	271	1,853	2,124	296	1,829	2,125	295	1,738	2,033
Unfilled Positions end of year	22	81	103	0	0	0	0	0	0
Total, Permanent Full-Time Employment, end-of-year	249	1,772	2,021	296	1,829	2,125	295	1,738	2,033
Staff Yr. Estimate	250	1,830	2,080	296	1,829	2,125	295	1,738	2,033

3-15

WORKING CAPITAL FUND

Classification by Objects
2002 Actual and Estimated 2003 and 2004

	2002	2003	2004
Personnel Compensation:			
Washington, D.C.	$12,927,000	$16,284,000	$17,039,000
Field	97,427,000	99,945,000	101,048,000
11 Total personnel compensation	110,354,000	116,229,000	118,087,000
12 Personnel benefits	26,788,000	24,433,000	24,540,000
13 Benefits for former personnel	47,000	17,000	18,000
Total personnel comp. & benefits	137,189,000	140,679,000	142,645,000
Other Objects:			
21 Travel	1,938,000	1,784,000	1,805,000
22 Transportation of things	1,202,000	1,024,000	1,041,000
23.1 Rental payments to GSA	4,002,000	4,919,000	5,031,000
23.2 Rental payments to others	2,239,000	2,295,000	2,350,000
23.3 Communications, utilities, and misc. charges	32,891,000	41,735,000	42,381,000
24 Printing and reproduction	1,185,000	1,392,000	1,421,000
25.1 Advisory & Assistance Services	0	113,000	115,000
25.2 Other services	74,258,000	77,094,000	76,512,000
25.3 Purchases of goods and services from Government Accounts	6,098,000	6,677,000	6,875,000
25.4 Operation and maintenance of facilities	558,000	588,000	374,000
25.7 Operation and maintenance of equipment	34,146,000	36,172,000	39,649,000
26 Supplies and materials	9,430,000	9,467,000	8,748,000
31 Equipment	23,094,000	40,904,000	20,516,000
43 Interest	45,000	2,000	2,000
Total other objects	191,086,000	224,166,000	206,820,000
Total direct obligations*	328,275,000	364,845,000	349,465,000
Position Data:			
Average Salary, ES positions	$122,000	$125,000	$127,000
Average Salary, GS positions	$38,000	$41,000	$42,000
Average Grade, GS positions	9.1	9.2	9.2

3-16

WORKING CAPITAL FUND

Recurring Operations	
Current Estimate, 2003	$321,714,000
Budget Estimate, 2004	326,349,000
Change in Estimate	+4,635,000
Capital Acquisitions	
Current Estimate, 2003	$16,653,000
Budget Estimate, 2004	17,479,000
Change in Estimate	+826,000
Corporate Systems (appropriated)	
Current Estimate, 2003	$21,000,000
Budget Estimate, 2004	0
Change in Estimate	-21,000,000
Total, Working Capital Fund	
Current Estimate, 2003	$359,367,000
Budget Estimate, 2004	343,828,000
Change in Estimate	-15,539,000

3-17

WORKING CAPITAL FUND

SUMMARY OF INCREASES AND DECREASES
(Program Activity)

Item of Change	2003 Estimated	Pay Costs	Program Changes	2004 Estimated
1. Administration:	$23,679,000	+$252,000	+$654,000	$24,585,000
Beltsville Service Center	9,068,000	+75,000	+111,000	9,254,000
Mail and Reproduction Management	13,687,000	+172,000	+497,000	14,356,000
Central Shipping and Receiving	924,000	+5,000	+46,000	975,000
2. Communications:	4,704,000	+58,000	+78,000	4,840,000
Broadcast Media & Technology Ctr.	2,551,000	+34,000	+37,000	2,622,000
Design Center	2,153,000	+24,000	+41,000	2,218,000
3. Finance & Management:	178,367,000	+2,807,000	-910,000	180,264,000
NFC/USDA	69,182,000	+1,049,000	-473,000	69,758,000
NFC/External Support	47,927,000	+722,000	+3,196,000	51,845,000
NFC/TSP Support	58,311,000	+980,000	-3,668,000	55,623,000
Financial Services	2,947,000	+56,000	+35,000	3,038,000
4. Information Technology:	79,073,000	+604,000	+1,029,000	80,706,000
National Information Tech. Center	57,259,000	+485,000	+598,000	58,342,000
Telecommunications Services	21,814,000	+119,000	+431,000	22,364,000
5. Executive Secretariat	2,644,000	+41,000	+39,000	2,724,000
6. Corporate Systems	38,725,000	+183,000	-41,000	38,867,000
FFIS Project Office	28,467,000	+146,000	+302,000	28,915,000
Integrated Procurement Systems	7,435,000	+28,000	-573,000	6,890,000
Universal Telecom. Network	2,823,000	+9,000	+230,000	3,062,000
Intrafund Adjustment	-5,478,000	0	-159,000	-5,637,000
Total Recurring Operations	321,714,000	+3,945,000	+690,000	326,349,000
Capital Equipment	16,653,000	0	+826,000	17,479,000
Corporate Systems (appropriation)	21,000,000	0	-21,000,000	0
Total	359,367,000	+3,945,000	-19,484,000	343,828,000

PROJECT STATEMENT/1
(Program Activity)

	2002 Actual		2003 Estimated		Increase or Decrease	2004 Estimated	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
1. Admin.:	$21,978,000	176	$23,679,000	185	+$906,000 (1)	$24,585,000	185
Belts. Svc. Ctr.	9,031,000	52	9,068,000	52	+186,000	9,254,000	52
Mail/Repr. Mgt.	12,109,000	122	13,687,000	131	+669,000	14,356,000	131
Cent. Ship./Rec.	838,000	2	924,000	2	+51,000	975,000	2
2. Commun.:	4,760,000	25	4,704,000	29	+136,000 (2)	4,840,000	29
BMTC	2,267,000	15	2,551,000	16	+71,000	2,622,000	16
Design Ctr.	2,493,000	10	2,153,000	13	+65,000	2,218,000	13
3. Fin. & Mgt.:	169,537,000	1,564	178,367,000	1,567	+1,897,000 (3)	180,264,000	1,476
NFC/USDA	67,034,000	568	69,182,000	590	+576,000	69,758,000	548
NFC/Ext. Supp.	50,095,000	464	47,927,000	406	+3,918,000	51,845,000	407
NFC/TSP Supp.	52,408,000	532	58,311,000	551	-2,688,000	55,623,000	501
Financial Svcs.	0	0	2,947,000	20	+91,000	3,038,000	20
4. Info. Tech.:	74,312,000	231	79,073,000	252	+1,633,000 (4)	80,706,000	252
NITC	55,278,000	189	57,259,000	204	+1,083,000	58,342,000	204
Telecom. Svcs.	19,034,000	42	21,814,000	48	+550,000	22,364,000	48
5. Exec. Secr.	1,959,000	18	2,644,000	21	+80,000 (5)	2,724,000	21
6. Corp. Systems:	37,631,000	66	38,725,000	71	+142,000 (6)	38,867,000	70
FFIS Proj. Off.	27,123,000	57	28,467,000	58	+448,000	28,915,000	57
Int. Proc. Syst.	5,276,000	8	7,435,000	10	-545,000	6,890,000	10
Univ. Tele. Net.	5,232,000	1	2,823,000	3	+239,000	3,062,000	3
Intrafund Adj.	-4,900,000	0	-5,478,000	0	-159,000	-5,637,000	0
Total Rec. Oper.	305,277,000	2,080	321,714,000	2,125	+4,635,000	326,349,000	2,033
Capital Equip.	18,098,000	0	16,653,000	0	+826,000 (7)	17,479,000	0
Corp. Sys. (appr.)	0	0	21,000,000	0	-21,000,000 (7)	0	0
Tot. Avail. or Est.	323,375,000	2,080	359,367,000	2,125	-15,539,000	343,828,000	2,033

1/ The Working Capital Fund (WCF) is a financing mechanism that supports activities in five Departmental organizations; it does not prepare a stand-alone strategic/performance plan. At the discretion of the respective organizational entities, WCF activities would be included among those organizational strategic/performance plans.

3-19

PROJECT STATEMENT
(USDA Activity)

	2002 Actual		2003 Estimated		Increase or Decrease	2004 Estimated	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
1. Admin.:	$21,052,000	161	$22,770,000	185	+$887,000	$23,657,000	185
Belts. Svc. Ctr.	8,215,000	37	8,232,000	52	+171,000	8,403,000	52
Mail/Repr. Mgt.	11,999,000	122	13,614,000	131	+665,000	14,279,000	131
Cent. Ship./Rec.	838,000	2	924,000	2	+51,000	975,000	22
2. Commun.:	4,522,000	25	4,220,000	28	+127,000	4,347,000	28
BMTC	2,178,000	15	2,425,000	15	+73,000	2,498,000	15
Design Ctr.	2,344,000	10	1,795,000	13	+54,000	1,849,000	13
3. Fin. & Mgt.:	67,034,000	568	72,129,000	610	+667,000	72,796,000	568
NFC/USDA	67,034,000	568	69,182,000	590	+576,000	69,758,000	548
Financial Svcs.	0	0	2,947,000	20	+91,000	3,038,000	20
4. Info. Tech.:	59,444,000	195	64,897,000	211	+2,326,000	67,223,000	211
NITC	40,465,000	153	43,182,000	163	+1,778,000	44,960,000	163
Telecom. Svcs.	18,979,000	42	21,715,000	48	+548,000	22,263,000	48
5. Exec. Secr.	1,959,000	18	2,644,000	21	+80,000	2,724,000	21
6. Corp. Systems:	37,631,000	66	38,725,000	71	+142,000	38,867,000	70
FFIS Proj. Off.	27,123,000	57	28,467,000	58	+448,000	28,915,000	57
Int. Proc. Syst.	5,276,000	8	7,435,000	10	-545,000	6,890,000	10
Univ. Tele. Net.	5,232,000	1	2,823,000	3	+239,000	3,062,000	3
Intrafund Adj.	-4,900,000	0	-5,478,000	0	-159,000	-5,637,000	0
Total Rec. Oper.	186,742,000	1,033	199,907,000	1,126	+4,070,000	203,977,000	1,083
Capital Equip.	18,098,000	0	16,653,000	0	+826,000	17,479,000	0
Corp. Sys. (appr.)	0	0	21,000,000	0	-21,000,000	0	0
Tot. Avail. or Est.	204,840,000	1,065	237,560,000	1,126	-16,104,000	221,456,000	1,083

3-20

PROJECT STATEMENT
(Non-USDA Activity)

	2002 Actual		2003 Estimated		Increase or Decrease	2004 Estimated	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
1.Admin.:	$926,000	15	$909,000	0	+$19,000	$928,000	0
Belts. Svc. Ctr.	816,000	15	836,000	0	+15,000	851,000	0
Mail/Repr. Mgt.	110,000	0	73,000	0	+4,000	77,000	0
2. Commun.:	238,000	0	484,000	1	+9,000	493,000	1
BMTC	89,000	0	126,000	1	-2,000	124,000	1
Design Ctr.	149,000	0	358,000	0	+11,000	369,000	0
3. Fin. & Mgt.:	102,503,000	996	106,238,000	957	+1,230,000	107,468,000	908
NFC/Ext. Supp.	50,095,000	464	47,927,000	406	+3,918,000	51,845,000	407
NFC/TSP Supp.	52,408,000	532	58,311,000	551	-2,688,000	55,623,000	501
4. Info. Tech.:	14,868,000	36	14,176,000	41	-693,000	13,483,000	41
NITC	14,813,000	36	14,077,000	41	-695,000	13,382,000	41
Telecom. Svcs.	55,000	0	99,000	0	+2,000	101,000	0
Tot. Avail. or Est.	118,535,000	1,047	121,807,000	999	+565,000	122,372,000	950

JUSTIFICATION OF INCREASES AND DECREASES

In the categories of Administration and Information Technology, WCF activities are aggregated under functional categories to simplify presentation. The aggregated functions are as follows:

Administration:

Beltsville Service Center: (Belts. Svc. Ctr.)	Central Supply Stores Consolidated Forms and Publications Distribution Center Central Excess Property Operation
Mail and Reproduction Mgt.: (Mail/Repr. Mgt.)	Central Mail Unit Duplicating Unit Copier Center Departmental Mailing List Service
Central Shipping and Recv.:	Central Shipping and Recv.

Information Technology:

National Information Technology Center (NITC):	Information Technology (IT) Services Applications Services
Telecommunications Services:	Business Services Computer Services Unit Telecommunications Customer Services Center Network Services

Justifications of increases and decreases among WCF activities are as follows:

(1) A net increase of $906,000 for recurring operations of Administration consisting of:

Beltsville Service Center	$186,000
Mail and Reproduction Services	+669,000
Central Shipping and Receiving	+51,000
Total	+$906,000

(a) An increase of $111,000 to provide personal property services to USDA and non-USDA agencies through the Beltsville Service Center.

The increase supports expected non-pay inflation costs associated with supply, forms warehousing, and excess property services, and oversight costs.

(b) An increase of $497,000 to provide mail and reproduction services to USDA and non-USDA agencies.

The increase supports expected non-pay inflation costs associated with mail delivery and processing, copier and duplicating, and mailing list services, and oversight costs.

(c) An increase of $46,000 to provide shipping and receiving services to USDA agencies.

The increase reflects estimated non-pay inflation and oversight costs.

(d) An increase of $252,000 for pay costs.

This increase is needed to retain personnel needed to meet the expected level of program operations.

(2) A net increase of $136,000 for recurring operations of Communications, consisting of:

Broadcast Media and Technology Center	+$71,000
Design Center	+65,000
Total	+$136,000

(a) An increase of $37,000 for video and teleconferencing services.

The increase reflects primarily estimated non-pay inflation

(b) A increase of $41,000 for visual design services.

The increase reflects primarily estimated non-pay inflation.

(c) An increase of $58,000 for pay cost.

This increase is needed to retain personnel needed to meet the expected level of program operations.

(3) A net increase of $1,897,000 for recurring operations of Finance and Management consisting of:

National Finance Center/USDA Services	+$576,000
National Finance Center/External Support	+3,918,000
National Finance Center/Thrift Savings Plan Support	-2,688,000
Financial Services	+91,000
Total	+$1,897,000

(a) A net decrease of $945,000 for financial and administrative services provided to USDA and non-USDA agencies, and in support of the Thrift Savings Plan by the National Finance Center.

The reduction is primarily the result in efficiencies found in the operation and maintenance of facilities and in other services.

(b) An increase of $35,000 for Financial Services

This function is displayed as a separate item in the WCF budget (new in FY 2003) to highlight the importance of support for the preparation of financial statements and competitive sourcing / A-76 support at the Departmental level. The increase is a reflection of expected non-pay inflation costs.

(c) An increase of $2,807,000 for pay cost.

This increase is needed to retain personnel needed to meet the expected level of program operations.

(4) A net increase of $1,633,000 for recurring operations of Information Technology consisting of:

National Information Technology Center	+$1,083,000
Telecommunications Services	+550,000
Total	+$1,633,000

(a) An increase of $598,000 for mainframe computer and applications design/support services.

The increase reflects estimates of non-pay inflation costs and costs for maintenance of equipment, with some offsetting reductions in contract services.

(b) An increase of $431,000 for telecommunication operations, network support, and computer services to Departmental offices.

The increase is primarily due to effects of non-pay inflation.

(c) An increase of $604,000 for pay cost.

This increase is needed to retain personnel needed to meet the expected level of program operations.

(5) A net increase of $80,000 for recurring operations of Executive Secretariat.

(a) A increase of $39,000 for correspondence management and tracking services.

The increase is primarily the result of non-pay inflation.

(b) An increase of $41,000 for pay cost.

This increase is needed to retain personnel needed to meet the expected level of program operations.

(6) A net increase of $142,000 for recurring operations of Corporate Systems.

Foundation Financial Information System (FFIS)	+$448,000
Integrated Procurement Systems	-545,000
Universal Telecommunications Network	+239,000
Total	+$142,000

(a) An increase of $302,000 for financial information systems.

The increase reflects the net effect of reductions in implementations costs (all USDA agencies are implemented on FFIS as of October 1, 2002), and increases in contract support costs and depreciation, owing to the demand increases stemming from full implementation, as well as non-pay inflation costs.

(b) A decrease of $573,000 for integrated procurement systems.

The change is primarily the effect of reductions in estimated costs for contract support, offset by increases in estimated costs due to non-pay inflation estimates.

(c) An increase of $230,000 for telecommunications infrastructure and security.

The increase is due primarily to estimated increases associated with maintenance of telecommunications equipment, plus non-pay inflation estimates.

(d) An increase of $183,000 for pay cost.

This increase is needed to retain personnel needed to meet the expected level of program operations.

(7) An expenditure of $17,479,000 for capital acquisitions in FY 2004 ($37,653,000 allocated in FY 2003, including $21,000,000 in appropriated funds for corporate systems development, implementation, and support):

(a) Expenditures for capital acquisitions are as follows:

	2003	2004
Administration: (none allocated)		
Communications:		
Broadcast Media and Technology Center	$164,000	$160,000
Total	$164,000	$160,000
Finance and Management:		
National Finance Center	$6,720,000	$3,000,000
Total	$6,720,000	$3,000,000
Information Technology:		
National Information Technology Center	$6,464,000	$3,000,000
Telecommunications Services	3,407,000	1,080,000
Total	$9,871,000	$4,080,000
Executive Secretariat: (none allocated)		
Corporate Systems:		
FFIS Project Management Office	$10,810,000	1,900,000
Integrated Procurement Systems	7,188,000	6,439,000
Universal Telecommunications Network	$2,900,000	$1,900,000
Total	$20,898,000	$10,239,000
TOTAL, Working Capital Fund	$37,653,000	$17,479,000

Capital acquisitions reflect the most economical purchases of equipment and other capital investments. Capital is allocated among activity centers up to the limit of availability based on

their respective equipment and capital needs. Such allocations are not based on any prior year allocation that might have been made to activities. Requests for capital must be justified to and reviewed by the WCF Executive Committee and WCF Controller before final allocations are made. In evaluating capital requests, the primary principle governing allocations is that where it is advantageous for the Government to purchase rather than lease assets (based on total costs over the life of the asset), capital acquisition resources are allocated. Where it is less advantageous to do so, equipment and other assets are leased (lease costs are reflected in operating costs for activity centers). In all cases, acquisitions (purchase or lease) are made in response to anticipated demand for service with an eye toward minimizing unit costs of service. Further, acquisitions will be made in a manner consistent with requirements set forth by the Office of the Chief Information Officer for information technology investments.

Working Capital Fund

Geographic Breakdown of Funding and Staff-Years
2002 Actual and Estimated 2003 and 2004

	2002		2003		2004	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Colorado	$21,706,000	66	$26,431,000	81	$24,616,000	81
District of Columbia	73,038,000	249	91,756,000	293	82,549,000	293
Louisiana	173,833,000	1,564	182,140,000	1,547	180,226,000	1,456
Maryland	9,086,000	52	9,068,000	52	9,254,000	52
Missouri	50,612,000	149	55,450,000	152	52,820,000	152
Intrafund Adj.	-4,900,000	0	-5,478,000	0	-5,637,000	0
Total, Available or Estimate	323,375,000	2,080	359,367,000	2,125	343,828,000	2,033

WORKING CAPITAL FUND INCOME DISTRIBUTION SUMMARY: FY 2002 - 2004
(Dollars in Thousands)

Agency	FY2002 Actual	FY 2003 Estimate/1	FY 2004 Estimate/1
Office of the Secretary	562	616	725
AMS	5,713	6,567	6,754
ARS	7,765	9,138	9,141
Rural Development	23,684	21,653	22,145
RMA	1,249	1,683	1,729
FAS	2,847	2,913	3,110
FS	60,014	67,136	68,270
OC	959	889	915
OGC	684	869	887
NRCS	12,862	14,330	14,467
ERS	533	555	551
NASS	2,719	3,126	3,267
CSREES	2,122	2,282	2,387
OIG	1,141	1,303	1,286
FNS	3,441	4,372	4,451
APHIS	9,069	10,087	10,392
GIPSA	1,349	1,682	1,745
FSIS	9,758	9,393	9,271
OCE	267	325	333
OBPA	442	427	449
OCFO	5,722	5,720	5,857
DA	4,335	4,564	4,628
OES	81	112	103
FSA	22,771	24,891	25,465
OCIO	4,267	4,772	5,123
NAD	417	502	526
Total/USDA Basic Services	187,773	199,907	203,977
Non-USDA/Non-TSP	68,499	63,496	66,749
Thrift Savings Plan	52,408	58,311	55,623
Total, Working Capital Fund/2	305,680	321,714	326,349

1/ Amounts are estimates; actual costs incurred under agreements or specific service demand will be billed to USDA customer agencies consistent with methodologies published and provided to USDA customer agencies. Non-USDA costs will be billed in accordance with agreements between WCF activities and serviced non-USDA agencies.

2/ Amounts reflect income. FY 2002 income amount shown here will not necessarily equal FY 2002 amounts shown in other exhibits, which reflect costs. Incidental profits or losses occur during execution in revolving funds such as the WCF and are recorded in the fund's operating reserves.

3g-7

WORKING CAPITAL FUND

STATUS OF PROGRAM

The Office of the Chief Financial Officer (OCFO), in addition to its responsibilities in financial policy and operations, is responsible for the administration of the Working Capital Fund (WCF). The Chief Financial Officer is the Departmental official charged with responsibility for the financial health of the WCF, and the Associate Chief Financial Officer for Financial Policy and Planning serves as Controller of the WCF in charge of day to day financial management. A staff tasked to the Controller supports the OCFO in fulfilling this mission. In addition to its responsibilities for administration of the WCF, OCFO also manages three WCF activities: the National Finance Center, Financial Services, and the Foundation Financial Information System (FFIS) Project Office.

The WCF is a financing mechanism that provides support to more than 20 financial, administrative, and information technology activity centers across five Departmental organizations. Current activities and examples of recent progress are outlined below.

ADMINISTRATION

Current Activities. Activities under this heading are managed under the Assistant Secretary for Administration and include the following (all activities in Washington, DC, unless otherwise noted):

Beltsville Service Center (Beltsville, MD):

- Central Supply Stores (self-service store operations managed in Washington, DC)
- Consolidated Forms and Publications Distribution Center
- Central Excess Property Operation

Central Shipping and Receiving (services both Washington, D.C. offices and the George Washington Carver Center (GWCC))

Mail and Reproduction Management:

- Central Mail Unit
- Duplicating Unit
- Copier Service
- Departmental Mailing List Service

Activity centers provide cost-effective property, mail and reproduction, and other administrative services to primarily USDA agencies. Since services are demand-based (i.e., customers have discretion to make use of the services provided), the primary goals are sustaining high quality in service delivery and minimizing unit costs for services delivered.

Selected Examples of Recent Progress:

- Implemented enhancements to the functionality of the Beltsville Service Center (BSC) and mail services web pages.
- Completed the first phase of a three-phase re-warehousing project, an effort to move and relocate office supplies, forms, publications, and office equipment to improve the operational efficiency of the warehouse.

- Expanded the mobile supply vending machine to the National Agriculture Library (NAL), and the Beltsville Agricultural Research Center (BARC) Buildings 200 and 306.

- Upgraded the Copier Management Information System (CMIS) to reflect more accurate information on the operational cost of the copier equipment – actual costs of leases, maintenance, consumables, and other costs related to copier equipment. This information allows the recovery of actual costs and subsequently more accurate billing to customers.

- Made available e-Printing (web-based job submission). This service allows the customer to submit jobs from their desktop PC to the Duplicating Center. The job is then delivered to the customer's office. This new service has attracted new customers. The Duplicating Center is advertising the service on posters and via e-mail.

COMMUNICATIONS

Current Activities. Activities under this heading are managed by the Office of Communications and include the following (all activities in Washington, DC):

- Broadcast Media and Technology Center (formerly "Video and Teleconferencing Center")
- Design Center

Centrally managed teleconferencing services and video production technologies afford users promising cost efficiencies. These strategies allow users to avoid higher costs of travel while maintaining contact between headquarters offices and field offices, agricultural program clients, and the general public. The Broadcast Media & Technology Center (BMTC) produces informational videos, TV public service announcements, national telecasts, satellite media interviews, video and audio conferences and audio and video web streaming (live and archived). Topics covered include Farm Bill implementation, food safety, meat and poultry processing training, international trade, forestry and conservation programs, employee updates, administrative training and rural development issues. The Design Center provides centralized design management through the use of design standards and various creative services to the Department. It maintains a creative electronic graphics studio for print media, non-printing electronic media and exhibit fabrication. It maintains an electronic archive storage site for departmental print and exhibit material. The Design Center offers complete services in the planning of print, interactive media, marketing, consultation in communication planning, language translations for print material, audience evaluation, production art, specialized contracting and exhibit fabrication services.

Selected Examples of Recent Progress.

- The BMTC staff assisted with audio bridges and web streaming technology as the Radio Center conducted telephone news conferences with the Secretary of Agriculture. Excerpts from those news conferences were used on both USDA's radio news line and feature services.

- Television news producers in the BMTC produced 130 stories in FY 2002, up from 106 in FY 2001 because of the efficient workflow which uses networked editing systems. The stories covered mission messages including Farm Bill implementation, trade, biotechnology, rural development, research, water quality, nutrition, food aid, national forests, conservation, cooperative extension, small farms, marketing and food aid among other topics. These stories were aired on two nationally syndicated programs specifically targeted to rural areas and farmers. Video news releases and selected sound bites are also available to the public as "streaming media" files with direct links from the USDA Home Page on the Internet.

- Audio and Video Streaming: The BMTC coordinated and produced audio and video streaming through USDA's Internet home page that provided desktop coverage of several press conferences by the

Secretary on such topics as Trade and Farm Bill Implementation. This service offered immediate access through the Internet by the public for events as they happened.

- Audio Conferencing: A total of 4,600 audio conferences on a variety of agricultural, nutritional and rural development related topics were produced by BMTC. A total of 5,512 hours of audio conferencing was used for the 4,600 conferences. This service volume has kept rates for audio conferences steady while helping USDA agencies communicate with field staffs about ongoing and emerging issues. The BMTC won a total of 5 awards in four separate television and video industry competitions; a Gold Screen award from the National Association of Government Communicators; one Telly award honoring outstanding non-network TV programing; two Communicators "Awards of Excellence," which are presented to entrants whose ability to communicate elevates them among the best in the field; and one Aegis award honoring outstanding professional video productions and TV commercials.

- Design Center supported the following significant efforts:

Marketing and campaign projects:

- USDA Farm Policy Guide
- Risk Management Education Teaching Kits: education tools for industry use in providing information to farmers on the values of industry insurance
- Risk Management Education and Outreach for Under-served States
- Food and Nutrition Service/Food Stamp Retailer Instructional Products: posters in multiple languages, kit book, specialty design with kit folders, transparencies, handouts, video labels, and compact disks
- Food and Nutrition Service/Power of Choice: "Purple Panther" materials, compact disk duplications
- Multi-Agency Homeland Security: print and web products, posters, flyers, banners, and brochures

Design and fabrication projects:

- Army Corps of Engineers Visitor Center (J. Strom Thurmond Dam and Lake Power Plant, Clarks Hill, SC)
- Army Corps of Engineers Information Center (regional office, Jacksonville, FL)
- Forest Service (Wayne National Forest Visitor Center, Ohio)
- Bureau of Printing and Engraving, U.S. Treasury, Fort Worth (TX) Visitor Center
- USDA Children's Gallery (Washington, DC)
- USDA Visitor Center (Washington, DC)

Web site design and development projects:

- USDA Farm Bill
- New USDA web site (under development)
- USDA Children's web site on "Leaders for Tomorrow"
- Risk Management Agency access site

3g-10

FINANCE AND MANAGEMENT

Current Activities: Activities under this heading are managed by the Office of the Chief Financial Officer (OCFO). Activities under this heading include the following (all activities in Washington, DC, unless otherwise noted):

- National Finance Center (New Orleans, LA)
  Financial Services

The National Finance Center (NFC) continues to play a central role in the reengineering and operation of financial management and administrative systems in USDA, consistent with the goals and objectives of both the USDA 5-Year Financial Management Plan and the Chief Financial Officer's Strategic Plan. NFC administers and operates over 20 financial and administrative service systems in support of all agencies of USDA and over 100 non-USDA customers. These systems include such services as: payroll/personnel, central accounting, billing and collections, and travel. Systems development, implementation, and maintenance activities are performed in the context of ongoing customer requirements, while developmental efforts are underway at the NFC as important elements of the Department's broader efforts to modernize financial and administrative systems.

NFC also provides record keeping and loan operations support services on behalf of the Federal Employees Retirement System/Thrift Savings Plan. In FY 2003, NFC will provide services in support of more than 3.0 million accounts.

Financial Services includes two categories of service: financial operations and reporting, and competitive sourcing. This is a new activity established in FY 2003 under the finance and management umbrella of services.

Selected Examples of Recent Progress:

- NFC Staff successfully managed the TSP record keeping function for the $100 billion TSP System and its 3.0 million participants. The NFC Staff processed over $11.5 billion in contributions, disbursed over $4 billion in withdrawals and loans, and collected over $1.8 billion in loan payments.

- NFC successfully implemented the Uniformed Services into the Thrift Savings Plan (TSP) System in January 2002. The entire project team was recognized for their significant support and contributions to the project.

- NFC was contracted by the Office of Personnel Management (OPM) for the development of the Centralized Enrollment Clearing House System (CLER) for OPM's Federal Employees Health Benefit plan. NFC was responsible for designing, developing, implementing, and comprehensively operating the system, which was operational in March 2002. This system provided the Government with the ability to demonstrate accurate premium payments, thus allowing the Justice Department to defend OPM and bring to an end more than $100 million in settlement payments.

- NFC implemented a new program to deliver trusted, secured cyber transactions through a public key infrastructure (PKI) system. NFC's PKI program has been recognized by the Administration's e-Authentication program as a pacesetter and by OMB as a key solution component for integration of the Administration's e-Government/e-commerce initiatives. On September 18, 2002, NFC was recognized as one of the Inaugural Agencies to Cross Certify with the Federal Bridge Certification Authority at a ceremony at the White House Communications Center.

- NFC recently was selected by the Office of Personnel Management and the Office of Management and Budget to serve as one of the Government's payroll providers under the President's e-Payroll initiative, thus positioning NFC to play a key role in consolidating payroll operations and reducing systems cost by almost $1 billion over the next 7 years.

- Other FY 2002 Payroll/Personnel successes at NFC include: biweekly payroll average of approximately 479,402 employees, with an average of only 7 employees remaining unpaid through the automated system each payroll cycle; issuance of 568,400 W-2's for 2001, with 100 percent of all system-generated W-2's by January 31, 2002; 10,500 retirement claims processed; payroll disbursements of approximately $26 billion with all payment schedules met; 53,867 Form 1099s for 2001 processed and mailed by January 31, 2002; 228,357 payroll inquiries processed; 31,391 separations processed; 232,288 Federal Employee Health Benefit transactions processed; and 617 payroll schedules processed.

INFORMATION TECHNOLOGY

Current Activities: Activities under this heading are managed by the Office of the Chief Information Officer (OCIO), and include the following (all activities in Washington, DC, unless otherwise noted):

Activity Centers:

National Information Technology Center (NITC):
- IT Services (formerly "Mainframe" (Kansas City, MO))
- Applications Services (Fort Collins, CO)

Telecommunications Services:

- National Telecommunications Services and Operations (formerly "Telecommunications Business Services" and "Network Engineering" (Fort Collins, CO))
- Computer Services Unit
- Telephone Customer Service Center
- Network Services

The National Information Technology Center (NITC) continues to provide users with a comprehensive range of ADP operations, consultation, training, and application design services. Mainframe computing service continues to show significant reductions in unit costs of operation. Applications Services continues to be characterized by high demand for design support. Under the Telecommunications Services and Operations office in OCIO, National Telecommunications Services and Operations provides a wide variety of Department-wide telecommunications management support services, as well as an integrated information system for inventory management, billing, reporting, and validation. The system is also used for engineering and streamlining the Department-wide telecommunications network environment and ensuring that agency telecommunications network solutions are compliant with Departmental program goals and objectives. The Computer Services Unit plans, acquires, implements, and manages information technology (IT) resources for the Office of Secretary and the Office of Chief Information Officer. The Telecommunications Customer Services Center maintains and administers the USDA telecommunications equipmentand services inventory in the D.C. Buildings Complex, provides USDA locator and automated telephone directory employee locator services, and administers the Departmental voice mail system service. Network Services provides technical and operations assistance on data networking telecommunications systems, design, installation, operation, and management of shared services provided on Departmental Headquarters networks and platforms; participates on the design, engineering, provisioning, and operations management of the Enterprise Network; and is responsible for the USDA Telecommunications Security program.

Selected Examples of Recent Progress:

- NITC continued to support and assist in the Forest Service's (FS) effort to implement the Web-enabled Weather Information Management System (WIMS), supported the Forest Service (FS) efforts to make their General Ledger Timber Sales Accounting (GLTSA) reports available to customers via the Internet, and provided FS the capability to delete the unnecessary reports on a daily basis.

- NITC supported Farm Services Agency (FSA) web initiatives. NITC is hosting a Linux application to assist FSA customers in determining how to participate in the new Farm Bill. NITC also procured and is hosting numerous servers to support FSA internet applications.

- NITC provided design, development, and webmaster administration for the OCIO web site. Approximately 1,000 users visit the site on a regular basis. The average visit length iss 15-17 minutes, with 58,012 pages served and 702,378 hits logged. NITC also continues to provide web development to multiple customers. This includes work on numerous platforms and operating systems including Linux.

- NITC supported an Agricultural Research Service (ARS) application to distribute Geographic Information Systems (GIS) software provided by a Department-wide contract. NITC is a full Application Service Provider for this customer, providing application development necessary as well as hosting the server.

- NITC worked with NASS to install platforms for the new Farm Census and for moving e-mail work from an OS/390 environment to an AIX environment. This promises to be a more cost effective platform for the customer.

- NITC implemented a virtual tape system allowing over 50,000 tapes to be removed. This improved performance for our customers. Since implementing Virtual Storage Manager (VSM), approximately 35% of the library is on virtual tape. A total of 41% of the library is controlled by silo robotics (no human intervention required), residing on high capacity tapes.

- NITC worked with APHIS during this period to upgrade the communications link that supports the Automated Targeting System (ATS), doubling the capacity to improve throughput. NITC is also working with APHIS to host a new application for the Asian Longhorn Beetle Eradication System (ALBES).

- NITC supports several FS applications including the Timber Information Manager (TIM) and Automated Timber Sale Accounting (ATSA). In addition to monthly and weekly meetings with project managers, NITC traveled to FS Regions to provide on-site support to resolve difficult issues. NITC also coordinated and hosted TIM training sessions.

- NITC provided application and database support to the Food Safety and Inspection Service (FSIS) Residue Violation Information System (RVIS). The client software was upgraded, the data delivery system for RVIS was re-engineered, and NITC developed a capability within RVIS to automatically generate letters to individuals who are responsible for violating national standards. Previously these letters were generated through a process requiring manual effort.

- NITC began using the Software Engineering Institute's Capabilities Maturity Model (CMM) to improve its processes. The CMM has been used by many organizations, including the GAO, to evaluate the effectiveness and capabilities of software organizations. The ultimate objective is to establish standard repeatable processes and to enable the organization to tailor the processes to support the customers' objectives and goals. NITC developed draft policies and high-level procedures for Software Project

Planning, Project Monitoring and Control, Supplier Agreement Management, Requirements Management, Quality Assurance, and Configuration Management.

- TSO upgraded the departmental voice mail system to support e-Gov requirements by allowing USDA customers and public callers to use the telephone key pad to retrieve, process, and/or route certain information or telephones calls.

- TSO assisted the Office of Operations in the design, coordination and installation of the telecommunication facilities for the Deputy Secretary's Situation Rooms, and organized and managed the design and installation of the DISH Network for the OCIO Video Conference room and the Deputy Secretary's temporary situation room.

EXECUTIVE SECRETARIAT

Current Activities. The Office of the Executive Secretariat (OES) continues to administer internal processes for the efficient management and tracking of correspondence on behalf of the Office of the Secretary and other Department-level offices.

CORPORATE SYSTEMS

Current Activities. The Working Capital Fund finances the development, implementation, and operations of a number of corporate systems initiatives with the aim of taking advantage of state-of-the-art solutions to improve financial and related administrative systems. These include:

Administration: Integrated Procurement Systems (IPS) provides modern, integrated procurement automation tools to the USDA acquisition community that will enable it to enhance support of USDA's mission. The Integrated Acquisition System (IAS) is the centerpiece of this effort.

Finance and Management: Foundation Financial Information System (FFIS) is the cornerstone of corporate financial management at USDA and is the corporate integrated financial management system for USDA that:

- Brings the Department and its agencies into compliance with laws, regulations and federal financial accounting standards, including the U.S. Standard General Ledger;

- Is the basis for sound financial management at USDA; and

- Provides a critical tool for the Department to sustain an unqualified opinion on its Consolidated and Agency Financial Statements.

Information Technology: Universal Telecommunications Network (UTN) efforts are focused on improving the Department's telecommunications infrastructure and security.

Selected Examples of Recent Progress:

Under the Foundation Financial Information System:

- Implemented and converted the following agencies:

  - Agricultural Marketing Service (AMS)
  - Departmental Administration and Staff Offices (DASO)
  - Office of Inspector General (OIG)

- Food and Nutrition Service (FNS)
- Agricultural Research Service (ARS)
- Cooperative State Research, Education, and Extension Service (CSREES)
- Economic Research Service (ERS)
- National Agricultural Statistics Service (NASS)
- Foreign Agricultural Service (FAS
- Grain Inspection, Packers, and Stockyard Administration (GIPSA)

- Designed, developed, tested and implemented enhancements to Federal Agencies' Centralized Trial Balance System. This enhancement resulted in USDA obtaining 100 percent acceptance of USDA's FACTS II transmission to Department of Treasury in the 2nd, 3rd and 4th quarters of FY 2002.

- Implemented Account Receivable enhancements to better manage the accounts receivable portfolio. This enhancement resulted in the planned closure of the legacy Billings and Collections system (BLCO).

- Performed and identified approaches to renovate USDA legacy feeder systems. During FY 2002, significant progress was made to address strategies to renovate and reengineer processes to streamline administrative and financial processes. IMPREST fund system was retired on July 31, 2002, and the Billings and Collections System closed as of September 30, 2002. Consolidation and renovation activities continue in FY 2003 with a controlled approach to improve systems.

- Provided information technology and financial management input to the Request for Proposal (RFP) for the e-travel initiative. E-travel is the targeted solution to replace the USDA legacy travel system.

Under Integrated Procurement Systems (IPS):

- Awarded the contract for development of the Integrated Acquisition System to IBM, Inc.

- Performed pilot and implementation activities at the Food and Nutrition Service and Rural Development.

- Prepared for business process design, change management, and financial interface activities with agencies.

Under Universal Telecommunications Network (UTN):

- Completed the UTN survey collection and analysis effort for business requirements and telecommunications assessment receiving inputs from all USDA agencies and offices.

- UTN presented preliminary results of the survey to committees, councils and conferences; and to the Telecommunications Advisory Sub-Council (TASC). A report on results is under review for final acceptance. Results of this effort comprise the bulk of the effort toward ensuring that business requirements drive the telecommunications solution.

- UTN completed preparations and planning for initial focus group engagement efforts to refine business needs.

- UTN completed significant update to UTN Capital Planning and Investment Control (CPIC) documentation and related documents for executive review and decision-making within the Department and OMB budget process. Major enhancements to the CPIC documentation occurred in the areas of:

  - Business Requirements Analysis

- Business Process Re-engineering Plan.
- Performance Management Plan

- UTN completed an advanced circuit study effort through one-on-one efforts with Forest Service, Farm Service Agency, Agricultural Research Service, Foreign Agricultural Service, Food and Nutrition Service, and OCIO. Information was used to update the Master Circuit Inventory.

Fiscal Year 2004 Hearing Questions
Office of the Chief Information Officer

USDA INFORMATION TECHNOLOGY (IT) BUDGET

Mr. Bonilla: Please provide a table that succinctly shows the fiscal year 2002, 2003 and 2004 funding for IT by agency and for the Department. Please do NOT provide a copy of OMB exhibit 42 or a similar report to answer this question. Provide a breakout between mandatory and discretionary funds, and further breakout discretionary between appropriated and user fee funded.

Response: The following table shows the fiscal year 2002, 2003 and 2004 funding for IT by agency and for the Department, in millions of dollars. This includes funding for staff, hardware and software purchases and support, contractor services; and telecommunications and other infrastructure expenditures. Of the funds expended for IT at USDA, the majority of Food and Nutrition Service expenditures are mandatory, supporting the Food Stamp program. Most other IT funds are discretionary. A complete breakout between mandatory and discretionary is not readily available. [The information follows:]

USDA IT BUDGET SUMMARY BY AGENCY
(Dollars in Millions)

Agency	FY 2002	FY 2003	FY 2004
Agricultural Marketing Service	$16.9	$17.8	$16.2
Agricultural Research Service	40.5	45.0	52.5
Animal and Plant Health Inspection Service	56.2	72.7	81.8
Cooperative State Research, Education & Extension Service	8.3	12.7	12.1
Departmental Administration	19.2	26.4	32.8
Economic Research Service	6.5	7.7	7.6
Farm Service Agency	175.2	177.5	177.3
Food and Nutrition Service	503.9	535.9	573.8
Food Safety and Inspection Service	30.9	40.2	39.2
Foreign Agricultural Service	19.5	23.0	23.3
Forest Service	352.1	374.2	371.0
Grain Inspection, Packers and Stockyards Administration	4.6	9.5	9.2
National Agricultural Statistics Service	17.9	29.8	31.6
National Appeals Division	1.0	1.7	1.0
Natural Resources Conservation Service	83.8	85.2	95.9
Office of Budget and Program Analysis	0.5	0.5	0.6
Office of Communications	0.0	0.5	0.5
Office of the General Counsel	1.0	1.6	1.8

Office of the Inspector General	6.7	9.9	11.2
Office of the Chief Economist	0.8	4.5	4.3
Office of the Chief Financial Officer	216.4	259.2	264.3
Office of the Chief Information Officer	75.3	208.4	224.8
Risk Management Agency	25.0	14.8	28.3
Rural Development	114.2	177.4	189.0
U.S. Department of Agriculture - Total	**$1,776.4**	**$2,136.1**	**$2,250.1**

Data based on information available January 2003.

CONTRACTOR SUPPORT SERVICES

Mr. Bonilla: How much of the fiscal year 2004 information technology budget does USDA plan to spend on contractor support services? How many contracts were in place and how much was spent or is planned to be spent in fiscal years 2002 and 2003?

Response: USDA plans to spend $488 million in FY 2004 for contractor support services. This is 21.6% of the total FY 2004 USDA IT budget. In FY 2002, USDA spent about $288 million or 16% of the total IT budget on contractor support services with 393 contracts in place. In FY 2003, USDA plans to spend an estimated $406 million or 19% of the total estimated FY 2003 budget of $2.14 billion. There are currently 326 contracts in place supporting this expenditure.

FY 2002 and FY 2003 IRM SUPPORT SERVICES CONTRACTS

Mr. Bonilla: Please provide for the record a list of all IRM support services contracts for 2002 and 2003. For each contract, provide information on its cost, length, and purpose.

Response: The attached spreadsheet provides a list by agency of all USDA IRM support services contracts for 2002 and 2003. As requested, it includes information on costs, length, and purpose of the contracts. [The information follows:]

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITIPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
MRP/AMS	Poultry Program Business Process Re-Engineering	PY 01 02	Aquas, Inc	$ 2,046,000 00	3 yrs	9/30/2000	7/2/2003	$ 167,000 00	$ 1,279,000 00	$ 1,279,000 00	$ 600,000 00	To re-engineer the Poultry Riding and Operational Activity Tube systems
MRP/AMS	Science & Technology Remote Data Entry Application System	ST-01-02	CNSI	$ 350,000 00	1 yr	5/30/2001	1/6/2003	$ 350,000 00	$ -			To re-engineer the PDP/ROE software system to ensure compatibility with the new operating system such as Windows 2000 that include provisions for shared resources with the new MDP.
MRP/AMS	Fruit & Vegetable Billing & Inspection Information System (BIIS)	FV-01-01	ILS	$ 200,000.00	2 yrs	8/30/2001	9/30/2002	$ 200,000.00				For the design, development, and deployment of a billing and inspection information system for the Fruit and Vegetable Program, Processed Products Branch
MRP/AMS	Fruit & Vegetable Market News Portal	FV-02-03	SYTEL	$ 220,000 00	1 yr	11/1/2002	11/1/2003	$ 50,000 00		$ 170,000 00	$ 250,000.00	To re-develop the Fruit & Vegetable Program, Market News Branch service website to be more functional and user-friendly and to establish Market News as the premier provider of customized real-time produce price and supply data via the Web.
MRP/AMS	Fruit & Vegetable Interactive CD-ROM for Advertisement of F&V services	43-32KW-1-B-1600	ESC	$ 140,000.00	2 yrs	9/30/2001	9/30/2002	$ 140,000 00				To obtain an interactive CD-ROM with informational pages and links to the services and programs that F&V provides
MRP/AMS	Fruit & Vegetable Economic Database Information Network (EDIN)	FV-02-01	BTG, Inc.	$ 2,436,000 00	3 yrs.	10/1/2000	9/30/2003	$ 745,000 00	$ 384,741 00		$ 320,000 00	To obtain the design, development, and deployment of a data warehousing system for F&V's economic data
MRP/AMS	Market News Database Administration	TS-02-03	CCSI	$ 287,000.00	2 yrs	10/1/2000	9/30/2002	$ 139,000 00	$ 148,000 00	$ 148,000.00		To obtain Oracle database administration and maintenance of the existing Market News Information System
MRP/AMS	Cotton Classing System	CN-01 01	Compaq	$ 5,000,000 00	3yrs			$ 219,000 00	$ 3,210,000 00	$ 3,210,000 00	$ 450 000 00	To upgrade the Cotton Classing Tandem systems
MRP/AMS	AMS E-Business Roadmap+B34	XX-03-TR	Gartner	$ 69,000.00	1 yr.	10/1/2000	9/30/2001	$ 69,000 00	$ -			To identify the business needs of AMS and recommend tactical and strategic technical investments in support of those needs.
MRP/AMS	Livestock & Seed Seed Regulatory and Testing Information System (SRTIS)	LS-03-TR	CCSI	$ 187,000.00	2 yrs	10/1/2001	9/30/2002	$ 26,000 00	$ 131,000 00			To enhance the functionality of the existing Seed Regulatory and Testing Information System (SRTIS) written in Oracle on a modern and reliable platform. The technical design shall provide for a new system that will run the Microsoft NT operating system a
MRP/AMS	Web-based Training	FV-03-TR	UTA	$ 22,000.00	3 mo	7/1/2000	9/30/2000	$ 22,000 00				In order to develop and deliver a web-based training system containing a framework of 15 test.
MRP/AMS	Perishable Agricultural Commodities Act (PACA)	FV-03-02	CCSI	$ 545,005 00	2 yrs			$ 48,000 00	$ 80,000 00			To provide F&V/PACA with a cost effective system for storage of data which resides on paper documents, and the sharing of this data between the regions and headquarters, which is integrated wi the Oracle CRMS
MRP/AMS	Fruit & Vegetable National Inspection Database (NID)	FV-03-TR	SEI	$ 25,000 00	1 month	8/1/2000	9/30/2000	$ 25,000 00				To extract Miami and Philadelphia service center data, and convert the data into the existing National Inspection Database (NID) system
MRP/AMS	Fruit & Vegetable Enhancement of Inspection Services Requirements Analysis	FV-03-01	Galaxy	$ 2,005,000 00	2 yrs.	1/22/2002	6/30/2004		$ 2,005,000 00	$ 2,005,000 00		A requirements analysis study to enhance/replace the NID system
MRP/AMS	Fruit & Vegetable Central Office Information System (CDIS)	FV-03-TR	SEI	$ 280,000.00	10 months	7/16/2001	5/30/2002	$ 246,000 00	$ 33,000 00			To develop and implement the CDIS as a replacement for the FRDIEIS, and enhance and repair the FRDSC system

MRP/AMS	Livestock Mandatory Price Reporting	LS-02-05	CHI	$ 16,920.00	2 months	Feb-00	Apr-00	$ 16,920.00				Requirement Analysis - Part I: per the Livestock Reporting Act of 1999
MRP/AMS	Livestock Mandatory Price Reporting	LS 02-05	PEC	$ 45,059.00	2 months	May-00	Jun-00	$ 45,059.00				Requirement Analysis - Part 2
MRP/AMS	Livestock Mandatory Price Reporting	LS-02-05	PEC	$ 1,815,378.43	10 months	Aug-00	Jun-01	$ 394,421.16				Develop system filled Mandatory Price Reporting (MPR) per the Livestock Reporting Act of 1999
MRP/AMS	Livestock Mandatory Price Reporting	LS 02 05	PEC	$ 2,429,324.92	3 yrs.	Jun-01	Oct-04	$ 570,000.00		$ 939,340.87	$ 1,111,305.84	Help Desk Maintenance and Enhancements
MRP/AMS	Livestock Mandatory Price Reporting	LS-02-05	ALTA	$ 50,000.00	0 months	Apr-02	Dec-02			$ 50,000.00		Post Implementation Report and CMM 300 Documentation Support
MRP/AMS	Livestock Mandatory Price Reporting	LS-02-05	UUNET	$ 91,200.00	1 yr	May-02	May-03			$ 91,200.00	$ 100,000.00	Collocation and Internet Services
MRP/AMS	Livestock Mandatory Price Reporting	LS-02-05	DSIC/CACI	$ 1,230,008.56	5 yrs	Nov-00	Oct-04	$ 330,724.00		$ 211,103.48	$ 216,621.28	Firewall Installation and Monitoring
MRP/AMS	AMS Corporate Portal		SI International	$ 280,211.00	1 yr	Jul-02	Oct-03			$ 280,211.00		Design, develop, and implement corporate portal.
MRP/AMS	Perishable Agricultural Commodities Act (PACA)	FV-03-TR	Quality Software Services Inc. (QSSI)	$ 99,000.00	1 yr	Mar-03	Mar-04			$ 280,211.00	$ 99,000.00	Help Desk Maintenance and Enhancements
MRP/AMS	Active Directory Migration	XX-03-TR	Intermedia	$ 43,438.80	3 months	Mar-03	May-03				$ 43,438.80	Implement the AMS DMZ domain to a Windows Active Directory structure
MRP/AMS	Oracle Software Maintenance	XX-03-TR	Oracle Corporation	$ 477,858.00	4 years	Mar-03	Aug-07				$ 134,620.00	Provide for maintenance and upgrades for the AMS Oracle database systems and software.
MRP/AMS	Feasibility Study	FV-01-02	SEI	$ 24,000.00	3 months	7/1/2000	9/30/2000	$ 24,000.00				Concept document to Web-enable FQAS services to customers
MRP/AMS	Food Quality Assurance Service Web Application	FV-01-02	Titan	$ 500,000.00	2 yrs.	10/1/2001	9/30/2003	$ 50,000.00	$ 450,000.00			Phase II - The conclusion of the project will provide a fully functional and integrated Web based system that provides information and guidance to the purchase of foods and food products.
MRP/AMS	Bandwidth Utilization Study	FV-03-TR	SEI	$ 28,000.00	2 mo	8/1/2001	9/30/2001	$ -	$ 28,000.00			To perform an analysis and design a communication system of F&V's bandwidth in order to deliver off site hosting of digital imaging services, internet access, and data replication.
MRP/AMS	Bandwidth Utilization Study	FV-03-TR	RJ	$ 12,000.00	3 mo.	7/1/2001	9/30/2001	$ -	$ 12,000.00			To analyze PACA's network structure and bandwidth usage to determine how much bandwidth will be needed for the PACA program at various levels of speed and efficiency of its system.
MRP/AMS	Bandwidth Utilization Study	FV-03-TR	SAIC	$ 50,000.00	6 months	4/1/2000	9/30/2000	$ 50,000.00				For the design documentation, implementation plan, roll out procedures and bandwidth analysis of F&V's Fresh Products Branch's field offices.
MRP/AMS	Bandwidth Utilization Study	FV-03-TR	SAIC	$ 50,000.00	6 months	4/1/2000	9/30/2000	$ 50,000.00				For the design, documentation, implementation plan, and cost benefit analysis of the most efficient network architecture commensurate with the FTS2001 contract and current USDA departmental policies
MRP/AMS	AMS Common Grading Management Information System	XX-03-02	To Be Determined	$ 3,000,000.00	3yrs						$ 70,000.00	Develop a centralize system using the same data modules in which all data enables within each program area is reponsible for billing and fee-for-services activities, and those business area functions with respect to collecting and managing information that are common to fee-for-service activities across the agency
MRP/AMS	Migration of Legacy STAR Database to MS SQL Server Application	ST-02-03	To Be Determined	$984,000	1 yr.				$ 314,000.00		$350,000.00	Database conversion from Cuprda Associates, Inc., STAR Database System to Microsoft SQL Server 2000 Software development and deployment of a reengineered Relational Database System for the Plant Variety Protection Office and the Seed Regulatory Program to provide current functionality, to reduce the number of performance incompatibility problems that exist with the current STAR database system.
				$ 24,721,418.71				$3,887,645.48	$ 8,071,741.00	$ 6,684,066.33	$ 3,747,987.50	
Agency Totals:												

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
APHIS VS	ATI	42-6395-3-0051	FERGUSON ELECTRIC CO	$8,270	1 week	11/5/2002	11/12/2002				$8,270	Install Fiber Optic Line
APHIS MRP-BS ESD FM	ATI	42-6395-3-0351	TTGS, INC	$5,900	1 year	10/1/2002	9/30/2003				$5,900	Maintenance agreement for computer equipment
APHIS VS CEAH	Emergency Management Reporting System	43-6395-2-1084	EAGLE TECHNOLOGY CONSULTANTS	$40,000	6 months	1/15/2003	1/15/2003				$40,000	On-request support/technical assistance for EMRS in support of EMC
APHIS NARAL	ATI	43-6395-3-0051	AGILENT TECHNOLOGIES	$305,417	1 year	10/1/2002	9/30/2003				$305,417	Hardware Support Services for lab equipment
APHIS, ITD, FI Centers	ITD Training Modules	43-32-XW-1-048	SSC	$350,000	1 Yr	10/1/02	9/30/03			500K		IT Training Modules
APHIS, AC	LAIMS E-Gov	43-32-XW-2-0700	Virsen Technologies, Inc.	$1,000,000	1 Yr	9/27/02	9/30/06			240K		Requirements Analysis And Design For Labs
APHIS, AC	IVSV Replication	43-32-XW-1-049	Cake Corporation	$1,000,000	4 Yrs	9/27/02	9/30/06			240K		Validation Of Systems
APHIS, AC	Lab Upgrades	43-32-XW-2-041	Cake Corporation	$1,000,000	4 Yrs	9/27/02	9/30/06			240K		Upgrades And Maintenance
APHIS, ITD	APHIS E-Gov	43-32-XW-2-040	CH Corporation	$1,000,000	4 Yrs	9/27/02	9/30/06			180K		Requirements Analysis And Design For Labs
APHIS, ITD	CPIC Study For Afs	43-32-XW-2-0402	Rapa, Inc.	$200,000	6 Mos	4/1/02	9/15/09			260K		Capital Investment Planning Study For AIS
APHIS, ITD	Lotus	43-32-XW-2-0538A	Softmart	$231,710		10/1/02	09/30/03					Database, E-Mail, and Maintenance Support Services
APHIS, ITD	Oracle	43-32XW-2-0538B	DLT Solutions	$350,000		10/1/02	9/30/03					Database Application and Software Maintenance
APHIS, ITD	Microsoft Premier Support	43-45X-3-1069	STSI, Inc.	$50,000		10/1/02	9/30/03					Software and Operating System Maintenance
APHIS, NVSL	CVB Licenses	43-32-XW-2-1575	Credible Computing Services Inc. (Cosi)	$450,000	1 Yr	9/16/02	11/1/03			450		Development Of Cvb Licensing
APHIS, ITD	USB Security Scanning	43-32-XW-3-0028	Coalson Inc.	$1,000,000	4 Yrs	9/15/02	9/30/06		$164,000	$65,000		Security Scanning
APHIS, FPO, PDMA	Maint Of WAIS, PCIS5, AVM, ADT		CH Corporation	$3,000,000	3 Yrs	9/5/02	9/30/05		$1,000,000			Maintenance Of Pps Databases
APHIS, PPQ, PDMA	Pmas Lanscheres Beetle Eradication Supp	43-32-XW-2-015	Rsi Systems	$1,000,000	3 Yrs	4/15/02	9/30/05		$347,000			Tasks For Development Of The Pps Abps Application
APHIS, PPQ, PDMA	Pest Intercption And Identification System	44-32-XW-3-021	CH Corporation	$400,000	3 Yrs	9/7/02	9/30/05		$341,000			Pest Intercption
APHIS, ITD	Bur1 Bay Center 4	43-32-XW-2-4759	GUR	$3,700,000	4 mos	8/27/02	01/01/03		$3,730,000.00	$1,700,000		To Acquire PCs, servers, printers, and scanners
APHIS, PPQ	eFAPHIS	43-XW-2-4812 / 43-XW-3-0	SSC	$8,561,455	5 Yrs	9/30/2002	09/30/08		$10,000,000.00	$1,000,000	$2,000,000	Upgrade and automation of the PPQ Permits System
APHIS, ITD	Service Prevention	43-32-XW-3-5814	IBM	$36,000,000	5 Yrs	10/1/2002	10/01/07					Service - Physiology
APHIS, ITD	Microsoft Enterprise Agreement Licensing	43-32-XW-1-CH451	ASAP Software	$2,500,000	1 Yr	09/15/2003	9/15/2004				$2,500,000	Microsoft Enterprise Agreement Licensing
APHIS NVSL	ATI	43-6395-3-0078	VERSOFT, INC	$3,850		12/1/2002	9/30/2003				$3,850	Security 1000 software maintenance
APHIS NVSL	ATI	43-6395-3-0048	ACCELRYS	$4,085	1 year	10/1/2002	9/30/2003				$4,085	Software maint for WebNet license.
APHIS MRP-BS ITD	ATI	43-6395-3-0034	COMSEL CORPORATION	$2,650	1 year	10/1/2002	9/30/2003				$2,650	Maintenance on Gnicom High speed printer
APHIS MRP BS ITD	ATI	43-6395 3-0037	CANOE CORPORATION	$9,259	1 year	10/1/2002	9/30/2003				$9,259	InterWatch Pkware rp NT Maintenance
APHIS MRP BS ITD	ATI	40-VBA-3-0072	SOURCE DIVERSIFIED INC	$7,878	1 month	11/12/2002	12/4/2002				$7,878	Telephone support and software upgrades
APHIS NVSL	CVB DNA Sequencing System	43-6395-3-0037	ACCELRYS	$8,500	2 months	12/20/2002	2/3/2003				$8,500	Installation of V 10.3 Webportal Seq-eq on Ark server
APHIS VS CEAH	ATI	43-6395-3-0512	VERITAS SOFTWARE CORP	$18,458	1 year	10/1/2002	9/30/2003				$18,458	Renew maintenance agreement for Veritas Premier Assist Vpsupport
APHIS MRP-BS OTC OD	ATI	43-6395-3-0673	VERITAS SOFTWARE CORP	$23,920	1 year	10/1/2002	9/30/2003				$23,920	Renew maintenance agreement for Veritas Premier Assist Vpsupport
APHIS MRP-BS	ATI	43-6395-3-0514	VERITAS SOFTWARE CORP	$8,652	1 year	10/1/2002	9/30/2003				$8,652	Renew maintenance agreement for Veritas Premier Assist Vpsupport
APHIS NVSL	NVSL/CVB Infrastructure Support	43-6395-3-0515	VERITAS SOFTWARE CORP	$6,992	1 year	10/1/2002	9/30/2003				$6,992	Renew maintenance agreement for Veritas Premier Assist Vpsupport
APHIS IT	ATI	43-6395-3-0516	VERITAS SOFTWARE CORP	$8,763	1 year	10/1/2002	9/30/2003				$8,763	Renew maintenance agreement for Veritas Premier Assist Vpsupport
APHIS MRP BS ITD	ATI	43-6395-3-0581	PRECISE SOFTWARE SOLUTIONS INC	$20,051	1 year	10/1/2002	9/30/2003				$20,691	Renew of support for BAVANT diagnostic center
APHIS NVSL	NVSL Legacy LIMS System Support	43-6395-3-0003	HEWLETT PACKARD	$17,802	1 year	10/1/2002	9/30/2003				$17,802	Hardware/Software Support
APHIS NVSL	NVSL/CVB Auxiliary System Support	43-6395-3-0588	C-TECHNOLOGIES INT	$30,000	1 month	12/23/2002	1/15/2003				$30,000	Support engineer, LIMS pvm application
APHIS NVSL	NVSL/CVB Integrated Sam Tracking System	43-6395-3-1072	CISCO INC	$10,000	2 weeks	1/10/2003	1/24/2003				$10,000	Onsite Consulting Services to configure testing facility
APHIS VS CEAH	Emergency Management Reporting System	43-6395-3-1111	ACS GOVERNMENT SERVICES	$50,000	1 month	1/15/2003	1/15/2003				$50,000	Development of electronic version of form 1-27
APHIS VS CEAH	Emergency Management Reporting System	43-6395-3-1119	ACS GOVERNMENT SERVICES	$50,000	1 month	1/15/2003	1/15/2003				$50,000	Development of electronic lab submission form
APHIS VS CEAH	Emergency Management Reporting System	43-6395-3-1400	EAGLE TECHNOLOGY CONSULTANTS	$50,000	1 month	1/30/2003	1/31/2003				$50,000	Develop process software to enter disease data into EMRS DB
APHIS MRP BS ITD	ATI	43-6395-3-1068	GTR CORPORATION	$99,999	1 month	2/10/2003	3/31/2003				$99,999	$99 NEW Microsoft Premier support
APHIS NVSL	ATI	43-6395-3-0058	HEWLETT PACKARD	$8,958	1 year	10/1/2002	9/30/2003				$8,958	Hardware/software/network support for new HP 9000K
Agency Totals:				$77,719,753				$0	$15,700,000	$4,952,450	$8,349,183	

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITIPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
REE/ARS	NAL	005-18-02-00-02-0028-00	Institute for Scientific Info	$1,518,160.00	1 Yr w/options	Oct-98	3-Sep	$478,870.00	$505,480.00	$505,480.00	$535,810.00	Provide access to 8 database via internet: Life Sciences; Clinical Medicine; Engineering, Computing & Technology; Agriculture, Biology & Environmental Sciences; Physical, Chemical & Earth Sciences; and Social & Behavioral Sciences.
REE/ARS	NAL	005-18-02-00-02-0028-00	Dun & Bradstreet, Inc.	$232,598.00	1 Year			$105,500.00	$63,269.00	$63,269.00	$63,809.00	DUNS Number Lookup for all USDA agencies that subscribe
REE/ARS	NAL	005-18-02-00-02-0028-00	Dialog Corporation	$139,926.00	1 Year			$45,000.00	$34,926.39	$34,926.39	$60,000.00	FEDLINK subscription with Dialog Corporation, OCLC, etc.
REE/ARS	ARIS	005-18-02-00-02-0004-00	Ultra Technology	$554,770.00	13 Months			$280,700.00	$284,070.00			Develop ARIS System - ARS program management system
REE/ARS	ARIS	005-18-02-00-02-0004-01	Ultra Technology	$466,839.00	12 months	4/25/2002	3/31/2003		$466,839.00	$466,839.00		Maintenance contract for continued support of ARIS
REE/ARS	ARIS	005-18-02-00-02-0004-02	Ultra Technology	$211,726.00	8 months	7/26/2002	3/31/2003		$211,726.00	$211,726.00		Enrollment & License System enhancement
REE/ARS	ARIS	005-18-02-00-02-0004-03	TEK Systems	$63,172.00	7 months	9/9/2002	3/31/2003		$63,172.00	$63,172.00		On-Site Oracle Forms support
REE/ARS	ARIS	005-18-02-00-02-0004-04	CSR	$368,772.00	16 months	7/22/2003	11/30/2003		$368,772.00	$368,772.00		Conversion of ARMPS application
REE/ARS	ARIS	005-18-02-00-02-0004-05	CSR	$64,800.00	3 months	5/26/2002	9/30/2002		$64,800.00	$56,880.00		Oracle DBA Support
REE/ARS	ARIS	005-18-02-00-02-0004-06	Oracle Consulting	$2,072.00	1 week	2/25/2002	3/1/2002		$2,072.00	$2,072.00		Oracle Installation support
REE/ARS	ARIS	005-18-02-00-02-0004-07	Oracle Consulting	$82,880.00	12 months	1/1/2002	12/31/2002		$82,880.00	$82,880.00		Oracle Performance Tuning support
REE/ARS	ARIS	005-18-02-00-02-0004-08	TEK Systems	$84,990.00	6 months	4/14/2003	10/4/2003				$84,990.00	On-Site Oracle Forms support
REE/ARS	ARIS	005-18-02-00-02-0004-09	Ultra Technology	$40,500.00	2 months	12/4/2002	2/19/2003				$40,500.00	Correspondence System Conversion
REE/ARS	ARIS	005-18-02-00-02-0004-10	Ultra Technology	$257,820.00	12 months	4/1/2003	3/31/2004				$257,820.00	Maintenance contract for continued support of ARIS
REE/ARS	MWA-NCAUR	005-18-02-00-02-0027-00	BCSC	$10,000	annual			$0		$10,000	$10,000	Maint. System Support
REE/ARS	MWA-NCAUR	005-18-02-00-02-0027-00	SSE	$2,680	12 mo.						$2,680	Modifications of Database
REE/ARS	MWA-NCAUR	005-18-02-00-02-0027-00	GMT GSA Federal Tech. Servic	$3,450	12 mo.					$5,450		Development of Database
REE/ARS	MWA-NCAUR	005-18-02-00-02-0027-00	Red Hat	$20,000	12 mon.					$20,000		Development of Database
REE/ARS	MWA-NCAUR	005-18-02-00-02-0027-00	End Point Corp.	$2,200	12 mo.						$2,200	Development of Database
REE/ARS	MWA-NCAUR	005-18-02-00-02-0027-00	BCSC	$6,800	12 mo.					$4,400	$7,400	System Upgrades
REE/ARS	MWA	005-18-02-00-02-0027-00	Silicon Plains Technologies	$ 100,000.00	800 hours	10/1/2003					$100,000	Modifications to Requisition Tracking System (RTS/CATS)
REE/ARS	PWA-WRRC Network Upgrade	005-18-02-00-02-0027-00	SBC via GSA WACS FY03 is In Bid Process	$180,000	6 Months	1/1/2003	30-Sep	$0	$180,000	$180,000	$180,000	Replace 1980s era 10Base2 Network Backbone and horizontal cabling.
REE/ARS	PWA-Novell Rep Support	005-18-02-00-02-0027-00	KIS INC	$15,000	6 Months	10/1/2003	30-Sep	$0	$15,000	$20,000	$20,000	Operating System Upgrade and advanced technical support.
REE/ARS	PWA-Wenatchee IT	005-18-02-00-02-0027-00	Via Tapscott		1 Year	10/1/2003	30-Sep	$15,000	$15,000	$15,000	$16,000	Operating system upgrades and advanced technical support. Dollar amount is estimate based

REE/ARS	PWA-Dubois Wireless	005-18-02-00-02-0027-00	NICS INC	$20,000	2 Months	6/1/2003	30-Sep		$20,000	$20,000		Install Source Wireless System
REE/ARS	NPA-USDA ARS NRRC Bldg D Fort Collins CO.	005-18-02-00-02-0027-00	Dynanet Corporation	$0	12 Months	8/3/2002	4-Sep				$650,000	Indefinite delivery / indefinite quantity contract.
REE/ARS	NPA-USDA ARS NRRC Bldg D Fort Collins CO.	005-18-02-00-02-0027-00	Dynanet Corporation	$341,870	12 Months	8/23/2002	28-Sep			$350,000		Provide all materials, parts, equipment, supervision, labor, transportation, etc., necessary for cabling the NRRD Building D, Fort Collins, CO.
REE/ARS	OCIO	005-18-02-00-02-0022-00	Iron Mountain Offsite Data Protection	$2,600	1 year	10/1/2002	30-Sep				$8,000.00	Pickup weekly network server backups and store them offsite.
REE/ARS	OCIO	005-18-02-00-02-0022-00	Software House International	$3,760	1 year	8/1/2002	30-Sep				$3,760.00	Network Maintenance for NPS Servers
REE/ARS	OCIO	005-18-02-00-02-0022-00	Software House International	$3,118	1 year	8/1/2002	30-Sep				$3,118.50	Groupwise Maintenance for NPS Servers
REE/ARS	OCIO	005-18-02-00-02-0022-00	Software House International	$1,417	1 year	8/1/2002	30-Sep				$1,417.50	Zenworks Maintenance for NPS Servers
REE/ARS	OCIO	005-18-02-00-02-0022-00	Software House International	$12,950	1 year	8/1/2002	30-Sep				$12,960.00	Network Maintenance for HQ Servers
REE/ARS	OCIO	005-18-02-00-02-0022-00	Software House International	$10,692	1 year	8/1/2002	30-Sep				$10,692.00	Groupwise Maintenance for HQ Servers
REE/ARS	OCIO	005-18-02-00-02-0022-00	Software House International	$6,480	1 year	8/1/2002	30-Sep				$6,480.00	Zenworks Maintenance for HQ Servers
REE/ARS	OCIO	005-18-02-00-02-0022-00	Intellireach	$2,616	1 year	8/1/2002	30-Sep				$2,616.00	Intellireach Maintenance
REE/ARS	OCIO	005-18-02-00-02-0022-00	CentraSoft Corporation	$1,797	1 year	8/30/2002	30-Sep				$1,797.00	CentraSoft Maintenance
REE/ARS	OCIO	005-18-02-00-02-0022-00	Computer Associates	$1,625	1 year	8/30/2001	30-Sep				$1,625.00	Network Monitor Maintenance
REE/ARS	OCIO	005-18-02-00-02-0022-00	BindView	$2,224	1 year	8/1/2002	30-Sep				$2,224.34	Bindview Enterprise Maintenance
REE/ARS	OCIO	005-18-02-00-02-0022-00	Worldwide Technology, Inc.	$27,409.00	1 year	8/1/2002	8/30/2003				$27,409.00	[illegible] and switches
REE/ARS	OCIO	005-18-02-00-02-0022-00	Concord Communications	$2,627.00	1 year	8/30/2002	8/29/2003				$2,627.00	Concord Maintenance
REE/ARS	BA-Sci. Applications	005-18-02-00-02-0027-00	SSAI	$38,075.00	7 months	3/1/2002	9/30/2002	n/a	$38,075.36	$38,075.36		43-3K45-2-5017, Application Programmer to support application projects
REE/ARS	BA-Sci. Applications	005-18-02-00-02-0027-00	SSAI	$70,000.00	12 months	10/1/2002	9/30/2003	n/a	n/a	n/a	$70,000.00	43-3K45-2-5005, Application Programmer to support application projects
REE/ARS	BA-Sci. Applications	005-18-02-00-02-0027-00	SSAI	$61,176.00	7 months	3/17/2003	9/30/2003	n/a	n/a	n/a	$61,376.00	43-3K45-3-5013, Application Engineer to support application projects
REE/ARS	SPA	005-18-02-00-02-0027-00	Falcon Computers	$22,800.00	12 months	12/1/2003	11/30/2003				$22,800.00	Service for Network to include Windows 2000; Active Directory Network; Data Storage Server Exchange E-mail Server.

REE/ARS	MSA-SRRC	005-18-02-00-02-0027-00	CUBF	$287,000.00	Yearly	1/1/2002	yearly renewal		$287,000.00	$287,000.00	$295,000.00	Help desk, network, server, computer graphic, word processing support.
REE/ARS	SAA	005-18-02-00-02-0027-00	Univ of Puerto Rico	BPA	Yearly	1/1/2001	1/1/2003	$4,000	$4,000.00	$4,000.00	$0.00	BPA for general comp. support
Agency Totals:				$6,369,906.74				$837,875.00	$2,705,188.76	$2,827,250.76	$2,656,131.74	

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITIPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2003	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
REE/CSREES/STM	C-REEMS	"0004"	Analytical Solutions, Inc.	$ 4,994.20	6 weeks			$ 4,994.00	$ -			Further development of C-REEMS
REE/CSREES/STM	C-REEMS	"0004"	Analytical Solutions, Inc.	$ 299,550.51	43 weeks	10/1/2002	8/30/2003	$ 299,551.00	$ 263,965.00	$ 263,965.00	$ 275,000.00	Further development of C-REEMS
REE/CSREES/STM	C-REEMS	"0004"	Analytical Solutions, Inc	$ 24,997.99	6 weeks			$ 24,999.00				Technical assessment for C-REEMS
REE/CSREES/STM	C-REEMS	"0004"	Analytical Solutions, Inc.	$ -	6 weeks	10/1/2002	9/30/2003		$ 19,267.00	$ 19,267.00		Browser based C-REEMS Solutions
			Vendor TBD	$ -	One Year			$ -	$ 312,000.00	$ 312,000.00	$ 1,422,000.00	E-grants development
REE/CSREES/STM	Document Management System	"001"	Filenet		N/A				$ 218,077.00	$ 232,000.00	$ 50,000.00	Document Management Purchase, Training, Maintenance
REE/CSREES/STM	REEIS Software, Licensing, & Support	"1010"	Oracle		One Year			$ 493,612.00	$ 20,000.00	$ 110,000.00	$ 80,000.00	REEIS Software Licenses, Upgrades, and Product Support for REEIS
REE/CSREES/STM	REEIS Hardware	"1010"	Compaq	$ -	N/A			$ 128,393.00	$ 35,000.00	$ 35,000.00	$ 40,000.00	Hardware for REEIS
REE/CSREES/STM	Software Development	"1010"	DST	$ -	One Year			$ 770,347.00	$ 888,857.00	$ 888,857.00		Software Development and Operations Support for REEIS
REE/CSREES/STM	Software Development	"1010"	Banquin	$ -	One Year			$ -	$ -		$ 1,300,000.00	Software Development and Operations Support for REEIS
REE/CSREES/STM	CRIS Web Access Development	"0005"	Effective Systems Solutions	$ 24,900.00	12 mos.			$ 12,500.00	$ 12,400.00	$ 12,400.00	$ 12,500.00	Assist with Web design/access to Star Software and assist in responding to ad-hoc financial retrieval requests via the Star Software suite of programs.
REE/CSREES/STM	CRIS Project Indexing	"0005"	Locus Systems	$ 24,735.00	12 mos.			$ 24,735.00	$ 24,735.00	$ 24,735.00	$ 24,800.00	CRIS Project Indexing
REE/CSREES/STM	Star Software Maintenance/CRIS	"0005"	Cuadra Star	$ 13,364.00	12 mos			$ 13,364.00	$ 13,364.00	$ 13,364.00	$ 13,400.00	Star Software Maintenance/CRIS
REE/CSREES/STM	Software Support	"0005"	Sun Systems	$ 3,108.00	12 mos			$ 3,108.00	$ 3,108.00	$ 3,108.00	$ 3,200.00	Sun/Unix Maintenance/CRIS
REE/CSREES/STM	Data Entry Services/CRIS	"0005"	Conversion Plus	$ 10,000.00	12 mos.			$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00	Data Entry Services/CRIS
REE/CSREES/STM	LAN/WAN Support	"0006"	SRA (6a)	$3,000,000.00	60			$ 960,256.00				LAN/WAN HelpDesk Support Services
REE/CSREES/STM	LAN/WAN Support	"0006"	Maytex						$ 1,165,000.00	$ 1,300,000.00	$ 1,400,000.00	LAN/WAN HelpDesk Support Services
REE/CSREES/STM	IT Services	"0006"	Vendor TBD						$ 30,000.00	$ 30,000.00		Network Assessment
REE/CSREES/STM	Backbone/Newbury Group	"0002"	Newbury Group						$ 60,000.00	$ 60,000.00		Security Assessment
REE/CSREES/STM	IT Strategic Planning	"0002"	HW&W	$ 100,000.00	6 mos	3/1/2002	8/30/2002		$ 100,000.00	$ 100,000.00	$ 60,000.00	IT Strategic Planning
REE/CSREES/STM			Vendor TBD						$ 75,000.00			IT Skills Assessment
Agency Totals:				$3,505,439.70				$2,745,748.00	$ 3,298,813.00	$ 3,494,736.00	$ 4,690,900.00	

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITIPS Project ID #	Contract Awardee	Amount of the Contract (FY 2003)	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
OA/PSD	Integrated Acquisition System (IAS)	50501810102000	Booz Allen & Hamilton	$ 4,140,168.00	1 year	10/1/2002	9/30/2003	$ 1,600,000.00	$ 2,400,000	$ 2,400,000	$ 4,140,168.00	Program management, technical and specialized functional support for all PSD managed systems including IAS, PCMS, legacy feeders such as PURCH, FPDS, Web 279, 281, AGCAS, NFC CPS and DOI, Wage Determinations on-line, and webpages.
OA/OPPM/PSD	Purchase Card Management System (PCMS)	Not yet assigned	Communications Resource Inc	$ 632,193.05	1 year	10/1/2002	9/30/2003	$ 500,071	$ 737,269	$ 737,269	$ 632,193.05	Operational and technical support for legacy systems (including PCMS) including system and data research, performance metrics and system monitoring, technical writing, developing training materials, quality assurance testing and software configuration change management
OA/OPPM/PSD	Integrated Acquisition System (IAS)	50501810102000	IBM Global Services - Federal	$ 5,400,000.00	1 year	10/1/2002	9/30/2003	$ -	$ 3,751,484	$ 3,751,484	$ 5,400,000.00	Contractor provides enterprise hardware and software licensing and maintenance, technical, implementation and change management support services for the IAS deployment USDA-wide Services include training, software configuration, documenting change processes, agency communications, helpdesk, etc.
OA/OPPM/PSD	Integrated Acquisition System (IAS)	50501810102000	LMI Systems Group Inc	$ -	2 months	8/1/2002	9/30/2002	$ -	$ 75,291	$ 75,291	$ -	Contractor conducted an IV&V of the IAS pilot at RD and FNS.
Agency Totals:				$ 10,172,360				$ 2,100,071	$ 6,964,044	$ 6,964,044	$ 10,172,360	

Mission Area/Agency	Project Name	USDA/ITIPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
REE/ERS	Web Site		Mind & Media Inc.	$ 162,990.00	10 mon	05/01/01	2/28/2002	$ 162,990.00	$ -	$ -		Public Web site and Extranet
REE/ERS	CMS		Mind & Media Inc.	$ 71,400.00	2 mon	05/21/02	7/31/2002		$ 71,400.00	$ 71,400.00		CMS Preimplementation
REE/ERS	Extranets		Mind & Media Inc.	$ 24,780.00	9 mon	09/05/02	5/31/2003		$ 24,780.00	$ 24,780.00		Support ERS Extranets
REE/ERS	User Profile		Mind & Media Inc.	$ 30,200.00	4 mon	09/05/02	12/24/2002		$ 30,200.00	$ 30,200.00		Strategic Planning & User Profile
REE/ERS	Web Metrics		TBD								$ 30,000.00	Web Metrics
REE/ERS	Web Community		TBD								$ 30,000.00	ERS Web Community
REE/ERS	Org Assessment		TBD								$ 30,000.00	Web Organizational Assessment
REE/ERS	Homeland Sec		INDUS	$1,500,000	3 years	11/01/02	10/32/05				$417,000	Develop decision support system for HS
[illegible] Agency Totals:	[illegible]	[illegible]	[illegible]	$ 1,789,370.00				$ 162,990.00	$ 126,380.00	$ 126,380.00	$ 507,000.00	

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITIPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
FFAS/FAS	Technical Support		Viatech, Inc.	$176,829.00	1	9/27/2002	7/31/2003	$176,829.00	$176,829.00	$176,829.00	0	Technical support Service
FFAS/FAS	Application Development & Maintenance	FAS IT-03,IT-04,IT-06,IT-07 IT-08,IT-13,IT-16,IT-17,IT-21,IT-28,IT-29,IT-30,IT-32,IT-36	Viatech, Inc.	$ 13,420,820.00	5	10/1/2001	9/30/2006	$ 1,228,557.50	$ 2,561,000.00	$2,561,000.00	$2,678,980.00	Provides computer applications support
FFAS/FAS	Application Development & Maintenance	FAS IT-07	American Management Systems	$3,405,274.37	4 years & 9 months	6/1/1998	9/30/2003	$ 514,087.34	$ 356,313.66	$686,468.76	$496,520	Financial accounting, budgeting, and reporting system
Agency Totals:				$ 16,826,094.37				$ 1,742,644.84	$ 2,917,313.66	$2,737,829.00	$2,678,980.00	

EPARTMENT'S CHART

CALENDAR YEAR 2002

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/CFIPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Added/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
FNCS/FNS			CHSI	$ 371,901	12 Mo.			$ -	$ 93,500			Disqualified Recipients System support
FNCS/FNS			ALTA Corp	$ 1,141,000	12 Mo			$ 1,024,000	$ -			Quality Assurance & Change management
FNCS/FNS			EIS	$ 1,001,200	12 Mo			$ 276,268	$ 482,217			Quality Assurance & Change Management
FNCS/FNS			ALTA Corp	$ 1,364,000	12 Mo			$ 1,343,000	$ -			ALERT
FNCS/FNS			Dyon	$ 73,142	12 Mo.			$ 67,279	$ -			NT/Exchange Support (SNA)
FNCS/FNS			ALTA Corp	$ 326,672	12 Mo			$ 303,000	$ -			Data Base Admin
FNCS/FNS			ALTA Corp	$ 301,764	12 Mo			$ -	$ 122,884			Data Base Admin
FNCS/FNS			SAIC	$ 263,607	45 days			$ 250,171	$ -			Y2K data Support
FNCS/FNS			DAC	$ 403,564	12 Mo.			$ -	$ 299,971			FNS Partner Web Site/Internet Development and Operations Support
FNCS/FNS			DAC	$ 250,000	12 Mo.			$ 250,000	$ -			FNS Partner Web Site/Internet Development and Operations Support
FNCS/FNS			DST	$ 28,784	45 days			$ 28,784	$ -			RBAC ROM Support
FNCS/FNS			Ray Nishioka	$ 37,963	90 days			$ 37,963	$ -			CRU Bridge & Validation
FNCS/FNS			Contractor I	$ 122,000	12 Mo			$ -	$ 67,858			WEB Based Hosting & Maint Enhancements & Maint of DBE System
FNCS/FNS			Century Corp	$ 77,603	12 Mo			$ 77,603	$ -			WEB System Development/ Enhancements
FNCS/FNS			Century Corp	$ 24,982	12 mo.			$ 24,982	$ -			WEB SID Services
FNCS/FNS			Alta Corp	$ 1,497,234	12 Mo			$ 1,044,448	$ -			Software System Support and Enhancements (ie FSPSS/SNPS/SORS Support of the Food Stamp County Control System (FoCSC)
FNCS/FNS			Humanatus	$ 1,725,770	60 mo.			$ 334,341	$ 334,228			
FNCS/FNS			TWM Assoc	$ 98,304	12 Mo			$ 42,846	$ -			IOPOSEC IT SECURITY
FNCS/FNS			TWM Assoc	NTE $3 MILLION	60 Mo			$ -	$ 125,000			IOPOSEC IT SECURITY
FNCS/FNS			Microsoft	$ 83,000	12 Mo			$ 54,000	$ -			Premier Software Support
FNCS/FNS			Microsoft	$ 88,000	12 Mo			$ -	$ 88,000			Premier Software Support
FNCS/FNS			Sterling 3S	$ 27,994	12 Mo.			$ 27,994	$ -			VB Software Maintenance
FNCS/FNS			Compuware	$ 8,938	12 Mo.			$ 8,938	$ -			QA Software Maintenance
FNCS/FNS			Federal Data	$ 21,849	12 Mo.			$ 21,849	$ -			Cisco Smartnet Software Support
FNCS/FNS			Netmanage	$ 51,000	12 Mo.			$ -	$ 51,000			3270 Emulation Software Support
FNCS/FNS			Sola CORP.	NTE $3 MILLION	60 mo.			$ -	$ 857,884			Programming and Systems Support Service, Systems Development
FNCS/FNS			Shepard Patterson, Corp	$ 2,500,000	5 years			$ 726,000	$ 562,500			Computer support Services (block hour)
FNCS/FNS			Computer Associates, Inc	$ -	annual			$ 73,000	$ 73,000			Software Maintenance
FNCS/FNS			Rist Corporation	$ -	annual			$ 51,500	$ 54,000			Software Lease
FNCS/FNS			Rist Corporation	$ -	annual			$ 130,300	$ 135,600			Hardware Lease
FNCS/FNS			General Services Administration	$ -	annual			$ 24,500	$ 30,000			Hardware Maintenance
FNCS/FNS			KPMG	GSA Task Orders	5 Years			$ 3,409,149	$ 2,730,000			Maintenance of Program Accounting System
FNCS/FNS			Fary Bell Isl	$ 28,490	60 days			$ 28,490	$ -			Regional Office Administered Programs (ROAP) Payment System support - Add a Legislative change
FNCS/FNS			Xerxes, Inc	$ 8,505	60 days			$ -	$ 8,505			(ROAP) support - modify editing system
FNCS/FNS			Alta	$ 1,364,361	1 year			$ -	$ 1,091,889			Software maintenance - Special
FNCS/FNS			Delta	$ 817,059	18 months			$ 817,059	$ 1,500,000			Nutrition and Food Stamp systems Store Authorization and Tracking System redesign
FNCS/FNS			CAO	$ 211,063	1 year			$ 211,063	$ 156,000			Coupon Requisition and Inventory Management System Maintenance
FNCS/FNS			Beta	$ 210,991	1 year			$ 210,991	$ 204,259			Disqualified Recipients System Maintenance
FNCS/FNS			SRA	$ 890,839	8 months			$ 890,839	$ 1,200,000			Special Nutrition and Food Stamp Systems redesign study
FNCS/FNS			Aea	$ 348,268	1 year			$ 348,110	$ 350,451			Long Range Plan/ITIPS Support
FNCS/FNS			Booz-Allen	$ 2,148,582	1 year			$ 1,330,783	$ 1,388,000			EBT Support
FNCS/FNS			Ads	$ 1,504,452	1 year			$ -	$ 1,504,452			ALERT Support
FNCS/FNS			Amsend Corp	$ 64,791	1 year			$ 58,977	$ 64,584			Data Entry Services
FNCS/FNS			Wyandotte Nat Tel	$ 8,000,000.00	5 years			$ -	$ 1,500,000.00			FNS Help Desk and IT Operational Support
FNCS/FNS			GSA Contract	$ 1,064,014.00	1 year			$ 991,788.00				Help Desk Support
Agency Totals:				$ 26,758,376				$ 14,841,278	$ 12,734,888			

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITIPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2001	Actual/Planned Cost FY 2003	Purpose
NRE/FS	IT Other		SelfSel Resources	$ 150,000.00	4 months	4/10/2003	8/10/2003	-	-	-	$150,000	System Analysis and Performance Tuning
NRE/FS	IT Other			$ 19,310.00				$19,000	$19,000	$19,000	$5,310	Router Maintenance Contract
NRE/FS	EMC -NRIS	005-96-01-11-01-1050-00	General Services Admin.	time and materials	3 yr	Oct-00	Sep-03	$7,091,863	$2,001,818	$3,508,030	$2,582,187	Maintenance of Software
NRE/FS	EMC -NRIS	005-96-01-11-01-1050-00	Environmental Systems Res Inst.	time and materials	3 yr	Nov-00	Aug-03	$602,564	$80,000	$80,098	$48,000	ADP Svc Contracts
NRE/FS	EMC -NRIS	005-96-01-11-01-1050-00	traces international inc.	time and materials	1.6 yr	Oct-01	May-03	$0	$80,000	$80,000	$53,300	ADP Svc Contracts
NRE/FS	EMC -NRIS	005-96-01-11-01-1050-00	Northwest Software, Inc.	time and materials	3 yr	Oct-00	Sep-03	$917,421	$783,048	$931,640	$250,000	Maintenance of Software
NRE/FS	EMC -NRIS	005-96-01-11-01-1050-00	Avenster Geospat	time and materials	1 yr	Nov-00	Sep-01	$13,818	-	-	-	ADP Svc Contracts
NRE/FS	EMC -NRIS	005-96-01-11-01-1050-00	Metcom	time and materials	3 yr	Oct-00	Sep-03	$600,000	$700,000	$700,000	$728,700	ADP Svc Contracts
NRE/FS	EEOCTS	005-96-01-11-02-0008-00	Human Resources Research Corp	$ 24,688.00		05/21/01	4/18/2002	$24,688	-	-	-	Evaluate and Analyze Current Database
NRE/FS	EEOCTS	005-96-01-11-02-0008-00	NetBase Corporation	$ 119,098.00		05/30/02	10/18/2002	-	$119,098	$119,098	-	ADP System Development
NRE/FS	EEOCTS	005-96-01-11-02-0008-00	NetBase Corporation	$ 212,797.32		12/15/02	9/30/2003	-	-	-	$212,797	ADP System Development/Enhancement
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	Gram Inc	$ 111,143.00		1-Oct-00	30-Sep-01	$111,143	-	-	-	GIS Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	TVA	$ 350,000.00		1-Oct-00	30-Sep-01	$350,000	-	-	-	Digitizing
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	SGS	$ 45,000.00		1-Oct-00	30-Sep-01	$45,000	-	-	-	GIS Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	Pacific Meridian Resources	$ 267,985.00		1-Oct-00	30-Sep-01	$267,985	-	-	-	GIS Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	JAYA	$ 50,000.00		1-Oct-00	30-Sep-01	$41,719	-	-	-	Digitizing
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	TVA	$ 249,200.00		1-Oct-00	30-Sep-01	$249,200	-	-	-	GIS Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	ESRI	$ 120,000.00		1-Oct-00	30-Sep-01	$120,000	-	-	-	Software
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	Base Technologies	$ 80,535.00		1-Oct-01	30-Sep-02	-	$80,535	-	-	Software
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	Ciber Inc	$ 66,709.00		1-Oct-01	30-Sep-02	-	$66,709	-	-	Programming
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	JAYA	$ 40,000.00		1-Oct-01	30-Sep-02	-	$40,000	-	-	Digitizing
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	Gram Inc	$ 102,588.00		1-Oct-01	30-Sep-02	-	$102,588	-	-	GIS Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	TVA	$ 247,500.00		1-Oct-01	30-Sep-02	-	$247,500	-	-	GIS Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	Wind River GIS Consultants	$ 11,560.00		1-Oct-02	30-Sep-03	-	-	-	$11,560	GIS Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	Wind River GIS Consultants	$ 19,282.00		1-Oct-02	30-Sep-03	-	-	-	$21,282	GIS Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	Ciber Inc	$ 1,900.00		1-Oct-02	30-Sep-03	-	-	-	$2,400	Programming
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	ESRI	$ 200,000.00		1-Oct-02	30-Sep-03	-	-	-	$200,000	Software
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	BLM	$ 100,000.00		1-Oct-02	30-Sep-03	-	-	-	$100,000	ADP Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	Gram Inc	$ 35,230.00		1-Oct-02	30-Sep-03	-	-	-	$35,230	GIS Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	TVA	$ 160,700.00		1-Oct-02	30-Sep-03	-	-	-	$160,700	GIS Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	JAYA	$ 40,000.00		1-Oct-02	30-Sep-03	-	-	-	$40,000	GIS Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	BLM	$ 80,000.00		1-Oct-02	30-Sep-03	-	-	-	$80,000	ADP Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	Radcon	$ 239,839.00		1-Oct-00	30-Sep-01	$239,839	-	-	-	GIS Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	Radcon	$ 239,818.00		1-Oct-01	30-Sep-02	-	$239,826	-	-	GIS Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	Radcon	$ 239,839.00		1-Oct-02	30-Sep-03	-	-	-	$239,829	GIS Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	Radcon	$ 55,852.00		1-Oct-02	30-Sep-03	-	-	-	$55,852	GIS Services
NRE/FS	GSTC	Softcopy Photogrammetry	LH Systems Inc.	$ 21,000.00		1-Oct-02	30-Sep-03	-	-	$21,000	$21,000	Maint-Rep of ADP Equipment
NRE/FS	GSTC	Advanced Data Mgmt Sys	Radcon	$ 40,000.00		1-Oct-02	30-Sep-03	-	-	$65,545	$40,000	ADP Programming Services

NRE/FS	GSTC	Advanced Data Mgmt Sys	T-Kartal	$ 211,800.00		1-Oct-02	30-Sep-03			$72,000	$139,800	ADP Programming Services
NRE/FS	GSTC	Advanced Data Mgmt Sys	T-Kartal	$ 225,000.00		1-Oct-02	30-Sep-03			$101,250	$124,750	ADP Programming Services
NRE/FS	GSTC		Titan/Averster, Inc.	$ 26,000.00		1-Oct-01	30-Sep-02			$26,000	$0	ADP Programming Services
NRE/FS	GSTC	Geospatial Clearinghouse	ESRI	$ 1,320.00		1-Oct-02	30-Sep-03				$1,320	Other ADP & Telecommunications Svcs
NRE/FS	GSTC	Geospatial Clearinghouse	ESRI	$ 11,975.00		1-Oct-02	30-Sep-03				$11,975	Other ADP & Telecommunications Svcs
NRE/FS	GSTC	Cartographic Toolsets	ESRI	$ 100,000.00		1-Oct-02	30-Sep-03			$97,000	$53,000	ADP Programming Services
NRE/FS	GSTC		CAD Services	$ 38,852.00		1-Oct-02	30-Sep-03				$38,852	Maint-Rep of ADP Equipment
NRE/FS	GSTC		PrintAlligent	$ 8,500.00		1-Oct-02	30-Sep-03			$8,977	$8,500	Maint-Rep of ADP Equipment
NRE/FS	GSTC		Spacenet	$ 1,899.00		1-Oct-01	30-Sep-02			$377	$1,528	ADP Svcs/Telecomm & Transmission
NRE/FS	GSTC	Geospatial Clearinghouse	Reliable Resources	$ 85,000.00		1-Oct-02	30-Sep-03				$85,000	Other ADP & Telecommunications Svcs
NRE/FS	FS Computer Base		Ashley Computer Support - Jake Meyer	$ 42,976.00	12.5 mo	8/15/2001	9/30/2002			$33,080	$0	Other ADP & Telecommunications Svcs
NRE/FS			Mossen Engineering - Ashley Plotter Maint.	$ 729.00	10 mo	12/2/2002	9/30/2003			$0	$729	Maint-Rep of ADP EQ & Supplies
NRE/FS	FS Computer Base	005-96-02-00-01-0071-00	Software Professionals	$ 169,286.50	5 yrs	6/1/2002	3/31/2007			$984,626	$171,791	Automated Information System Svcs - ORACLE
NRE/FS	Meaningful Measures		Solutions 4 Recreation	$ 20,000.00	3 yrs	8/29/2001	8/28/2003			$548,910	$100,000	Automated Information System Svcs
NRE/FS			Uinta Business Systems	$ 4,000.00	1 year	10/2/2002	9/30/2003			$4,000		ADP facility management -NA parts & prev. maintenance
NRE/FS	RMRS printers		Uinta Business Systems	$ 300.00	1 year	10/2/2002	9/30/2003			$300		ADP facility management - printers
NRE/FS	RMRS printers		Uinta Business Systems	$ 400.00	1 year	10/1/2002	9/30/2003				$400	ADP facility management - printers
NRE/FS	FS Telecom Base	005-96-02-00-02-0075-00	Interagency NPS/FS - 02-IA-11041000-012	$ 15,039.00	5 year	10/1/2002	9/15/2007			$7,704	$15,039	Telecommunication Network Mgmt Svcs
NRE/FS	FS Telecom Base	005-96-02-00-02-0075-00	USDI Minerals Management Services - 02-IA-11046000-003	$ 423,764.00	1 year	10/1/2001	9/30/2003			$405,631		Telecommunication Network Mgmt Svcs
NRE/FS	FS Telecom Base	005-96-02-00-02-0075-00	USDI Minerals Management Services - 03-IA-11046000-005	$ 403,032.00	1 year	10/1/2002	9/30/2003			NA	$403,032	Telecommunication Network Mgmt Svcs
NRE/FS	Interagency National Fire Plan Consultation Website - Development & Maintenance		USDI - Bureau of Land Management - 03-IA-11046000-012	$ 10,000.00	1 year	10/1/2002	9/30/2003				$10,000	ADP Programming Svcs
NRE/FS	Computer Job Announcement Data Computation		US Department of Treasury - Fedsource - 01-IA-11046000-009 - Supplement #13 - Task Order NW01-162	$ 37,017.50	5 months	10/1/2001	3/31/2002			$37,018	NA	Automated Information System Svcs
NRE/FS	FS Computer Base		PlanetGov, Inc	$ 5,333.76		1/1/2003	9/30/2003				$5,334	Maint-Rep of ADP EQ & Supplies
NRE/FS	Electronic Site Lease		Weber Broadcasting Co., Inc	$ 2,200.00	12 months	10/31/2002	9/30/2003				$2,200	ADP Svcs/Telecomm & Transmission
NRE/FS	Electronic Site Lease		Weber Broadcasting Co Inc	$ 2,200.00	12 months	10/31/2001	9/30/2002			$2,200		ADP Svcs/Telecomm & Transmission
NRE/FS	Electronic Site Lease		Questar Infocomm, Inc	$ 15,272.04	12 months	10/31/2002	9/30/2003				$15,272	ADP Svcs/Telecomm & Transmission
NRE/FS	Electronic Site Lease		Questar Infocomm, Inc	$ 9,744.00	12 months	10/31/2001	9/30/2002			$9,744		ADP Svcs/Telecomm & Transmission
NRE/FS	Web Dev/Support		Fed Sources	$ 71,500.00	12 months	10/1/2002	9/30/2003			$58,760		Automated Information System Svcs
NRE/FS	PC Rep/Inv/Disp		Fed Sources	$ 37,000.00	9 months	1/1/2003	9/30/2003				$7,840	Other ADP & Telecommunications Svcs
NRE/FS	Develop Data Base		Adventure Media	$ 2,520.00	3 months	7/9/2002	9/30/2002			$2,520		ADP Programming Svcs
NRE/FS	Develop Web Site		Dan Price	$ 2,500.00	1 month	3/10/2002	4/10/2002			$2,500		ADP Programming Svcs
NRE/FS	Develop Web Site		Steve Durrach	$ 2,500.00	1 month	10/15/2001	11/15/2001			$2,500		ADP Programming Svcs

NRE/FS	Data Migration		Terrel Wesmer	$ 4,358.21	2 months	2/17/2002	4/17/2002	-	-	$4,358	-		Other ADP & Telecommunications Svcs
NRE/FS	IT Other		Toobsen Telephone	$ 126.80	1 week	1/21/2002	1/22/2002	-	-	$127	-		Telecommunications Network Mgmt Svcs
NRE/FS	IT Other		Teton Valley Trading	$ 15,160.00	6 months	1/9/2003	6/30/2003	-	-	-	$1,000		Telecommunications Network Mgmt Svcs
NRE/FS	Technical Support		GSA	$ 175,000.00	1 year	7/1/2002	7/15/2003	-	-	$16,000	$50,000		Other ADP & Telecommunications Svcs
NRE/FS	GIS Maps for Oil and Gas EIS		ML Technologies	$ 74,995.00	1 year	12/10/2002	12/10/2003	-	-	-	-		ADP Programming Svcs
NRE/FS	GIS Maps for Oil and Gas EIS		Terra Nova Mapping	$ 2,499.90	6 weeks	7/19/2002	10/17/2002	-	-	$2,500	-		ADP Programming Svcs
NRE/FS	GIS Maps for Oil and Gas EIS		Terra Nova Mapping	$ 750.00	4 weeks	10/21/2002	10/31/2002	-	-	-	$900		ADP Programming Svcs
NRE/FS	Data Entry into FS/VEG FS data base		Dave Barren	$ 5,868.26	6 weeks	11/6/2002	12/12/2003	-	-	-	$5,986		ADP Programming Svcs
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	Planet Sky	$3,329	3 months	1/1/2003	3/30/2003	-	-	$0	$3,329		Maint-Rep of ADP EQ & Supplies
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	Spacpac, Inc	$ 288,960.00	12 months	10/1/2003	9/30/2003	-	-	$0	$29,995		Maint-Rep of ADP EQ & Supplies
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	Hewlett Packard	$4,332.00	1yr	1/1/2001	6/30/2002	-	-	$4,332	-		Maint-Rep of ADP EQ & Supplies
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	Hewlett Packard	$4,510.00	1 yr	1/1/2002	6/30/2003	-	-	-	$4,510		Maint-Rep of ADP EQ & Supplies
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	ERDAS, Inc.	$ 3,500.00	1 yr	1-Oct-02	30-Sep-03	$2,700	$2,700	$2,700	$3,540		Software Support
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	Intergraph Corp.	$ 30,000.00	1 yr			$30,924	$25,000	$23,280	-		Hardware and Software Support
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	ZI Imaging	$ 17,000.00	1 yr	1-Oct-02	30-Sep-03	$17,223	$17,223	$17,223	$16,584		Hardware and Software Support
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	Bentley Systems, Inc.	$ 3,672.00	1 yr	1-Oct-02	30-Sep-03	$2,856	$2,856	$2,856	$3,672		Software License Subscription
NRE/FS	FS Telecom Base	005-86-02-00-02-0075-00	Federal Network Systems	$ 60,000.00	1 yr			$67,396	$70,000	$66,495	-		Network Hardware and Software Support
NRE/FS	FS Telecom Base	005-86-02-00-02-0075-00	Computer Consulting Operations Specialist	$ 93,136.00	1 yr	1-Oct-02	30-Sep-03	-	-	-	$93,136		Network Hardware and Software Support
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	IBM	$ 10,000.00	1 yr	1-Oct-02	30-Sep-03	$991,472	$1,000,000	$1,000,024	$10,000		Hardware Maintenance
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	SpecPRO	$ 360,000.00	1 yr	1-Oct-02	30-Sep-03	-	-	-	$360,000		Hardware Maintenance
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	PlanetGOV	$ 90,000.00	6 months	1-Feb-03	30-Sep-03	-	-	-	$90,000		Hardware Maintenance
NRE/FS	FS Radio Communications	005-86-02-00-02-0074-00	M&M Communications	as needed	1 yr	1-Oct-02	30-Sep-03	$5,135	$2,000	$1,985	$2,000		2-way radio repair
NRE/FS	FS Radio Communications	005-86-02-00-02-0074-00	J&R Electronics, Inc.	as needed	2 yrs	12-Mar-01	31-Dec-02	$10,408	$15,000	$15,000	-		Radio Maint & Installation
NRE/FS	FS Radio Communications	005-86-02-00-02-0074-00	Western Electronics, Inc.	as needed	2 yrs	12-Mar-01	31-Dec-02	$17,098	$35,000	$33,075	-		Radio Maint & Installation
NRE/FS	FS Radio Communications	005-86-02-00-02-0074-00	J&R Electronics, Inc.	as needed	2 yrs	13-Mar-03	31-Dec-04	-	-	-	$20,000		Radio Maint & Installation
NRE/FS	FS Radio Communications	005-86-02-00-02-0074-00	Western Electronics, Inc.	as needed	2 yrs	13-Mar-03	31-Dec-04	-	-	-	$20,000		Radio Maint & Installation
NRE/FS	FS Radio Communications	005-86-02-00-02-0074-00	Mald Communications	as needed	2 yrs	13-Mar-03	31-Dec-04	-	-	-	$20,000		Radio Maint & Installation
NRE/FS	FS Radio Communications	005-86-02-00-02-0074-00	L.C. Sterling	as needed	1 yr	21-Jun-02	21-Jun-03	-	$10,000	$10,075	$20,000		Telephone Maint & Installation
NRE/FS	FS Radio Communications	005-86-02-00-02-0074-00	James Stell	as needed	1 yr	1-Oct-01	30-Sep-02	$5,000	$5,000	$5,000	$2,500		Radio maintenance
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	Imperial Data	$ 6,000.00	1 yr	1-Oct-00	30-Sep-01	$6,000	$0	-	-		Printer maintenance
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	Black and Veil Office Equipment	$ 1,200.00	1 yr	1-Oct-01	30-Sep-02	-	$1,200	$1,200	-		Printer maintenance
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	Hewlett Packard	$ 936.00	1 yr	1-Oct-00	30-Sep-01	$936	-	-	-		Plotter maintenance
NRE/FS			ETI Professionals	$ 95,000.00	Annual Contract	1-Oct-02	30-Sep-03	-	$95,000	$95,000	$95,000		PC Desktop Support
NRE/FS			Icon Consulting	$ 80,000.00	Annual Contract	1-Oct-02	30-Sep-03	-	-	-	$80,000		Server Support
NRE/FS	Infra Project	005-86-01-11-01-1030-00	RM Consulting Group		Annual Contract	1-Oct-02	30-Sep-03	$947,500	-	$2,408,000	$3,707,000		ADP Systems Development

NRE/FS	Infra Project	005-86-01-11-01-1030-00	Phi Inc.		Annual Contract	1-Oct-02	30-Sep-03	$1,682,000	-	$1,583,000	$1,835,000	ADP Systems Development
NRE/FS	Infra Project	005-86-01-11-01-1030-00	Anteon		Annual Contract	1-Oct-02	30-Sep-03	$235,000	-	$155,000	$235,000	Documentation/Training
NRE/FS	Infra Project	005-86-01-11-01-1030-00	Mindseeker		Annual Contract	1-Oct-02	30-Sep-03	-	-	-	$88,000	Documentation/Training
NRE/FS	Infra Project	005-86-01-11-01-1030-00	SAI		Annual Contract	1-Oct-02	30-Sep-03	$29,000	-	$89,000	$79,000	Admin Technical support
NRE/FS	Infra Project	005-86-01-11-01-1030-00	Lockheed/Northrop Grumman		Annual Contract	1-Oct-01	30-Sep-02	$2,452,000	-	$445,000	-	ADP Systems Development
NRE/FS	FS Radio Communications	005-86-02-00-02-0074-00	Capital Communications	$ 20,000.00	1 yr	1-Oct-02	30-Sep-03	$10,694	$20,000	$19,784	$20,000	Radio Maint & Installation
NRE/FS	WFRP-MS	005-86-01-11-02-0135-00	Tres Computer Solutions					$25,000	$25,000	$25,000		
NRE/FS			TBA			1-May-03	30-Sep-03				$100,000	Technical Support - Not Yet Awarded
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	IBM			1-Oct-00	30-Sep-02	$11,330,151	$8,621,849	$8,070,174	-	Technical Support, Hardware Maintenance, Systems Admin and Analyst Support contracts
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	IBM			1-Oct-02	30-Sep-03	-	-	-	$11,819,837	Transition, Integration, Technical Support, Hardware Maintenance, and IT Services Contracts
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	NSGI		Annual	1-Oct-02	30-Sep-03	$339,649	$1,877,354	$1,678,816	$1,653,067	Systems Admin and Analyst Support
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	RGS		Annual	1-Oct-02	30-Sep-03	$260,017	$279,892	$279,892	$304,780	System Analysis Support
NRE/FS	FS Telecom Base	005-86-02-00-02-0078-00	RGS		Annual	1-Oct-02	30-Sep-03	-	$105,000	$121,268	$156,566	Network Telephone Support
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	G&B Solutions			13-Jan-03	30-Sep-03	-	-	-	$1,490,000	E-Gov/Enterprise Architecture
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	Gartner Group	as needed		1-Oct-02	30-Sep-03	$244,110	$360,076	$491,630	$125,332	IV&V, Consultant, Customer surveys Contracts
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	FF&A		Annual	1-Oct-02	30-Sep-03	-	$431,793	$425,160	$369,460	Software Systems & Quality Assurance
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	ESRI		Annual	1-Oct-02	30-Sep-03	-	$228,440	$238,833	$202,135	GIS System Software developer and Tech. Support
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	GSA - 03-IA-11132215-001		Annual	1-Oct-02	30-Sep-03	-	$525,017	$979,011	$876,057	System engineering Analyst; IT Specialist Support
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	Lab & Associates		Annual	1-Oct-01	30-Sep-03	$160,243	$171,456	$171,456	$175,028	PC Imaging/Testing/Quality Assurance
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	PIXL, Inc.		Annual	1-Oct-02	30-Sep-03	-	$184,646	$184,040	$187,247	System Analysis Support
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	SRA		Annual	1-Oct-02	30-Sep-03	-	$836,997	$574,426	$928,260	System Analysis/Tivoli Support
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	Universal Hi-Tech Dev.		Annual	1-Oct-02	30-Sep-03	-	$221,550	$221,550	$350,000	System Analysis/Tivoli Support
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	S&K		Annual	1-Oct-02	30-Sep-03	-	$207,305	$207,393	$177,158	System and Security Architect Support
NRE/FS	FS Telecom Base	005-86-02-00-02-0078-00	TLA		Annual	1-Oct-02	30-Sep-03	-	-	-	$354,170	WAN Support and Analysis
NRE/FS	Client Database		Larry Bednar	$ 5,000.00		1-Jan-03	30-Jan-03	-	-	-	$5,000	Development of MS Access application
	Agency Totals			$ 7,228,973.28				$29,547,826	$17,728,076	$24,251,163	$32,441,059	

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
FFAS/FSA	Nationwide SCCAP Maint	FSA #59	IBM	$ 37,422,647.00	5	9/23/1997	9/30/2002	$ 3,653,371.00	$ 3,805,103.00	$ 3,255,000.00	Expired	Nationwide SCCAP maintenance
FFAS/FSA/FAS/RMA	Computer Facility Operations	FSA #63	ARSC	$ 8,590,316.00	5	10/1/2001	9/30/2006	$ -	$ 8,590,316.00	$ 8,590,316.00	$ 10,037,758.00	Computer facility operations
FFAS/FSA	Information Technology Support Services	Multiple	ITSS-2: EDS*	$ 29,836,874.00	5	11/20/2001	11/20/2006	$ 14,414,153.00	$ 5,079,058.00	$23,295,273		Software development, enhancement and maintenance
FFAS/FSA	Information Technology Support Services	Multiple	ITSS-2: Unisys*	Included in above	5	11/21/2001	11/21/2006	N/A	$ -	$ -	$ -	
FFAS/FSA	Information Technology Support Services	Multiple	ITSS-2: NSR*	Included in above	5	11/22/2001	11/22/2006	$ 1,511,194.00	$ 1,648,216.00	$1,099,210		Software development, enhancement and maintenance
FFAS/FSA		FSA #89	Vistech Inc.	$ 551,662.00	1			$ 551,662.00	$ 934,391.00			Support Service for Application Development
FFAS/FSA	GIS Support Svc	FSA #84	Veridian-MRJ	$ 2,262,000.00	1	10/9/2001	3/31/2003	$ 1,188,000.00	$ 2,262,000.00	$1,915,000.00	$1,388,816.00	GIS/GPS Support
FFAS/FSA	AS 400 Maintenance	FSA #69	IBM	$ 2,001,920.00	1	1/1/2001	8/30/2002	$ -	$ 2,001,920.00	$ 2,001,920.00	Expired	AS/400 Maintenance
FFAS/FSA	MQ Series Support	FSA #69	IBM	$ 66,414.00	1	2/22/2002	8/30/2002	$ -	$ 66,414.00	$ 66,576.00	Expired	MQ Series System Engineer Support
FFAS/FSA	AS/400 Main	FSA #69 & FSA #59	ComTek	$ 25,000,000.00	5	10/15/2002	9/30/2007	$ -	$ -	$ -	$3,927,300.00	IBM AS/400 and 4317 Laser Printer Maintenance
FFAS/FSA	Support Services		EDS	$ 166,305.00	1	8/28/2001	8/30/2002	$ 166,305.00	$166,305.00	166,305.00	Expired	System Engineer Support
FFAS/FSA	Support Services	Multiple	IBM	$ 376,728.00	1			$ -	$ 376,728.00			IT Technical Support
FFAS/FSA		Multiple	IBM	$ 827,000.00	1	9/3/2002	9/30/2003	$ -	$ 827,000.00	$ 827,000.00		IT Technical Support
FFAS/FSA			MELE Associates	$ 58,908.00	2	10/1/2002	9/30/2003	$ 58,908.00	$ 61,547.00	$ 61,547.00	N/A	Support Service for Data Entry
FFAS/FSA	Webcaff Support Services		N-Link Corporation	$ 635,029.00	1	1/7/2002	5/1/2002	$ -	$ 635,029.00	$ 635,029.00	Expired	Support Services for Webcaff Requirement
FFAS/FSA	Mentoring Services	Multiple	IMD	$415,087.00	1	7/29/2002	9/30/2002	0	$415,087.00	$415,087.00	Expired	Mentoring Services
Agency Totals:				$ 108,212,888.00				$ 21,566,691.00	$ 26,769,112.00	$ 42,322,263.00	$ 15,353,874.00	

IT Contractor Assistance Information

Mission Area/Agency	ect N		Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
FS/FSIS			Sybase	$ 985,000.00	1year			-	$ 986,000.00	$ 987,120.58	-	Database Development
FS/FSIS			Falm Help	$ 1,717,513.00	1year			$ 1,859,528.00	$ 1,717,513.00			FAIM Helpdesk
FS/FSIS			ID Enterprise	$ 790,279.20	5year	7/30/2002	7/30/2007	$ -	$ 206,800.00	$ 206,800.00	$ 61,320.00	Application Development
FS/FSIS			Unisys (Help desk)	$ 419,712.49	1year			$ 419,712.50	$ 425,000.00			Headquarters Helpdesk
FS/FSIS			Bay State	$ 7,000,000.00	5year	10/1/2002	9/30/2007	$ 5,000,000.00	$ 5,813,555.00	$ 6,813,555.00		PC Purchases
FS/FSIS			SMAC	$ 250,000.00	1year		9/30/2001	$ 300,000.00	$ 250,000.00			PC Purchases
FS/FSIS			SAIC	$ 6,395,527.00	5 year	10/18/2002	9/30/2007				$ 653,000.00	Sybase Support
FSIS												
Agency Totals:				$ 17,558,031.68				$ 7,579,240.50	$ 9,397,868.00	$ 7,007,475.58	$ 714,320.00	

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITIPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
MRP/GIPSA			A&T Systems Inc	$ 20,315.50	1 time			$ 20,315.50	$ -			P&SP Software Install
MRP/GIPSA			Adagel	$ 300.00	1 Year	OCT 01	SEP 30	$ 300.00	$ 300.00	$ 300.00	$ 1,100.00	FGIS Mini Computer Software Maintenance
MRP/GIPSA			API International	$ 1,164.00	1 Year	OCT 01	SEP 30	$ 1,164.00	$ 1,164.00	$ 1,164.00	$ 1,164.00	FGIS Mini Computer Software Maintenance
MRP/GIPSA			ATL Products	$ 7,000.00	Yearly			$ 7,000.00	$ 7,000.00	$ 7,000.00	$ 7,000.00	P&SP Tape Drive Maintenance
MRP/GIPSA			Cisco Systems	$ 2,950.88	1 Year	OCT 01	SEP 30	$ 2,950.88	$ 2,929.54	$ 2,929.54	$ 2,244.00	FGIS LAN Software Maintenance
MRP/GIPSA			CTI Inc.	$ 199,584.84	6 Months	21-May	4-Sep		$ 199,584.84	$ 199,584.84		Swine Contract Library
MRP/GIPSA			CTI Inc.	$ 90,960.00	1 Year	28-Sep	28-Sep		$ 90,960.00	$ 90,960.00		Application Maintenance
MRP/GIPSA			CTI Inc.	$ 164,445.84	1 Year	28-Sep	28-Sep		$ 164,445.84	$ 164,445.84		Application Maintenance
MRP/GIPSA			CTI Inc.	$ 249,900.00	1 Year	30-Sep	1-Oct		$ 249,900.00	$ 249,900.00		XP Desktop Computer Deployment
MRP/GIPSA			CTI Inc.	$ 250,000.00	1 Year	25-Sep	24-Sep		$ 250,000.00	$ 250,000.00		Enterprise Architecture Plan
MRP/GIPSA			Dominion Data	Replaced Indelib	1 Year	OCT 01	SEP 30		$ 1,980.00	$ 1,980.00	$ 1,949.19	FGIS Software Maintenance
MRP/GIPSA			EMC	$ 7,185.00	1 time			$ 7,185.00	$ 7,185.00	$ 7,185.00	$ 7,185.00	P&SP Software Install
MRP/GIPSA			EMC	$ 43,013.64	Yearly			$ 43,013.64	$ 43,013.64	$ 43,013.64	$ 43,013.64	P&SPComputer System Maintenance
MRP/GIPSA			Entrix Computing	$ 1,049.00	1 Year	OCT 01	SEP 30	$ 1,049.00	$ 1,049.00	$ 1,049.00	$ 1,049.00	FGIS Mini Computer Software Maintenance
MRP/GIPSA			Hewlett Packard	$ 27,159.68	1 Year	OCT 01	SEP 30	$ 27,159.68	$ 26,830.32	$ 26,830.32	$ 26,332.96	FGIS Mini Computer Hardware/ Software Maintenance
MRP/GIPSA			Indelible Blue, Inc	$ 1,069.00	1 Year	OCT 01	SEP 30	$ 1,069.00	$ -	$ -		FGIS Software Maintenance
MRP/GIPSA			Mindsoft	$ 600.00	1 Year	OCT 01	SEP 30	$ 600.00	$ 1,200.00	$ 1,200.00	$ 1,200.00	FGIS Mini Computer Software Maintenance
MRP/GIPSA			Novell	$ 13,900.00	1 Year	OCT 01	SEP 30	$ 13,900.00	$ 12,518.62	$ 12,518.62	$ 14,365.62	FGIS LAN Software Maintenance
MRP/GIPSA			Opean Sees /Jetform	$ 1,800.00	1 Year	OCT 01	SEP 30	$ 1,800.00	$ 1,800.00	$ 1,800.00	$ 1,800.00	FGIS Mini Computer Software Maintenance
MRP/GIPSA			Productive Software	$ 7,130.00	1 Year	OCT 01	SEP 30	$ 7,130.00	$ 7,402.52	$ 7,402.52	$ 7,340.30	FGIS Mini Computer Software Maintenance
MRP/GIPSA			RGB Technology Inc	$ 10,711.55	1 time			$ 10,711.55	$ -			P&SP Cable Install
MRP/GIPSA			ROC Software	$ 605.00	1 Year	OCT 01	SEP 30	$ 605.00	$ -	$ -	$ -	FGIS Mini Computer Software Maintenance
MRP/GIPSA			Speedware LTD	$ 9,725.00	1 Year	OCT 01	SEP 30	$ 9,725.00	$ 9,725.00	$ 12,000.00	$ 14,400.00	FGIS Mini Computer Software Maintenance
MRP/GIPSA			Speedware LTD	$ 9,725.00	1 Year	OCT 01	SEP 30	$ 9,725.00	$ 12,000.00	$ 12,000.00	$ 14,400.00	FGIS Mini Computer Software Maintenance
MRP/GIPSA			Vecoff, Inc	$ 1,740.00	1 Year	OCT 01	SEP 30	$ 1,740.00	$ 1,770.00	$ 1,770.00	$ 1,800.00	FGIS Mini Computer Software Maintenance
Agency Totals:				$ 1,112,051.74				$ 197,165.29	$ 1,082,788.32	$ 1,086,933.32	$ 149,278.91	

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITIPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
DA/NAD			PTI	$ 88,655	4 months			$ 88,655	0	0	0	IT Assessment/Implementation Plan
DA/NAD					unknown			$ -	$ -	$ -	$ 20,000	IT Security Study
Agency Totals:				$ 88,655				$ 88,655	$ -	$ -	$ 20,000	

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITIPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2003	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Planned Cost FY2004	Purpose
REENASS	Census/Survey Process		Bob Hecuit	$ 66,000.00	15 months	10/1/2001	[illegible]	$ 41,000.00	$ 25,000.00	$ 25,000.00			System Integration & Design
REENASS	eGOV		Bob Hecuit	$ 75,000.00	9 months	1/1/2002	9/31/2002		$ 25,000.00	$ 25,000.00			eGOV planning & coordination
REENASS	Census/Survey Process		RMA/Intermix	$ 150,000.00	4 years	10/1/2000	9/30/2004	$ 20,000.00	$ 30,000.00	$ 30,000.00	$ 40,000.00	$ 40,000.00	Data Warehouse Performance
REENASS	IT Support		VCI	$ 525,000.00	5 years	4/1/2003	3/31/2005	$290,000.00	$ 34,400.00	$ 34,400.00	$ 131,000.00	$ 36,000.00	Software & implementation of imaging
REENASS	Est Processing		John Markham	$ 240,000.00	4 years	10/1/2000	9/30/2004	$ 70,000.00	$ 60,000.00	$ 60,000.00	$ 55,000.00	$ 35,000.00	Application implementation
REENASS	Security		Price Waterhouse	$ 25,000.00	6 months	6/1/2001	[illegible]	$ 25,000.00	$ -				IT Security Review
REENASS	Security		Protective Services	$ 10,000.00	1 year	10/1/2000	9/30/2001	$ 10,000.00	$ -				Security cameras
REENASS	IT Support		Corporate	$ 45,000.00	4 years	10/1/2000	9/30/2004	$ -			$ 25,000.00	$ 20,000.00	Image Support
REENASS	Census/Survey Process		SAS Institute	$ 80,000.00	3 years	10/1/2001	9/30/2004	$ -	$ 40,000.00	$ 30,000.00	$ 30,000.00	$ 30,000.00	Survey processing software
REENASS	IT Support		Total Computer Solutions	$ 31,100.00	3 years	10/1/2001	9/30/2004	$ -	$ 11,100.00	$ 11,100.00	$ 10,000.00	$ 10,000.00	Email Support
REENASS	Census/Survey Process		Destiny	$ 7,400.00	2 years	10/1/2000	9/30/2002	$ 5,000.00	$ 2,400.00	$ 2,400.00			SAS Support
REENASS	IT Support		ITS	$75,000	5 years	10/1/2001	9/30/2004		$ 25,000.00	$ 16,000.00	$ 25,000.00	$ 25,000.00	Headquarters Mix Cabling
REENASS	IT Support		Oshtum Consulting	$ 60,000.00	3 years	10/1/2001	9/30/2004		$ 15,000.00	$ 15,000.00	$ 25,000.00	$ 25,000.00	Sybase performance
REENASS	IT Support		Dan Olsen	$ 11,500.00	4 years	10/1/2000	9/30/2004	$ 2,500.00	$ 3,000.00	$ 3,000.00	$ 3,000.00	$ 3,000.00	Computer Room Cleaning
REENASS	Security		not yet awarded	$ 300,000.00	2 years	10/1/2003	9/30/2005				$ 125,000.00	$ 125,000.00	Security for Information Technology
REENASS	eGOV		Decision Systems Tech, Inc	$1,257,000.00	3 years	10/1/2001	9/30/2004		$ 232,000.00	$ 232,000.00	$ 500,000.00	$ 500,000.00	ESRI Support
REENASS	Est Processing		not yet awarded	$ 55,000.00	6 months	2/1/2003	8/30/2003				$ 28,000.00	$ 20,000.00	Data Search Engine
REENASS	Census/Survey Process		Info USA	$ 700,000.00	5 years	10/1/2000	9/30/2005	$ 50,000.00	$ 100,000.00	$ 50,000.00	$ 400,000.00	$ 200,000.00	National Phone Directory
REENASS	IT Support		not yet awarded	$30,000	6 months	10/1/2003	3/31/2004					$ 30,000.00	Server Operating System Evaluation
REENASS	Security		Backbone Technology	$ 44,000.00	6 months	2/1/2002	8/30/2002	$ -	$ 21,000.00	$ 44,000.00			Telecomm and Security Administration Evaluation
Agency Totals:				$3,597,600.00				$515,500.00	$ 823,500.00	$ 679,900.00	$ 1,398,000.00	$ 1,144,000.00	

FY2003 ITAT WORKLOAD (End of 1st Quarter Update)

NOTE: Items identified below with "PBSC" are either performance-based service contracts or will have the potential for FFP PBSC task orders placed against contracts. It is the ITAT objective to award all FFP services work as PBSC.

PART I
NEW ACQUISITIONS PLANNED FOR FY2003

NO.	TITLE	CONTRACT	TYPE	SPONSOR	AMOUNT	STATUS	CO	COMMENTS
6	MicroSoft Premier Support	Competitive GSA Schedule	FFP	OCIO/CCE	Est. $300K	In Statement of Work, Pre-Solicitation Phase.	Dove	Replaces expiring contract in February 2003.
7	Snotel Support Services for Portland, OR	GSA Schedule	FFP	West Region/Nat'l Water and Climate Ctr.	Est. $400K	In Statement of Work Phase.	Dove	Vendor: GSA Financial Division (follow-on)
8	NHQ LAN Support Services	USDA, DA-OPPM/POD BPA 8(a) Award	FFP PBSC	NRCS/ITD	Est. $900K	In Statement of Work, Pre-Solicitation Phase.	Sanders	Performance Based Services. New PBSC task order under the BPA to transition current work identified in Part II, No. 11 below on 3/1/03. Performance period through 09/30/03. Vendor: Evergreen IT Services (8(a) contractor)
9	IT Support Services for NRCS Mission Critical Applications and SCM IT Architecture	Competitive ITAT Contract 8(a) Award	T&M/ LOE/ FFP-PBSC	NRCS/ITC	DPA of $26M	In Statement of Work, Pre-Solicitation Phase.	Sanders/ Enemnger	This contract will allow for LOE, T&M, and FFP PBSC work orders to be issued against it. Competitive 8(a) Award for transitional work after "bridge" contract identified in Item below. Estimated award date of 10/01/03 to include a base year and four (4) option year periods.

$266,000,000

PART II
CURRENT AND ACTIVE PROCUREMENTS

NO.	TITLE	CONTRACT	TYPE	SPONSOR	AMOUNT	STATUS	CO	COMMENTS
1	**USDA Telecommunications Infrastructure Evaluation and Support Task Order with multiple work authorization orders (WAO's) placed under it:**	Competitive FSA ITSS-II	LOE/ T&M/ FFP-PBSC	USDA/OCIO	DPA of $25M	Awarded March 18, 2002. Performance period includes Base Year and four (4) option years (through September 30, 2006)	Ensminger	The task order allows for LOE, T&M, and FFP-PBSC work orders to be issued against it. Vendor: Science Applications International Corporation.
1a	*WAO No. 1 -- Electronic Access Operations and Maintenance -- eContracts Development -- West Texas Telecommunications Pilot (20-50 USDA offices)*		*T&M*	*West Texas Pilot Funds*	*$653,174.00*	*Preformance Completed December 31, 2002.*	*Ensminger*	*Awaiting final invoice. Final payment, general performance evaluation, and Close-Out to be completed by Government.*
1b	*WAO No. 2 -- Pilot Implementation Support -- West Texas Telecommunications Pilot (20-50 USDA offices)*		*FFP-PBSC*	*West Texas Pilot Funds*	*$119,092.98*	*Preformance Completed January 20, 2003.*	*Ensminger*	***Performance-Based Services.*** *Performance-Based evaluation completed by Government. Awaiting final invoice. Final payment, general performance evaluation and Close-Out to be completed by Government.*
1c	*WAO No. 3 -- Telecommunications Throughput Data Collection -- West Texas Telecommunications Pilot (20-50 USDA offices)*		*T&M*	*West Texas Pilot Funds*	*$11,421.00*	*Preformance Completed July 2, 2002.*	*Ensminger*	*Final Payment made by Government. Close-Out to be completed by Government.*
1d	*WAO No. 4 -- USDA Service Center Agency Router Installation for 2,700 USDA locations*		*FFP-PBSC*	*OCIO/OCE*	*$2,206,533.00*	*Preformance Completed December 20, 2002.*	*Ensminger*	***Performance-Based Services.*** *Performance-Based evaluation completed by Government. Awaiting final invoice. Government-furnished property reconciliation is underway by COTR with completion expected by January 31, 2003. Final payment, general performance evaluation and Close-Out to be completed by Government.*
2	**Electronic Access/Web Farms Operations (EAWF) with multiple Work Authorization Orders (WAO's) placed under it:**	Competitive FSA ITSS-II	T&M/ FFP-PBSC	OCIO/NRCS	DPA of $25M	Awarded April 5, 2002.	Sanders	Vendor: Science Applications International Corporation.
2a	*WAO No. 1 -- Electronic Access Web -- Farm Architecture and Security*		*T&M*	*OCIO/NRCS*	*$437,316.17*	*Performance Completed 12/31/02*	*Sanders*	
2b	*WAO No. 2 --Electronic Access Operations and Maintenance*		*T&M*	*OCIO/NRCS*	*$299,859.00*	*Performance Completed 12/31/02*	*Sanders*	
2c	*WAO No. 3 -- Information Technology Working Group (ITWG) Security*		*T&M*	*OCIO/FSA-KC*	*$578,718.00*	*Awarded 9/17/02. Performance period runs through 09/30/03*	*Sanders*	
2d	*WAO No. 4 -- Web Modernization and Support*		*T&M - PBSC*	*NRCS/ITD*	*$232,293.09*	*Performance Completed 1/6/03*	*Sanders*	
2e	*WAO No. 5 -- Electronic Access Architecture & Security and Operations & Maintenance*		*T&M*	*OCIO/NRCS*	*$1,802,446.00*	*Awarded 12/31/02. Performance period runs through 12/31/03.*	*Sanders*	

3	**Implementation of Geospatial Data Warehouses (GDW) for Service Center Agencies Task Order with multiple Work Authorization Orders (WAO's) placed under it.**	Competitive FSA ITSS-II	LOE/ T&M/ FFP-PBSC	OCIO/NRCS	DPA of $25M	Awarded May 28, 2002.	Ensminger	The task order allows for LOE, T&M, and FFP-PBSC work orders to be issued against it. Vendor: Computer Sciences Corporation.
3a	*WAO No. 1 – Support for the Initial Foundation of the GDW*		*FFP-PBSC*	*OCIO/NRCS*	*$672,196.00*	*Performance Completed December 6, 2002.*	*Ensminger*	***Performance-Based Services.*** *Performance-Based evaluation completed by Government. Awaiting final invoice. Final payment, general performance evaluation and Close-Out to be completed by Government.*
3b	*WAO No. 2 – Sub-Task 2 (Phase I) Implementation of the GDW*		*FFP-PBSC*	*OCIO/NRCS*	*$2,500,000.00*	*Awarded December 27, 2002.*	*Ensminger*	***Performance-Based Services.*** *WAO End-date: September 30, 2003.*
4	**Enterprise Data Storage Architecture, Procurement, and Installation for Service Center Agencies Task Order.**	Competitive FSA ITSS-II	FFP-PBSC	OCIO/NRCS	$7,000,000.00	Awarded Septembr 18, 2002. Performance period includes base period and two (2) option periods (through September 30, 2004).	Sanders	**Performance Based Services.** Vendor: Computer Sciences Corporation
5	**Infrastructure Support Services with the following task orders placed under it:**	ITAT Contract (8(a) Award)	T&M/ FFP	NRCS/ITC and OCIO/CCE	DPA of $3M	Contract is currently in the first option year period. Contract has one option period remaining.		**Plan to convert to PBSC starting with 2ne Quarter of 1st option period (3/01/03).** Vendor: Information Technology eXperts (8(a) contractor)
5a	*TO No. 01 – System Administration*		*FFP*	*NRCS/ITC*	*$459,456*	*In performance phase*	*Sanders*	*Period of performance expires on 1/31/02. Need to negotiate and modify to extend to 2/28/03 during continuing resolution the transition to new PBSC TO No. 05 below on 3/1/03.*
5b	*TO No. 02 – National Help Desk*		*FFP*	*NRCS/ITC*	*$852,294*	*In performance phase*	*Sanders*	*Period of performance expires on 1/31/02. Need to negotiate and modify to extend to 2/28/03 during continuing resolution the transition to new PBSC TO No. 06 on 3/1/03.*
5c	*TO No. 03 – Technical Documentation Specialist*		*T&M*	*OCIO/CCE*	*$22K*	*Performance Completed 1/31/02.*	*Sanders*	
5d	*TO No. 04 – CCE Deployment Team Project Management Support*		*T&M PBSC*	*OCIO/CCE*	*$71,683.*	*In performance phase.*	*Sanders*	*Performance period expires on 9/30/03.*
5e	*TO No. 05 – System Administration*		*FFP PBSC*	*OCIO/CCE*	*Est. $350K*	*In Statement of Work, Pre-Solicitation Phase.*	*Sanders*	***Performance Based Services.*** *Estimate Award for 3/1/03 (depending upon Continuing Resolution limitations)*
5f	*TO No. 06 – National Help Desk*		*FFP PBSC*	*OCIO/CCE*	*Est. $600K*	*In Statement of Work, Pre-Solicitation Phase.*	*Sanders*	***Performance Based Services.*** *Estimate Award for 3/1/03 (depending upon Continuing Resolution limitations)*
6	**Enterprise Architecture Support Services with the following task orders placed under it:**	ITAT Contract (8(a) Award)	T&M/ FFP	*NRCS/ITC*	DPA of $3M	Contract is currently in the first option year period. Contract has one option period remaining.	Sanders	Vendor: Synergetics (8(a) award).
6a	*Geospatial Data Management*		*FFP*	*NRCS/ITC*	*$60K*	*Performance Completed.*	*Sanders*	
6b	*Network Prediction System*		*T&M*	*NRCS/ITC*	*$135K*	*Performance Completed 12/31/02.*	*Sanders*	

19	**Microsoft Software Upgrades and Maintenance for the ITC**	Competitive GSA Schedule	FFP	NRCS	$93,057.00	Awarded July 31, 2002. Performance period runs through July 2004.	Dove	Vendor: Micro Warehouse
20	**McAfee WebShield E500 Appliance Hardware, Software and Warranty Support.**	USDA, DA-OPPM/POD BPA	FFP	OCIO/CCE	209,247.20	Awarded on 12/30/02.	Sanders	Performance period through 12/31/03.
21	**PeopleSoft Software License for Human Resources - Annual Support**	GSA Schedule	FFP	NRCS/FSA/ RD	$ 480K per annum	Currently in annual maintenance phase.	Ensminger	Maintenance services for initial license. License includes Human Resources, Benefits Administration, and Payroll Interface software.
34	**Administrative Services Task Order with the following work orders placed against it:**	Competitive FSA ITSS	CPFF		DPA of $25M		Sanders	Vendor: Unisys Corp. Performance Completed. In the process of quick close-out procedures to make final payment for cost-reimbursement interim payments.
34a	*Electronic Access Security Design*			OCIO	*$1.5M*	*Performance Completed.*	*Sanders*	
34b	*CAMS Implementation*			CAMS	*$2.6M*	*Performance Completed*	*Sanders*	
35	**Data Base Resources Task Order with the following work orders placed against it:**	Competitive FSA ITSS	CPFF	NRCS/ITC	DPA of $25M		Sanders	Vendor: Unisys Corp. Performance Completed. In the process of quick close-out procedures to make final payment for cost-reimbursement interim payments.
35a	*Office Information Profile (OIP)*			*NRCS/ITC*	*$327K*	*Performance complete.*	*Sanders*	
35b	*Electronic Access*			*NRCS/ITC*	*$500K*	*Performance complete.*	*Sanders*	
35c	*VegSpec*			*NRCS/ITC*	*$68K*	*Performance complete.*	*Sanders*	
35d	*NASIS*			*NRCS/ITC*	*$598K*	*Performance complete.*	*Sanders*	
35e	*Integrated Accountability System (Web TCAS, IAS, RC&D)*			*NRCS/ITC*	*$1.5M*	*Performance complete.*	*Sanders*	

$167,201,392.60

19	**Microsoft Software Upgrades and Maintenance for the ITC**	Competitive GSA Schedule	FFP	NRCS	$93,057.00	Awarded July 31, 2002. Performance period runs through July 2004.	Dove	Vendor: Micro Warehouse
20	**McAfee WebShield E500 Appliance Hardware; Software and Warranty Support**	USDA, DA-OPPM/POD BPA	FFP	OCIO/CCE	209,247.20	Awarded on 12/30/02.	Sanders	Performance period through 12/31/03.
21	**PeopleSoft Software License for Human Resources - Annual Support**	GSA Schedule	FFP	NRCS/FSA/ RD	$ 480K per annum	Currently in annual maintenance phase.	Ensminger	Maintenance services for initial license. License includes Human Resources, Benefits Administration, and Payroll interface software.
34	**Administrative Services Task Order with the following work orders placed against it:**	Competitive FSA ITSS	CPFF		DPA of $25M		Sanders	Vendor: Unisys Corp. Performance Completed. In the process of quick close-out procedures to make final payment for cost-reimbursement interim payments.
34a	*Electronic Access Security Design*			OCIO	$1.5M	*Performance Completed.*	*Sanders*	
34b	*CAMS Implementation*			*CAMS*	$2.6M	*Performance Completed.*	*Sanders*	
36	**Data Base Resources Task Order with the following work orders placed against it:**	Competitive FSA ITSS	CPFF	NRCS/ITC	DPA of $25M		Sanders	Vendor: Unisys Corp. Performance Completed. In the process of quick close-out procedures to make final payment for cost-reimbursement interim payments.
35a	*Office Information Profile (OIP)*			*NRCS/ITC*	*$327K*	*Performance complete.*	*Sanders*	
35b	*Electronic Access*			*NRCS/ITC*	*$500K*	*Performance complete.*	*Sanders*	
35c	*VegSpec*			*NRCS/ITC*	*$88K*	*Performance complete.*	*Sanders*	
35d	*NASIS*			*NRCS/ITC*	*$588K*	*Performance complete.*	*Sanders*	
35e	*Integrated Accountability System (Web TCAS, IAS, RC&D)*			*NRCS/ITC*	*$1.5M*	*Performance complete.*	*Sanders*	

$167,201,392.60

PART III
PROCUREMENTS IN CLOSEOUT PHASE

NO.	TITLE	CONTRACT	TYPE	SPONSOR	AMOUNT	STATUS	CO	COMMENTS
1	**NRCS Customer Service Toolkit Support Services with the following task orders placed under it:**	ITAT Contract (8(a) Award)	T&M/ FFP	NRCS/ITC		Contract Closeout Pending.	Sanders	
1a	*Customer Services Toolkit*		*T&M*	*NRCS/ITC*	*$769,673.88*	*Performance Completed 4/30/02.*	Sanders	
1b	*Maintenance and Support for the NRCS IT Applications*		*T&M*	*NRCS/ITC*	*$2,247,270.00*	*Performance Completed 12/6/02.*	Sanders	
3	**Server Installation Services**	Competitive GSA Schedule	FFP PBSC	OCIO/CCE	$3,516,784.00	Performance Completed 10/21/02. Closeout Pending.	Sanders	
5	**Expanded New Mexico Telecommunications Pilot (44 USDA offices)**	Competitive GSA Schedule	FFP	New Mexico SO	$450K	Final Payment Executed; Closeout Pending.	Ensminger	
6	**Strategic Assessment of IT Processes for NRCS**	Competitive GSA Schedule	FFP	NRCS/ITD	$350K	Final payment Executed; Closeout Pending.	Sanders	
7	**Geospatial Requirements and Cost Benefit Analysis**	Competitive GSA Schedule	FFP	NRCS/ITD	$100K	Final payment Executed; Closeout Pending.	Sanders	

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
OBPA			0	$0	0			$0	$0			
Agency Totals:				$0				$0	$0			

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/TIPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
OC			0	$0	0			$0	$0	$6,000	$6,000	0
OC												
Agency Totals:				$0				$0	$0	$6,000	$6,000	

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITIPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
OCE			0	$0	0			$0	$0			
Agency Totals:				$0				$0	$0			

IT Contractor Assistance Information

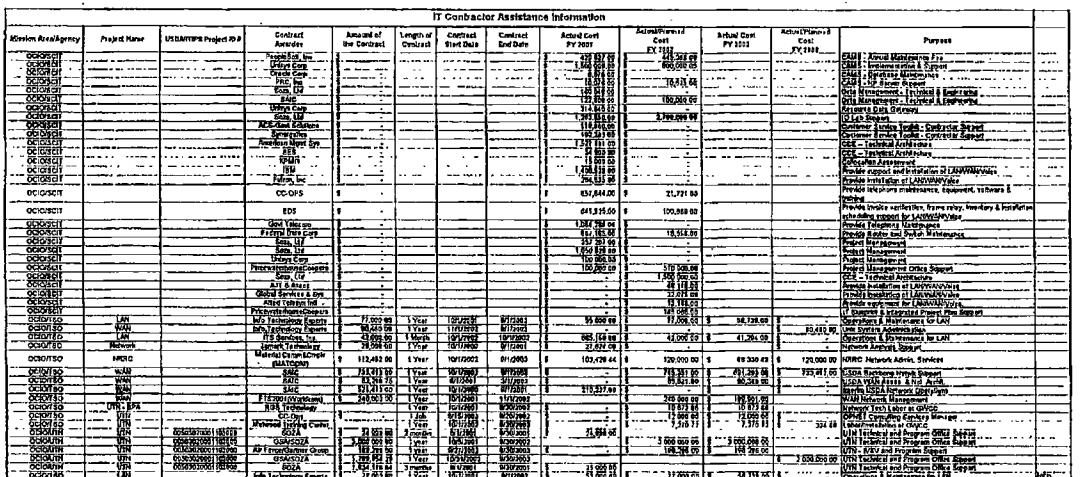
Mission Area/Agency	Project Name*	USDA/ITIPS Project ID #*	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2003	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
OCFO/NFC		43-7245-1-038	ACS	$2,016,750.00	24 mo	Oct-01	Sep-03	$1,140,632.00	$876,118.00	$1,428,775.00	$1,150,488.00	Programming/Analyst Support ISPD
		43-7245-1-034	ACS	$24,860.00	3 mo	Oct-00	Dec-00	$24,860.00	$0.00	$0.00	$0.00	PKI Implementation Plan
		NFC-02-BPA-0005	ACS	$342,736.60	36 mo	Oct-01	Sep-04	$0.00	$105,800.00	$109,532.37	$114,182.00	ISP Automation Specialist
OCFO/NFC		43-7245-1-030/43-2-060	ACS	$586,640.00	12 mo	Apr-01	Nov-01	$252,640.00	$334,000.00	$12,691.00	$0.00	Support Services for HW & SW Installation & Web
OCFO/NFC		43-7245-1-024/43-2-057	ACS	$24,273.99	12 mo.	Oct-01	Sep-02	$4,238.69	$19,695.00	$840.00	$0.00	Telecommunications Support Svc.
OCFO/NFC		43-7245-2-005	ACS	$324,460.00	21 mo.	Oct-01	Sep-02	$144,000.00	$180,460.00	$173,430.00	$0.00	RDBMS Developer
OCFO/NFC		NFC-02-BPA-006	ACS	$310,180.00	36 mo	Oct-01	Sep-04	$81,380.00	$228,800.00	$220,753.50	$125,125.00	Web and PKI Support
OCFO/NFC		43-7245-1-029	ACS	$27,486.16	4 mo.	Oct-00	2/30/01	$3,886.16	$21,600.00	$0.00	$0.00	System Dev. Consultant-TCP/IP Documentation
OCFO/NFC		43-7245-2-026	ACS	$285,951.00	24 mo	Oct-01	Sep-02	$262,840.00	$32,811.00	$17,070.90	$0.00	Install and distribute PCs
		53-3142-2-1010	Adnet	$5,741,678.60	5 yrs.	Apr-02	Sep-05	$0.00	$691,554.00	$691,668.05	$1,794,136.60	TSP Data Entry
OCFO/NFC		43-7245-1-103/43-2-069	Candle	$232,312.00	15 mo	Apr-01	Jun-02	$138,512.00	$92,800.00	$85,800.00	$0.00	Sr. Consultant-Implement CL/Supervession
OCFO/NFC		43-7245-1-078	Computer Associates	$134,118.00	7 mo	Jan-03	Jul-03	$101,642.00	$0.00	$0.00	$0.00	JAD Facilitator
OCFO/NFC		53-3142-3-04005	Computer Associates	$100,000.00	12 mo.	Oct-03	Sep-03	$0.00	$0.00	$0.00	$100,000.00	Tech support, 64-bits engineer
OCFO/NFC		43-7245-2-053	Computer Solutions	$20,018.00	3 mo.	Nov-01	Jan-02	$0.00	$20,025.00	$20,625.00	$0.00	Implementation of PKI Sybase DB
OCFO/NFC		43-7245-2-104	Computer Solutions & Ser	$4,531.25	1 mo.	Nov-01	Dec-01	$0.00	$4,531.25	$4,531.25	$0.00	PKI Sybase DB Assistance
OCFO/NFC		53-3142-2-1032	Consolidated Safety Services	$1,264,186.00	3 yrs	Oct-02	Sep-05	$0.00	$0.00	$0.00	$1,264,186.00	CASR Tools Support Service
OCFO/NFC		43-7245-2-149	Cryptek	$33,786.00	2 mo	Jul-02	Sep-02	$0.00	$33,786.00	$33,186.00	$0.00	Data Encryption Services
OCFO/NFC (COD)		53-3142-1-1007	Critigue, Inc-I D4/	$914,124.00	5 yrs	Oct-00	Sep-05	$400,177.00	$507,947.00	$383,079.00	$527,286.00	Data Entry
OCFO/NFC	PKI	43-7245-2-050/005-03-01-01-02-1030-00	DTL Solutions	$41,100.00	12 mo	Jan-02	Dec-02	$0.00	$41,100.00	$38,100.00	$0.00	On-site tech set up Veritas Serv-PKI
OCFO/NFC		53-7245-2-3000	Dykon Computer Help	$197,084.00	8 mo	Oct-03	Sep-02	$28,084.00	$169,000.00	$185,193.00	$0.00	Helpdesk Technician-Dev Remedy Solutions
OCFO/NFC		43-7245-1-113/43-2-025	Dykon Computer Help	$135,000.00	10 mo	Oct-01	Jul-02	$153,729.51	$135,000.00	$233,313.70	$0.00	Support for conversion of appication conversion
OCFO/NFC		NFC-02-BPA-0010	OACI Dynamic Systems	$1,107,501.85	5 yrs.	Mar-02	Sep-06	50.00	$115,437.85	$115,437.85	$233,921.18	Firewall Service
OCFO/NFC	PKI	NFC-03-BPA-0020/005-03-01-01-02-1030-00	Entrust	$1,375,000.00	3 yrs	Oct-02	Sep-05	$0.00	$0.00	$0.00	$275,000.00	PKI Contractual Support
OCFO/NFC	PKI	43-7245-1-83/43-7245-2-032/005-03-01-01-02-1030-00	Entrust	$101,653.92	1 mo.	Feb-01	Mar-01	$12,810.58	$88,843.34	$87,838.83	$0.00	Support Svs -Dev Of C Program
OCFO/NFC		43-7245-2-097	Executive Info Systems	$251,500.00	2 mo	May-02	Jul-02	$35,500.00	$216,000.00	$112,031.00	$10,100.00	Training and SW Installation of it change MGT
OCFO/NFC		43-7245-2-122	Executive Info Systems	$305,000.00	3 mo	Apr-02	Jul-02	$0.00	$305,000.00	$116,212.60	$0.00	Technical Support-implementation of SAS
OCFO/NFC		43-7245-2-0005	GSA/Sungard	$842,724.66	12 mo.	Oct-01	Sep-02	$163,726.66	$373,000.00	$643,496.00	$219,427.00	Disaster Recovery Services
OCFO/NFC		43-7245-2-115	IBM	$13,900.00	1 mo.	Aug-02	Sep-02	$0.00	$13,900.00	$11,377.64	$0.00	RS-6000 Technical Support
OCFO/NFC		43-7245-2-098	IBM	$262,400.00	10 mo	Feb-02	Dec-02	$224,000.00	$38,400.00	$38,400.00	$0.00	On-Site Technical Support for RS/6000
OCFO/NFC		43-7245-1-108	IBM	$64,560.00	1 mo.	May-01	Jun-01	$54,313.72	$0.00	$0.00	$0.00	DB Row Level Security Study
OCFO/NFC		53-3142-1-1002	ICRG	$4,338,811.00	5 yrs	Oct-00	Sep-05	$993,898.00	$743,471.00	$953,083.00	$862,466.00	Computer Data Librarians
OCFO/NFC		53-3142-1-1008	ICRG	$3,910,405.00	5 yrs.	Oct-01	Sep-03	$0.00	$782,080.00	$913,250.00	$782,080.00	Desktop Support Services
OCFO/NFC		53-3142-01-1028	Innovative Sys. Architects	$500,000.00	24 mo	Oct-01	Sep-03	$175,000.00	$250,000.00	$250,000.00	$275,000.00	Process Improvement Support
OCFO/NFC		53-3142-8-1021	Iron Mountain	$316,743.00	5 yrs	Oct-99	Sep-04	$158,743.00	$180,000.00	$175,100.00	$247,299.86	Offsite Storage
OCFO/NFC		43-7245-1-145	KPMG	$373,364.00	4 mo.	Jun-02	Dec-01	$0.00	$373,364.00	$373,364.00	$0.00	PKI Assessment
OCFO/NFC		43-7245-2-143	KPMG	$72,000.00	2 mo.	Jul-02	Aug-02	$0.00	$72,000.00	$23,761.00	$0.00	FISCAM Audit Review
OCFO/NFC		43-7245-1-001	Lockheed	$120,034.00	12 mo	Oct-00	Sep-03	$104,532.00	$0.00	$0.00	$0.00	Programming/Analyst Support ISPD
OCFO/NFC		43-7245-1-020	Lockheed	$228,500.00	12 mo.	Oct-03	Sep-03	$145,440.00	$0.00	$0.00	$0.00	Helpdesk Support Service
OCFO/NFC		NFC-02-BPA-0019	Network Designs	$277,333.00	3 yrs	Oct-02	Sep-05	$0.00	$0.00	$0.00	$81,283.00	Intrusion Detection Service
OCFO/NFC		53-3142-1-3012	Nois	$125,837.00	8 mo.	Feb-01	Sep-01	$125,837.00	$125,000.00	$0.00	$0.00	Remedy Helpdesk Support
OCFO/NFC		53-3142-1-1004	Nois	$5,840,138.00	24 mo	Oct-00	May-02	$2,078,434.57	$1,215,209.53	$1,215,209.53	$0.00	Data Entry
OCFO/NFC		43-7245-2-007	NSI	$28,212.00	2 mo.	Oct-01	Nov-01	$0.00	$0.00	$0.00	$0.00	TSP Programmer
OCFO/NFC		43-7245-1-031	Oracle	$336,690.00	12 mo.	Oct-00	Sep-01	$87,000.00	$249,000.00	$0.00	$0.00	Consultant for PCM/PLEST
OCFO/NFC		53-3142-3-04018	Pitney Bowes	$626,891.00	12 mo.	Oct-02	Sep-03	$0.00	$0.00	$0.00	$626,891.00	Tech support TSP sfwrs
OCFO/NFC		43-7243-1-128	Seta Corp	$168,684.00	4 mo.	Jun-01	Sep-01	$160,105.00	$0.00	$0.00	$0.00	Voice Replacement Service
OCFO/NFC		43-7245-2-082	Seta Corp	$718,648.00	13 mo	Jun-01	Jul-01	$168,584.00	$50,064.00	$50,064.00	$0.00	Study of Voice Sys
OCFO/NFC		43-7245-2-100	Seta Corp	$436,736.00	12 mo	Oct-01	Sep-02	$0.00	$175,736.00	$355,927.00	$0.00	Alternative Study of Voice Sys
OCFO/NFC		43-7245-3-068	Seta Corp	$274,000.00	12 mo	Oct-02	Sep-03	$0.00	$0.00	$0.00	$274,000.00	Alternative Study of Voice Sys

OCFO/NFC		43-7245-1-006	Sterling	$1,307,000 00	12 mo.	Oct-01	Jun 02	$748,000 00	$819,000 00	$157,500 00	$0 00	On-site Product Tech Support		
OCFO/NFC		53-7245-3-3089	SRA	$242,961 00	2 mo.	Feb-03	Apr-03	$0 00	$0 00	$0 00	$242,805 00	RMD Consulting Services		
OCFO/NFC		43-7245-1-126	Syscon	$24,000 00	2 mo.	May-02	Jun-02	$0 00	$24,000 00	$11,700 00	$0 00	On-site support Implement PKI		
OCFO/NFC		53-7245-1-3078	The Systems Group	$157,500 00	18 mo.	Jan-01	Sep-02	$0 00	$157,500 00	$157,500 00	$0 00	EPS Consulting Services		
OCFO/NFC	PKI	53-3142-3-1005/005-03-01-01-02-1030-00	The Systems Group	$584,500 00	5 yrs	Nov-02	Sep 07	$0 00	$0 00	$0 00	$119,925 00	Documentation of PKI		
OCFO/NFC	PKI	43-7245-1-110/005-03-01-01-02-1030-00	Trusted Signature	$100,075 00	1 mo.	May-01	Jun-01	$50,075 00	$50,000 00	$0 00	$0 00	Web Consultant for PKI		
OCFO/NFC		53-3142-0-1021	Ultimate Marketing	$4,000,000 00	5 yrs	Oct-96	Mar-03	$612,710 00	$0 00	$0 00	$0 00	Desktop Support Services		
OCFO/NFC		43 7245-1-073	VCS Inc	$38,720 00	5 mo	Jan-01	May-01	$720 00	$38,000 00	$0 00	$0 00	Program Manager-Implementation of IT chargeback		
OCFO/NFC		43-7245-3-003	Xerox	$100,000 00	12 mo	Oct-02	Sep-02	$0 00	$0 00	$0 00	$100,000 00	On-site engineer		
OCFO/NFC Subtotal				$10,699,252 56				$8,690,045 56	$9,953,957 57	$9,683,005 56	$8,809,815 82			
OCFO/ACFO-FS	FFIS	005-03-01-01-1020-00	PriceWaterhouse Coopers	$1,527,512 00	12 mo.	Oct-02	Sep-03	$847,512 00	$680,000 00	$680,000 00	$1,034,354 00	ACRWS Implementation & Support		
OCFO/ACFO-FS	FFIS	005-03-01-01-1020-00	American Management Systems, Inc.**	$14,431,106 00	10 years	Oct-02	Sep-03	$15,412,191 00	$11,394,740 00	$14,519,063 00	$14,500,000 00	FFIS Implementation & Operations		
OCFO/ACFO-FS	FFIS	005-03-01-01-1020-00	Logistics Management Institute	$2,269,609 00	12 mo.	Oct-02	Sep-03	$1,299,609 00	$970,000 00	$970,159 00	$170,000 00	IV & V / Program Management		
OCFO/ACFO-FS	IT Infrastructure and Ongoing Administrative Processing (ADM ACCT and IRM Systems)	005-03-01-02-0000-00	Communication Resource Inc	$331,005 00	6 mo.	Nov-02	May-03	$ -	$ -	$ -	$331,005 00	Tele/EDI Development		
OCFO/ACFO-FS	IT Infrastructure and Ongoing Administrative Processing (ADM ACCT and IRM Systems)	005-03-01-02-0000-00	Enterprise Integration Corp	$166,595 00	12 mo	Oct-02	Sep-03	$ -	$ -	$ -	$166,595 20	Program Management		
OCFO/ACFO-FS	FFIS	005-03-01-01-1020-00	Newberry Group	$58,926 00	4 mo.	Nov-02	Mar-03	$ -	$ -	$ -	$58,926 00	Risk Assessment - FSDW, FDW, ACRWS		
OCFO/ACFO-FS	IT Infrastructure and Ongoing Administrative Processing (ADM ACCT and IRM Systems)	005-03-01-02-0000-00	Newberry Group	$71,863 00	4 mo	Nov-02	Mar-03	$ -	$ -	$ -	$71,863 00	Risk Assessment -PRCH, PROP, TRVL		
OCFO/ACFO-FS	FFIS	005-03-01-01-1020-00	TBD	TBD	3 mo	TBD	TBD	$ -	$ -	$ -	$150,000 00	Risk Assessment and Security Test and Evaluation, Arbitrix		
OCFO/ACFO-FS	FFIS	005-03-01-01-1020-00	TBD	TBD	6 mo	TBD	TBD	$ -	$ -	$ -	$150,000 00	Risk Assessment and Security Test and Evaluation HEAT		
OCFO/ACFO-FS	IT Infrastructure and Ongoing Administrative Processing (ADM ACCT and IRM Systems)	005-03-01-02-0000-00	TBD	TBD	6 mo.	TBD	TBD	$ -	$ -	$ -	$150,000 00	Risk Assessment and Security Test and Evaluation Tele EDI		
OCFO/ACFO-FS	FFIS	005-03-01-01-1020-00	Management Information System	$450 000 00	1yr	Oct-02	Sep-03	$ -	$ -	$ -	$450,000 00	DBA Support for the FDW		
OCFO/ACFO-FS	FFIS	005-03-01-01-1020-00	TBD	TBD	6 mo	TBD	TBD	$ -	$ -	$ -	$100,000 00	FDW-Platform Installation & Support		
OCFO/ACFO-FS	FFIS	005-03-01-01-1020-00	TBD	TBD	6 mo	TBD	TBD	$ -	$ -	$ -	$100,000 00	FDW-New Platform Risk Assessment, Trusted Facilities Manual, Security Plan		
OCFO/ACFO-FS	FFIS	005-03-01-01-1020-00	TBD	TBD	6 mo	TBD	TBD	$ -	$ -	$ -	$50,000 00	FDW-New Platform Security Test and Evaluation		
OCFO/ACFO-FS	FFIS	005-03-01-01-1020-00	TBD	TBD	6 mo	TBD	TBD				$116,843 00	Quality Assurance Support		
OCFO/ACFO-FS Subtotal				$49,206,186 00				$17,558,312 00	$13,044,740 00	$16,169,144 00	$17,558,285 20			

| Agency Totals | | |

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITIB Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost 4Y 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
OCIO			BRA	$ 31,609.53	3 months							Chapin Option Report
OCIO			BRA	$ 53,029.06	3 months							Workforce Data Analysis
OCIO			SOZA	$ 53,000.00	8 weeks				$ 65,000.00	$ 65,000.00		Capital Planning Analysis
OCIO			SOZA	$ 45,000.00	5 months				$ 30,000.00	$ 30,000.00		Capital Planning Outline
OCIO			SOZA	$ 18,000.00	1 month							Capital Planning Training
OCIO			Booz Allen Hamilton	$ 85,000.00	Annual			$ 18,000.00	$ 85,000.00			ITIB SLA maintenance support
OCIO			Booz Allen Hamilton	$ 340,000.00	2 years			$ 340,000.00	$ 160,000.00			Project Management Consultant Management Training
OCIO			SOZA	$ 25,000.00	6 months				$ 25,000.00			Section 508 Review
OCIO			Acquisition Solutions	$ 100,000.00	1 year					$ 100,000.00	$ 50,000.00	Advice and Counsel on structure of IT Acquisitions
OCIO			Computer Sciences Corp.	$ 18,000.00	4 weeks					$ 18,000.00	$ 18,000.00	Support to Architecture Review
OCIO			SOZA	$ 300,000.00	1 year				$ 300,000.00			WWW at Enterprise Arch. Mgmt. Gov
OCIO			Daugherty and Assoc.	$ 90,000.00	8 months			$ 90,000.00				IT Executive Skills Assessment
OCIO			Chandler Technology	$ 350,000.00	3 years			$ 350,000.00				Software & Services for Section 508 compliance
OCIO			Microsoft Corporation	$ 5,000,000.00	5 years				$ 1,000,000.00			Support for existing software
OCIO			Booz-Allen & Hamilton	$ 49,884.00	3 mos			$ 49,884.00				Telecommunications Security Checklist
OCIO			SAIC	$ 33,987.00	3 mos			$ 33,987.00				Windows OS Security Checklist
OCIO			Booz-Allen & Hamilton	$ 53,551.00	3 mos			$ 53,551.00				UNIX OS Security Checklist
OCIO			SAIC	$ 47,486.00	6 mos			$ 47,486.00				Security Checklists
OCIO			SAIC	$ 176,852.00	6 mos			$ 176,852.00				Security Architecture
OCIO			Booz-Allen & Hamilton	$ 73,499.00	3 mos			$ 73,499.00				Consolidated Systems Security Checklist
OCIO			SAIC	$ 148,394.00	6 mos			$ 148,394.00				Risk Management Methodology
OCIO			Cacl	$ 38,724.00	2 mos				$ 38,724.00			National Penetration Test
OCIO/ITIB			Robbins Gioia								$ 33,871.00	Oversight of SDLC
OCIO/ITIB			Accenture, LLP						$ 50,000.00	$ 50,000.00		System Enhancements
OCIO			Northrop Grumman	$ 80,262.00	4 mos.				$ 80,262.00			National Internet Firewall Analysis
OCIO/Cyber Security			SAIC	$ 235,331.00	1 year				$ 200,000.00		$ 705,000.00	Intrusion Detection System Support
OCIO/Cyber Security			Partial Technologies	$ 705,000.00	3 yr.			$ 495,000.00	$ 210,000.00	$ 210,000.00	$ 283,467.00	Network Monitoring ENV and Users
OCIO/Cyber Security			CHK, Inc.	$ 374,000.00	8 mo			$ 260,000.00	$ 374,000.00	$ 180,000.00		Database Development
OCIO/Cyber Security			Northrop Grum								$ 37,000.00	
OCIO/Cyber Security			6 Computer & Hi-Tech Mgmt						$ 180,000.00	$ 180,000.00		
OCIO/CIO			Acus		3 mos				$53,050	$53,050		Assist with 2000 conversion
OCIO/NITC			Metz Group						$ 65,000.00	$ 65,000.00		E-Government
OCIO/NITC (KC)	All Mid Range	N/A	ACS	$ -	N/A	N/A	N/A	$ 59,334.00	$ -	$ -	$ -	NT/UNIX Sys Admin (combined FY 02)
OCIO/NITC (KC)	All Mid Range	N/A	ACS	$ -	N/A	N/A	N/A	$ 67,040.00	$ -	$ -	$ -	UNIX/Mail Admin (combined FY 02)
OCIO/NITC (KC)	All Mid-Range	N/A	ACS	$ -	N/A	N/A	N/A	$ 37,736.00	$ -	$ -	$ -	Security and ADS Support (chg vendor FY 02)
OCIO/NITC (KC)	All users of ITC	N/A	IBM	$ -	N/A	N/A	N/A	$ -	$ 3,313.00	$ 3,313.00	$ -	Software support
OCIO/NITC (KC)	FAA chargeback	N/A	CA	$ -	N/A	N/A	N/A	$ 18,250.00	$ 58,218.00	$ 24,501.00	$ -	FAA/Unicenter (comb FY 02)
OCIO/NITC (KC)	All	N/A	Unisys	$ -	1 year		$30/2001	$ 1,351,125.00	$ -	$ -	$ -	Database Support (chg vendor FY 02)
OCIO/NITC (KC)	Security Assessment	N/A	ESS	$ -	X mo	N/A	N/A	$ 172,143.00	$ -	$ -	$ -	Security Assessment (comb FY 02)
OCIO/NITC (KC)	Chargeback	N/A	FDT	$ -	N/A	N/A	N/A	$ 72,600.00	$ -	$ -	$ -	Chg project (comb FY 02)
OCIO/NITC (KC)	All SW users	N/A	IBI	$ -	N/A	N/A	N/A	$ -	$ 6,710.00	$ 6,710.00	$ -	IBI Software evaluation
OCIO/NITC (KC)	LDAP	N/A	IBM	$ -	N/A	N/A	N/A	$ 31,960.00	$ -	$ -	$ -	LDAP Support (comb FY 02)
OCIO/NITC (KC)	All mainframe users	N/A	IBM	$ -	N/A	N/A	N/A	$ -	$ 838,900.00	$ 778,878.01	$ 1,038,448.85	OS/390 - SW Supp (comb FY 02)
OCIO/NITC (KC)	All mainframe users	N/A	IBM	$ -	1 year	N/A	N/A	$ 121,145.00	$ -	$ -	$ -	RACF Support (combined FY 02)
OCIO/NITC (KC)	All mainframe users	N/A	IBM	$ -	N/A	N/A	N/A	$ -	$ 23,160.00	$ 20,627.35	$ -	Wkstn and Net Perfm Mgmt (combined FY 02)
OCIO/NITC (KC)	All SW users	N/A	IBM	$ -	1 year	N/A	N/A	$ 317,500.00	$ -	$ -	$ -	OCS & DB Support (chg vendor FY 02)
OCIO/NITC (KC)	All Mid-Range	N/A	IBM	$ -	N/A	N/A	N/A	$ 2,000.00	$ 8,600.00	$ 460.00	$ -	Data Base Admin (combined FY 02)
OCIO/NITC (KC)	All mainframe users	N/A	IBM	$ -	N/A	N/A	N/A	$ 18,180.00	$ -	$ -	$ -	MS SNA Server Support (combined FY 02)
OCIO/NITC (KC)	OS/2	N/A	IBM	$ -	N/A	N/A	N/A	$ 1,320.00	$ -	$ -	$ -	RACMP (comp FY 02)
OCIO/NITC (KC)	NAAS	N/A	IBM	$ -	N/A	N/A	N/A	$ 47,280.00	$ -	$ -	$ -	OTUS Device Installation Support (comb FY 02)
OCIO/NITC (KC)	FSA Stands	N/A	IBM	$ -		N/A	N/A	$ -	$ 15,570.00	$ 8,694.67	$ 81,376.81	600 Active FTSA Device locations
OCIO/NITC (KC)	All	N/A	Iron Mountain	$ -	N/A		9/30/2001	$ 28,800.00	$ -	$ -	$ -	N/A OT STK Storage (chg vendor FY 02)
OCIO/NITC (KC)	All mainframe users	N/A	Isogon	$ -	N/A	N/A	N/A	$ 11,455.00	$ -	$ -	$ -	Sun Asst Software Support (comb FY 02)
OCIO/NITC (KC)	Network	N/A	Newberry	$ -	N/A	2/27/2000	9/30/2000	$ -	$ 66,888.00	$ 18,814.07	$ 32,276.00	Marketing Team Support
OCIO/NITC (KC)	All mainframe users	N/A	Newberry	$ -	N/A	5/23/2000	9/30/2000	$ -	$ 69,000.00	$ 61,765.00	$ 108,131.30	Mainframe Support Analysis
OCIO/NITC (KC)	Security	N/A	Newberry	$ -	N/A	2/27/2000	9/30/2000	$ -	$ 49,815.00	$ 23,579.47	$ 36,965.00	Security Planning
OCIO/NITC (KC)	Security	N/A	Newberry	$ -	N/A	2/27/2000	9/30/2000	$ -	$ 115,027.00	$ 76,218.55	$ (75,605.20	Security evaluations, implementations, and documentation
OCIO/NITC (KC)	All	N/A	Newberry	$ -	N/A	2/27/2000	9/30/2000	$ 11,500.00	$ 58,000.00	$ 58,000.00	$ (1,000.00	Telecommunication Hardware/Software Support
OCIO/NITC (KC)	All SW users	N/A	Oracle	$ -	8 YR	10/1/1999	9/30/2007	$ 532,816.00	$ 312,440.00	$ 340,100.31	$ 314,000.00	Software DBA Support
OCIO/NITC (KC)	All users	N/A	Nassista	$ -	5 YR	10/1/2001	9/30/2007		$ 3,663,955.00	$ 1,815,428.18	$ 1,543,972.33	Operations Support
OCIO/NITC (KC)	FSA Stands	N/A	Xerox	$ -	N/A	N/A	N/A		$ 33,991.00	$ 11,900.15	$ 107,155.65	Wkstn/Printer Support for FSA Stands
OCIO/NITC (KC)	FSA Stands	N/A	Xerox	$ -	N/A	N/A	N/A				$ 37,276.14	VIS Support for FSA Stands
OCIO/NITC (KC)	FAA	N/A	Software AG	$ -	N/A	N/A	N/A	$ 274,000.00	$ 325,000.00	$ 147,610.03	$ 186,000.00	FAA Software Support
OCIO/NITC (KC)	all servers	N/A	Tivoli	$ -	N/A	N/A	N/A	$ 54,500.00	$ 61,500.00	$ 55,149.00	$ 38,320.00	Intranet Systems Support
OCIO/NITC (KC)	All SW users	N/A	Tri Cor	$ -	N/A	N/A	9/30/2002	$ 107,176.01			$ -	ACF2/RACF Support (chg FY 01)
OCIO/NITC (KC)	Project Mgmt	N/A	ITSA	$ -	N/A	N/A	N/A				$ 356,000.00	Project Management Support
OCIO/NITC (FC)	N/A	N/A	Data Migration Service	$ -	1 YR	10/1/2000	9/30/2001	$ 33,880.00				Migration service
OCIO/NITC (FC)	N/A	N/A	IBM	$ -	1 YR	10/1/2000	9/30/2001		$ 39,425.00			Software Support/Maintenance
OCIO/NITC (FC)	N/A	N/A	ITX	$ 1,463,000.00	3 yr	10/1/2001	9/30/2004		$ 312,830.00	$ 312,830.00	$ 345,000.00	System Administration II LAN Support
OCIO/NITC (FC)	N/A	N/A	MATCOM, Inc	$ 7,000,000.00	5 yr	10/1/1999	9/30/2007	$ 1,196,191.00	$ 1,641,908.00	$ 1,641,908.00	$ 1,900,000.00	Contractor Support Services
OCIO/NITC (FC)	N/A	N/A	NSH Information, Inc		1 YR	10/1/2000	9/30/2001	$ 356,835.00				System Administration II LAN Support (chg vendor FY 02)
OCIO/NITC (FC)	N/A	N/A	ORACLE Corporation	$ 40,737.00	1 YR	10/1/2000	9/30/2001	$ 31,871.00	$ 40,737.00	$ 40,737.00	$ 40,737.00	Software Support/Maintenance
OCIO/NITC (FC)	N/A	N/A	UNISYS Corporation	$ -	1 YR	10/1/2000	9/30/2001	$ 444,536.00				Contractual Support Services
OCIO/NITC (FC)	N/A	N/A	World Wide Technology	$ -	1 YR	10/1/2001	9/30/2007		$ 3,837.00	$ 3,837.00		Software Support/Maintenance



IT Contractor Assistance Information

NSmion Area/Agency	Project Name	USSM/TIPS Project #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2003	Actual/Planned Cost FY 2004	Purpose
OCIO/SCIT			People Soft, Inc					$ 437,557.00	$ 438,250.00			CAMS - Annual Maintenance Fee
OCIO/SCIT			Unisys Corp					$ 1,540,000.00	$ 800,000.00			CAMS - Implementation & Support
OCIO/SCIT			Oracle Corp					$ 8,000.00				CAMS - Database Management
OCIO/SCIT			PRC Inc					$ 118,000.00	$ 78,816.64			CAMS - ITIP Review Support
OCIO/SCIT			Booz, Ltd					$ 180,000.00				Data Management - Technical & Engineering
OCIO/SCIT			BAE					$ 132,000.00	$ 180,000.00			Data Management - Technical & Engineering
OCIO/SCIT			Unisys Corp					$ 314,805.00				Equipment & Data Gateway
OCIO/SCIT			Booz, Ltd					$ 1,243,884.00	$ 3,700,000.00			IG Lab Support
OCIO/SCIT			ADS-Gent Solutions					$ 118,815.00				Customer Service Toolkit - Contractor Support
OCIO/SCIT			Symantec Inc					$ 192,537.00				Customer Service Toolkit - Contractor Support
OCIO/SCIT			Reardon Smith Sftr					$ 7,311.00				CSC - Technical Architecture
OCIO/SCIT			ESS					$ 27,000.00				CCL - Technical Architecture
OCIO/SCIT			KPMG					$ 11,000.00				Collection Assessment
OCIO/SCIT			IBM					$ 1,238,110.00				Provide support and installation of LAN/WAN/Voice
OCIO/SCIT			Patton, Inc					$ 294,031.00				Provide installation of LAN/WAN/Voice
OCIO/SCIT			CC-OFS	$ -				$ 151,644.00	$ 21,721.00			Provide telephone maintenance, equipment, software & testing
OCIO/SCIT			EDS	$ -				$ 641,335.00	$ 100,868.00			Provide invoice verification, frame relay, inventory & installation scheduling support for LAN/WAN/Voice
OCIO/SCIT			Govt Telecom					$ 1,284,758.00				Provide Telephone Maintenance
OCIO/SCIT			Federal Data Corp					$ 821,185.00	$ 19,514.00			Provide Router and Switch Maintenance
OCIO/SCIT			Booz, Ltd					$ 257,331.00				Project Management
OCIO/SCIT			Booz, Ltd					$ 1,050,828.00				Project Management
OCIO/SCIT			Unisys Corp					$ 150,000.00				Project Management
OCIO/SCIT			Process Improvements					$ 150,000.00	$ 319,000.00			Project Management Office Support
OCIO/SCIT			Booz, Ltd						$ 1,500,000.00			CCL - Technical Architecture
OCIO/SCIT			AIS & Assoc						$ 49,115.00			Provide installation of LAN/WAN/Voice
OCIO/SCIT			Global Service & Sys						$ 27,975.00			Provide installation of LAN/WAN/Voice
OCIO/SCIT			Allied Telecom Int						$ 13,116.00			Provide equipment for LAN/WAN/Voice
OCIO/SCIT			Process Improvements						$ 149,000.00			IT Support & Integrated Project Plan Support
OCIO/ITSO	LAN		Info Technology Experts	$ 77,000.00	1 Year	10/1/2001	9/17/2002	$ 55,000.00	$ 51,000.00	$ 56,738.00		Operations & Maintenance for LAN
OCIO/ITSO	WAN		Info Technology Experts	$ 90,000.00	1 Year	11/1/2001	9/17/2002				$ 80,400.00	Line System Administration
OCIO/ITSO	LAN		ITS Services, Inc	$ 43,000.00	1 Month	9/17/2002	10/17/2002	$ 865,164.00	$ 42,000.00	$ 41,264.00		Operations & Maintenance for LAN
OCIO/ITSO	Network		Jacket Technology	$ 28,500.00	1 Year	10/1/2002	9/17/2003	$ 27,629.00	$ -			Network Analysis, Support
OCIO/ITSO	NRRC		Material Comm Comp (SAIC/CDM)	$ 112,482.00	1 Year	10/1/2002	9/1/2003	$ 103,429.44	$ 120,000.00	$ 99,300.42	$ 120,000.00	NRRC Network Admin. Services
OCIO/ITSO	WAN		SAIC	$ 715,913.00	1 Year	10/1/2002	9/17/2003	$ -	$ 715,351.00	$ 491,393.00	$ 535,411.00	USDA Backbone Hrwsk Support
OCIO/ITSO	WAN		NITC	$ 93,768.73	1 Year	9/17/2001	9/17/2002		$ 95,521.00	$ 95,521.00		USDA WAN Assist. & Int. Activ.
OCIO/ITSO	WAN		SAIC	$ 921,411.00	1 Year	10/1/2002	9/17/2003	$ 210,337.00	$ -			Interim USDA Network Operations
OCIO/ITSO	WAN		FTS 2001 (Worldcom)	$ 240,000.00	1 Year	10/1/2001	9/17/2002		$ 240,000.00	$ 189,601.00		WAN Network Management
OCIO/ITSO	LAN - SPA		ASM Technology		1 Year	10/1/2002	9/30/2003		$ 19,817.00	$ 17,817.00		Network Tech Labor at OIRO
OCIO/ITSO	VTC		CC-Ops	$ -	1 Job	6/17/2002	9/30/2002		$ 12,000.00	$ 12,000.00		OCIO Computer Center Manager
OCIO/ITSO	VTC		Westwood Training Center		1 Year	10/1/2002	9/30/2003		$ 1,510.71	$ 1,175.71	$ 334.00	Labor/Installation at OIRO/C
OCIO/NITC	VTC	0058370000111	BOZA	$ 31,000.00	3 months	6/1/2002	9/30/2002	$ 31,000.00				NITC Technical and Program Office Support
OCIO/NITC	VTC	0058370000111	GSA/SOZA	$ 3,000,000.00	1 year	10/1/2001	9/30/2002		$ 3,000,000.00	$ 3,000,000.00		NITC Technical and Program Office Support
OCIO/NITC	VTC	0058370000111	Air Force/Gartner Group	$ 189,300.00	1 Year	9/17/2002	9/30/2003		$ 189,300.00	$ 189,300.00		NITC - SOW and Program Support
OCIO/NITC	VTC	0058370000111	GSA/SOZA	$ 1,999,950.00	1 Year	10/01/2002	9/30/2003				$ 3,000,000.00	NITC Technical and Program Office Support
OCIO/NITC	VTC	0058370000111	BOZA	$ 1,834,119.84	3 months	9/1/2001	9/30/2001	$ 33,000.00				NITC Technical and Program Office Support
OCIO/ITSO	LAN		Info Technology Experts	$ 77,000.00	1 Year	10/1/2001	9/17/2002	$ 53,000.00	$ 57,000.00	$ 58,716.00		Operations & Maintenance for LAN
OCIO/ITSO	WAN		Info Technology Experts	$ 90,000.00	1 Year	11/1/2001	9/17/2002				$ 80,400.00	Line System Administration
OCIO/ITSO	LAN		ITS Services, Inc	$ 43,000.00	1 Month	9/17/2002	10/17/2002	$ 865,164.00	$ 43,000.00	$ 43,764.00		Operations & Maintenance for LAN
OCIO/ITSO	Network		Jacket Technology	$ 28,500.00	1 Year	10/1/2002	9/17/2003	$ 27,629.00	$ -			Network Analysis, Support
OCIO/ITSO	NRRC		Material Comm Comp (SAIC/CDM)	$ 112,482.00	1 Year	10/1/2002	9/1/2003	$ 103,429.44	$ 120,000.00	$ 99,300.42	$ 120,000.00	NRRC Network Admin. Services
OCIO/ITSO	WAN		SAIC	$ 715,913.00	1 Year	10/1/2002	9/17/2003		$ 715,351.00	$ 491,393.00	$ 535,411.00	USDA Backbone Hrwsk Support
OCIO/ITSO	WAN		NITC	$ 93,768.73	1 Year	9/17/2001	9/17/2002		$ 95,521.00	$ 95,521.00		USDA WAN Assist. & Int. Activ.
OCIO/ITSO	WAN		SAIC	$ 921,411.00	1 Year	10/1/2002	9/17/2003	$ 210,337.00				Interim USDA Network Operations
OCIO/ITSO	WAN		FTS 2001 (Worldcom)	$ 240,000.00	1 Year	10/1/2001	9/17/2002		$ 240,000.00	$ 189,601.00		WAN Network Management
OCIO/ITSO	VTC		ASM Technology		1 Year	10/1/2002	9/30/2003		$ 19,817.00	$ 17,817.00		Network Tech Labor at OIRO
OCIO/ITSO	VTC		CC-Ops	$ -	1 Job	6/17/2002	9/30/2002		$ 12,000.00	$ 12,000.00		OCIO Computer Center Manager
OCIO/ITSO	VTC		Westwood Training Center		1 Year	10/1/2002	9/30/2003		$ 1,510.71	$ 1,175.71	$ 334.00	Labor/Installation at OIRO/C
OCIO/NITC	VTC	0058370000111	BOZA	$ 31,000.00	3 months	6/1/2002	9/30/2002	$ 31,000.00				NITC Technical and Program Office Support
OCIO/NITC	VTC	0058370000111	GSA/SOZA	$ 3,000,000.00	1 year	10/1/2001	9/30/2002		$ 3,000,000.00	$ 3,000,000.00		NITC Technical and Program Office Support
OCIO/NITC	VTC	0058370000111	Air Force/Gartner Group	$ 189,300.00	1 Year	9/17/2002	9/30/2003		$ 189,300.00	$ 189,300.00		NITC - SOW and Program Support
OCIO/NITC	VTC	0058370000111	GSA/SOZA	$ 1,999,950.00	1 Year	10/01/2002	9/30/2003				$ 3,000,000.00	NITC Technical and Program Office Support
OCIO/NITC	VTC	0058370000111	BOZA	$ 1,834,119.84	3 months	9/1/2001	9/30/2001	$ 33,000.00				NITC Technical and Program Office Support

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
OGC			0	$0	0			$0	$0			
Agency Total:				$0				$0	$0			

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USOA/ITIPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
OIG			Planned Systems International Inc. (PSI)	$918,539	16 months	11-Jun-02	9/30/2003	$0		$318,691	$918,539	To maintain the current IT infrastructure for OIG. PSI provides desk help support network administration and telecommunication s management
Agency Totals:				$918,539				$0		$318,691	$918,539	

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/NITP6 Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Costs FY 2003	Purpose
RD/RD	Multi-Family Information System	55501730110100	Rose Intl.	BPA	1 year with 4 option years	Aug-01	Sep-05	$ 241,011.00	$ 248,000.00	$248,000.00	$ 250,000.00	I/CASE Support for MFIS
RD/RD	Multi-Family Information System	55501701101000	Unisys	BPA	1 year with 4 option years	Mar-01	Sep-05	$ 2,780,000.00	$ 1,500,000.00	$ 300,000.00	$ 1,600,000.00	MFIS Development
RD/RD	Multi-Family Information System	55501701101000	Rose Intl	BPA	1 year with 4 option years	Sep-01	Sep-05	$ 1,535,000.00	$ 650,000.00	$ 500,000.00	$ 1,140,000.00	MFIS Reports Development/Oracle/I/CASE
RD/RD	Automated Multi-Family Housing Accounting System		Rose Intl.	BPA	1 year with 4 option years	Sep-01	09/31/2005	$ 1,285,741.00	$ -	$ -	$ 695,000.00	AMAS Maintenance
RD/RD	Automated Multi-Family Housing Accounting System		Unisys	BPA	1 year with 4 option years	Mar-01	Sep-05	$ 324,930.72		$ -	$ -	AMAS Maintenance
RD/RD	Industry Interface Trade partner Agreement Maintenance		Rose Intl.	$ 80,000	1 Year	May-02	Sep-05	$ 80,000.00	$ 80,000.00	$ 50,114.00		Industry Interface
RD/RD	Infrastructure		Oracle	$ -	1 year with option years	Oct-00	Sep-02	$ 4,840.00	$ 88,160.00	$ 105,413.00		Oracle Support and Licensing Fees
RD/RD	Infrastructure		Oracle		1 Year	Aug-03	Aug-01				$ 38,823.00	Oracle Support and Licensing Fees CSI 3509611
RD/RD	Infrastructure		Oracle	$ 7,670	1 Year	Oct-02	Sep-03				$ 7,078.00	Oracle Support and Licensing Fees CSI 2407839
RD/RD	Infrastructure		Oracle	$ 8,059	1 Year	Oct-02	Sep-03				$ 8,059.00	Oracle Support and Licensing Fees CSI 1810157
RD/RD	Infrastructure		Oracle	$ 5,304	1 Year	Oct-02	Sep-03				$ 5,304.00	Oracle Support and Licensing Fees CSI 1812833
RD/RD	Infrastructure		Sterling Commerce		1 Year	Jun-02	June-03		$ 4,060.00	$ 4,060.00	$ 4,060.00	Support and Licence Renewal for Sextrans
RD/RD	Infrastructure		Softmart	$ 18,797	1 Year	Mar-03	Feb-03				$ 18,157.00	Support and License Renewal for DB2
RD/RD	Infrastructure		Rose Intl.		3 mos			$ -	$ -		$ 48,000.00	Order, Tracking & Inventory System (OTIS)
RD/RD	Support Services		The Newberry Group	$ 3,400,000	2 Years	Oct-99	Sep-01	$ 1,893,818.00				Onsite LAN and desktop support services
RD/RD	LAN Support Services		Comtek	$ 7,550,084	5 Years	Oct-01	Sep-06		$ 1,418,644.00	$ 1,257,810.00	$ 1,529,144.00	Onsite LAN and desktop support services
RD/RD	PLAS Support Services	55501010200000	Rose Intl.	$ 268,000	1 Year	Feb-01	Mar-02	$ 267,023.58				PLAS maintenance
RD/RD	PLAS Support Services	55501010200000	Rose Intl.	$ 300,000	1 Year	Apr-02	Apr-03		$ 300,000.00	$ 270,976.62		PLAS maintenance
RD/RD	PLAS Support Services	55501010200000	Not Yet Awarded		1 Year	Apr-03	Apr-04				$ 300,000.00	PLAS maintenance
RD/RD	RUS ES Support Services	55501010110700	Rose Intl	$ 11,937,873	5 Year	Sep-00	Sep-05	$ 9,007,000.00	$ 1,139,968.00	$ 1,139,999.00	$ 4,615,500.00	Redesign RUS legacy systems and provide automation support to Water and Environmental Programs.
RD/RD	Infrastructure		IBM	$ 33,921	1 year with option years	Oct-02	Sep-03				$ 33,921.00	RUS Software Maintenance
RD/RD	Infrastructure		DBArtisan	$ 2,364	1 year with option years	Oct-02	Sep-03				$ 2,364.00	RUS Software Maintenance
RD/RD	Infrastructure		Xerox	$ 4,600	1 year with option years	Oct-00	Sep-03	$ 4,600.00	$ 4,300.00	$ 4,300.00	$ 4,600.00	Ride Support & Licensing Fees
RD/RD	DLOS COTS System Support	55501710110200	MortgageServ	$ 8,937,008	5 Years	Oct-00	Sep-05	$ 1,644,492.00	$ 1,744,524.00	$ 1,744,524.00	$ 1,795,101.00	Maintenance of Loan Origin/Serving Systems
RD/RD	DLOS COTS System Suppo.t	55501710110200	MortgageServ	Not contractually defined	5 years	Oct-00	Sep-05	$ 1,250,000.00	$ 80,000.00	$ 80,000.00	$ 1,400,000.00	Enhancement of Loan Origin/Serving Systems

Mission Area/Agency	Project Name	USDA/RTPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Costs FY 2003	Purpose
RD/RD	Support Services for the Centralized Servicing Center		WWT, Inc	$ 3,858,630	5 Years	Oct-00	Sep-03	$ 686,642.00	$ 860,511.00	$ 858,511.00	$ 688,276.00	Maintenance of Imaging Systems
RD/RD	Support Services for the Centralized Servicing Center		Siemens	$ -	1 year	Oct-00	Sep-01	$ 99,252.00				Maintenance for Davox Corp Equip 2002
RD/RD	Support Services for the Centralized Servicing Center		Siemens	$ -	1 year	Oct 01	Sep-02		$ 212,605.08	$ 157,283.04		Maintenance for Davox Corp Equip 2002
RD/RD	Support Services for the Centralized Servicing Center		Government Telecommun Inc	$ -	1 year	Sep-02	Oct-03	$ -			$ 142,530.00	Maintenance for Davox Corp Equip 2003
RD/RD	Support Services for the Centralized Servicing Center		Davox	$ -	1 year	Oct-01	Sep 02	$ -	$ 101,852.00	$ 101,852.00		Maintenance for Davox Corp Equip
RD/RD	Support Services for the Centralized Servicing Center		Pitney-Bowes	$ 1,167,625	5 Years	Oct-00	Sep-03	$ 243,195.60	$ 244,293.00	$ 244,293.00	$ 281,274.04	Maintenance for Pitney Bowes Finishing Equip
RD/RD	Support Services for the Centralized Servicing Center		Lucent/Avaya	$ 230,298	1 year	Oct-00	Sep-01	$ 230,298.00				Maintenance for Lucent Tech Equipment
RD/RD	Support Services for the Centralized Servicing Center		Lucent/Avaya	$ 204,618	1 year	Oct-01	Sep-02		$ 204,615.68	$ 204,615.68		Maintenance for Lucent Tech Equipment
RD/RD	Support Services for the Centralized Servicing Center		Lucent/Avaya	$ 230,000	1 year	Oct-02	Sep-03				$ 272,467.00	Maintenance for Lucent Tech Equipment

Mission Area/Agency	Project Name	USDA/ITPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Costs FY 2003	Purpose
RD/RD	Support Services for the Centralized Servicing Center		Syntellect	$ -	1 year	Oct-00	Sep-01	$ 83,280.00	$ -		$ -	Maintenance for Syntellect Corp Equip
RD/RD	Support Services for the Centralized Servicing Center		Syntellect	$ -	1 year	Oct-01	Sep-02	$ -	$ 82,609.00	$ 82,609.00		Maintenance for Syntellect Corp Equip
RD/RD	Support Services for the Centralized Servicing Center		Syntellect	$ -	1 year	Oct-02	Sep-03	$ -			$ 87,222.00	Maintenance for Syntellect Corp Equip
RD/RD	Support Services for the Centralized Servicing Center		Powerwave Global		1 Year	Oct-02	Sep-03				$ 12,395.04	Toll-7 by 24 support of UPS and Service Center telephony
RD/RD	Support Services for the Centralized Servicing Center		Symon Communications		1 year with option years	Oct-01	Sep-03		$ 64,909.00	$ 64,909.00	$ 30,000.00	Telephony statistical displays for Service Center
RD/RD	Support Services for the Centralized Servicing Center		Lucent	$ 33,296	1 year	Oct 00	Sep 01	$ 33,296.00	$ -			Definity Interface for Nice Logger
RD/RD	Support Services for the Centralized Servicing Center		GTSI	$ 408,850	1 year	Oct-00	Sep-01	$ 368,850.00				Nice Call Logger System - FY 01
RD/RD	Support Services for the Centralized Servicing Center		GTSI	$ 408,850	1 Year	Oct-01	Sep-02		$ 78,297.89	$ 78,297.95		Nice Call Logger System - FY 02
RD/RD	Support Services for the Centralized Servicing Center		GTSI	$ 408,850	1 Year	Oct-02	Sep-03				$ 77,715.00	Nice Call Logger System - FY03

Mission Area/Agency	Project Name	UBO/ATIP-S Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Costs FY 2003	Purpose
RDRD	Support Services for the Centralized Servicing Center		Lucent	$ 15,142	1 year	Oct-00	Sep-01	$ 15,142.00	$ -			Upgrade for FIS2001-MC3 switch#
RDRD	Support Services for the Centralized Servicing Center		Lucent	$ 33,345	1 year	Oct-00	Sep-01	$ 33,345.00	$ -			Centralvu Explorer Support system
RDRD	Support Services for the Centralized Servicing Center		Lucent	$ 16,634	1 year	Oct-00	Sep-01	$ 16,634.00	$ -			Upgrade for CMS PBX reporting tool
RDRD	Support Services for the Centralized Servicing Center		Dimax	$ 30,785	1 year	Oct-00	Sep-01	$ 30,785.00	$ -			Downlinks Interface
RDRD	Guaranteed Loss System Support Maintenance	8500/0101/106000	Unisys	$ 25,055,881	5 years	Oct-00	Sep-05	$ 6,300,000.00	$ 4,169,318.00		$ 3,966,966.00	Automation Support Services
RDRD	Infrastructure		Computer Associates, Hewlett Packard	$ 218,699	1 year with option years	Oct-01	Sep-02	$ 200,000.00	$ 218,699.99	$ 218,699.99		Maintenance support for ACAMS tools
RDRD	Infrastructure		Hewlett Packard	$165,515.00	1 year	Oct-01	Sep-02		$ 165,515.00	$ 149,140.77	$ 150,000.00	Provide hardware/software support for Hewlett Packard servers and software
RDRD	Infrastructure		Hewlett Packard	$131,705.37	1 year	Oct-01	Sep-02				$ 144,233.37	Provide hardware/software support for Hewlett Packard servers and software
RDRD	Maintenance		Deltek	$131,700.00	1 year	Oct-01	Sep-02				$ 33,000.00	CAMS/Deltek hardware & software maintenance
RDRD	Maintenance		Deltek	$22,135.00	1 year	Oct-01	Sep-02				$ 24,135.00	CAMS/Deltek Interface & software maintenance
RDRD	Automation Security Administration		Cisco	$17,283.00	1 year	Oct-01	Sep-02		$ 17,283.00			Cisco - Web Farm switches maintenance
RDRD	Maintenance Support		Checkpoint	$24,360.00	1 year	Oct-01	Sep-02		$ 24,360.00		$ 26,796.00	Check Point Firewall software support
RDRD	Automation Security		Fidonet Security	$25,096.62	1 year	Jan-02	Mar-03				$ 20,038.50	Checkpoint Software & Nokia Firewall Appliance Maintenance Fee Support
RDRD	Automation Security		IBM	$7,483.00	1 year	Oct-01	Sep-02		$ 7,483.00		$ 10,000.00	IBM Network Detection software support
RDRD	Maintenance & Support		Fidnet Technologies	$ 10,910.52	1 year	Nov-02	Oct-03				$ 10,910.52	ISS Network Detection software support
RDRD	Web Trends Maintenance & Support		NetIQ	$ 5,640.00	1 year	Sep-01	Sep-02		$ 5,640.00	$ 5,640.00		Web Trends Software Subscription
RDRD	Maintenance & Support		NetIQ		1 year	Sep-02	Sep-03				$ 5,640.00	Web Trends Software Subscription
RDRD	Maintenance & Support		Oak Soft	$ 1,993.00	1 year	Oct-01	Sep-02		$ 1,993.00		$ 1,995.00	Oaksoft software maintenance
RDRD	Infrastructure		GTE	$40,000.00	1 year	Oct-01	Sep-02		$ 40,000.00	$ 40,000.00	$ 40,000.00	Internet Gateway Support
RDRD	Infrastructure		PRC	$100,000.00	1 year	Oct-01	Sep-02				$ 40,000.00	Provide Site Administrator support for Hewlett Packard servers
RDRD	Infrastructure		IBM	Add to existing $15,000,000	1 year with option years	Oct-00	Sep-03	$ 4,853,750.00	$ 1,900,000.00		$ 4,900,000.00	Contract maintenance

Mission Area/Agency	Project Name	USDA/ITIPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Costs FY 2003	Purpose
RD/RD	Infrastructure		IBM/AWT	$11,050.00	1 year with option years	Oct-01	Sep-02		$ 11,050.00	$ 11,050.00	$ 16,000.00	Maintenance of AS 400's
RD/RD	Infrastructure		Brio	Based on Number of Licenses	1 year	Oct-00	Sep-02	$ 10,200.00				Reporting Software Maintenance FY 2001
RD/RD	Infrastructure		IBM Government Systems	Based on Number of Licenses	1 Year	Oct-01	Oct-02		$ 108,107.00	$ 108,107.00		Reporting Software Maintenance FY 2002
RD/RD	Infrastructure		IBM Government Systems	Based on Number of Licenses	1 Year	Oct-02	Oct-03				$ 169,985.00	Reporting Software Maintenance FY 2003
RD/RD	Infrastructure		IBM Government Systems	Based on Number of Licenses	1 Year	Sep-01	Sep-01	$ 336,998.00				Purchase Brio Licenses
RD/RD	Infrastructure		IBM Government Systems	$12,576.00	1 year	Oct-00	Sep 01	$ 12,570.00				Enterprise Server Maintenance
RD/RD	Infrastructure		IBM Government Systems	$14,455.00	1 year	Oct-01	Sep-02	-	$ 14,455.00	$ 14,455.00		Enterprise Server Maintenance
RD/RD	Infrastructure		IBM Government Systems	$74,164.00	1 Year	Sep-02	Sep-03	-	$ 74,164.00	$ 74,164.00		
RD/RD	Infrastructure		Sun Systems	$25,000.00	1 year with option years	Oct-00	Sep-03	$ 4,500.00	$ 4,500.00	$ 4,500.00	$ 5,400.00	Hardware Maintenance
RD/RD	Infrastructure		Informix	Progressive based on licensing	1 year with option years	Oct-00	Sep-03	$ 3,700.00	$ 4,255.00	$ 4,255.00	$ 4,500.00	Data Base Licensing and Maintenance
RD/RD	Infrastructure		T3 Corp	$99,578.00	1 year	Oct-00	Sep-01	$ 59,870.00	$ -			Data Warehouse consulting
RD/RD	Infrastructure		Rose International	$285,800.00	1 year	Sep 01	Sep 02	$ 252,699.00	$ 31,101.00	$ 31,101.00		Technical support, training, and development assistance for Brio ad hoc reporting
RD/RD	Infrastructure		Rose International	$723,391.00	1 year	Sep-02	Sep-03	$ -	$ 723,391.00	$ 723,391.00	$ 800,000.00	Technical support, training, and development assistance for Brio ad hoc reporting
RD/RD	Infrastructure		NITC	$41,400.00	1 year - MOU	Oct-01	Oct-02	$ -	$ 41,400.00	$ 41,400.00	$ 41,400.00	MOU with NITC to support RD on-demand-server
RD/RD	Infrastructure		NITC	$20,700.00	1 year - MOU	Oct-01	Oct-02		$ 20,700.00	$ 20,700.00	$ 20,700.00	MOU with NITC to support RD Sun Data Warehouse server
RD/RD	Infrastructure		Government Micro Systems	$2,642.00	1 year	May-01	May-01	$ 2,642.00	$ -	$ -		Maintenance for Sun 450 ODS Server
RD/RD	Infrastructure		Government Micro Systems	$3,268.00	1 year	May-01	May-02	$ -	$ 3,697.00	$ 3,697.00		Maintenance for Sun 450 ODS Server
RD/RD	Infrastructure		Government Micro Systems	$3,567.00	1 Year	May-02	May-03				$ 4,000.00	Maintenance for Sun 450 ODS Server
RD/RD	Fund Info System		Unisys	$30,000.00	1 year	Oct 00	Sep-01	$ 30,000.00	$ -	$ -		ESS support services
RD/RD	Phone Bill		MCI	Based on usage	Multi-year through GSA	Oct-00	Sep-03	$ 6,558,666.00	$ 2,057,565.00	$ 2,057,565.00	$ 2,100,000.00	Telecommunications
RD/RD	Program Funds Control System	55501000010001000	Unisys and Oracle Financials		5 Year	Sep-02	Sep-07		$ 7,900,000.00	$ 7,900,000.00	$ 8,100,000.00	Commercial Software to Support Program Funds Control Requirements: Includes only the cost of the COTS software package without any modifications and interfaces to Rural Development financial systems.
RD/RD	Centralized Servicing Center Automation Support		World Wide Technology	369,040.00	1 Year	Oct 00	Sep-01	$ 69,040.00	$ -	$ -		
RD/RD	Infrastructure		Federal Data Corp	$ 111,957.00	1 year with option years	Oct-01	Sep-01	$ -	$ 111,957.00	$ 111,957.00	$ 120,000.00	Cisco router maintenance
RD/RD	Infrastructure		Video Telecomm. Inc	$ 19,454.00	1 Year	Oct-00	Sep-01	$ 19,454.00	$ -	$ -		Modem maintenance
RD/RD	Infrastructure		En-Net	$ 20,571.00	1 Year	Oct-01	Sep-02	$ -	$ 20,571.00	$ 20,571.00	$ -	Modem maintenance
RD/RD	Telecomm support		The Newberry Group	$ 2,674,196.00	1 Year	Sep-02	Sep 03				$ 2,674,196.00	Voice over Internet Protocol purchase and installation
RD/RD	Infrastructure		Unisys	$ 1,536,239.00	1 Year	Oct-01	Sep-03				$ 1,536,239.00	Cabling and Web Farm infrastructure support
RD/RD	Information Systems security		Black Bird	$ 85,000.00	1 Year	Oct-00	Sep 01	$ 85,000.00	$ -			Security Program Assessment

Mission Area/Agency	Project Name	USDA/ITIPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Costs FY 2003	Purpose
RDRD	Information Systems Security		Rose	$ 750,000.00	1 Year	Oct-00	Sep-01	$ 250,000.00	$ -			Security Support Services
RDRD	Information Systems Security		Unisys	$ 157,000.00	1 Year	Oct-00	Sep-01	$ 157,000.00	$ -			Security Logbook Implementation
RDRD	Information Systems Security		Rose	$ 199,863.00	1 Year with option years	Oct-01	Sep-03	$ -	$ 199,886.00	$ 199,886.00	$ 250,000.00	Security Support Services
RDRD	Support Services		Analytical Support Inc	$ 693,000.00	1 Year with option years	Oct-00	Sep-03	$ 340,000.00	$ 353,000.00	$ 353,000.00	$ 353,000.00	Third party testing
RDRD	Support Services		Computer Minded	$ 61,584.00	1 Year with option years	Oct-00	Sep-03	$ 16,584.00	$ 45,000.00	$ 45,000.00	$ 50,000.00	Media duplication
RDRD	Web Farm Infrastructure Support		Unisys	$ 1,100,515.00	1 Year	Sep-01	Sep-02	$ -	$ 1,100,515.00	$ 1,100,515.00	$ -	Support SII Web Farm
RDRD	Web Farm Infrastructure Support		Unisys	$ 983,800.00	1 Year	Sep-01	Sep-02		$ 983,800.00	$ 983,800.00		COOP Implementation & Support SII Web Farm
RDRD	Web Farm Infrastructure Support		Unisys	$ 1,346,358.00	1 Year	Sep-01	Sep-02		$ 1,346,358.00	$ 1,346,358.00		Telecom Support SII Web Farm
RDRD	Web Farm Infrastructure Support		Unisys	$ 1,456,000.00	1 Year	Sep-01	Sep-02		$ 1,456,000.00	$ 1,456,000.00		Coordinate & Implement the migration of apps to SII Web Farm
RDRD	Web Farm Infrastructure Support		Unisys		1 Year	Sep-02	Sep-03	$ -	$ -		$ 1,200,000.00	Support SII Web Farm
RDRD	Web Farm Infrastructure Support		Unisys		1 Year	Sep-02	Sep-03				$ 170,000.00	Web Farm Security Specialist (EAI Contract)
RDRD	Web Farm Infrastructure Support		M-Link		1 Year	Sep-02	Sep-03				$ 272,400.00	Web Farm Netegrity Specialist (EAI Contract)
RDRD	Information Systems Security		The Newberry Group	$ 1,300,000.00	1 Year	Sep-02	Sep-03				$ 1,300,000.00	
RDRD	Mission Support		Computer Support Group Inc	$ 78,574.44	1 year with option years	Oct-01	Sep-03		$ 78,574.44	$ 78,574.44	$ 200,000.00	Computer operations and mission support
RDRD	Mission Support		CSU, LLC		1 year with 4 option years	Oct-00	Sep-03	$ 320,967.96	$ 203,709.53	$ 203,709.53	$ 385,917.00	Computer operations and mission support
RDRD	Mission Support		Storage Technology		1 year with 4 option years	Oct-00	Sep-03	$ 24,735.16	$ 28,186.80	$ 28,186.80	$ 73,084.86	Computer operations and mission support
RDRD	Mission Support		Computer Network Technology		1 year with 4 option years	Oct-00	Sep-03	$ 18,184.00	$ 16,648.92	$ 16,648.92	$ 18,315.00	Computer operations and mission support
RDRD	Mission Support		Solution Data Systems		1 year with 4 option years	Oct-00	Sep-03	$ 19,599.92	$ 7,629.52	$ 7,629.52	$ 19,999.00	Computer operations and mission support
RDRD	Mission Support		TH Cer Industries		1 year with 4 option years	Oct-00	Sep-03	$ 4,682.00	$ 4,092.00	$ 4,092.00		Computer operations and mission support
RDRD	Mission Support		Air Masters Corp		Open Market Purchase	Oct-00	Sep-03		$ 9,431.40	$ 9,431.40	$ 10,116.00	Computer operations and mission support
Agency Totals				$ 7,253,114.76				$ 49,944,583.35	$ 37,634,231.07		$ 38,850,481.34	

Risk Management Agency
Response to Congressional Questions regarding Contracting

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITIPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
FFAS/RMA	RMA-01 - Financial Management Systems	00547016102000109	FEDSIM/Millennia/ SAIC	Contract Total $69,000,000	1 yr w/opts to 5 yrs	9/2000	Renewable by year	$ 2,074,475.39	$ 2,101,051.00	$2,101,051.00	$ 1,882,616.00	IT Support
FFAS/RMA	RMA-02 - Corporate Insurance Information Systems	00547015102000200	FEDSIM/Millennia/ SAIC	Included in above amount	"	9/2000	Renewable by year	$ 4,537,053.80	$ 9,291,656.00	$9,291,656.00	$ 4,331,739.00	IT Support
FFAS/RMA	RMA-04 - Infrastructure Modernization, Support and Training	00547020001000410	FEDSIM/Millennia/ SAIC	Included in above amount	"	9/2000	Renewable by year	$ 8,621,376.16	$ 8,647,131.00	$8,647,131.00	$ 6,621,405.00	IT Support
FFAS/RMA	RMA-10 - GIS Information Interface	00547015102001600	FEDSIM/Millennia/ SAIC	Included in above amount	"	9/2000	Renewable by year	$ 4,317,711.00	$ -	$0.00	$ -	IT Support
FFAS/RMA	RMA-12 - Infrastructure Assurance	00547020002001200	FEDSIM/Millennia/ SAIC	Included in above amount	"	9/2000	Renewable by year	$ -	$ 276,210.00	$276,210.00	$ 283,000.00	IT Support
FFAS/RMA	RMA-14 - Agricultural Risk Protection Act of 2000 (ARPA) Implementation	00547015102001400	FEDSIM/Millennia/ SAIC	Funds provided legislatively	"	2000	2000	$ 878,004.18	$ -	$0.00	$ 5,882,900.00	Program development, research and analysis. Some IT support.
FFAS/RMA	RMA - 16 - Distance Learning Certification	00547015102001600	FEDLEARN	$265,000	1 year	3/2003	3/2004	$ 42,232,527.00	$ -	$ -	$ 265,000.00	IT Support
FFAS/RMA	RMA-15 - Standard Reinsurance Agreement Analysis	00547015102001500	GovWorks		Renewable annually	5/1/2002	5/1/2007	$ -	$ 300,000.00	$0.00	$ -	IT Support
FFAS/RMA	FSA/RMA Service Level Agreement	N/A	FSA/MOU (Inter-Agency Agreement)	$ 1,521,000.00	Renewable annually	4/2002	4/2003	$ 1,912,767.00	$ 1,912,767.00	$ 1,912,767.00	$ 1,912,767.00	IT Support
FFAS/RMA	RMA-07 - Strategic Data Analysis	00547016101000700	Tarleton State Univ	$ 5,000,000.00	1 year	10/1/2001	Renewable by year	$ 934,664.26	$ 5,129,376.00	$ 6,100,000.00	$ 4,000,000.00	Data Mining & Data Warehouse Development & Services
FFAS/RMA	RMA-13 - Emerging Information Technology Architecture	00547020007001300	FEDSIM/MLS	$ 500,000.00	1 year	2/28/2001	7/2/2003	$ 500,000.00	$ -0-	$ -	$0	IT 5 Year Planning Support
Agency Totals:				$87,265,004.00				$ 69,000,151.78	$ 25,661,653.00	$ 24,433,715.00	$ 19,277,525.00	

LATEST CCC QUARTERLY REPORT FOR ADP EXPENDITURES

Mr. Bonilla: Please provide the latest quarterly CCC report for ADP expenditures.

Response: [The information follows:]

Commodity Credit Corporation
Summary Expenditure Report
Footnotes
For the Quarter Ended December 31, 2002

(a) Commodity Loans Made - Loans made to producers under CCC's commodity loan programs. These programs include non-recourse price support loans for peanuts and tobacco, recourse loans for mohair and honey, and non-recourse marketing assistance loans on designated commodities.

(b) Commodity Purchases - Costs associated with the purchase of commodity inventory, including processing and packaging costs.

(c) Commodity Storage and Handling - Amount of warehouse receiving, handling, and storage charges for acquiring commodities from price support loans and producers.

(d) Transportation-Domestic and Foreign - Expense incurred in transporting CCC-owned commodities, including ocean transportation and costs incidental to the disposition of CCC-owned commodities.

(e) Deficiency Programs - Outlays for loan deficiency payments, which allow a producer to receive a payment in lieu of securing a loan for feed grains, wheat, cotton, and oilseeds. Also includes outlays relating to deficiency payments and related recoveries, including advances to producers of feed grains, wheat, cotton, and rice.

(f) Market Loss Assistance - Market loss assistance payments to producers to partially offset losses resulting from low commodity prices.

(g) Dairy Programs - Payments made under: (a) the Dairy Market Loss Assistance Program to compensate dairy producers for the market loss of milk marketed commercially during the fourth quarter of calendar year 1998; (b) Dairy Export Incentive Program to help exporters of U.S. dairy products meet prevailing world prices for some dairy products and destinations; and (c) Dairy Options Pilot Program to assist dairy farmers who use options to manage the price risk of producing milk.

(h) Disaster Assistance Programs - Amount of payments, net of related recoveries, incurred under the Disaster Assistance Acts of 1988, 1989, 1990, and 1993.

(i) Crop Disaster Assistance Programs - Disaster assistance payments for single and multi-year crop losses due to adverse weather conditions, and compensation to producers for losses in a 1999 crop.

(j) Loss Adjuster Contractor Program - Payments made for loss adjustor services to conduct contract appraisals.

(k) Pasture Programs - Payments made to owners and operators of pastureland on which livestock is normally grazed that was damaged or destroyed by natural disaster during calendar year 2000. ( ) Represents refunds of prior program payments.

(l) Cotton User Marketing - Upland cotton Step II payments and related recoveries.

(m) Livestock Assistance - Payments incurred under the livestock emergency programs. ( ) Represents refunds of prior program payments.

(n) Market Access - Formerly the Market Promotion Program. Represents the amount of outlays made for overseas market development.

(o) Interest-Treasury - Amount of interest paid on CCC capital stock and borrowings from the U.S. Treasury (excluding interest from credit reform programs).

Commodity Credit Corporation
Summary Expenditure Report
Footnotes
For the Quarter Ended December 31, 2002

(p) Interest-Other - Interest expense associated with no net cost tobacco, warehouse user fee fund, prompt payment penalties, and other related expenses.

(q) Wool and Mohair Programs - Payments to producers of wool or mohair who experienced market loss during the 1999 marketing year.

(r) Conservation - Payments made under the Conservation Reserve Program and other conservation programs.

(s) Non-Insured Assistance - Payments made under the Noninsured Crop Disaster Assistance Program, as authorized by the Federal Crop Insurance Reform Act of 1994 (P.L. 103-354). This program provides financial assistance to producers of crops and commodities affected by natural disaster.

(t) Peanut Marketing Assistance Program - Payments made to producers of quota or additional peanuts to partially compensate for low commodity prices and increasing costs of production in the 1999 crop year.

(u) World Food Program - Expenses incurred to furnish agricultural commodities for foreign assistance through the World Food Program, authorized by the authority of the Secretary of Agriculture under the CCC Charter Act, as amended, and under Section 416(b) of the Agricultural Act of 1949, as amended.

(v) Quality Samples Program - Expenses incurred to provide samples of U.S. agricultural products to foreign importers.

(w) Foreign Market Development Cooperator - Expenses incurred to aid in the creation, expansion, and maintenance of long-term export markets for U.S. agricultural products.

(x) Bioenergy Program - Payments made to bioenergy companies and producers who increase their purchases of corn, soybeans, and other commodities to augment ethanol, biodiesel or other biofuel programs.

(y) Direct and Counter Cyclical Program - Payments made to producers for covered commodities as authorized by the Farm Security and Rural Investment Act of 2002 (the 2002 Farm Bill). Payment rates for direct payments are established by the 2002 Farm Bill and payments are issued regardless of market prices. Counter cyclical payments are issued only if effective prices are less than the target prices set in the 2002 Farm Bill.

(z) Milk Income Loss Contract Program - As authorized by the 2002 Farm Bill, this program provides financial assistance to milk producers when the domestic milk price falls below a specific level in the United States from December 1, 2001, through September 30, 2005.

(1) Peanut Quota Buyout Program - As authorized by the 2002 Farm Bill, payments made to compensate quota owners for the lost asset value of their quota through five equal installments or a lump sum payment.

(2) Other Outlays - Represents outlays not directly attributable to a specific program, such as accounts payable, CCC administrative expenses, and miscellaneous expenses.

(3) Interest Income - Represents interest income on commodity loans, claims, and other receivables.

(4) Assessments - Assessments withheld or collected for marketing sugar, peanuts and tobacco.

Commodity Credit Corporation
Summary Expenditure Report
Footnotes
For the Quarter Ended December 31, 2002

(5) Miscellaneous Receipts - Represents income not otherwise classified such as penalties, dishonored check fees, allocated and unallocated miscellaneous income, collection for payments made erroneously and liquidated damages.

Exhibit 1
Commodity Credit Corporation
Automated Data Processing (ADP)
Schedule of Obligations and Disbursements
For the Quarter Ended December 31, 2002
(Dollars in Thousands)

	Year of Apportionment						
	Fiscal Year 1996	Fiscal Year 1997	Fiscal Year 1998	Fiscal Year 1999	Fiscal Year 2000	Fiscal Year 2001	Cumulative Total
Apportionment of Borrowing Authority (a)	$ 155,000	$ 54,833	$ 91,900	$ 55,000	$ 23,715	$ 2,039	$ 382,487
Obligations:							
Cumulative through September 30	143,986	36,146	80,617	$ 47,515	$ 21,582	$ 1,961	$ 331,807
Current Quarter	—	—	—	—	—	—	—
Total (b)	143,986	36,146	80,617	$ 47,515	$ 21,582	$ 1,961	$ 331,807
Net Balance (c)	11,014	18,687	11,283	$ 7,485	$ 2,133	$ 78	$ 50,680
Disbursements: (d)							
Cumulative through September 30	$ 128,320	$ 20,163	$ 66,291	$ 41,844	$ 13,142	$ 1,990	$ 271,750
Current Quarter	—	—	—	14	—	—	14
Total	$ 128,320	$ 20,163	$ 66,291	$ 41,858	$ 13,142	$ 1,990	$ 271,764

(a) No additional apportionments have been authorized since fiscal year 2001.

(b) Amounts obligated, but unpaid, are 12X4336 no-year funds, and therefore, do not expire after the fifth fiscal year of availability.

(c) The unobligated balances of indefinite borrowing authority are withdrawn at the end of each year to comply with guidance established by the Office of Management and Budget, and the Department of Treasury.

(d) Figures presented are cumulative since the year of apportionment, whereas the summary page presents fiscal year activity only.

Exhibit 2

Commodity Credit Corporation
Reimbursable Services Outlays
For the Quarter Ended December 31, 2002
(Dollars in Thousands)

	Fiscal Year through December 31,2002
Systems Support	
Agency	
Agricultural Marketing Service	$ 373
Food & Nutrition Service	
Foreign Agricultural Service	
General Services Administration	
Office of Communications	778
Total	$ 4,151
County Estimates Program	
Agency	
National Agricultural Statistics Service	$ 910
Total	$ 910
Administrative Support	
Agency	
Agricultural Marketing Service	
Agricultural Research Service	590
Economic Research Service	
Extension Service	
Food & Nutrition Services	
Foreign Agricultural Service	1,447
Forest Service	
General Services Administration	
Grain Insp. & Packers(Stockyards Adm.	
Natural Resources Conservation Service	
Office of the General Counsel	
Office of the Inspector General	
Office of the Secretary	
Risk Management Agency	500
Rural Development	
U.S. Air Force	
U.S. Geological Survey	
Total	$ 2,537
Remote Sensing	
Agency	
Foreign Agricultural Service	$
Total	$
U.S. Warehouse Act	
Agency	
Farm Service Agency	$
Total	$
Hazardous Waste Management	
Agency	
City of Agra	
Funded by Specific Appropriation	$
Kansas Department of Health & Environment	
Funded by Specific Appropriation	$
Department of Army	
Funded by Specific Appropriation	$
Department of Energy	
Funded by Specific Appropriation	$ 324
Funded by CCC Borrowing Authority	$ 987
Total	$ 1,311
Total	$ 5,909

Exhibit 3
Commodity Credit Corporation
Reimbursable Services
Schedule of Obligations and Disbursements
For the Quarter Ended December 31, 2002
(Dollars in Thousands)

	Year of Apportionment						
	Fiscal Years 1998-1998	Fiscal Year 1999	Fiscal Year 2000	Fiscal Year 2001	Fiscal Year 2002	Fiscal Year 2003	Cumulative Total
Apportionment of Borrowing Authority	$ 137,089	$ 35,837	$ 36,209	$ 51,182	$ 56,103	$ —	$ 316,420
Obligations:							
Cumulative through September 30	126,585	$ 34,737	$ 36,172	$ 47,055	$ 52,098	—	296,647
Current Quarter	—	—	—	—	—	—	—
Total	$ 126,585	$ 34,737	$ 36,172	$ 47,055	$ 52,098	$ —	$ 296,647
Net Balance (b)	$ 10,504	$ 1,100	$ 37	$ 4,127	$ 4,005	$ —	$ 19,773
Disbursements: (c)							
Cumulative through September 30	$ 118,844	$ 32,987	$ 34,016	$ 28,347	$ 16,330	$ —	$ 230,524
Current Quarter	—	—	—	824	3,417	—	4,241
Total	$ 118,844	$ 32,987	$ 34,016	$ 29,171	$ 19,747	$ —	$ 234,765

(a) Amounts obligated, but unpaid, are 12X4336 no-year funds, and therefore, do not expire after the fifth fiscal year of availability.

(b) The unobligated balances of indefinite borrowing authority are withdrawn at the end of each year to comply with guidance established by the Office of Management and Budget, and the Department of Treasury.

(c) Figures presented are cumulative since the year of apportionment, whereas the summary page presents fiscal year activity only.

Commodity Credit Corporation

Summary Expenditure Report

Sections 5 and 11

For the Quarter Ended December 31, 2002

(Dollars in Thousands)

	Notes	Fiscal Year Through December 31
Funded by CCC Borrowing Authority		
Outlays:		
Commodity Loans Made	(a)	1,250,441
Commodity Purchases	(b)	2,090,056
Commodity Storage & Handling	(c)	22,522
Transportation-Domestic & Foreign	(d)	7,922
Deficiency Programs	(e)	249,312
Market Loss Assistance	(f)	9,710
Dairy Programs	(g)	14,031
Disaster Assistance Programs	(h)	4,866
Crop Disaster Assistance Programs	(i)	4,411
Loss Adjuster Contractor Program	(j)	19
Fishing Programs	(k)	(2)
Cotton User Marketing	(l)	28,699
Livestock Assistance	(m)	(8)
Market Access	(n)	21,353
Interest - Treasury	(o)	118,594
Interest - Other	(p)	451
Wool and Mohair Programs	(q)	29
Conservation	(r)	1,675,339
Non-Insured Assistance	(s)	46,407
Peanut Marketing Assistance Program	(t)	320
World Food Program	(u)	228,849
Quality Samples Program	(v)	68
Foreign Market Development Cooperator	(w)	6,891
Bioenergy Program	(x)	32,791
Direct and Counter Cyclical Program	(y)	963,685
Milk Income Loss Contract Program	(z)	678,836
Peanut Quota Buyout Program	(1)	980,088
Automated Data Processing - Under Apportionment Authority (Exhibit 1)		14
Reimbursable Services - (Exhibit 2)		5,585
Other Outlays	(2)	96,990
Total		$ 14,380,874
Receipts:		
Commodity Loans Repaid		$ 2,277,905
Commodity Sales Proceeds		1,377,708
Interest Income	(3)	7,033
Assessments	(4)	2,019
Claims		14,998
Miscellaneous Receipts	(5)	186,882
Total		$ 3,866,543
Non-Expenditure Transfers to Other Federal Agencies		46,100
Net Outlays (Receipts) Funded by CCC Borrowing Authority		$ 10,560,431
Funded by Specific Appropriation and/or Permanent Borrowing Authority		
Outlays:		
P.L. 480 Direct Credits		$ 42,993
Export Credit Guarantees		47,900
P.L. 480 Titles I (Ocean Freight Differential), II & III		(130,360)
Apple Loans		—
Farm Storage Facility Loans		20,306
Reimbursable Services (Exhibit 2)		324
Conservation - Klamath and Yakima Basins		44
Total		$ 241,927
Receipts:		
P.L. 480 Direct Credits		$ 341,259
Export Credit Guarantees		112,118
P.L. 480 Titles I (Ocean Freight Differential), II & III		923
Apple Loans		—
Farm Storage Facility Loans		15,062
Total		$ 469,362
Net Outlays (Receipts) Funded by Specific Appropriation and/or Permanent Borrowing Authority		$ (227,435)
Total CCC Net Outlays		$ 10,332,996

NOTE: Expenditures are defined as outlays for purposes of this report.

USDA SERVICE CENTER LAN/WAN/VOICE INSTALLATIONS

Mr. Bonilla: Have the LAN/WAN/Voice installations been completed?

Response: Over 99% of the planned LAN/WAN/Voice installations for the Service Centers have been completed. There are 8 field sites and 3 State offices yet to be done. Due to multi-year lease agreements, offices move on a periodic basis. Therefore, at any given time there are always installations to complete in a few offices.

Mr. Bonilla: What have been the total costs for fiscal year 1998 through fiscal year 2003 to complete the LAN/WAN/Voice installation?

Response: The table below shows actual LAN/WAN/Voice expenditures for FY 1996 through 2002 and an estimate for FY 2003. All costs, installation, maintenance and operations are included in this table.

LAN/WAN/Voice Costs

Fiscal Year	Dollars in Thousands
1996	72,700
1997	10,673
1998	25,275
1999	13,775
2000	3,495
2001	1,957
2002	3,376
2003	6,083

FY 2003 LAN/WAN/VOICE INSTALLATION FUNDS

Mr. Bonilla: Are there funds requested in fiscal year 2004 for LAN/WAN/Voice? If so, how much and how are the proposed activities different from what was funded in 1998-2003?

Response: Yes, an estimated $5,709,030 is budgeted from the Service Center Agency budgets for LAN/WAN/Voice. This includes $549,000 for routine installations, $3,120,000 for coverage under the National Telephone Maintenance Contract, $1,680,000 for router equipment SmartNet maintenance, and $360,030 for operation costs. The FY 2004 budget projection compared with the early years of LAN/WAN/Voice reflects a maintenance mode as compared to the heavy capital investment for wiring all offices and supporting the office collocation initiative during the FY 1996 - 2000 period.

Mr. Bonilla: Please provide a detailed breakout, by agency, of the total number of USDA employees working on Service Center Implementation.

Response: [The information, in FTEs, follows:]

Program	FSA	NRCS	RD [1]	OCIO
Project Management	---	---	---	8.00
Strategic Planning	0.25	1.00	---	---
Communications	---	---	---	---
Program Management	0.50	0.50	0.50	
Change Management	1.00	---	---	---

Customer Service	3.00	---	25.00	---
CAMS	1.00	4.00	---	---
BPR-Administration	---	2.00	---	---
BPR-Lending/Outreach	---	---	---	---
Data Management	6.00	2.00	4.00	---
CCE	11.00	12.00	2.00	---
LAN/WAN/Voice	27.00	1.00	---	---
Disaster Assistance	1.00	---	---	---
Paperwork Reduction	---	---	---	---
Migration [2/]	5.00	1.00	---	---
Security	7.00	6.00	3.00	---
Telecommunications	6.00	3.00	4.00	---
GIS [3/]	3.00	4.00	2.00	---
Electronic Access	4.00	11.00	4.00	---
Interoperability Lab	2.00	---	5.00	---
TOTALS	**77.75**	**47.50**	**49.50**	**8.00**

[1/] Rural Development has successfully implemented all Service Center Modernization Initiative BPR's. Paperwork reduction activities are now considered complete and new eGov initiatives have superceded this activity. All Centralized Help Desk staff are reported as a Customer Service activity although they support many of the specific Service Center Modernization activities listed as well as Agency specific applications. All Rural Development business processes have been successfully migrated to the Common Computing Environment.

[2/] FSA has 93 employees working on migration efforts. However, there are five (5) employees assigned to the Migration Team.

[3/] GIS - There are 29.5 APFO and at least 4 program area staff working on migration efforts. However, there are three (3) FSA employees assigned to the Migration Team.

Mr. Bonilla: Briefly describe the findings and recommendations and actions taken on each GAO and OIG audit listed in the explanatory notes.

Response: [The information follows:]

Office of Inspector General Audits:

#23099-1-FM OCIO Security Over Data Transmission In The Department Needs Improvement

Recommendations:

1. Take immediate action to eliminate the risk of fraud and misuse of sensitive information posed by agencies transmitting unencrypted data over the Internet and Departmental and agency's networks.

Actions Taken:

Appropriate steps have been taken and this recommendation is now closed.

2. Implement appropriate safeguards to secure the link between NITC and NFC.

Actions Taken:

Appropriate steps have been taken and this recommendation is now closed.

3. Strengthen Departmental Regulation DR 3140-2 by requiring that all data transmitted by the agencies over the Internet and Intranet be encrypted, and require that NITC and NFC no longer accept unencrypted data from any source.

Actions Taken:

The Office of the Chief Information Officer concurred in part with this recommendation. DR 3140-2 Internet and Electronic Mail Security has been updated and strengthened to require the encryption of all sensitive data transmitted over open networks such as the Internet. The draft policy has been distributed to USDA agencies for review and comment. However, OCIO is not in agreement that the policy require that *all* data transmitted by the agencies over the Internet and Intranet be encrypted and that NFC and NITC no longer accept unencrypted data from any source. OCIO believes the sensitivity of the data should dictate the need for encryption.

OCIO has drafted new encryption policy that provides encryption requirements, standards, and responsibilities. However, due to the possibility of service degradation and adverse affect on response time that may be experienced in some USDA technical environments, an extended comment period has been afforded agencies before the policy is put into effect.

OCIO believes that the new encryption policy, once issued, will address the concerns expressed in the audit and provide insurance that sensitive information transmitted within the Department will be protected from unauthorized access.

4. Take immediate action to eliminate the identified vulnerabilities.

Actions Taken:

Appropriate steps have been taken and this recommendation is now closed.

5. Establish a process to scan the remaining computers, routers, etc. that are part of the Department's network. Ensure periodic reviews and risk assessments are performed over the network.

Actions Taken:

Appropriate steps have been taken and this recommendation is now closed.

6. Implement a network intrusion detection system and an emergency response team to ensure the timely detection, correction and tracking of unauthorized activities.

Actions Taken:

Appropriate steps have been taken and this recommendation is now closed.

#50099-27-FM (previously 50099-24-FM) Security over USDA Information Technology Resources

Recommendations:

1. Redirect OCIO resources to the security areas noted in this report until funding is obtained to implement a comprehensive security program within USDA.

Actions Taken:

OCIO continues to direct resources toward supporting the Cyber Security Program areas noted in the report. For example, recently, funding has been used to initiate a department-wide disaster recovery and contingency planning program, facilitate and oversee information security awareness training for all USDA employees, as well as an initiative to certify and accredit all USDA systems.

Management decision was reached on this issue.

2. Monitor agency corrective actions on all security weaknesses identified by our audit to ensure weaknesses have been corrected.

Actions Taken:

OCIO has developed a process for monitoring corrective action on all security weaknesses identified by OIG audits. This process includes not only OCIO's responsibility for oversight, but also the criteria for which actions require monitoring, timing for responses, authority for certifying corrections, and other related issues.

As required by the Government Information Security Reform Act, USDA is currently tracking over 1,400 distinct action items that address over 200 material weaknesses. Most of these strategies reflect the development and implementation of major security program elements, such as Risk Management, Certification and Accreditation, and Contingency Planning. Most will require significant resources and time for implementation.

Management decision was reached on this issue.

3. Establish a risk assessment policy that requires agencies to keep network documentation updated, requires periodic risk assessments, sets timeframes for agency compliance, and establishes OCIO's review and oversight responsibility.

Actions Taken:

OCIO's Cyber Security Program is addressing the issue of risk management on two fronts. To help USDA agencies meet their requirement to assess risks to the information systems they use and manage, standard risk assessment tools are being developed for each of the computer platforms in use throughout the Department. In addition, risk assessment training and counseling is being provided to agency security managers by both Cyber Security Program Staff and contracted risk management specialists.

At the same time, Cyber Security Program staff is following a risk-based facility review program to fully assess USDA's critical infrastructure. This strategy involves on-site reviews of major USDA information management facilities based on their relative criticality to the organization. This approach allows Security Program staff to witness first-hand existing

security controls, security management and administration, and computing environments to identify security weaknesses and provide guidance and counseling.

Specific examples of progress made in the area of risk management include:

OCIO has developed a series of platform-specific risk assessment tools and has provided training for both security technicians and user/managers. For each assessment tool an actual vulnerability assessment is conducted.

OCIO has developed a standard risk management methodology to assist USDA agencies in determining information sensitivity, identifying threats and vulnerabilities, designing mitigation strategies, and developing business cases for necessary security costs.

Overall security program vulnerability self-assessments are executed annually for all agency security programs and for many mission-critical USDA information systems, using the newly developed standard assessment checklists.

Using a contract designed by OCIO, USDA agencies are engaging contractors to provide independent evaluations of both their security programs and mission critical information systems.

OCIO has developed a central cyber security database to store security-related information, track vulnerabilities and their mitigation, and provide data for analysis and reporting. Currently this database is helping OCIO track over 1400 remedial activities that address over 200 specific material security weakness discovered throughout the Department.

Management decision was reached on this issue.

4. Revise OCIO instructions on the preparation of Agency Security Plans to include all areas required by OMB A-130.

Actions Taken:

Annual guidance for developing security plans provides instructions that conform to all OMB A-130 guidelines.

Management decision was reached on this issue.

5. Establish a security plan policy that establishes agency timeframes for completing and updating their security plans, requires these plans to be submitted to OCIO, and formalizes OCIO's review and oversight responsibility.

Actions Taken:

Annual guidance for developing security plans provides instructions that conform to all OMB A-130 guidelines. All areas itemized in the recommendation are covered.

Management decision was reached on this issue.

6. Require agencies to prepare and submit to OCIO comprehensive and system-specific contingency plans that address protection of information resources

and recovery procedures in the event of service disruptions. Establish procedures for OCIO to review and approve agencies' contingency plans.

Actions Taken:

OCIO's strategy for implementing an Information Survivability program includes the design of a standard methodology for contingency planning, the development of disaster recovery and business resumption plans for the Department's most mission-critical systems, and testing of these plan to ensure they are adequate and complete. OCIO has utilized an experienced contractor to provide contingency planning training and to assist the Department with developing and implementing planning standards, criteria and formats. At the same time OCIO, with assistance from USDA agencies and Departmental Administration, has analyzed and selected contingency planning software capable of assisting system managers through the process of developing and maintaining Disaster Recovery and Business Resumption plans. OCIO has procured this tool, and training for its use, for all USDA agencies and staff offices.

As agency plans are developed, agency business executives will be required to approve the contingency plans. Additionally, OCIO will establish procedures for reviewing and testing agency program and system plans. In addition, in order to certify and accredit a system, an independent third-party will review and assess each system's disaster recovery and contingency plan. The results of the review will then be submitted for approval to OCIO.

7. Require agencies to perform annual testing of their contingency plans, adjust their plans based on the results, and report their test results to OCIO.

Actions Taken:

OCIO's strategy is to develop a testing process with contractor support. Feedback from these test will be used to strengthen our plans. This process is currently under development and expected to be finalized by spring, 2003. Once agencies build their contingency plans, testing will begin to ensure they are executable.

8. Ensure agency compliance with OMB A-130 requirements for system certification/authorization by establishing a policy that formalizes OCIO's review and oversight of these certifications.

Actions Taken:

The Department's goal is to achieve a C2 level of certification for all sensitive but unclassified systems. Facilities that house critical infrastructures will be required to meet a Department of Justice level 4 physical security standard.

The OCIO Cyber Security Implementation Plan scheduled the initiation of a Sensitive System Certification Program in FY 2002. However, funding was not obtained. From OCIO's Homeland Security allocation, OCIO will kick off its Certification effort, beginning with the development of a standard USDA Certification and Accreditation methodology. A contract has been awarded for this initiative.

Management decision was reached on this issue.

9. Establish controls to ensure that an accurate and timely updated database is maintained of IP addresses and responsible agency contacts.

Actions Taken:

OCIO's Cyber Security Program now has responsibility for maintaining internet addresses. OCIO has developed procedures that require each agency to develop an inventory of respective agency addresses, submit these inventories to OCIO and provide updates at least quarterly.

The Cyber Security Program has received all agency IP address inventories. To manage the large number of addresses, the Cyber Security Program engaged a contractor to build a database with appropriate reporting and query capabilities to maintain and manage IP addresses. This database has been delivered. Once loaded with all USDA IP addresses, management will be vastly improved.

Management decision was reached on this issue.

10. Establish Departmental policy requiring agencies to scan their systems on a routine basis and take prompt action to eliminate noted vulnerabilities.

Actions Taken:

OCIO negotiated a Departmentwide license for the software to scan information systems for vulnerabilities. OCIO continues to support agency use of the scanning software and has issued policy requiring periodic scans. We continue to provide training and pay an annual fee to ensure the software is up-to-date and effective. It is OCIO policy that networks must be scanned monthly, and that all servers must be scanned prior to going onto the network.

Management decision was reached on this issue.

11. Ensure that the agencies in our review have taken the necessary corrective actions on all high and medium risk vulnerabilities identified during our audit. Where long-term corrective actions are needed to fix system vulnerabilities, require agencies to develop interim corrective actions, subject to OCIO approval.

Actions Taken:

OCIO has developed a process for monitoring corrective action on all security weaknesses identified by OIG audits. This process includes not only OCIO's responsibility for oversight, but also the criteria for which actions require monitoring, timing for responses, authority for certifying corrections, and other related issues.

As required by the Government Information Security Reform Act, USDA is currently tracking over 1,400 distinct action items that address over 200 material weaknesses. Most of these strategies reflect the development and implementation of major security program elements, such as Risk Management, Certification and Accreditation, and Contingency Planning. Most will require significant resources and time for implementation.

Management decision was reached on this issue.

12. Require agencies to adopt a corporate level approach to configuration management. To this end, develop a policy establishing minimum security setting guidelines for the various operating systems used by the Department. Require agencies to periodically assess those settings and correct those that have been misapplied.

Actions Taken:

A security expert who specializes in Configuration Management (CM) has developed and delivered CM training to agency technicians, and is developing interim CM guidance. For the longer term, OCIO plans to implement Departmentwide configuration management within its Sensitive System Certification and Accreditation Program, scheduled to begin in FY 2003.

Management decision was reached on this issue.

13. Update the firewall policy to require that agencies' implement firewalls between their networks and the Department's backbone. Once implemented, monitor agencies' compliance with the new policy.

Actions Taken:

Policy has been issued regarding the establishment of network gateways and firewalls. This policy, plus our on-going network analysis and counsel to agencies, is having a positive effect to provide a more secure data transmission environment for the Department. OCIO does not agree that agencies necessarily need to establish firewalls in between their networks and the Department's backbone network. Rather, the decision to establishment a firewall between these networks should be based on the services, such as Telnet, FTP, etc., being provided.

OCIO is working with individual agencies and teams of agency personnel on a service-by-service basis to determine the most effective and efficient manner in which to secure networks used throughout the Department. We believe this approach relates network access to business needs rather than establishing a security solution without regard to business impact.

In conversations with OIG representatives, OCIO has agreed to analyze agency network firewall needs. Firewalls determined to be warranted between agency networks and the Department's backbone network will be installed.

14. Monitor agencies corrective actions on the cited access controls until the weaknesses identified have been corrected.

Actions Taken:

OCIO has developed a process for monitoring corrective action on all security weaknesses identified by OIG audits. This process includes not only OCIO's responsibility for oversight, but also the criteria for which actions require monitoring, timing for responses, authority for certifying corrections, and other related issues.

As required by the Government Information Security Reform Act, USDA is currently tracking over 1,400 distinct action items that address over 200 material weaknesses. Most of these strategies reflect the development and implementation of major security program elements, such as Risk Management,

Certification and Accreditation, and Contingency Planning. Most will require significant resources and time for implementation.

Management decision was reached on this issue.

15. Establish a policy requiring agencies to routinely review system accesses to ensure that terminated employees no longer have access to agency systems. Include a requirement that agencies' periodically reconcile system users and access levels with current employees and contractors and remove or modify accounts as necessary.

Actions Taken:

Policy will be issued to require access rules that prevent unauthorized access, including for terminated employees.

Management decision was reached on this issue.

16. Provide guidance to agencies on how to physically secure all network critical hardware and ensure that controls are in place to limit physical access to authorized individuals only.

Actions Taken:

OCIO is currently establishing risk assessment guidance for analyzing physical security vulnerabilities.

#50099-28-FM PCIE/ECIE Critical Infrastructure Protection Review

Recommendations:

1. Revise USDA's Critical Infrastructure Assurance Plan to update the timeframes for USDA's compliance with PDD 63, and establish an aggressive strategy to implement the plan, including corporate control and oversight of the process.

Actions Taken:

OIG identified new requirements for resolution of this recommendation. To fulfill this requirement, OCIO will engage the National Critical Information Assurance Office (CIAO) to conduct an exercise, known as Project Matrix, to assist USDA in identifying mission critical systems and infrastructure.

OCIO budgeted funds to begin Project Matrix in the 2nd Quarter of FY 2003. However, because CIAO is being reorganized into the Homeland Security Agency, they requested that USDA delay this effort. USDA is currently awaiting CIAO's direction to begin.

2. Continue to seek additional funding to ensure adequate resources and staffs with the necessary skill sets are available to carry out the provisions of PDD 63 and USDA's Critical Infrastructure Assurance Plan. Advise the Secretary of the need to assess Departmental priorities in the absence of additional funding in order to fulfill the requirements of PDD 63.

Actions Taken:

Appropriate steps have been taken and this recommendation is now closed.

3. Establish the proposed Executive council, and the subsequent CIA Council, to ensure senior management involvement in cyber security and PDD 63 compliance activities. Require agencies to report accomplishments/impediments monthly, similar to the reporting requirements used for the Year 2000 remediation process.

Actions Taken:

Appropriate steps have been taken and this recommendation is now closed.

#50601-4-HQ Assessment of USDA's Controls Over Website Content

Recommendations:

1. Direct all agencies to immediately research their websites for sensitive information and expunge them accordingly.

Actions Taken:

Appropriate steps have been taken and this recommendation is now closed.

2. Establish a task force to develop specific criteria defining sensitive information and to develop internal controls to preclude the issuance of this data.

Actions Taken:

Appropriate steps have been taken and this recommendation is now closed.

3. Direct the Office of the Chief Information Officer to develop and maintain an inventory of websites and ensure it is kept current.

Actions Taken:

Appropriate steps have been taken and this recommendation is now closed.

#88099-3-FM OCIO/NITC FY 2000 General Controls

Recommendations:

1. Establish controls to review on a monthly basis all unused IDs & assure these user accounts are deleted timely.

Actions Taken:

Appropriate steps have been taken and this recommendation is now closed.

2. Ensure security software logging rules require all access to critical & sensitive operating system datasets, including all access by users with non-cancelable privilege, are logged.

Actions Taken:

Appropriate steps have been taken and this recommendation is now closed.

3. Establish controls to ensure IDs requesting non-cancelable privileges are properly documented & formally approved.

Actions Taken:

Appropriate steps have been taken and this recommendation is now closed.

4. Ensure that NITC includes all appropriate IP addresses in its vulnerability scanning on a monthly basis for all systems, excluding printers.

Actions Taken:

Appropriate steps have been taken and this recommendation is now closed.

5. Establish controls to ensure that NITC scans its systems on a routine basis, but not less than monthly, & takes prompt action to investigate risk indicators & mitigate identified vulnerabilities.

Actions Taken:

Appropriate steps have been taken and this recommendation is now closed.

6. Ensure that NITC investigate all high & medium risk vulnerabilities identified during our audit & take appropriate corrective action.

Actions Taken:

Appropriate steps have been taken and this recommendation is now closed.

7. NITC should establish controls to ensure that users that access NITC resources from the Internet are required to connect through a controlled secure manner.

Actions Taken:

NITC completed the installation of the S/390 Firewall system in 1st Quarter of FY 2003 as part of Phase 2 of the NITC Enterprise Cyber Security (ECS) project to separate Public and Intranet traffic in accordance with USDA and CS policies. This completes the installation of all the Firewall systems identified in the ECS Project. The migration of the NITC mainframes behind the S/390 Firewall system is planned during the 3rd Quarter and 4th Quarter of FY 2003. Intrusion Detection Systems (IDS) are deployed on the external interfaces of each Firewall system. The internal IDS sensors are currently under evaluation for deployment later in CY03.

NITC has declared the end-of-life for two LAN subnets that allow access from the Public Internet. Systems deployed on these networks will be migrated to either the DMZ or to Intranet segments. Installation procedures for all new services at NITC require that they be deployed according to USDA Policy, behind firewalls in either the DMZ or Intranet.

Common services such as TN3270 that require Public access have been enhanced to provide SSL Encryption and are planned for DMZ deployment in the 4th Quarter of FY 2003. Testing continues with Client TN3270 Software that is compatible with the TN3270/SSL Server. Other access to systems is being converted to VPN between NITC Firewalls and client systems or partner

networks. ACF2 rules have been modified to require VPN access be enforced when requested by Agency Security Officers.

8. NITC should post a warning banner on all system presentation screens to ensure that users acknowledge their access to a U.S. Government system & that their use implies consent of monitored use.

Actions Taken:

Appropriate steps have been taken and this recommendation is now closed.

9. NITC needs to ensure that its Security Plan includes all required elements.

Actions Taken:

Appropriate steps have been taken and this recommendation is now closed.

10. NITC needs to establish controls to ensure that paperwork requesting employee background investigations is completed every 5 years.

Actions Taken:

Appropriate steps have been taken and this recommendation is now closed.

11. NITC needs to establish controls to ensure that all employees receive the required security awareness training & that documentation of the training is maintained.

Actions Taken:

Appropriate steps have been taken and this recommendation is now closed

#AIMD-00-217 Information Security: USDA Needs to Implement Its Departmentwide Information Security Plan

Recommendations:

1. The Secretary should direct that the Chief Information Officer (CIO) and Associate CIO for Cyber Security develop and document a strategy for implementing the action plan for improving USDA information security. At a minimum, the implementing strategy should establish and set forth priorities for implementing the plan and for addressing the highest risks and threats to the Department's assets; time frames and milestones for completing all necessary actions; and staff and funding resources required for FY's 2001, 2002, and beyond.

Actions Taken:

To address GAO's concern for an implementation plan, the Cyber Security Program utilized a contractor who specializes in security program planning. This contractor assisted OCIO with the development of an implementation plan that includes time frames, milestones and program deliverables according to our established priorities and budget expectations. A copy of the plan has been submitted to GAO.

OCIO's Cyber Security Strategy is being reviewed again this year, to update action items, re-establish priorities, and consider new demands and available resources.

2. The Secretary should demonstrate that information security at USDA is a Departmental priority by (1) directing that sufficient resources be available to fund the Department's information security improvement strategy and implementing plan; (2) holding the CIO and Associate CIO accountable for carrying out the strategy and plan; and (3) requiring OCIO to provide the Secretary of Agriculture with quarterly reports describing the results of USDA's efforts to establish and implement an effective Departmentwide information security program.

Actions Taken:

Additional funding was received in OCIO FY 2000, FY 2001, and Homeland Security budgets expressly for improving the Department's Cyber Security Program. Addition funding was requested for FY 2003. This funding addressed most aspects of the program: establishing a Central Cyber Security Program, implementing an Information System Risk Management Program, and Defining and Implementing a USDA Security Architecture, Security Awareness and Training, Information Survivability and Certification and Accreditation.

In compliance with the Government Information Security Reform Act, OCIO monitors USDA agency progress fixing identified vulnerabilities. Quarterly reports on USDA's progress in this area are prepared for the Secretary and provided to OMB.

3. We also recommend that the Secretary of Agriculture report the Department's information security weaknesses and lack of a Departmentwide information security management program as a material internal control weakness under the Federal Managers' Financial Integrity Act. This internal control weakness should remain outstanding until USDA fully meets the Federal regulations for information security.

Actions Taken:

Appropriate steps have been taken and this recommendation is now closed.

OMB EXHIBIT 42

Mr. Bonilla: Please provide a copy of OMB Exhibit 42 that shows the requirements for information resources management for fiscal years 2002 and 2003.

Response: The OMB reporting format for Information Technology Portfolios was revised and renumbered. I will provide a copy for the record. [The information follows:]

Agency IT Investment Portfolio (Dollars in Millions)

		Total Investment			Percentage		Homeland Security	DME			Steady State		
Code	Entry	PY	CY	BY	Financial	IT Security	Y/N	PY	CY	BY	PY	CY	BY
005-00-00-00-00-0000-00	Total IT Investment	1,776.38	2,136.10	2,250.14				536	780.7	820.1	1,240.37	1,345.40	1,463.20
005-00-01-00-00-0000-00	Part 1.3T Systems by Mission Area	654.27	763.79	777.94				224.2	286.4	266.6	430.09	477.44	511.41
005-00-01-01-01-0000-00	*01 Financial Management*	288.4	309.27	319.94				42.8	40.72	34.42	242.79	638.31	283.39
005-03-01-01-01-1020-00	Foundation Financial Information System (FFIS)	29.71	28.46	28.91	100	5.7	Yes	7.76	1.7	0	21.95	26.76	28.91
005-03-01-01-01-1020-04	Working Capital Fund	27.76	28.47	28.91									
005-03-01-01-01-1020-09	Subtotal, Funding Sources	27.76	28.47	28.91									
005-49-01-00-01-1030-00	Core Accounting System (CORE)# 0006 Core Accounting System (CORE)	1.46	1.89	1.4	100	2	No	0.8	1.24	0.21	0.66	0.65	1.19
005-49-01-01-01-1030-04	Commodity Credit Corporation Fund - Liquidating Account 12 4336	0	0	0									
005-49-01-01-01-1030-04	Salaries and Expenses - Farm Service Agency 12 0600	1.46	1.9	1.4									
005-49 01-01-01-1030-09	Subtotal, Funding Sources	1.46	1 9	1.4									
005-55-01-00-01-1050-00	New Guaranteed Loan Accounting System (NGLS)	1.89	6.57	12.35	75	1.5	No	1.89	4.66	10.35	0	1.91	2
005-55-01-01-01-1050 04	Congress	0	0	0									
005-55-01-01-01-1050-04	RD Appropriation	0	0	0									
005-55-01-01-01-1050-04	Salaries and Expenses - Rural Housing and Community Development Service 12, i952	0	0	0									
005-55-01-01-01-1050-04	salary and expenses	0	0	0									
005-55-01-01-01-1050-09	Subtotal, Funding Sources	0	0	0									
005-49-01-01-01-1060-00	Program Fund Control System (PFCS) FSA/RD	7 36	7.92	2 02	100	1	No	7.36	7.7	0	0	0.22	2.02
005-49-01-01-01-1060-04	Commodity Credit Corporation Fund - Liquidating Account 12 4336	0	0	0									
005-49-01-01-01-1060-04	Salaries and Expenses - Farm Service Agency 12 0600	5.11	1.08	1.47									

		Total Investment			Percentage		Homeland Security	DME			Steady State		
Code	Entry	PY	CY	BY	Financial	IT Security	Y/N	PY	CY	BY	PY	CY	BY
005-49-01-01-01-1060-09	Subtotal, Funding Sources	5.11	1.08	1.47									
005-55-01-00-01-1070-00	Rural Utilities Service Loan Servicing System (RULSS) Rural Development	0.7	2.06	5.32	90	1.5	No	0.7	2.06	4.91	0	0	0.41
005-45-01-01-02-0000-00	Financial Information Sub-System (FISS)	0.08	0	0	100	5	No	0.02	0	0	0.06	0	0
005-55-01-01-02-0000-00	Financial Information System Vision (FISVIS)	1.47	1.52	1.32	100	5	No	0	0	0	1.47	1.52	1.32
005-05-01-01-02-0000-00	DA - Finance	1.02	1.02	0.57	75	25	No	0	0	0	1.02	1.02	0.57
005-55-01-01-02-0000-00	Program Loan Accounting System (PLAS)	0.73	1.31	2.32	75	6	No	0	0.6	0.83	0.73	0.81	1.49
005-53-01-01-02-0004-00	NRCS-Financial Management Information System - Legacy (FMIS - MIDAS)	8.06	8.07	8.19	100	2	No	0.2	0.2	0.2	7.86	7.87	7.99
005-49-01-01-02-0005-00	Subsidiary Accounting Systems # 005	5.14	4.97	2.69	80	1	No	2.96	2.86	1.48	2.19	2.11	1.21
005-88-01-01-02-0007-00	IT - 07 Financial Accounting and Reporting System (FARS)	0.55	0.63	0.72	90	10	No	0.19	0	0.11	0.36	0.63	0.61
005-96-01-01-02-0059-00	FS - CFO - Management Attainment Reporting System	0	0	0	100	3	No	0	0	0	0	0	0
005-96-01-01-02-0061-00	FS - CFO - Activity Based Cost (ABC) System	0	0	0	100	10	No	0	0	0	0	0	0
005-96-01-01-02-0062-00	FS - CFO - Budget Formulation and Execution System (BFES)	0.14	0	0.1	100	6	No	0.08	0	0	0.06	0	0.1
005-96-01-01-02-0063-00	FS - CFO - CAS - BUDG/LEDG (BUDG and LEDG Systems for Central Accounting System)	0.1	0	0.11	100	10	No	0	0	0	0.1	0	0.11
005-96-01-01-02-0068-00	FS - CFO - FFIS (Foundation Financial Information System)	18.77	22.73	21.86	100	10	No	0	0	0	18.77	22.73	21.86
005-96-01-01-02-0067-00	FS - CFO - Incident Accounting Improvement Project	0.05	0	0	100	0	No	0.05	0	0	0	0	0
005-49-01-01-02-0067-00	Financial, Accounting, Information Reporting System (FAIRS) # 067	0.16	0.17	0.18	100	2	No	0.16	0.17	0.18	0	0	0
005-96-01-01-02-0068-00	FS - CFO - NFC Feeder Systems	31.76	31.81	31.35	100	10	No	0	0	0	31.75	31.81	31.35
005-96-01-01-02-0069-00	FS - CFO - National Financial Applications	0.69	0.25	0.82	75	3	No	0.63	0.25	0.82	0.06	0	0
005-84-01-01-02-0215-00	FNS Automated Funds Control System (AFCS)	0.06	0	0	100	5	No	0	0	0	0.06	0	0

		Total Investment			Percentage		Homeland Security	DME			Steady State		
Code	Entry	PY	CY	BY	Financial	IT Security	Y/N	PY	CY	BY	PY	CY	BY
005-84-01-01-02-0220-00	FNS Electronic Benefit Transfer (EBT) - Account Management Agent (AMA)	3.5	4	4.5	100	5	No	0	0	0	3.5	4	4.5
005-84-01-01-02-0235-00	FNS Foundation Financial Information System (FFIS)	0.61	0.55	0.55	100	0.2	No	0.19	0	0	0.42	0.55	0.55
005-32-01-01-02-3001-00	APHIS Financial Systems	0.02	0.02	0.02	100	0.5	No	0.01	0.01	0.01	0.01	0.01	0.01
005-03-01-81-02-0000-00	IT Infrastructure and Ongoing Administration Processing (ADM, ACCT, and IRM Systems)	167.17	176.42	177.22	0	0	No	18.66	14.55	2.32	148.51	160.87	174.9
005-03-01-81-02-0000-00	Public Key Infrastructure (PKI) eA	3.01	3.68	2.13	0	0	No	0	0	0	0	0	0
005-00-01-11-01-0000-00	*11 Maintain and Enhance the Nation's Natural Resources and Environment*	136.97	141.01	157.35				59.21	60.26	74.89	77.76	80.75	82.46
005-96-01-11-01-0023-00	FAM - FPA (Fire Program Analysis) System Preparedness Module	0.84	3.5	6	20	5	No	0.84	3.5	6	0	0	0
005-96-01-11-01-0023-04	Intra-Gov't Payments	0.7	1.5	3									
005-96-01-11-01-0023-04	Wildland Fire Management - Forest Service 12X1115	0	2	3									
005-96-01-11-01-0023-09	Subtotal, Funding Sources	0.7	3.5	6									
005-96-01-11-01-0057-00	TIM - (Timber Information Manager)	5.62	6.99	10.42	2	7	No	2.13	2.72	5.68	3.49	4.27	4.74
005-96-01-11-01-0057-04	National Forest System - Forest Service 12X1106	5.63	7	10.42									
005-96-01-11-01-0057-09	Subtotal, Funding Sources	5.63	7	10.42									
005-96-02-00-01-1010-00	IPS -- Integrated (Interim) Personnel System (Rev2)	10.27	7.63	1.22	20	10	No	2.41	0	0	7.86	7.63	1.22
005-96-01-11-01-1010-04	Other Appropriations, Forest Service	10.26	7.63	1.22									
005-96-01-11-01-1010-09	Subtotal, Funding Sources	10.26	7.63	1.22									
005-96-01-11-01-1020-00	ConnectHR (Previously called IPS21)	4.51	5.18	3.76	10	10	No	2.51	3.18	3.76	2	2	0
005-96-01-11-01-1020-04	Other Appropriations, Forest Service	4.51	5.18	3.76									
005-96-01-11-01-1020-09	Subtotal, Funding Sources	4.51	5.18	3.76									

		Total Investment			Percentage		Homeland Security	DME			Steady State		
Code	Entry	PY	CY	BY	Financial	IT Security	Y/N	PY	CY	BY	PY	CY	BY
005-96-01-11-01-1030-00	INFRA	5.89	8	9.82	30	5	No	4.32	5.64	5.94	1.57	2.46	3.88
005-96-01-11-01-1030-04	National Forest System - Forest Service 12X1106	5.9	8	9.82									
005-96-01-11-01-1030-09	Subtotal, Funding Sources	5.9	8	9.82									
005-96-01-11-01-1050-00	EMC -- NRIS (Natural Resource Information System)	11.34	11.4	12.5	0	5	No	7.79	2.06	4.23	3.55	9.34	8.27
005-96-01-11-01-1050-04	National Forest System - Forest Service 12X1106	11.34	11.4	12.5									
005-96-01-11-01-1050-09	Subtotal, Funding Sources	11.34	11.4	12.5									
005-96-01-11-02-0001-00	AQM (Y2K#83) - PONTIUS	0.48	0.5	0.5	0	5	No	0.11	0.11	0.1	0.37	0.39	0.4
005-96-01-11-02-0002-00	AQM - EERA	0 01	0.01	0.01	0	5	No	0	0	0	0.01	0.01	0.01
005-53-01-11-02-0003-00	NRCS-Field Level IS Common Computing Environment/Shared Information System (CCE/SIS)	27.42	28.84	33 01	0	2	No	2 34	12.31	11.4	25.08	16.53	21.61
005-96-01-11-02-0004-00	AQM - NFC - PMIS	0.66	0.67	0.67	0	5	No	0	0	0	0.66	0.67	0.67
005-96-01-11-02-0005-00	AQM - NFC- PRCH	3.36	3.63	3.7	0	5	No	0	0	0	3 36	3.63	3 7
005-53-01-11-02-0005-00	NRCS-National Plant, Animal and Ecological Information System (NPAEIS)	1.01	1.01	1.03	0	2	No	0.3	0.39	0.4	0.71	0.62	0.63
005-53-01-11-02-0006-00	NRCS-National Resource Inventory Information System (NRIIS)	0.92	0.92	0.93	0	2	No	0.3	0.3	0.3	0.62	0.62	0.63
005-96-01-11-02-0006-00	Adaptive Management Services Enterprise Team (RS)	0.56	0.56	0.56	0	3	No	0	0	0	0.56	0.56	0.56
005-53-01-11-02-0007-00	NRCS-National Soil Information System (NASIS)	0.68	5.49	6.6	0	2	No	0.08	1.17	2.2	0.6	4.32	4.4
005-96-01-11-02-0008-00	FS CR Equal Employment Opportunity Complaint Tracking System (EEOCTS)	0.27	0.21	0.07	20	20	No	0.27	0.12	0	0	0.09	0.07
005-96-01-11-02-0009-00	ECP R5 - GIS Support to Ecosystem Planning	0.65	0.67	0.7	0	3	No	0	0	0	0.65	0.67	0.7
005-53-01-11-02-0010-00	NRCS-Science and Technology Transfer System (S&TT)	4.24	4.13	5.44	0	5	No	0	0	0	4.24	4.13	5.44
005-96-01-11-02-0010-00	ECP R5 - Software/Database Support Services for Ecosystem Planning	0.24	0.26	0.27	0	3	No	0.07	0.08	0.08	0.17	0.18	0.19

		Total Investment			Percentage		Homeland Security	DME			Steady State		
Code	Entry	PY	CY	BY	Financial	IT Security	Y/N	PY	CY	BY	PY	CY	BY
005-96-01-11-02-0011-00	EMC -- IMI EM Planning Tools	0.18	0.18	0.18			No	0	0	0	0.18	0.18	0.18
005-96-01-11-02-0012-00	FAM R5 WILDCAD (Y2K #266) - Computer Aided Dispatch Application	0.41	0.11	0.11	0	5	No	0.31	0.11	0.11	0.1	0	0
005-53-01-11-02-0013-00	NRCS-Water and Climate Information System (W&C)	2.74	2.44	2.49	0	9	No	0.85	0.83	0.85	1.89	1.61	1.64
005-96-01-11-02-0013-00	FAM (Y2K #518) - R5 CALPFIRS(California Prescribed Fire Incident Reporting System	0.33	0.21	0.16	0	15	No	0.33	0.21	0.16	0	0	0
005-96-01-11-02-0014-00	FAM (Y2K #89) REDCARD: Fire Qualifications	0.1	0.1	0.1	0	5	No	0.08	0.08	0.08	0.02	0.02	0.02
005-53-01-11-02-0014-00	NRCS001 - Data Acquisition	9.91	9.93	13.39	0	2	No	7.64	7.64	11.07	2.27	2.29	2.32
005-96-01-11-02-0015-00	FAM (Y2K# 97) - SIT/209: National Interagency Sit	0.1	0.1	0.1	0	5	No	0.06	0.06	0.06	0.04	0.04	0.04
005-96-01-11-02-0016-00	FAM (Y2K#) - FETM - Fire Effects Tradeoff Model	0.15	0.24	0.07	0	0	No	0.04	0.15	0.05	0.11	0.09	0.02
005-96-01-11-02-0017-00	FAM (Y2K#3.2) - Dispatch Utilities: ADAM PC: Flight planners	0.01	0.01	0.01	0	5	No	0	0	0	0.01	0.01	0.01
005-96-01-11-02-0018-00	FAM (Y2K#41) - FIREFAMILY + : Fire Weather	0.14	0.1	0.1	0	5	No	0.11	0.07	0.07	0.03	0.03	0.03
005-96-01-11-02-0019-00	FAM (Y2K#494) - FEPMIS: Federal Excess Property S	0.15	0.25	0.19	0	5	No	0.13	0.24	0.17	0.02	0.01	0.02
005-96-01-11-02-0020-00	FAM (Y2K#52) - ICBS: Fire Cache Inventory System	0.1	0.1	0.03	0	5	No	0.07	0.07	0	0.03	0.03	0.03
005-96-01-11-02-0021-00	FAM (Y2K#58) - KCFAST: Kansas City Fire Access So	0.11	0.12	0.07	0	5	No	0.04	0.05	0	0.07	0.07	0.07
005-96-01-11-02-0022-00	FAM (Y2K#8) - AMIS: Aviation Management Info Sys	0.19	0.19	0.09	0	5	No	0.08	0.08	0	0.11	0.11	0.09
005-96-01-11-02-0024-00	FAM - Fire GIS	0.08	0.08	0.08	0	5	No	0.08	0.08	0.07	0	0	0.01
005-96-01-11-02-0025-00	FAM FireStat (Fire Statistics)	0.15	0.1	0.07	0	5	No	0.12	0.07	0.04	0.03	0.03	0.03
005-96-01-11-02-0026-00	FAM - Flight Following	0.33	0.14	0.17	0	5	No	0.33	0.14	0.04	0	0	0.13
005-96-01-11-02-0027-00	FAM - GIS-Common Data	0.5	0.75	0.75	0	5	No	0.5	0.75	0.75	0	0	0
005-96-01-11-02-0028-00	FAM - Geographic Area and Regional GIS Assistance	0.05	0.05	0.05	0	5	No	0.05	0.05	0.05	0	0	0
005-96-01-11-02-0029-00	FAM - IQS - Incident Qualifications System	0.03	0.03	0	0	5	No	0	0	0	0.03	0.03	0
005-96-01-11-02-0030-00	FAM - ISES (Interagency Statistical Event System)	0.26	0.25	0.25	0	5	No	0.26	0.25	0.12	0	0	0.13

		Total Investment			Percentage		Homeland Security	DME			Steady State		
Code	Entry	PY	CY	BY	Financial	IT Security	Y/N	PY	CY	BY	PY	CY	BY
005-96-01-11-02-0031-00	FAM - Interagency GeoSpatial Data Sharing	0.13	0.25	0.08	0	5	No	0.13	0.25	0.08	0	0	0
005-96-01-11-02-0032-00	FAM - Other	0.03	0.03	0.03	0	5	No	0	0	0	0.03	0.03	0.03
005-96-01-11-02-0033-00	FAM - Predictive Services	0	0.13	0.13	0	5	No	0	0.13	0.13	0	0	0
005-96-01-11-02-0034-00	FAM - WIMS (Weather Information Management System)	1.17	1.45	1.37	0	10	No	0.86	1.04	1	0.32	0.41	0.37
005-96-01-11-02-0035-00	FAM -Incident Suite Applications (ISUITE)	0.74	1.61	1.61	0	0	No	0.56	1.51	1.51	0.18	0.1	0.1
005-96-01-11-02-0038-00	FAM R5 - (Y2K #517) MIRPS (Multiagency Incident Resource Processing System)	1.2	0.35	0.35	0	10	No	1.2	0	0	0	0.35	0.35
005-96-01-11-02-0037-00	FAM R5 MDD (Fire Management Mapping and Data Development)	0.85	0.68	0.24	0	3	No	0.5	0.36	0.09	0.35	0.32	0.15
005-96-01-11-02-0038-00	FAM R5 WINCAN (Computer Aided Navigation Application)	0.29	0.18	0.36	0	5	No	0.29	0.18	0.18	0	0	0.18
005-96-01-11-02-0039-00	FAM(Y2K#71) - NFMAS; Natl Fire Mgt. Analysis	0.33	0.25	0.2	0	5	No	0.28	0.2	0.16	0.05	0.05	0.05
005-96-01-11-02-0040-00	FAM-ROSS (Resource Ordering and Status System)	5	4.1	5.73	5	6	No	3.49	1.95	2.47	1.51	2.15	3.26
005-96-01-11 02 0041-00	FAM-IBA (Incident Based Automation)	0	0.3	0	0	5	No	0	0.3	0	0	0	0
005-96-01-11-02-0042-00	Interagency Cache Business System Reengineering (ICBS)	0	0.56	3.32	0	3	No	0	0.56	3.32	0	0	0
005-96-01-11-02-0043-00	FHP - Decision Support Tools	0.33	0.33	0.33	0	5	No	0.33	0.33	0.33	0	0	0
005-96-01-11-02-0044-00	FHP - Digital Sketchmapping System	0.34	0.43	0.53	0	5	No	0.34	0.43	0.53	0	0	0
005-96-01-11-02-0045-00	FHP - National Reports and Databases	0.32	0.34	0.34	0	5	No	0.21	0.21	0.21	0.11	0.13	0.13
005-96-01-11-02-0046-00	FHP - Pest and Pathogen Models	0.51	0.53	0.53	0	5	No	0.37	0.39	0.39	0.14	0.14	0.14
005-96-01-11-02-0047-00	FHP - Tools	0.17	0.17	0.17	0	5	No	0.11	0.11	0.11	0.06	0.06	0.06
005-96-01-11-02-0048-00	FHP-Remote Sensing/GIS	0.42	0.43	0.43	0	5	No	0.34	0.35	0.35	0.08	0.08	0.08
005-96-01-11-02-0049-00	FM (Y2K#102) - Sale Tracking and Reporting System	0.08	0.04	0.04	0	0	No	0	0	0	0.08	0.04	0.04
005-96-01-11-02-0050-00	FM (Y2K#103) TAMS - (Timber Application Manager)	0.02	0.02	0.02	0	0	No	0	0	0	0.02	0.02	0.02

		Total Investment			Percentage		Homeland Security	DME			Steady State		
Code	Entry	PY	CY	BY	Financial	IT Security	Y/N	PY	CY	BY	PY	CY	BY
005-96-01-11-02-0051-00	FM (Y2K#107) TRACS - (TimberR Activity Control System)	0.03	0.02	0.02	0	0	No	0	0	0	0.03	0.02	0.02
005-96-01-11-02-0052-00	FM (Y2K#410) - R9 Stand Inventory	0.01	0.01	0.01	0	3	No	0	0	0	0.01	0.01	0.01
005-96-01-11-02-0053-00	FM (Y2K#411) - R9 GENETA	0	0	0	0	3	No	0	0	0	0	0	0
005-96-01-11-02-0054-00	FM (Y2K#417) R9 DAP Timber Sale Application	0.01	0.01	0.01	0	5	No	0	0	0	0.01	0.01	0.01
005-96-01-11-02-0055-00	FM (Y2K#420) - R9 DAP Transaction Evidence	0.02	0.02	0.02	0	3	No	0	0	0	0.02	0.02	0.02
005-96-01-11-02 0056-00	FM (Y2K#496) ATSA-BPR - (Automated Timber Sale Accounting - Business Process Reengineering)	0	0	0	0	0	No	0	0	0	0	0	0
005 96-01-11-02-0058-00	FM(Y2K#70)NATCRS-National Timber Cruise	0.36	0 37	0.37	0	3	No	0.04	0.04	0.04	0.32	0.33	0.33
005-96-01-11-02-0060-00	FS - CFO - ATSA (Automated Timber Sale Accounting)	1.26	0.8	1.13	60	8	No	0	0	0	1.26	0.8	1.13
005-96-01-11 02-0064 00	FS - CFO - EFF-Pay (Emergency FireFighter-Pay)	0.37	0.36	0.36	0	3	No	0	0	0	0.37	0.36	0.36
005-96-01-11-02-0065-00	FS - CFO - Enterprise-Wide Data Warehouse	0.5	0	0	100	3	No	0.38	0	0	0.12	0	0
005-96-01-11-02-0070-00	FS - CFO - Project Work Planning System Reengineering	0.8	0.5	0	0	0	No	0.8	0.5	0	0	0	0
005-96 01-11-02-0072-00	FS GPEA	0.71	0.5	0	0	5	No	0.71	0.5	0	0	0	0
005-96-01-11-02-0073-00	FS PAS (Performance Accountability System)	0.02	0.65	1.2	25	6	No	0.02	0.65	1.2	0	0	0
005-96-01-11-02-0076-00	FS eGov Commercial Sales	0	0	0			No	0	0	0	0	0	0
005-96-01-11-02-0077-00	FS eGov Digital and Distance Learning Campus (internal focus)	0	0	0			No	0	0	0	0	0	0
005-96 01-11-02-0078-00	FS eGov Electronic NEPA/NFMA Planning Record	0	0.25	0.4	0	5	No	0	0.25	0.4	0	0	0
005-96-01-11-02-0079-00	FS eGov Employee Self Service	0	0	0			No	0	0	0	0	0	0
005-96-01-11-02-0080-00	FS eGov Environmental Education for FS Constituents (External Focus)	0	0	0			No	0	0	0	0	0	0
005-96-01-11-02-0081-00	FS eGov Environmental Law	0	0	0			No	0	0	0	0	0	0
005-96-01 11-02-0082-00	FS eGov FS Asset Management	0	0	0			No	0	0	0	0	0	0

		Total Investment			Percentage		Homeland Security	DME			Steady State		
Code	Entry	PY	CY	BY	Financial	Security	Y/N	PY	CY	BY	PY	CY	BY
005-96-01-11-02-0083-00	FS eGov Field Data Automation	0	0	0			No	0	0	0	0	0	0
005-96-01-11-02-0084-00	FS eGov Improved Financial and Performance Information	0	0	0			No	0	0	0	0	0	0
005-96-01-11-02-0085-00	FS eGov Improving Procurement	0	0	0			No	0	0	0	0	0	0
005-96-01-11-02-0086-00	FS eGov Improving Public Access to FS eFOIA Information	0	0	0			No	0	0	0	0	0	0
005-96-01-11-02-0087-00	FS eGov Incident Planning and Management	0	0	0			No	0	0	0	0	0	0
005-96-01-11-02-0088-00	FS eGov Interest Forums	0	0	0			No	0	0	0	0	0	0
005-96-01-11-02-0089-00	FS eGov Micro Purchases	0	0	0			No	0	0	0	0	0	0
005-96-01-11-02-0090-00	FS eGov Recreation Services and Information	0	0 25	0.4	0	5	No	0	0.25	0.4	0	0	0
005-96-01-11-02-0091-00	FS eGov Simplify and Enhance Hiring	0	0	0			No	0	0	0	0	0	0
005-96-01-11-02-0092-00	FS eGov Streamlining the Permitting Process	0	0.25	0.4	0	5	No	0	0.25	0.4	0	0	0
005-96-01-11-02-0093-00	FS eGov Virtual Expert Network	0	0	0			No	0	0	0	0	0	0
005-96-01-11-02-0094-00	FS eGov Web Information Delivery	0	0.25	0.4	0	5	No	0	0.25	0.4	0	0	0
005 96 01-11-02-0095-00	FS eGov eGrants	0	0	0			No	0	0	0	0	0	0
005-96-01-11-02-0096-00	FVS (Forest Vegetation Simulator)	0.58	0.59	0.6	0	0	No	0.29	0.29	0.3	0.29	0.3	0.3
005-96-01-11-02 0097-00	Forest Inventory and Analysis (FIA)	8 36	4.56	4.56	10	10	No	4.61	0 96	0 96	3 75	3.6	3.6
005-96-01-11-02-0099-00	IDS (Integrated Data Solutions)	0.42	0.24	0.24	0	10	No	0.26	0.12	0.12	0.16	0.12	0.12
005-96-01-11-02-0102-00	IRM – FOIA Tracking System	0.17	0	0			No	0.17	0	0	0	0	0
005 96-01-11-02-0103-00	LANDS - ALP/NILS (Automated Lands Project/National Integrated Lands System)	3.64	1.53	3.74	20	10	No	3.13	1.01	2.34	0.51	0.52	1.4
005-96-01-11-02-0104-00	LANDS - General	0.16	0.18	0 19	0	3	No	0.1	0.12	0.13	0.06	0.06	0.06
005-96-01-11-02-0105-00	LEIMARS (Law Enforcement Investigations Management and Attainment Reporting System)	0.9	0.75	0.75	0	3	No	0.3	0.2	0.2	0.5	0.55	0.55

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Code	Entry	PY	CY	BY	Financial	IT Security	Y/N	PY	CY	BY	PY	CY	BY
005-96-01-11-02-0106-00	PUF R5 Geometronics (Base Mapping & Digital Imagery Support Services)	0.24	0.25	0.26	0	3	No	0 04	0.04	0.04	0.2	0.21	0 22
005-96-01-11-02-0107-00	PUF- R5 Heritage Database (BAXTER)	0	0.06	0.09	0	3	No	0	0.06	0.08	0	0	0.03
005-96-01-11-02-0108-00	RHWR - MM (Meaningful Measures)	0.11	0	0	0	0	No	0	0	0	0.11	0	0
005-96-01-11-02-0109 00	RHWR - NRRS (Nat'l Recreation Reservation Service)	0.33	0.37	0.37	0	0	No	0	0	0	0.33	0.37	0.37
005-96-01-11-02-0110 00	RHWR - Nat'l Recreation Use Project	0.23	0.2	0.2	0	0	No	0	0	0	0.23	0.2	0.2
005 96-01-11-02-0111-00	RMIS (Research Management Information System)	0.05	0.03	0.02	0	0	No	0.01	0.01	0.01	0.04	0.02	0.01
005-96-01-11-02-0112-00	Unit GSTC - Advanced Data Management System	0.78	0.45	0.27	0	5	No	0.78	0.46	0.27	0	0	0
005-96-01-11-02-0113-00	Unit GSTC - Advanced Systems Center	0.08	0.07	0.08	0	5	No	0.03	0 02	0.02	0.05	0.05	0 06
005-96-01-11-02-0114-00	Unit GSTC - Cartographic Publishing Tools/Process	0	0	0	0	10	No	0	0	0	0	0	0
005-96-01-11-02-0115-00	Unit GSTC - Clearinghouse	0.33	0.35	0.35	0	5	No	0.19	0.21	0.21	0.14	0.14	0 14
005-96-01-11-02-0116-00	Unit GSTC - Softcopy Photogrammetry	0.02	0.02	0.02	0	5	No	0.01	0.01	0.01	0.01	0.01	0 01
005-96-01-11-02-0117-00	Unit GSTC/RSAC - Geospatial Training Initiative	0	0	0	0	10	No	0	0	0	0	0	0
005-96-01-11-02-0118-00	Unit MTDC - Airtanker Ground Pattern Model	0	0	0	0	0	No	0	0	0	0	0	0
005-96-01-11-02-0119 00	Unit PNW - FERA	1.2	1.9	1 77	0	5	No	0.8	0.66	0.53	0.4	1.24	1.24
005-96-01-11-02-0120-00	Unit R2 - NFS Other	0.3	0.3	0.3	0	3	No	0.3	0.3	0.3	0	0	0
005-96-01-11-02-0121-00	Unit R3 - Other NFS	0.09	0.09	0.09			No	0.02	0.02	0.02	0.06	0.07	0.07
005-96-01-11-02-0122-00	Unit RMRS Other - FIREMON	0.18	0.2	0	0	5	No	0.18	0.1	0	0	0.1	0
005-96-01-11-02-0123-00	Unit RMRS Other - Fire Behavior	1	0.9	0.47	0	5	No	0.92	0.8	0.34	0.08	0.1	0.13
005-96-01-11-02-0124-00	Unit RMRS Other - Fire Effects	0.93	0.82	0.72	0	5	No	0.56	0.31	0.36	0.37	0.31	0.36
005-96-01-11-02-0125-00	Unit RMRS Other - Fire Effects 2	0.06	0.11	0.07	0	5	No	0.03	0.11	0.07	0.03	0	0
005-96-01-11-02-0126-00	Unit RMRS Other - Forest Vegetation Sampling	0.09	0.09	0.06	0	5	No	0.06	0.04	0.02	0.03	0.05	0.04

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005-96-01-11-02-0127-00	Unit RMRS Other - LANDFIRE	0.39	0.43	0.48	0	5	No	0.39	0.43	0.48	0	0	0
005-96-01-11-02-0128-00	Unit RMRS Other - MODISdb	0.1	0.1	0.1	0	5	No	0.1	0.1	0.1	0	0	0
005-96-01-11-02-0129-00	Unit RMRS Other - Multiresource Inventory Technologies -- Stream Systems Technology	0.03	0.01	0	0	5	No	0.03	0.01	0	0	0	0
005-96-01-11-02-0130-00	Unit RMRS Other - Root Diseases & Soil Biology	0.1	0.14	0.16	0	5	No	0.09	0.12	0.12	0.01	0.02	0.04
005-96-01-11-02-0131-00	Unit RMRS Other - SIMPPLE	0.28	0.32	0.36	0	5	No	0.17	0.16	0.18	0.11	0.16	0.18
005-96-01-11-02-0132 00	Unit RMRS Other - Water Erosion	0.13	0.16	0.2	0	5	No	0.1	0.12	0.15	0.03	0.04	0.05
005 96 01 11-02-0133-00	Unit SDTDC - BAER Decision Support System	0.24	0.01	0.01	0	5	No	0.14	0	0	0.1	0.01	0.01
005-96-01-11-02-0134-00	Unit SDTDC - Computer Programming Services	0.2	0.12	0.12	10	3	No	0.1	0.08	0.08	0.1	0.04	0.04
005-96-01 11-02-0135-00	WFRP (Y2K#112) - Wildlife Fish & Rare Plants Management System	0 07	0.06	0			No	0	0	0	0.07	0.06	0
005-96-01-11-02-0136-00	FS-HR Foundation Systems Support	4.5	4.5	4.5	0	3	No	0	0	0	4.5	4.5	4.5
005-00-01-21-01-0000-00	*21 Expand Economic and Trade Opportunities for U.S. Agricultural Producers*	14.81	22.15	16.44				9.45	14.43	9.31	5.16	7.72	7.13
005-20-01-21-01-1010-00	Research, Education, and Economics Information Systems (REES)	2.08	2.75	2.75	0	5.18	Yes	1.47	1.8	1.96	0.81	0.95	0.79
005-20-01-21-01-1010 04	Research and Education Activities - CSREES 12 1500	0	0	0									
005-20-01 21-01-1010-09	Subtotal, Funding Sources	0	0	0									
005-45-01-00-01-1020-00	AMS Livestock Mandatory Price Reporting 300 (January 11, 2002)	1.13	1.11	0.7	0	5	No	0	0	0	1.13	1.11	0.7
005-45-01 21-01-1020-04	Marketing Services - Agricultural Marketing Service 12 2600	1 07	1.08	0									
005-45-01-21-01-1020-09	Subtotal, Funding Sources	1.07	1.08	0									
005-45-01-21-01-8012 00	Web-based Supply Chain Management	0	1 16	0	0	5	Yes	0	1.15	0	0	0	0
005-45-01-21-02-0000-00	AMS Mission Specific	2.77	2.66	2.7	0	5	No	2.29	1.68	1.71	0.48	0.98	0.99

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005-45-01-21-02-0000-00	AMS eGov	0.62	0.27	0.13	0	5	No	0.62	0.27	0.13	0	0	0
005-15-01-21-02-0000-00	NASS Census and Survey Processing Systems	3.46	8.8	4.74	2	1.4	No	2.67	7.87	3.8	0.79	0.93	0.94
005-15-01-01-02-0000-00	NASS Research System	1.89	4.89	6.24	1.5	2.3	No	0.73	3.82	4.3	1.16	1.07	1.94
005-13-01-21-02-0000-00	Research Support and Development	2.75	3.81	3.85	0	0	No	1.97	1.66	1.71	0.78	2.16	2.14
005-13-01-21-02-0000-00	USDA data centers	0.23	0.23	0.22	0	0	No	0	0	0	0.23	0.23	0.22
005-20-01-21-02-0004-00	Cooperative Research, Education, and Extension Management System (C-REEMS)	0.44	0.2	0.2	30	2	No	0.43	0	0	0.01	0.2	0.2
005-20-01-21-02-0005-00	Current Research Information System (CRIS)	1.13	1.17	1.15	0	10	No	0	0	0	1.13	1.17	1.15
005-00-01-31-01-0000-00	*31 Promote Health by Providing Access to Safe Affordable and Nutritious Food*	13.63	26.09	29.18				3.31	14.83	15.7	10.22	13.56	13.48
005-35-01-31-01-1010-00	FSIS Automated Corporate Technology Suite (FACTS)	3.31	16.46	17.63	0	8	Yes	3.31	14.53	15.7	0	1.93	1.93
005-35-01-31-01-1010-04	Food Safety and Inspection Service 12 3700	0	0	0									
005-35-01-31-01-1010-09	Subtotal, Funding Sources	0	0	0									
005-35-01-31-01-1040-00	FAIM - Field Automation and Information Management	10.22	11.63	11.55	0	5	Yes	0	0	0	10.22	11.63	11.56
005-35-01-31-01-1040-04	Food Safety and Inspection Service 12 3700	0	0	0									
005-35-01-31-01-1040-09	Subtotal, Funding Sources	0	0	0									
005-00-01-41-01-0000-00	*41 Promote Health by Providing Access to Safe Affordable and Nutritious Food*	28.51	28.95	28.98				8.59	9.18	9.24	19.95	19.77	21.74
005-84-01-00-01-1010-00	FNS FSPIS/SNPIS Redesign	2.39	2.51	0.99	25	1	No	2.38	2.5	0.98	0.01	0.01	0.01
005-84-01-41-01-1010-04	Child Nutrition Programs - Food and Consumer Service 12 3539	0.58	0.89	0.85									
005-84-01-41-01-1010-04	Food Program Administration - Food and Consumer Service 12 3508	0.11	0.14	0.14									
005-84-01-41-01-1010-04	Food Stamp Program - Food and Consumer Service 12 3505	1.7	1.69	0									

		Total Investment			Percentage		Homeland Security	OMB			Steady State		
Code	Entry	PY	CY	BY	Financial	IT Security	Y/N	PY	CY	BY	PY	CY	BY
005-84-01-41 01-1010-09	Subtotal, Funding Sources	2.39	2.62	0.99									
005-84-01-00-01-1030-00	SNP Grantee Reporting ISNPIIS Legacy System)	1.86	1.74	1.66	25	4.7	No	0	0	0	1.86	1.74	1.66
005-84-01-41-01-1030-04	Child Nutrition Programs - Food and Consumer Service 12 3539	1.21	1.21	1.1									
005-84-01-41-01-1030-04	Commodity Assistance Program - Food and Consumer Service 12 3507	0.2	0.15	0.15									
005-84-01-41-01-1030-04	Food Donations Programs for Selected Groups - Food and Consumer Service 12 3503	0.01	0.01	0 01									
005-84-01-41-01-1030-04	Food Program Administration - Food and Consumer Service 12 3508	0.1	0.09	0.1									
005-84-01-41-01-1030-04	Food Stamp Program - Food and Consumer Service 12 3505	0.35	0.28	0.28									
005-84-01-41-01-1030-09	Subtotal, Funding Sources	1 86	1.74	1.63									
005-84-01-00-01-1050-00	FNS FSP Grantee Reporting (FSPIIS Legacy System)	1.86	1.8	1.69	25	4.5	No	0.08	0.08	0.08	1.78	1.72	1.61
005-84-01-41-01-1050 04	Food Program Administration - Food and Consumer Service 12 3508	0.05	0.04	0.04									
005-84-01-41-01-1050-04	Food Stamp Program - Food and Consumer Service 12 3505	1 81	1.75	1.45									
005-84-01-41-01-1050-09	Subtotal, Funding Sources	1.85	1.79	1.49									
005-41-01-00-01-1060-00	FNS Integrated Program Accounting System (IPAS)	3.87	3.06	3.29	100	0.4	No	0	0	0	3.87	3.06	3.29
005-41-01-41-01-1060-04	Child Nutrition Programs - Food and Consumer Service 12 3538	0.17	0.15	0.16									
005-41-01-41-01-1060-04	Food Program Administration - Food and Consumer Service 12 3508	3.65	2.75	2.98									
005-41-01-41-01-1060-04	Food Stamp Program - Food and Consumer Service 12 3505	0.02	0.02	0.02									
005-41-01-41-01-1060-09	Subtotal, Funding Sources	3.84	2.92	3.14									
005-84-01 41-02 0204-00	FNS FSP Store Tracking, Authorization and Redemption System (STARS) - Legacy System	3.42	3.11	3.16	10	1.1	No	0.1	0.1	0.1	3.32	3.01	3.06
005-84-01-41-02-0210 00	FNS FSP Store Tracking, Authorization, and Redemption System Redesign (STARS II)	1.83	2.58	3.09	10	0 1	No	1.83	2.09	1.62	0	0.49	1.47

		Total Investment			Percentage		Homeland Security	ONE			Steady State		
Code	Entry	PY	CY	BY	Financial	IT Security	Y/N	PY	CY	BY	PY	CY	BY
005-84-01-41 02 0240 00	FNS Human Resources Information System (HRIS)	0	0	0.52	0	0	No	0	0	0	0	0	0.52
005-84-01-41 02 0245-00	FNS Integrated Acquisition System (IAS) - Department-wide eProcurement	0	0.04	0.04	0	0	No	0	0.04	0	0	0	0.04
005-84-01-41-02-0250-00	FNS Regional Office Administered Programs (ROAP)	0.1	0.1	0.1	100	0	No	0	0	0	0.1	0.1	0.1
005-84-01-41-02-0255-00	FNS Electronic Commodity Ordering System (ECOS)	2.12	1.96	0	0	0	No	2.12	1.96	0	0	0	0
005-84-01-41-02-0265-00	FNS Electronic Disqualified Recipient Subsystem (e-DRS)	0.73	0.84	0.88	0	2.7	No	0.73	0.7	0.74	0	0.14	0.14
005-84-01-41-02-0310-00	FNS Food Stamp Quality Control System (FSQCS)	0.48	0.52	0.54	0	6	No	0.03	0.03	0.03	0.45	0.49	0.51
005-84 01-41 02-0315-00	FNS National Data Bank (NDB)	0.74	1.01	1.05	50	5	No	0.36	0.49	0.51	0.38	0.52	0.54
005-84-01-41-02-0320-00	FNCS Other Costs	7.4	7.86	8.27	0	0.1	No	0 68	0 64	0.68	6.82	7.22	7.59
005-84-01-41-02-0325-00	FNS Treasury Offset Program (TOP)	0.7	0.6	0.62	60	0	No	0	0	0	0.7	0.6	0.62
005-84-01-41-02-0335-00	FNS FSP -- Coupon Requisition and Inventory Management System (FSP -- CRIMS)	0.32	0.34	0.34	15	7.4	No	0.03	0.03	0.03	0.29	0.31	0.31
005-84-01-41-02-0340-00	FNS FSP-Disqualified Recipient Subsystem (DRS) -- Legacy System	0.42	0.39	0.4	0	8.8	No	0.05	0.03	0.03	0.37	0.36	0.37
005-84-01-41-02-0355-00	FNS Integrated Data Warehouse (IDW)	0.27	0 49	0.44	50	5	No	0.27	0.49	0.44	0	0	0
005-00-01-51-01-0000-00	*51 Expand Economic and Trade Opportunities for U.S. Agricultural Products*	80.8	70.97	76.36				32.91	35.36	40.83	27.89	35.61	37.83
005-47-01-51-01-0007-00	RMA-07 - Compliance Support and Pattern Recognition System	6.1	0	0	0	8.5	No	6.04	0	0	0.06	0	0
006-47-01-51-01-0007-04	Administrative and Operating Expenses - Office of Risk Management 12 2707	6.1	0	0 73									
005-47-01-51-01-0007-09	Subtotal, Funding Sources	6.1	0	0.73									
005-48-01-01-01-1010-00	Processed Commodity Inventory Management System (PCIMS) - FSA, FNS, AMS	12.22	12.47	12.8	50	10	Yes	3.41	3.54	3.69	8.81	8.93	9.21
005-49-01-51-01-1010-04	Appropriated Funds	0	0	0									

		Total Investment			Percentage		Homeland Security	DME			Steady State		
Code	Entry	PY	CY	BY	Financial	IT Security	Y/N	PY	CY	BY	PY	CY	BY
005-49-01-51-01-1010-09	Subtotal Funding Sources	0	0	0									
005-68-01-51-01-0039-00	Online Trade Assistance Online Trade Assistance will provide an Internet-based one-stop shopping experience for business partners and citizens to participate in export promotion assistance, credit, food aid, and licensing and certification programs.	0	0.77	1	0	5	No	0	0.77	1	0	0	0
005-49-01-51-02-0000-00	Peanut System# 046	0.91	0.96	0	0	2	No	0.69	0.72	0	0.22	0.24	0
005-68-01-51-02-0000-00	IT-31 Knowledge Management, E-Gov-Related Process Re-Engineering, and Training	0	2.48	1.42	0	3	No	0	2.47	1.41	0	0.01	0.01
005-68-01-51-02-0000-00	IT-33 Hardware and Software Upgrades and Replacement	0	7.35	8.3	0	10	No	0	2.05	2.82	0	5.3	5.48
005-68-01-51-02-0000-00	IT-34 Telecommunications	0	2.49	2.73	0	25	No	0	2.11	2.34	0	0.38	0.39
005-47-01-51-02-0001-00	RMA-01 - Financial Management Systems	2.1	1.68	2.22	97	3	No	0	0	0.51	2.1	1.68	1.71
005-47-01-51-02-0002-00	RMA-02 - Corporate Insurance Information Systems	5.29	4.33	7.17	0	3	No	0	0	1.27	5.29	4.33	5.9
005-68-01-51-02-0003-00	IT - 03 Global Agricultural Information Network (GAIN) System and	0.45	1.02	0.75			No	0.15	0.9	0.62	0.3	0.12	0.13
005-49-01-51-02-0003-00	Automated Records Management of Producer Claims (Imaging)# 003	0.21	0.29	0.33	0	2	No	0.07	0.12	0.14	0.14	0.17	0.19
005-68-01-51-02-0004-00	IT - 04 Export Sales Reporting System	0.23	0.3	0.31			No	0.16	0.23	0.19	0.07	0.07	0.12
005-68-01-51-02-0005-00	IT - 05 Remote Sensing Systems	0.48	1.08	1.49			No	0.48	1.08	1.49	0	0	0
005-47-01-51-02-0006-00	RMA-05 - Program Expansion System Modification	0	0	0	0	0	No	0	0	0	0	0	0
005-68-01-51-02-0006-00	IT - 06 U.S. Agricultural Marketing System (USAM)	0.35	0.49	0.58			No	0.35	0.49	0.52	0	0	0.06
005-49-01-51-02-0007-00	GSM 2000 System # 007	0.94	0.72	0.81	60	1	No	0.94	0.72	0.36	0	0	0.45
005-68-01-51-02-0008-00	IT - 08 ICD - Operational Information System (OIS)	0	0.13	0.14			No	0	0	0	0	0.13	0.14
005-47-01-51-02-0008-00	RMA-08 - Project Tracking and Document Handling System	0	0	0	0	0	No	0	0	0	0	0	0

		Total Investment			Percentage		Homeland Security	DME			Steady State		
Code	Entry	BY	CY	BY	Financial	IT Security	Y/N	PY	CY	BY	PY	CY	BY
005-49-01-51-02-0009-00	Cotton Management Systems (CMS) # 009	2 81	4.01	2.84	0	2	No	0.8	0.67	0.97	2.01	3.34	1.87
005-47-01-51-02-0010-00	RMA-10 - Risk Management Geospatial Information Interface	0	0	0	0	8.5	No	0	0	0	0	0	0
005-68-01-51-02-0011-00	IT -11 EUROSTAT System	0 01	0.01	0.01			No	0.01	0	0	0	0.01	0.01
005-68-01-51-02-0012-00	IT - 12 UNTRADE System	0.05	0.07	0.07	0	0	No	0	0	0 02	0.05	0.07	0.05
005-49-01-51-02-0012-00	Executive Information System (EIS) # 012	0.54	0.38	0	0	2	No	0.43	0	0	0.11	0.38	0
005-68 01-51-02-0013-00	IT - 13 U.S. TRADE System	0.19	0.33	0.35			No	0.03	0.08	0.09	0.16	0.25	0 26
005-47-01-51-02-0014-00	RMA - #14 Agricultural Risk Protection Act of 2000 (ARPA) Implementation	0	0	0	0	0	No	0	0	0	0	0	0
005-47-01-51-02-0015-00	RMA - 15 Standard Reinsurance Agreement Analysis	0.3	0	1.55	0	8.5	Yes	0.3	0	1.55	0	0	0
005-68-01-51-02 0016 00	IT - 16 Modernize the International Cable System See IT-16 document in the Resource Library for the complete text	0.16	0.27	0.22	0	1	No	0.16	0.15	0 11	0	0.12	0.11
005-47-01-51-02-0016-00	RMA - 16 Distance Learning Certification	0	0	0	0	8.5	No	0	0	0	0	0	0
005-49-01-51 02-0016-00	Program Loan Accounting System (PLAS) # 016	2.09	2.41	2.22	90	2	No	2.09	2.41	2.22	0	0	0
005-68-01-51-02-0017-00	IT - 17 (TISE) Trade Issues Search Engine	0.02	0.28	0.15			No	0	0.28	0.15	0.02	0	0
005-49-01-51-02-0017-00	Warehouse Examination Data System (WEDS) #17	0.46	0.41	0.39	0	2	No	0.42	0.39	0.22	0.04	0.02	0.17
005-68-01-51-02-0018-00	IT - 18 Food Aid Information Systems	0.59	0.2	0.21			No	0.59	0.2	0.21	0	0	0
005-49-01-51-02-0018 00	Canceled Cotton Bale System (CCBS) #018	0.16	0.2	0	0	2	No	0	0	0	0.16	0.2	0
005-68-01-51-02-0019-00	IT 19 - Global Contact Manager and Database Network	0.29	0.17	0.15			No	0.16	0.08	0.05	0.13	0.09	0.1
005-49-01-51-02-0019-00	Centralized Disbursement System (CDS) # 019	0.49	0.53	0.55	0	2	No	0.27	0.21	0.22	0.22	0.32	0.33
005-49-01-51-02-0020-00	Cotton User Marketing Certificate System (CUMC) #020	0.48	0.51	0.55	0	2	No	0.41	0.35	0.38	0.07	0.16	0.17
005-68-01-51-02-0021-00	IT - 21 ITP Sugar Users Group Accounting, Reporting, and Scheduling System (SUGARS)	0.04	0.18	0.19			No	0	0.1	0.11	0.04	0.08	0.08

		Total Investment			Percentage		Homeland Security	DME			Steady State		
Code	Entry	PY	CY	BY	Financial	IT Security	Y/N	PY	CY	BY	PY	CY	BY
005-49-01-51-02-0021-00	Grain Inventory Management System (GIMS) # 021	1.1	1.1	1 18	80	2	No	0.37	0 29	0.4	0.73	0 81	0.78
005-68-01-51-02-0025-00	IT-25 Data Subscriptions and Intra-Government Payments	0.82	0 95	0.99			No	0.51	0	0	0.31	0.95	0.99
005-49-01-51-02-0027-00	Cooperative Marketing Association (CMA) Processing. #027	0.2	0 22	0.19	0	2	No	0.07	0.08	0.07	0.13	0 14	0.12
005-49-01-51-02-0028-00	Natural Disaster Relief Programs # 028	0.72	0 76	0.43	0	2	No	0.68	0.71	0.37	0.04	0 05	0.06
005-49-01-51-02-0030-00	AMTA Enrollment and PFC Payments System # 030	1.11	1.18	1.09	0	2	No	0.95	0.98	0.91	0.16	0.18	0.18
005-49-01-51-02-0031-00	Acreage Reporting and Compliance Systems	1.05	1.08	0.58	0	2	No	0.67	0 89	0.25	0.38	0.39	0.33
005-68-01-51-02-0032-00	IT-32 Dairy Accelerated Importer Retrieval and Information Exchange System (DAIRIES)	0	0.3	0.25			No	0	0.26	0.11	0	0.04	0.14
005-49-01-51-02-0032-00	Farm Programs Management Systems # 032	0.75	0.65	0 82	0	2	No	0.46	0.55	0.65	0 29	0 1	0.17
005-49-01-51-02-0033-00	Customer N/A and Subsidiary Systems # 033	1.55	1.65	1 17	0	2	No	1.09	1.17	0.37	0.46	0.48	0 8
005-49-01-51-02-0034-00	Noninsured Assistance Program (NAP) Systems # 034	0 57	0 65	0.72	0	2	No	0.44	0.44	0.56	0.13	0.21	0.16
005-68-01-51-02-0035-00	IT 35 Sasphack Data Collection	0	0.01	0 01			No	0	0	0	0	0.01	0.01
005-49-01-51-02-0037-00	Tobacco Loan Association Automation System (TLAAS) # 037	0.48	0.49	0 49	0	1	No	0	0	0	0.48	0.49	0.49
005-49-01-51-02-0038-00	Economic and Policy Analysis Staff Reports (EPAS) # 038	0.09	0.1	0	0	2	No	0.09	0.1	0	0	0	0
005-49-01-51-02-0039-00	Producer Payment Reporting System (PPRS) # 039	0 12	0.13	0.13	0	2	No	0	0	0.13	0.12	0.13	0
005-49-01-51-02-0041-00	Debt and Loan Restructuring System (DALRS) #041	0.47	0.58	0.68	0	2	No	0	0	0	0.47	0.58	0.68
005-49-01-51-02-0042-00	Farm and Home Plan (FHP) # 042	0.4	0.44	0.53	0	2	No	0	0	0	0.4	0 44	0.53
005-49-01-51-02-0043 00	Management of Agricultural Credit Systems (MAC) #043	0.7	0.5	0.33	0	2	No	0	0	0	0.7	0.5	0.33
005-49-01-51 02-0046-00	Tobacco Mainframe and Field Offices System # 046	1.24	1	1.02	0	3	No	0.67	0.69	1.02	0.57	0 31	0
005-49-01-51-02-0047-00	County Operations Reviewer Program # 047	0.04	0.05	0.05	0	1	No	0	0	0	0.04	0 05	0.05
005-49-01-51-02-0048-00	Automated Price Support System (APSS) # 048	2.95	3.54	5.92	0	2	No	1.68	1.48	2.62	1 27	2.06	3.3

		Total Investment			Percentage		Homeland Security	DME			Steady State		
Code	Entry	PY	CY	BY	Financial	IT Security	Y/N	PY	CY	BY	PY	CY	BY
005-49-01 51-02-0049-00	Conservation Reporting and Evaluation System (CRES) and CCC Funded Conservation Program (EQIP) #0049	0.21	0.38	0.48	0	3	No	0.21	0.38	0 48	0	0	0
005-49-01-51-02-0050-00	Conservation Reserve Program (CRP) System # 50	0.7	0.91	0.92	0	2	No	0.54	0.81	0.92	0.16	0.1	0
005-49-01-51-02-0073-00	Appraisal Software #073	0.36	0.41	0.44	0	2	No	0.09	0.12	0.13	0.27	0.29	0.31
005-49-01-51-02-0081-00	National Internal Review (NIR) #081	0.21	0.22	0.23	0	2	No	0.21	0.22	0 23	0	0	0
005-49-01-51-02-0083-00	Emergency Loan Delivery System (ELDS) #0083	0.22	0.26	0.14	0	2	No	0.22	0.26	0.14	0	0	0
005 49-01-51-02-0084-00	Geographic Information System (GIS) # 0084	4.79	3.84	5.85	0	2	No	4.4	3.42	5.33	0 39	0.42	0.52
005-49-01-51-02-0086-00	Administrative Systems - WDC #0086	0.65	1.94	1.96	0	2	No	0 48	1.46	1.56	0.17	0.48	0.4
005-49-01-51-02-0089-00	A-PLUS #0089	0	0	0.94	0	2	No	0	0	0 7	0	0	0.24
005-00-01-61-01-0000-00	*61 Expand Economic and Trade Opportunities for U.S. Agricultural Producers*	15.45	33.06	38.93				13.01	29.89	31.49	2.44	3.17	7.44
005-04-01-61-01-1050-00	Commodity Market Information System (CMIS)	0	3 2	3.03	0	40	No	0	3 2	1.68	0	0	1.35
005-04-01-61-01-1050-04	Appropriated Funds	0	4.19	3.18									
005-04-01-61-01-1050-09	Subtotal, Funding Sources	0	4.19	3.18									
005-32-01-61-01-2000-00	PPQ Automated Targeting System (ATS)	0.48	3.34	2.91	0	10	Yes	0.48	3.34	2.41	0	0	0.5
005-32-01-61-01-2002-04	APHIS IT and program budgets	0.48	3.34	2.41									
005-32-01-61-01-2002-04	APHIS-PPQ-94181-07131	0	0	0									
005-32-01-61-01-2002-04	PPQ Operational Support	0	0	0									
005-32-01-61 01-2002-09	Subtotal, Funding Sources	0	0	0									
005-32-01-00-01-0000-00	PPQ Phytosanitary Certificate Issuance & Tracking System	2.38	2.93	2.18	0	10	Yes	2	2.68	1.83	0.38	0.25	0.36
005-32-01-61-01-2004-04	AQI	2.38	2.93	2.18									
005-32-01-61-01-2004-09	Subtotal, Funding Sources	2.38	2.93	2.18									

		Total Investment			Percentage		Homeland Security	DME			Steady State		
Code	Entry	PY	CY	BY	Financial	IT Security	Y/N	PY	CY	BY	PY	CY	BY
005-32-01-61-02-0000-00	APHIS Emergency Operations Center (AEOC)	0.13	0.13	0.13	0	2	No	0.13	0.13	0	0	0	0.13
005-04-01-61-02-0002-00	National Agricultural Weather Initiative	0 18	0.55	0 59	0	10	No	0.16	0.51	0.15	0.02	0.04	0.44
005-04-01-61-02-0003-00	OCE E-Gov Initiative	0 06	0.06	0.06	0	10	No	0	0	0	0.06	0.06	0.06
005-32-01-61-02-2001-00	APHIS Electronic Permit System (ePermit)	1.32	1.57	1.27	0	25	No	1.32	1.32	1 02	0	0 25	0.25
005-32-01-61-02-2003-00	PPQ International Trade Data System (ITDS) ITDS is a multi-agency project providing a window for trade participants to interact with agencies regulating international trade. The ITDS infrastructure will be shared to reduce cost. APHIS will be integrated into ACE, the trade compliance IT	0	0	2	0	0	No	0	0	2	0	0	0
005-32-01-61-02-2009-00	PPQ Asian Longhorned Beetle Eradication System (ALBES)	0.57	3.04	0.91	0	15	No	0.57	2.56	0.35	0	0.48	0.56
005-32-01-61-02-2010-00	PPQ Digital Imaging Program	0.25	0.25	0.25	0	5	No	0	0	0	0.25	0.25	0.25
005-32-01-61-02-2014-00	PPQ Pest Identification: LUCID Software	0	0	0			No	0	0	0	0	0	0
005-32-01-61-02-2016-00	PPQ Smuggling Operational Tracking Systems	0.03	0.52	0.07	0	5	No	0.03	0.52	0.01	0	0	0.06
005 32-01 61-02-2017-00	PPQ Pest Interception Database (PestID)	0	1.8	1.11	0	10	No	0	1.6	0.86	0	0	0.25
005-32-01-61-02-2018-00	PPQ Port Information Network Operations (PIN-Ops)	2.27	2.8	2.2	0	10	No	2.27	2.8	2.2	0	0	0
005-32-01-61-02-2019 00	PPQ Risk Based Staffing Model	0.95	0.94	1.07	0	0	No	0.22	0.18	0.2	0.73	0.76	0.87
005-32-01-61-02-2020-00	PPQ Pest Detection	0	0	3 25	0	8	No	0	0	3.25	0	0	0
005-32-01-61-02-2021-00	PPQ Golden Nematode	0	0	0.25	0	6	No	0	0	0.25	0	0	0
005-32-01-61-02-3004-00	Planning and Oversight	1	1	1	0	5	No	1	1	1	0	0	0
005-32-01-61-02-5001-00	International Services Connectivity	1.12	1.1	1.12	0	0.3	No	1	0.98	1	0.12	0.12	0.12
005-32-01-61-02-6001-00	License and Registration Information System (LARIS)	0	0.05	0.05	0	1	No	0	0	0	0	0.05	0.05
005-32-01-61-02-7001-00	Wildlife Services Information Services System	0	0.07	0.07	0	10.3	No	0	0.07	0.07	0	0	0
005-32-01-61-02-7002 00	Wildlife Services MIS 2000	1.44	3.42	6.1	0	10.3	No	0.64	2.6	4.25	0.8	0.82	1.85

		Total Investment			Percentage		Homeland Security	DME			Steady State		
Code	Entry	PY	CY	BY	Financial	IT Security	Y/N	PY	CY	BY	PY	CY	BY
005-32-01-61-02 9001-00	AIMS	0	1.76	0.97	5	6	No	0	1.76	0.97	0	0.02	0
005-32-01-61 02 9003-00	VS Electronic Forms	1.08	1.08	0.75	0	2	No	1.08	1 08	0.75	0	0	0
005-32-01-61-02-9004-00	Emergency Management Reporting Systems	0.57	0.82	0.35	0	4	No	0.5	0 75	0	0.07	0.07	0.35
005-32-01-61-02-9005 00	Emerging Animal Health Issues Tracking System	0	0	3.71	0	6	No	0	0	3.71	0	0	0
005-32-01-61 02 9006-00	Generic Disease Database	0.55	0.8	1	0	2	No	0.55	0.8	1	0	0	0
005-32-01-61-02-9007-00	Import/Export Simplification System	0.72	1.53	2.32	5	6	No	0.72	1.53	2.32	0	0	0
005-32-01-61-02-9008-00	NVSL/CVB Integrated Item Tracking System	0.34	0.48	0.21	0	15	No	0.34	0.48	0.21	0	0	0
005-32-01-61-02-9009-00	VS Performance Based Budgeting System	0.01	0	0	0	0.5	No	0	0	0	0.01	0	0
005-00-01-71-01-0000-00	*71 Enhance the Capacity of All Rural Residents Communities and Businesses to Prosper*	45.37	42.96	44.69				24.44	20.53	18.69	20.93	22.43	26
005-55-01-71-01-1010-00	Multi-Family Integrated System - MFIS (formerly AMAS)	0.63	2.77	2.95	70	5	No	0.49	2.39	2.56	0.14	0.38	0.39
005-55-01-71-01-1010-04	Congress	0	0	0									
005-55-01-71-01-1010-04	RD Appropriation	0	0	0									
005-55-01-71-01-1010-04	Salaries and Expenses - Rural Housing and Community Development Service 12 1952	0	0	0									
005-55-01-71-01-1010-04	salary and expenses	0	0	0									
005-55-01-71-01-1010-09	Subtotal, Funding Sources	0	0	0									
005-55-01-71-01-1020-00	Dedicated Loan Origination and Servicing System (DLOS)	13.23	9.04	11.53	70	1.5	No	6.58	2.56	5.56	6.65	6.48	5.97
005-55-01-71-01-1020-04	RD Appropriation	0	0	0									
005-55-01-71-01-1020-04	Salaries and Expenses - Rural Housing and Community Development Service 12 1952	0	0	0									
005-55-01-71-01-1020-04	Salary and Expense	0	0	0									
005-55-01-71-01-1020-09	Subtotal, Funding Sources	0	0	0									

		Total Investment			Percentage		Homeland Security	DME			Steady State		
Code	Entry	PY	CY	BY	Financial	IT Security	Y/N	PY	CY	BY	PY	CY	BY
005-55 01-71-02-0000-00	AMAS Industry Interface	2.33	2.77	1.2	100	5	No	2.33	2.77	1.2	0	0	0
005 55 01-71-02-0000-00	Credit Reform	1.64	0.14	0	0	5	No	1.64	0.14	0	0	0	0
005-55-01-71-02-0000-00	Housing and Urban Development/Credit Alert Interactive Voice Response System (CAIVRS)	0.17	0.17	0.17	0	5	No	0	0	0	0.17	0.17	0.17
005-55-01-71-02-0000-00	IRS Offset	0.12	0.13	0 14	0	5	No	0	0	0	0.12	0.13	0.14
005 55 01-71-02-0000-00	Executive Information System (EIS)	0.3	0.3	0	50	5	No	0	0	0	0.3	0.3	0
005-55-01-71-02-0000-00	Modernization of Administrative Programs (MAP)	0	0	0	0	5	No	0	0	0	0	0	0
005-55-01-71-02-0000-00	National Finance Center (NFC)	5 58	5.88	5.88	0	5	No	0	0	0	5.58	5.88	5.88
005-55-01-71-02-0000-00	National/Finance Office On-site Support Services	5.44	5.33	4.54	0	5	No	0	0	0	5.44	5.33	4.54
005-55-01-71-02-0000-00	Paperwork Elimination	2.06	2.28	0	0	5	No	2 06	2.28	0	0	0	0
005-55 01-71-02-0000-00	RD Security Summary	1.89	2.18	3.09	0	100	No	1.83	2.04	2.95	0.16	0.14	0.14
005-55-01-71-02-0000-00	Rural Community Facilities Tracking System (RCFTS)	0.33	1.08	6.13	0	5	No	0	0	0	0.33	1.08	6.13
005-55-01-71-02-0000-00	Rural Development e-Government	0	0	0			No	0	0	0	0	0	0
005-55-01-71-02-0000 00	Specialized Services	0.99	2.44	0.94	100	5	No	0	1.3	0	0.99	1 14	0.94
005-55-01-71-02-0000-00	USDA Field Service Center	10.56	8.45	8.12	0	5	No	9.51	7.05	6.42	1.06	1.4	1.7
005-05-01-81-01-0000-00	*81 Operate an Efficient Effective and Discrimination Free Organization*	15,19	27.18	27.67				7.11	17.03	12.48	8.08	10.15	15.19
005-05-01-81-01-0000-00	E-Government in Departmental Administration	0	0	0.5	0	25	No	0	0	0.5	0	0	0
005-05-01-81-01-1010-00	DA - Civil Rights - FY1999 Employment Complaints Tracking System (ECTS)	0.14	0.01	0	0	16	No	0.08	0	0	0.06	0.01	0
005-05-01-81-01-1010-04	Departmental Administration, Agriculture(12 0120	0	0	0									
005-05-01-81-01-1010-09	Subtotal, Funding Sources	0	0	0									
005-05-01-81-01-1020 00	Integrated Acquisition System (IAS)	4.97	11 14	10.64	40	8	No	4.33	8.78	7.72	0.64	2.36	2.92

		Total Investment			Percentage		Homeland Security	DME			Steady State		
Code	Entry	PY	CY	BY	Financial	IT Security	Y/N	PY	CY	BY	PY	CY	BY
005-05-01-81-01-1020-04	Working Capital Fund, Department Agriculture, 12 4609	5.57	10.98	11.22									
005 05-01-81-01-1020-09	Subtotal, Funding Sources	5.57	10.98	11.22									
005-05-01-81-02-0000-00	Central Supply Stores	0.04	0.04	0.04	0	0	No	0	0	0	0.04	0.04	0.04
005-05-01-81-02-0000-00	Centralized Excess Property Operations	0.11	0.11	0.12	0	0	No	0	0	0	0.11	0.11	0.12
005-05-01-81-02-0000-00	Consolidated Forms and Publications Distribution Center	0.08	0.08	0.09	0	0	No	0	0	0	0 08	0.08	0.09
005-05-01-01-02-0000-00	Corporate Human Resources System	2.41	1.33	9.25	0	0	No	0.32	1	8.9	2.09	0.33	0.35
005-05-01-81-02-0000-00	Purchase Card Management System (PCMS)	2.18	2 23	2.24	0	0	No	2.18	2.23	2.24	0	0	0
005-05-01-81-02-0000-00	NAD - IT Support Services - Egov Initiative	0.52	1.02	1.02	0	0	No	0.52	1.02	1.02	0	0	0
005-05-01-81-02-0000-00	NADTRACK	0.52	0.71	0	0	0	No	0	0	0	0.52	0.71	0
005-04-01-81-02-0001-00	NFC Financial Systems	0.13	0.14	0.14	0	0	No	0	0	0	0.13	0.14	0.14
005-03-01-81-02-0000-00	OCIO Security Implementation	4 41	9.41	9.91	0	100	Yes	0	5	1	4.41	4.41	9.91
005-03-01-81-02-0000-00	OCIO - Other Administrative/Staffing Costs	2.085	4.08	3.285	0	0	No	0	0	0	0.84	0.89	1.01
005-00-02-00-00-0000-00	Part 2131 Infrastructure and Office Automation	853.98	824.06	881.423				224	354.9	370.1	429.93	490.16	531.28
005-03-02-00-01-0000-00	Corporate Asset Management Solution	0	7.46	10	100	4.7	Yes	0	7.46	21.15	0	0	2.77
005-03-02-00-01-0000-04	Working Capital Fund	0	7.46	23.92									
005-3-02-00-01-0000-09	Subtotal, Funding Sources	0.00	7.46	23.92									
005-47-02-00-01-0004-00	RMA-04 - Infrastructure Modernization, Support, and Training	8.65	6.92	10.07	0	3	No	2.06	1.55	2.24	6.59	5.37	7.74
005-47-02-00-01-0000004-04	Administrative and Operating Expenses - Office of Risk Management 12 2707	8.77	9.81	10.11									
005-47-02-00-01-0000004-09	Subtotal, Funding Sources	8.77	9.81	10.11									
005-98-02-00-01-0071-00	Forest Service Computer Base	128.25	142.08	140 41	0	8	No	35.9	39.78	39.31	92.35	102.3	101.1

		Total Investment			Percentage		Homeland Security	DME			Steady State		
Code	Entry	PY	CY	BY	Financial	IT Security	Y/N	PY	CY	BY	PY	CY	BY
005-96-02-00-01-0071-04	Other Appropriations, Forest Service	128.26	142.08	140.4									
005-96-02-00-01-0071-09	Subtotal, Funding Sources	128.26	142.08	140.40									
005-05-02-00-01-0000-00	APHIS Information Technology Infrastructure (AITI)	37	39.75	41.82	0	5	Yes	4.22	4.38	4.17	32.78	35.37	37.65
005-05-02-00-01-1010-04	Salaries & Expenses	37	39.75	41.82									
005-5-02-00-01-1010-09	Subtotal, Funding Sources	37.00	39.75	41.82									
005-03-02-00-01-1030-00	USDA Universal Telecommunications Network	5.71	7.37	4.96	0	10	No	5.71	7.37	4.96	0	0	0
005-03-02-00-01-1030-04	Working Capital Fund, Department Agriculture, 12 4809	5.71	7.37	4.96									
005-3-02-00-01-1030-09	Subtotal, Funding Sources	5.71	7.37	4.96									
005-03-02-00-01-1070-00	OCIO - Service Center Modernization Initiative - Information Technology	59.37	133.16	177.71	0	13.5	Yes	59.37	119.8	121.3	0	13.31	56.46
005-03-02-00-01-1070-04	Appropriated Funds	59.37	133.16	203.06									
005-3-02-00-01-1070-09	Subtotal, Funding Sources	59.37	133.16	203.06									
005-05-02-00-01-1080-00	Combined Administrative Management System (CAMS)	3.5	3.42	3.22	0	8	No	0	0	0	3.5	3.42	3.22
005-03-02-00-01-8001-00	Content Management The use of electronic information requires new tools and processes that facilitate knowledge sharing. This initiative involves the development, approval, publishing, sharing, and classification of web pages, documents, and other	0.09	17.4	3.01	0	5	Yes	0.09	17.35	2.41	0	0.05	0.6
005-03-02-00-01-8002-00	Data Management Data management at USDA is not centralized, resulting in redundancies and inefficiencies as well as an inadequate mechanism for information use. USDA can identify and use data management tools that encourage information standardizaton and consolidation.	0.1	1.05	0.31	0	5	Yes	0.1	1.05	0.25	0	0	0.06

		Total Investment			Percentage		Homeland Security	OMB			Steady State		
Code	Entry	PY	CY	BY	IT Financial	IT Security	Y/N	PY	CY	BY	PY	CY	BY
005-03-02-00-01-8003-00	**eAuthentication** eAuthentication is a Department-wide enabling technology that intends to define policies and solutions that will enable users of USDA online applications to execute secure business transactions online.	0.14	2.78	1.16	0	75	Yes	0.14	2.78	0.93	0	0	0.23
005-3-02-00-01-8003-09	Subtotal, Funding Sources	0.00	0.00	0.00									
005-03-01-00-01-8004-00	**eLearning** An eLearning system provides online administration of curriculum by trainers, individualized training capabilities, online registration, uniform content, collaborative tools, integrated back-end systems, and is supported by	0.06	4.26	0.31	0	19	No	0.06	4.26	0.25	0	0	0.06
005-35-02-00-01-8007-00	**Food Safety and Security Tools**	0.15	5.28	1	0	5	Yes	0.15	5.13	1	0	0.15	0
005-35-02-00-01-8007-04	Appropriated Funds	0	0	0									
005-35-02-00-01-8007-09	Subtotal, Funding Sources	0.00	0.00	0.00									
005-03-02-00-01-8008-00	**Information Management** This investment will incorporate standard procedures and guidance used for version control and the publishing of information to centralized repositories, as well as accountability for all information because of the	0.16	5.49	3.84	0	5	Yes	0.16	5.35	3.07	0	0.14	0.77
005-03-01-00-01-8010-00	**Portal Services** This initiative includes the definition of a portal strategy to ensure the Department consistently implements customer-centric portals in a manner that can be integrated with other Department applications.	0.09	7.13	1.14	0	5	No	0.09	6.73	0.91	0	0.4	0.23

		Total Investment			Percentage		Homeland Security	EVM			Steady State		
Code	Entry	PY	CY	BY	Financial	IT Security	Y/N	PY	CY	BY	PY	CY	BY
005-03-01-00-01-8011-00	Web Presence Through a consistent, customer-centric web environment that citizens, business partners and employees can easily use, this will increase and sustain users' confidence in the reliability and quality of the USDA's web presence and electronic	0.19	1.96	0.24	0	5	No	0.19	1.96	0.19	0	0	0.05
005-03-02-00-01-8013-00	e-Payroll NFC seeks to be a consolidated provider as part of the e-Payroll project that is being managed by the Office of Personnel Management	0.42	11.9	32.45	5	16	No	0.42	8.92	28.42	0	2.98	4.03
005-03-02-00-01-8013-04	WCF Reimbursement	0.42	11.9	13.63									
005-3-02-00-01-8013-09	Subtotal, Funding Sources	0.00	0.00	0.00									
005-08-02-00-02-0000-00	OIG Narrowband Radio Upgrade	3	3	3	0	0	No	2.8	2.8	2.8	0.2	0.2	0.2
005-68-02-00-02-0000-00	IT - 09 Internet, Intranet, Extranet The Internet, Extranet and Intranet are the principal method of providing information to the public. Use of these systems has vastly expanded the audience for all FAS information products, and reduced the time	0.76	0.99	0.99	0	2.8	No	0.59	0.49	0.46	0.17	0.5	0.53
005-05-02-00-02-0000-00	DA - Civil Rights - FY2003 Office Automation Replacement	0	0.14	0	0	1	No	0	0.14	0	0	0	0
005-45-02-00-02-0000-00	Information Technology Infrastructure	9.32	9.67	9.7	0	5	No	4.95	5.3	5.31	4.37	4.37	4.39
005-04-02-00-02-0000-00	Office of Budget and Program Analysis (OBPA)	0.45	0.48	0.54	40	5	No	0	0	0	0.45	0.48	0.54
005-08-02-00-02-0000-00	OIG IRM Office Automation	3.72	6.87	2.23	0	5	No	0	1.03	2.33	3.72	5.84	5.84
005-15-02-00-02-0000-00	NASS Administrative and Financial Management	0.69	0.77	0.77	45	6.4	No	0.07	0.07	0.08	0.76	0.7	0.69
005-15-02-00-02-0000-00	NASS Estimates Processing and Dissemination	2.86	2.78	2.81	1	4.5	No	0.59	0.58	0.6	2.27	2.21	2.21
005-15-02-00-02-0000-00	NASS Information Technology Infrastructure	7.06	9.71	9.31	2	3.9	No	2.73	4.82	3.53	4.33	4.89	5.78
005-15-02-00-02-0000-00	NASS eGov Data Management	0.51	2.91	6.5	0	1	No	0.33	2.74	6.5	0.18	0.17	0

		Total Investment			Percentage		Homeland Security	DME			Steady State		
Code	Entity	PY	CY	BY	Financial	IT Security	Y/N	PY	CY	BY	PY	CY	BY
005-00-02-00-02-0000-00	ERS Security Summary	0.24	0.27	0.32	0	0	No	0.1	0.13	0.15	0.14	0.14	0.17
005-13-02-00-02-0000-00	Infrastructure Support	3.31	3.42	3.18	0	0	No	0	0	0	3.31	3.42	3.18
005-35-02-00-02-0000-00	FSIS IT Maintenance	10.91	11.8	0	0	0	No	0	0	0	10.91	11.8	0
005-35-02-00-02-0000-00	FSIS Support to Modernize the USDA Accounting System	7.11	7.11	5.11	100	0	No	4.74	4.74	3.74	2.37	2.37	1.37
005-55-02-00-02-0000-00	Centralized Help Desk (CHD)	1.99	2.02	2.06	0	5	No	0	0	0	1.99	2.02	2.06
005-55-02-00-02-0000-00	Data Warehousing	2.59	3.14	2.82	0	5	No	2.59	3.14	2.82	0	0	0
005-55-02-00-02-0000-00	Hardware/Software Equipment Maintenance	4.68	6.75	6.42	0	5	No	0	0	0	4.68	6.75	6.42
005-55-02-00-02-0000-00	Hardware/Software Replacement	10.28	9.23	10.1	0	5	No	10.28	9.23	10.1	0	0	0
005-55-02-00-02-0000-00	Internet/Intranet/Electronic Data Interchange (EDI)	1.33	7.81	11.52	0	5	No	1.33	4.89	8.21	0	2.92	3.31
005-05-02-00-02-0000-00	AGCAS	0.44	0.44	0.44	0	0	No	0	0	0	0.44	0.44	0.44
005-05-02-00-02-0000-00	Copier Services	0.19	0.13	0.13	0	0	No	0	0	0	0.19	0.13	0.13
005-05-02-00-02-0000-00	DA Information Resources Division	3.16	3.32	3.48	0	0	No	0	0	0	3.16	3.32	3.48
005-05-02-00-02-0000-00	Departmental Mailing List	0.38	0.39	0.4	0	0	No	0	0	0	0.38	0.39	0.4
005-05-02-00-02-0000-00	Information Technology Security Planning	0.3	0.19	0.19	0	100	No	0	0	0	0.3	0.19	0.19
005-05-02-00-02-0000-00	Mail Services	0.21	0.22	0.22	0	0	No	0	0	0	0.21	0.22	0.22
005-05-02-00-02-0000-00	OALJ: New or Updated Case Tracking System	0.04	0.04	0.04	0	0	No	0	0	0	0.04	0.04	0.04
005-05-02-00-02-0000-00	Office of Operations: Washington Area Service Center	0.1	0.1	0.1	0	0	No	0	0	0	0.1	0.1	0.1
005-05-02-00-02-0000-00	Washington Area Service Center	0.48	0.48	0.48	0	0	No	0	0	0	0.48	0.48	0.48
005-55-02-00-02-0000-00	National Information Technology Center/Kansas City (NITC/KC)	10.5	11.5	15.65	0	5	No	0	0	0	10.5	11.5	15.65
005-55-02-00-02-0000-00	Operations/Fixed Costs	8.13	8.61	32.67	0	5	No	0	2.01	0	8.13	6.6	32.67
005-55-02-00-02-0000-00	Order Tracking and Inventory System (OTIS)	0.12	0.12	0.12	0	5	No	0	0	0	0.12	0.12	0.12

		Total Investment			Percentage		Homeland Security	DME			Steady State	
Code	Entry	PY	CY	BY	Financial	IT Security	Y/N	PY	CY	BY	PY	CY	BY
005-55-02-00-02-0000-00	Telecommunications	19.49	30.2	17.58	0	5	No	0.09	2.55	2.81	19.4	27.65	14.77
005-18-02-00-02-0001-00	ARS Security	0.99	1.11	4.08	0	100	Yes	0.2	0.27	3.2	0.79	0.84	0.88
005-53-02-00-02-0001-00	NRCS - IT Security Program	1.28	0.87	0.9	0	100	No	0.81	0.68	0.7	0.47	0.19	0.2
005-10-02-00-02-0001-00	Work Tracking Management System	0	0.14	0.26	0	0	No	0	0	0.06	0	0.14	0.2
005 68 02-00-02-0001-00	IT - 01 Overseas Computer Systems	4.37	0	0	0	10	No	3.16	0	0	1.21	0	0
005-53-02-00-02-0002-00	NRCS eGov - Dedicated	0.88	0.97	0.95	0	20	No	0.88	0.88	0.86	0	0.09	0.09
005-20-02-00-02-0002-00	CSREES IT Policy and ISTM Support	0	0	0.35	0	0	No	0	0	0	0	0	0.35
005-10-02-00-02-0000-00	Other Office Automation	1	1.48	1.55	0	0	No	0	0.29	0.17	1	1.19	1.44
005-88-02-00-02-0002-00	IT - 02 FAS Core Information and Communication Systems	6.69	0	0	0	10	No	3.29	0	0	3.4	0	0
005-10-02-00-02-0003-00	OGC Security Summary	0.01	0.01	0.01	0	100	No	0	0	0	0.01	0.01	0.01
005-47-02-00-02-0003-00	RMA-03: Legacy System Maintenance, Support, and Transition	0	0	0			No	0	0	0	0	0	0
005-18-02-00-02-0004-00	Agricultural Research Information System (ARIS)	1.36	1.21	0.42	0	10	No	1.36	0.65	0.34	0.01	0.56	0.08
005-04-02-00-02-0004-00	OCE Local Area Network & Data Support	0.36	0.36	0.36	0	30	No	0.27	0.25	0.26	0.09	0.11	0.12
005-04-02-00-02-0005-00	OCE Security Summary	0.03	0.16	0.08	0	100	No	0	0.08	0	0.03	0.08	0.08
005-18-02-00-02-0005-00	Annual Resource Management Planning System	0.02	0.02	0.02	100	10	No	0	0	0	0.02	0.02	0.02
005-20-02-00-02-0006-00	General Support ISTM LAN/WAN	3.76	3.66	2.86	0	30	No	0	0.24	0	3.76	3.42	2.86
005-47-02-00-02-0006-00	RMA-06 - Year 2000 Conversion	0	0	0	0	0	No	0	0	0	0	0	0
005-18-02-00-02-0007-00	Budget Allocation System	0.04	0.04	0.05	100	10	No	0	0	0	0.04	0.04	0.05
005-53-02-00-02-0008-00	NRCS-National and Regional Office Information System (N&RIS)	3.7	1.64	1.88	0	3	No	2.37	0.59	0.8	1.33	1.05	1.08
005-49-02-00-02-0008-00	Document Management Imaging System (DMIS) # 008	0.48	0.5	0.31	0	2	No	0.26	0.26	0.08	0.22	0.22	0.23
005-53-02-00-02-0009-00	NRCS-Public Affairs Information System (PAIS)	0.36	0.18	0.18	0	0	No	0.36	0.09	0.09	0	0.09	0.09

		Total Investment			Percentage		Homeland Security	DME			Steady State		
Code	Entry	PY	CY	BY	Financial	IT Security	Y/N	PY	CY	BY	PY	CY	BY
005-47-02-00-02-0009-00	RMA-09 - Software Conversion and Update	0	0	0			No	0	0	0	0	0	0
005-18-02-00-02-0010-00	Digital Desktop Library Initiative	0	0	0.03	0	10	Yes	0	0	0	0	0	0.03
005-49-02-00-02-0010-00	FSA National Help Desk# 010	5.15	5.42	6.21	0	2	No	1.24	1.67	1.56	3.91	3.75	4.65
005-53-02-00-02-0011-00	NRCS-Strategic Analysis and Assessment Information System (SAAISI	4.87	3.13	3.2	0	5	No	2.56	2.19	2.15	2.41	0.94	1.05
005-47-02-00-02-0011-00	RMA-11 - Other Costs	2.28	1.59	1.7	0	0	No	0	0	0	2.28	1.59	1.7
005-53-02-00-02-0012-00	NRCS-Telecommunications Infrastructure (Telecom)	17.69	17.82	17.88	0	2	No	12.3	12.51	12.55	5.39	5.11	5.33
005-47-02-00-02-0012-00	RMA-12 - Infrastructure Assurance	0.28	0.28	1.31	0	100	No	0.28	0.18	1.06	0	0.1	0.25
005-47-02-00-02-0013-00	RMA-13 Emerging Information Technology Architecture	0	0	4.4	60	8.5	No	0	0	4.4	0	0	0
005-18-02-00-02-0014-00	Electronic Library Management System	0.3	0.5	0.48	0	10	No	0.3	0.3	0	0	0.2	0.48
005-18-02-00-02-0017-00	Executive Correspondence Tracking System (EXCTS)	0	0	0	0	10	No	0	0	0	0	0	0
005-18-02-00-02-0022-00	Headquarters IT Systems/Services	9.68	10.07	10.47	0	10	No	1.44	1.5	1.56	8.24	8.57	8.91
005-68-02-00-02-0022-00	IT - 22 FAS Legacy and Maintenance Applications	1.7	0	0			No	0.81	0	0	0.89	0	0
005-49-02-00-02-0022-00	Data Administration # 022	1.42	1.58	1.61	0	3	No	0.94	0.98	0.93	0.48	0.6	0.68
005-18-02-00-02-0023-00	Improve Information Systems Communications Security	0	0.6	0.6	0	100	Yes	0	0.4	0.4	0	0.2	0.2
005-49-02-00-02-0023-00	Database Administration and IT Support for FSA's Infrastructure # 023	1.33	1.48	1.8	0	2	No	0.85	0.91	1.03	0.48	0.57	0.77
005-49-02-00-02-0024-00	Technical Services and Administration # 024	1.35	1.83	1.93	0	2	No	1.06	1.38	1.4	0.29	0.45	0.53
005-18-02-00-02-0025-00	Integrated System for Information Services (ISIS)	0.45	0.47	0	0	10	No	0	0	0	0.45	0.47	0
005-18-02-00-02-0026-00	Internet 2	0	0	6	0	10	Yes	0	0	4	0	0	2
005-49-02-00-02-0026-00	Information Systems Security Program # 026	1.65	2.64	3.36	0	100	No	0.3	1.07	0.89	1.35	1.57	2.47
005-18-02-00-02-0027-00	Location Obligation Tracking System LOTS	0.02	0.02	0.02	100	10	No	0	0	0	0.02	0.02	0.02
005-18-02-00-02-0027-00	Research Automation/Mission Support	13.61	14.16	14.72	0	10	No	2.08	2.16	2.25	11.53	11.99	12.47

		Total Investment			Percentage		Homeland Security	DME			Steady State		
Code	Entry	PY	CY	BY	Financial	IT Security	Y/N	PY	CY	BY	PY	CY	BY
005-18-02-00-02-0028-00	NAL IT Services	2.8	2.93	3.06	0	10	No	0.42	0.43	0.44	2.38	2.5	2.62
005-68-02-00-02-0028-00	IT-28 International Passport and Travel Tracking System	0	0.08	0.01	0	0	No	0	0.07	0	0	0.01	0.01
005-68-02-00-02-0029-00	IT-29 Logistics Management System (LMS) maintenance and SMART development	0	0.25	0.18			No	0	0.17	0.18	0	0.08	0
005-03-02-00-02-0030-00	OCIO - TSO, Computer Services	0.7	0.7	0.863	0	0	No	0	0	0	0.7	0.7	0.7
005-68-02-00-02-0030-00	IT-30 Overseas Administrative Support Information System	0	0.17	0.06	0	0	No	0	0.09	0	0	0.08	0.06
005-18-02-00-02-0031-00	National Digital Library of Agriculture (NDLA)	0	0	1.18	0	10	No	0	0	1.18	0	0	0
005-18-02-00-02-0035-00	Radio Program	0.07	0.07	0.07	0	10	Yes	0.01	0.01	0.01	0.06	0.06	0.06
005-68-02-00-02-0036-00	IT-36 FAS/OA Admin Systems	0	0.11	0.11			No	0	0	0	0	0.11	0.11
005-18-02-00-02-0038-00	Standardization, Upgrade/Establishment, and Maintenance of ARS/NAA Location Websites	0.01	0.04	0.01	0	10	No	0	0	0	0.01	0.04	0.01
005-68-02-00-02-0038-00	IT - 38 ICD Project Management Initiative The ICD Project Management Initiative will finance any recommended programming needs that will be generated in an upcoming Information Technology assessment of the ICD Program Area and later	0	0.27	0.28			No	0	0.27	0.28	0	0	0
005-18-02-00-02-0039-00	Telecommunications/Voice/Data/Image /Networks	6.02	6.29	6.48	0	10	Yes	0.14	0.17	0.21	5.88	6.12	6.27
005-18-02-00-02-0041-00	Preserving USDA Digital Publications	0	0	1.11	0	10	No	0	0	1.11	0	0	0
005-18-02-00-02-0043-00	Web Page for the National Center for Cool and Cold Water Aquaculture (NCCCWA)	0	0	0	0	0	No	0	0	0	0	0	0
005-18-02-00-02-0044-00	Web-based Information Architecture and Applications	0.27	0.23	0.21	0	10	Yes	0.27	0.23	0.21	0	0	0
005-49-02-00-02-0051-00	Field Office Voice and Data Support # 051	1.19	1.28	1.17	0	2	No	0.92	1	0.95	0.27	0.28	0.22
005-49-02-00-02-0052-00	PC Software and Support # 052	3.59	3.86	4.97	0	2	No	1.53	1.76	2.21	2.06	2.12	2.76
005-49-02-00-02-0053-00	Microcomputer Hardware - KC Complex # 053	1.92	1.8	1.76	50	2	No	0.61	0.55	1.01	1.31	1.25	0.75

		Total Investment			Percentage		Homeland Security	DNS			Steady State	
Code	Entry	PY	CY	BY	Financial	IT Security	Y/N	PY	CY	BY	PY	CY	BY
005-49-02-00-02-0054-00	LAN, MAN, WAN, and Server Hardware # 054	3.21	4.41	4.89	0	2	No	0.54	0.78	1.06	2.67	3.63	3.83
005-49-02-00-02-0055-00	World Wide Web (WWW) - FSA Web Farm #55	1.87	2.39	3.05	0	2	No	0.74	0.79	1.68	1.13	1.6	1.37
005-49-02-00-02-0056-00	Field Office Telecommunication # 056	0.92	1.77	1.75	30	2	No	0.67	1.44	0.98	0.25	0.33	0.77
005-49-02-00-02-0057-00	Service Center - FSA Shared - Transfer of Funds # 057	5.17	2 81	2.19	0	2	No	5.17	2.61	2.19	0	0	0
005-49-02-00-02-0058-00	Administrative and Technical Services # 058	1 04	1.32	1.49	0	2	No	1 04	1.32	1.49	0	0	0
005-49-02-00-02-0059-00	Service Center Hardware Maintenance # 059	5.65	5.66	5.67	0	2	No	0	0	0	5.65	5.66	5.67
005-49-02-00-02-0063-00	Provide Microcomputer Hardware and Software # 063	3.73	3.16	3.82	0	2	No	0.3	0.18	0.36	3.43	2.97	3.46
005-49-02-00-02-0064-00	Local Area Network Acquisition, # 064	1.27	0.34	1.62	0	2	No	0.51	0.08	1.27	0.76	0.26	0.35
005-49-02-00-02-0069-00	Common Computing Environment (CCE) Hardware and Software # 069	0.3	0.2	0	0	2	No	0.1	0	0	0.2	0.2	0
005-49-02-00-02-0072-00	Aerial Photography Field Office ADP Processing Requirements # 072	2 03	1.92	2.81	0	2	No	1.33	1.22	1.53	0.7	0.7	1.28
005-96 02-00-02-0074-00	FS Radio Communications	30.43	35.27	26.59	0	1	No	12 17	14.11	8.24	18.26	21.16	18.35
005-49-02-00-02-0074-00	Other: On-going Operating Costs - #074	49.99	44.34	42.63	0	2	No	0	0	0	49.99	44.34	42.63
005-96-02-00-02-0075-00	FS Telecom Base	52.6	54.32	56.09	0	10	No	10.52	10.86	11.22	42.08	43.46	44.87
005-49-02-00-02-0075-00	Other: Miscellaneous Equipment, Maintenance, and Support Services - #075	15.97	14.83	15 73	0	2	No	2.23	0.78	1.19	13.74	14.05	14.54
005-49-02-00-02-0085-00	Telecommunications Operations (T-Ops) - Service Center Implementation #0085	4.14	3.84	3.62	0	2	No	2.17	1.70	0.48	1.97	2.05	3.14
005-84-02-00-02-0230-00	FNCS Food Program Information Infrastructure Modernization (FPIIM)	5.73	6.09	6.29	0	23	No	1.35	1.47	1.53	4.38	4.62	4.76
005-84-02-00-02-0330-00	FNS Internet/Intranet/Extranet	1.62	1.91	1.91	0	8.3	No	0.8	1 05	1.05	0.82	0.86	0 86
005-84-02-00-02-0350-00	FNCS CNPP Internet Based Tool (CNPP)	0	0	0.45	0	0	No	0	0	0.45	0	0	0
005 35-02-00-02-0403-00	FSIS Security Summary	0.71	0.79	2.96	0	100	Yes	0.71	0.79	2.96	0	0	0
005-32-02-00-02-1001-00	Biosecurity Activities	0	0	1.31	0	6	No	0	0	1.31	0	0	0

		Total Investment			Percentage		Homeland Security	DME			Steady State		
Code	Entry	PY	CY	BY	Financial	IT Property	Y/N	PY	CY	BY	PY	CY	BY
005-32-02-00-02-2007-00	PPQ Telecommunication Infrastructure	1.2	1.2	1.2	0	5	No	1.2	1.2	1.2	0	0	0
005-32-02-00-02-3002-00	APHIS Security Summary	1.21	0.84	1.79	0	100	No	0.27	0.51	0.64	0.94	0.33	1.15
005-32-02-00-02-3003-00	Administrative Applications	1.59	1.84	1.64	0	1	No	1.28	1.02	1.02	0.31	0.82	0.62
005-00-03-00-00-0000-00	Part 3: Enterprise Architecture & Planning	3.4	21.99	26.81				1.16	19.92	23.99	2.24	2.07	2.82
005-03-03-00-01-1010-00	USDA Capital Planning & Investment Control w/ I-TIPS This investment includes support for USDA's Capital Planning and Investment Control (CPIC) process and the Information Technology Investment Portfolio System (I-TIPS) that is the CPIC	2.24	2.09	2.66	0	2		0	0.02	0.52	2.24	2.07	2.14
005-03-03-00-01-1010-04	Appropriated Funds	0	0	0									
005-03-03-00-01-1010-04	Appropriated Funds	0	0	0									
005-03-03-00-01-1010-09	Subtotal, Funding Sources	2.24	2.08	2.66									
005-03-01-00-01-1010-00	USDA Enterprise Architecture	0.81	15	15	0	3		0.81	15	15	0	0	0
005-03-03-00-01-1010-04	Appropriated Funds	0.81	15	15									
005-03-03-00-01-1010-09	Subtotal, Funding Sources	0.81	15.00	15.00									
005-49-03-00-01-8006-00	eLoans eLoans is a Presidential eGovernment initiative to provide an Internet-based One-Stop Shopping experience for the American public to learn about, apply for and receive information about all Government	0	1.14	5.14	0	9		0	1.14	5.14	0	0	0
005-08-03-00-02-0000-00	USDA Web Page Re-design & Outreach	0	0.5	0.5	0	5	No	0	0.5	0.5	0	0	0
005-18-03-00-02-0016-00	Enterprise Architecture	0.35	1.04	1.75	0	10	No	0.35	1.04	1.44	0	0	0.31
005-49-03-00-02-0087-00	Enterprise Architecture and Common Infrastructure #0087	0	2.22	1.76	0	2	No	0	2.22	1.39	0	0	0.37
005-00-04-00-00-0000-00	Part 4: Grants Management	484.78	529.07	583.97				97.02	131.6	161	377.74	396.44	416

		Total Investment			Percentage		Homeland Security	DME			Steady State		
Code	Entry	PY	CY	BY	Financial	IT Security	Y/N	PY	CY	BY	PY	CY	BY
005-05-04-00-01-1080-00	WIC State ADP support system	0	0	11.67	0	2	No	0	0	11.67	0	0	0
005-06-04-00-01-0000-00	CSREES Electronic Grants	0.88	2.39	2.37	20	5	No	0.88	2.37	1.79	0	0.02	0.58
005-50-04-00-01-8004-00	USDA eGrants and Grants Management eGrants...	0	2.52	2.66	0	5	No	0	2.52	2.66	0	0	0
005-00-04-00-02-0000-00	Broadband Communications GRANTS	0	2	0	0	0	No	0	2	10	0	0	0
005-05-04-00-02-0000-00	NOAA weather radio transmitters GRANTS	0	0	0	0	0	No	0	0	5	0	0	0
005-56-04-00-02-0000-00	Telemedicine and Distance Learning GRANTS	0	25	25	0	0	No	0	25	25.06	0	0	0
005-84-04-00-02-0225-00	FNS Electronic Benefit Transfer (EBT) - FNS Direct Operations	1.92	2.03	2.21	0	6.4	No	0.05	0.05	0.05	1.87	1.98	2.16
005-84-04-00-02-1011-00	FNS Advanced Planning Documents (APDs) - IT Investment Grants to States	356.87	382.54	404.87	0	0.1	No	75.5	87.19	95.24	281.37	295.35	309.43
005-84-04-00-02-1070-00	FNS Electronic Benefit Transfer (EBT) - IT Investment Grants to States	105.09	111.59	115.33	0	0.1	No	10.59	12.5	9.5	94.5	99.09	105.83

Mr. Bonilla: What are USDA's total planned IT expenditures for fiscal year 2004 and how much will be spent on new agency hardware and software?

Response: USDA plans to spend approximately $2.25 billion on IT in FY 2004. Of this amount, $314.4 million is budgeted for hardware and software. This equates to about 14 percent of the IT budget.

Mr. Bonilla: How many FTEs by each component agency or office will be supported under this budget and what is the cost?

Response: [The information follows:]

Agency	# Of FTEs	FY 2004 Cost
AMS	97	$4,829,500
APHIS	221	17,927,467
ARS	285	27,324,936
CSREES	36	2,755,773
DA	17	4,558,858
ERS	51	6,061,300
FAS	56	5,916,750
FNS	126	11,010,196
FS	1460	102,301,789
FSA	685	57,627,579
FSIS	54	7,212,531
GIPSA	35	4,698,477
NASS	135	12,788,800
NRCS	389	36,238,851
OBPA	4	327,000
OC	5	456,376
OCE	4	1,856,453
OCFO	1,605	113,901,098
OCIO	84	8,837,000
OGC	3	277,000
OIG	17	1,574,000
RD	380	15,470,000
RMA	41	3,238,378
TOTAL	5,789	$447,192,116

Mr. Bonilla: What has been done by the CIO to improve and strengthen IT management during fiscal year 2003? What is planned for fiscal 2004? Please provide the performance indicators established and time frames and milestones for completing work.

Response: During FY 2003, the CIO took a number of actions to improve and strengthen IT management. These actions covered all CIO programs, including Clinger-Cohen Act (CCA) responsibilities, improvement of IT security, moving forward to e-enable programs and developing a stronger telecommunications network. Most importantly, during FY 2003, the Deputy Secretary and the CIO re-focused the activities of the Executive Information Technology Investment Review Board (E-Board), the group of USDA senior policy executives who assist the Deputy Secretary in making IT investment decisions.

The focus of E-Board activities will be to make investment decisions designed to support USDA's enterprise architecture (EA) and move the architecture forward towards its planned state. This will include a stronger focus on projects that are customer-centric and deliver services electronically, while continuing to meet the needs of all of our customers.

The establishment of a USDA EA to improve service delivery through more effective information systems and data management has been a long-standing goal of the USDA CIO. In developing our EA, we are following the Federal Architecture reference models endorsed by OMB and the Federal CIO Council, and working closely with the CIO Council and OMB in their continued development of the reference models and the architecture framework.

The timeframes for completing the "As-Is" and "To-Be" Architectures are September 2003 and January 2004 respectively. Once the initial architecture is complete, opportunities for improving data management will be initiated. These activities include identifying and selecting data standards, developing common data models and designs to promote data integration, and developing policy for sharing data across organizations. Common business applications in financial and human resources management will be targeted.

Our eGovernment projects will become key components of our "to-be" architecture. Through the eGovernment program, USDA agencies are being required to work together to address common requirements associated with developing eGovernment capability and capacity. The collaborative approach will yield common data and application solutions through cross-agency and enterprise solutions. Using information and analysis derived from an EA, we will be able to target these types of activities better in order to realize even greater benefits for the Department. In FY 2004, eGovernment infrastructure and other initiatives that are highly dependent on data and information, such as eAuthentication and eGrants, will be supported. USDA will also be moving forward on a common Human Resources management initiative during the remainder of fiscal year 2003 and through 2004.

During FY 2003, we have continued efforts to move USDA towards an enterprise approach to IT, by entering into a number of Department-wide contracts for information technology software and services. The number of enterprise agreements in place in USDA has grown from 2 in FY 2000 to about 12 currently. These allow us to track and manage our resources more consistently, reduce acquisition and training costs, and allow us to focus more resources on program delivery. This year, we are working to consolidate agency infrastructure purchases, using fewer contracts and gaining economies of scale through large volume purchases. Consolidation of infrastructure efforts will continue during FY 2004.

Significant activities are also underway to improve investment and project management across the Department. USDA has developed an intensive, five-week course in Project Management/IT Capital Planning to provide managers of high value IT investments with a solid grounding in these disciplines. To date, we have trained over 60 staff members, of which 18 have passed the Project Management Institute's Certification examination. Classes continue at both the headquarters and field locations, with a class under way currently (Class 5) and Classes 6 and 7 scheduled to begin in May. Additional sessions are planned for the remainder of fiscal year 2003 and for 2004. The goal of the training is to provide qualified project managers for our major investments.

USDA developed an Executive Leadership Training program lead by the Office of the Chief Information Office (OCIO). This training was designed to begin to address gaps identified in a skills analysis, conducted during FY 2002. It is critical that the Department of Agriculture develop and maintain an IT Workforce whose skills and competencies allow them to work towards meeting the Department's mission and goals. The Executive Leadership training program is geared toward that effort by offering training seminars that will enhance the core competencies prescribed by the CIO Council. The training presented during FY 2003 included modules on Enterprise Architecture, Project Management, Risk Management, Business Case Development and Portfolio Management.

During the remainder of this fiscal year and into FY 2004 we plan to build on these workforce improvement efforts by developing a Workforce Plan, and a process for continuous assessment of skills gaps. Training would be identified or developed to fill gaps identified within the Department.

To provide better Departmental oversight of our portfolio of investments, we have recently designated additional investments as major, and will report on these to the Office of Management and Budget for Budget Year 2005. We expect our portfolio of major investments to grow from the current 51 to at least 75 for Investment Year 2005. To allow us to manage these many investments more effectively, the CIO has reviewed commercial project and portfolio management tools and plans to pilot a tool during the remainder of the FY. This tool will strengthen and standardize management of IT investments by USDA's agencies and enable OCIO to provide better oversight of project investments and results. If the pilot is successful, OCIO will expand the use of the tool in FY 2004 to all IT investments. At that time, all agencies will be given access and will be able to track not just individual project information but the complete portfolio status.

OCIO has also launched a Department-wide eGovernment program. The details of this program and plans for FY 2003 and FY 2004 are shown in a subsequent question in this section. Also as discussed previously, we have strengthen the OCIO's cyber security oversight and technical assistance efforts. It should be noted that for FY 2004, USDA plans to contribute in excess of $9 million for the eGovernment Presidential Initiatives.

DELIVERYING PROGRAMS THROUGH THE INTERNET

Mr. Bonilla: Please update the Committee on USDA programs being delivered through the Internet.

Response: USDA has an active enterprise eGovernment governance structure to bring a citizen-focused, corporate approach to its eGovernment services. This structure is comprised of mission area and agency executives, program leaders, and technology experts who are leading the integration of eGovernment activities into USDA programs and services. To guide our new eGovernment Program, in June 2002, we completed an intensive effort of defining the vision, strategy, marketing, and tactical activities needed to create interdepartmental, enterprise-wide, and cross-agency solutions in line with the President's vision. This strategy facilitates the sharing of best practices and builds on current successes such as those listed below, and it identifies and prioritizes enterprise opportunities and cross-mission area solutions. A representative sample of USDA's electronic program delivery follows. [The information follows:]

Mission Area	*Name of Initiative & Lead(s) Agency*	*Customer Group(s) Served*	*Description*
Multi-Mission Area/Agency			
	eForms/Service Center Online Service Center Agencies (Rural Development, Farm Service Agency, Natural Resources Conservation Service)	Farmers/Producers /Rural Residents	The Service Center Agencies—Farm Service Agency, Natural Resources Conservation Service, and Rural Development—as required by to the Freedom to E-File Act have established a joint eForms Web site for public use. Customers can navigate to this site from either the USDA homepage or agency homepages. On the site, users can download forms for printing, or enter the data directly into the form and transmit it to USDA. Benefits include a one stop-shopping site for county-based agency forms used by the public, as well as the option of convenient online data entry; all forms are Section 508 certified and the site provides 24x7 access to forms and information. In 2002, the site received 183,000 visits, and almost 5,000 users visited the MyForms section where completed forms can be transmitted to USDA. (However, only 111 forms were successfully submitted in the site's initial 6 months of operation in 2002. USDA is examining this issue in greater detail to find out why usage rates do not parallel private sector usage rates.)
	Electronic Loan Deficiency Payments (eLDP) Farm Service Agency	Farmers/Producers	eLDP is an Internet-based program that provides the capability for agricultural producers to request a loan deficiency payment. In crop year 2000, approximately 3,000,000 LDPs were processed by USDA Service Centers, totaling $6.2 billion. The large volume and the complexity of administering several market loss programs have caused delays in processing LDPs and consequently diminished customer service. Moreover, in excess of $1 million was spent on prompt payment interest due to delayed LDP payments. eLDP will streamline the process, reduce interest penalties, and ensure farmers have a more convenient application process and receive assistance in a timely manner.
	RMA Online Risk Management Agency	Farmers/Producers	RMA Online, the agency's Web site, provides the public with a set of valuable tools and information resources, most notably interactive risk management applications designed to provide crop insurance information and decision support in the management of risk.

Mission Area	*Name of Initiative & Lead(s) Agency*	*Customer Group(s) Served*	*Description*
Department-wide	*GovBenefits*	General Public	GovBenefits provides a single destination for citizens to find government benefits for which they are eligible, as well as contact information to begin the application process. The site significantly improves the experiences of citizens searching for government benefits by allowing them to find the benefits for which they may be eligible from one integrated site, rather across dozens of agencies' sites. USDA is a partner in this government-wide Presidential eGovernment Initiative; currently, more than two dozen USDA programs are included on the site, and more are being added each month.
	Regulations.gov	General Public	The Regulations.gov site provides a single location for citizens to provide comments on proposed Federal regulations. Specifically, it allows citizens to view a description of every proposed Federal regulation currently open for comment, read the full version, and subsequently submit comments to the corresponding Federal agency. USDA is a key partner in this government-wide Presidential eGovernment Initiative, and the site includes proposed rules from key rulemaking agencies across the Department.
Farm and Foreign Agricultural Services	*Electronic Bid Entry System (EBES)* Farm Service Agency	Agricultural Product Vendors	Building upon an aging and expensive legacy system, EBES automates via the Internet the bid entry portion of USDA's procurement of commodities exported under various foreign donation programs. FSA also has a similar system to handle procurements for Domestic distribution of food assistance (Domestic Electronic Bid Entry System).
	Unified Export Strategy (UES) Foreign Agricultural Service	Agricultural Exporters	FAS administers several programs that provide over $135 million in funding to over 65 industry partners, both in the U.S. and overseas. UES, including a Web-based front-end, was designed to streamline the administration of these interrelated programs while focusing on results, improving resource allocation benchmarks, and de-emphasizing bureaucracy. UES has improved customer service by combining applications to reduce paperwork burdens (by 11,000 submissions annually). Additionally, UES reduced reimbursement time from 3 weeks to 3 days and reduced redundant information requests—overall, industry burdens were reduced by 30 staff years.

Mission Area	*Name of Initiative & Lead(s) Agency*	*Customer Group(s) Served*	*Description*
Food Safety	*FSIS Export Library* Food Safety and Inspection Service	Food Producers & Distributors	The Export Library presents information on foreign country export requirements for meat and poultry products. • Export Notices provide a rapid method for disseminating new and urgent export information • Country Requirements contain information obtained by FSIS through direct communication with foreign officials. Requirements address areas such as product eligibility, labeling, processing requirements, documentation and plant eligibility. This information facilitates and expedites foreign trade.
	USDA Meat and Poultry Hotline Food Safety and Inspection Service	All Americans	In 2001, over 76 million cases of food poisoning occurred in the U.S., (according to the Centers for Disease Control), most because of improperly handled and prepared food. In the same year, food safety specialists helped 90,000 callers, ranging from consumers and media to health professionals and educators, with questions on safe food handling and preventing foodborne illness. This year, bioterrorist threats have put even more emphasis on food safety. Available in both English and Spanish 24 hours a day, 7 days a week, via telephone, TTY, email, and integrated with the Web, the USDA Meat and Poultry Hotline has been a trusted and convenient resource for more than 10 years.
Food, Nutrition, and Consumer Services	*FNS Partner Web* Food and Nutrition Service	State & Local Governments, Retailers, Others	The FNS Partner Web provides a Web-based Extranet that permits FNS to conduct general-purpose business communication with its direct partners. The Partner Web uses a combination of message boards, chat rooms and traditional Web sites to foster information-sharing and improved collaboration in service delivery and citizen/customer service.

Mission Area	*Name of Initiative & Lead(s) Agency*	*Customer Group(s) Served*	*Description*
	Food Stamp Program Electronic Benefits Transfer (EBT) Food and Nutrition Service	Low-income Individuals	EBT is an electronic system for authorizing transfers of government benefits from a Federal account to a retailer account to pay for products. Currently used to issue over 80% of food stamp benefits, EBT is faster and cheaper than paper-based processes. Its accompanying customer card, which functions like a credit card, also provides dignity to beneficiaries and faster payment for the Food and Nutrition Service's network of over 200,000 retailers. Further, EBT creates an electronic record of each food stamp transaction, making it easier to identify and document food stamps "trafficking," or exchanging for cash, drugs, or other illegal goods -- ultimately helping to reduce food stamp waste, fraud, and abuse. This delivery channel has saved USDA, taxpayers, and retailers an estimated $420 million since its inception.
Marketing and Regulatory Programs	*AMS Market News Portal* Agricultural Marketing Service	Farmers, Agri-businesses, Others	AMS' Market News Portal provides a single location where farmers and other interested citizens can find AMS' latest market news reports on all covered commodities.
	Import Authorization System (IAS) Animal and Plant Health Inspection Service	Importers	IAS, a Government Technology Leadership award winner for innovation, enables APHIS to manage permits for both fruit and vegetable and live animal imports electronically. 25% of applicants seeking permits for these products use this Lotus Notes-based Web system to submit and revise permit applications and check their status. Applicants can have permits subsequently sent via multiple channels, including postal mail, fax, or e-mail. IAS has generated significant cost savings for APHIS by reducing paperwork, data entry, and errors and thus improving processing/delivery time.

Mission Area	*Name of Initiative & Lead(s) Agency*	*Customer Group(s) Served*	*Description*
Natural Resources and Environment	*Recreation.Gov* Forest Service	General Public	The Forest Service played a key role in creating Recreation.gov, an integrated Web portal designed to provide a single destination for information on Federal recreation opportunities. Other partner agencies include the Forest Service, the National Parks Service, and the Bureau of Land Management. Users can search for recreation areas by state, recreational activity, agency, or map. Some national parks and forests currently accept online reservations through the site, and a fully integrated reservations system based on the Forest Service's solution is planned.
	Soil Data Viewer Natural Resources Conservation Service	Natural Resource Planners, State & Local Governments, Conservationists	The Web-based Soil Data Viewer allows the public access to a number of NRCS soil surveys. The system was designed to provide users easy access to soil survey data for resource assessment and analysis while shielding users from the complexity of the soil database.
Research, Education, and Economics	*Agriculture Network Information Center (AgNIC)* Agricultural Research Service	Students, Farmers, Other Citizens	AgNIC is an alliance of ARS' National Agricultural Library (NAL), land-grant universities, and other agricultural organizations, in cooperation with citizen groups and government agencies. AgNIC is a distributed, collaborative partnership providing quality electronic agricultural information and resources via a portal on the Internet. The Center is hosted and coordinated by NAL. Each AgNIC partner provides a virtual collection of content, resources, and online reference services on a specific agricultural topic in which it is specializes. AgNIC therefore serves as a subject interface to the land grant system, bringing together information resources created with a combination of federal and state efforts.

Mission Area	Name of Initiative & Lead(s) Agency	Customer Group(s) Served	Description
	ERS Extranets Economic Research Service	Researchers, Economists, Universities, Information Professionals	ERS' Extranets are private and secure online meeting spaces designed to enable information exchange among key customers and provide information tailored to specific customer needs. Via the Extranet, partners/customers can: • Access timely, relevant information and data to help them conduct business • Work collaboratively with peers • Create new, and participate in established, professional networks ERS has developed a number of extranets for various customer groups.
	Crop Progress and Condition System National Agricultural Statistics Service	State & Local Governments, Farmers	The Crop Progress and Condition report is a weekly report on crop progress and conditions compiled from reports submitted from local experts throughout the country. The Web data collection system gives these local experts the option of submitting these reports electronically through the Internet.
	Electronic Data Reporting (EDR) National Agricultural Statistics Service	Farmers/producers	NASS' EDR system provides the agency with the ability to administer surveys and collect responses via the Web. Not only does this provide citizens with a convenient electronic option for responding to NASS surveys, but also streamlines the data collection process by eliminating data entry.
Rural Development	*Lender Interactive Network (LINC)* Rural Housing Service	Banks/Lenders	LINC provides a Web-based application where lenders can provide periodic and default status reports electronically on their single family housing guaranteed loan portfolio. LINC expedites the collection of loan status information and eases the reporting process for both the lenders and Rural Development.
Staff Offices	*USDA.gov* Office of Communications	All USDA Customers	USDA.gov is the Department's home page and provides news, updates, and agency and program links to visitors. The site is extremely popular–since 1999, USDA Web pages have been accessed more than 500 million times.

Mr. Bonilla: What has been the public response to the services?

Response: Public response to date has been positive. USDA expects that, through additional services and marketing, use will continue to increase over time. A recent example demonstrating public response includes the eForms/Service Center Online Service. In 2002, the site received 183,000 visits, and almost 5,000 users visited the MyForms section where completed forms can be transmitted to USDA. However, only 111 forms were successfully submitted in the site's initial 6 months of operation in 2002. USDA is examining this issue in greater detail to find out why usage rates do not parallel private sector usage rates. A number of automated tools to measure the public's use of the electronic tools and services being offered by the Department are being developed.

To measure the public's receptiveness to electronically-delivered services, USDA has been studying the key metric of Internet access for the citizens and organizations it serves. These groups are currently online in significant numbers. For example, 41 percent of farmers are online (according to the most recent study conducted by USDA's National Agricultural Statistics Service). Additional examples of the potential number of customers who can be serviced through the use of the Internet are outlined below.

Figure 1: Internet Access for Major Citizen Groups Served by USDA

Major Citizen Group	Estimated Total Number Served	Internet Access
Children	30 Million	89%[1]
Farmers/Producers	2.2 Million	41%[2]
Rural Communities & Businesses	2.5 Million *(direct)*, 50 Million *(indirect)*	49%[3]
Lower-Income Families & Individuals (household income under $30K/yr)	20 Million	38%[4]
All Americans	285 Million	68%[5]

And while Internet use by both low-income Americans and rural residents lags behind other groups, both groups' use has been growing quickly: rural Internet use grew by about 20 percent from 2000 to 2002, and low-income use has grown by nearly 25 percent over the same period[6]—the fastest growth rate of any income group. Furthermore, according to the Census Bureau, 89 percent of all American children have Internet access at home or school.

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[1] "Home Computer and Internet Use in the United States", U.S. Census Bureau, September 2001.

[2] "Farm Computer Usage and Ownership," National Agricultural Statistics Service, 2001.

[3] "The Ever-Shifting Internet Population: A New Look at Internet Access and the Digital Divide", Pew Center for the Internet and American Life, April 2003.

[4] "The Ever-Shifting Internet Population", Pew Center for the Internet and American Life, April 2003.

[5] "Online America", *The New eGovernment Equation*, Council for Excellence in Government, April 2003.

[6] *"The Ever-Shifting Internet Population", Pew Center for the Internet and American Life, April 2003.*

Similarly, most of USDA's industry partners have been developing their own electronically-enabled capabilities for several years and are therefore already in a good position to accept the evolution of USDA's programs and services. Indeed, USDA's major partner organizations have pervasive Internet access. Ninety percent of workers at research and academic partners are online, and 75 percent or more of employees at banks, insurance companies, and governments are online as well. Further, although the access numbers for agribusinesses and food distribution companies are a bit lower, many of their employees work in plants or in the field; their still-high Internet access numbers reflect a very high amount of Internet use by those employees working in office environments.

Figure 2: Internet Access for Workers at Major Public/Private Organizations[7]

Organization	Internet Access
Colleges/Universities and Research Partners	90%
Insurance Companies/Agents	84%
Banks & Lenders	84%
Federal, State and Local Agencies	77%
Agribusinesses & Land-based Products Companies	66%
Food Distribution and Supply Chain Companies	58%

In terms of specific responses to our eGovernment initiatives, farmers and ranchers have welcomed our efforts to move to forms automation in our service centers, thus abetting service center integration. In terms of food safety, our call center/hotline is one of the most popular. And EBT has become a staple of the Food Stamp Program and we are piloting efforts in this regard with the WIC Program.

On a limited basis we have also had initial conversations with our major customer groups (e.g., farmers, International agricultural trade associations, grantees) and employees about how they use the Internet and other technologies and how USDA might better serve them through these channels. Feedback from a Web-based employee survey revealed that our workforce is eager to embrace new technologies. Roughly 5,000 respondents representing a nearly equal mix of field and headquarters, managers and non-managers indicated:

- 79 percent of employees at USDA know what eGovernment is,
- 80 percent are aware of specific eGovernment applications in use at the USDA,
- 60 percent of people claimed to be very comfortable using eGovernment applications on the job.

Mr. Bonilla: Are you able to quantify the benefits and services provided, in any way?

Response: To date, USDA has not consistently quantified the benefits of providing programs and services through eGovernment channels. Much of what we have heard and captured has been anecdotal. In line with the private sector, we must do more and do better in this regard, and that is part of the intent for our eGovernment

7/Computer and Internet Use Supplement, Current Population Survey, U.S. Department of Labor/U.S. Census Bureau, 2001.

Program as several of its major components are implemented during the fourth quarter of FY 2003 and into FY 2004.

SECURING E-BUSINESS TRANSACTIONS AND MISSION CRITICAL SYSTEMS

Mr. Bonilla: Please update the Committee on the steps the department has taken to ensure the security of its e-business transactions and safeguards mission critical IT systems and data in fiscal year 2002 and plans for fiscal years 2003 and 2004.

Response: During FY 2002, OCIO completed its first iteration of a security architecture. The security architecture is providing criteria for security controls and mechanisms appropriate for USDA automated processes. This architecture, once populated, will provide agency technicians and system developers with specific security control standards and products appropriate for the level of confidentiality, integrity and availability demanded by business processes. This strategy is designed to provide a narrow range of products and services that will serve as model security strategies that agencies will use, depending on the specific services and technology they employ. As USDA's full Enterprise Architecture (EA) develops, OCIO will further align the security architecture with the broader application, data and technology layers of the EA. In particular, e-government services will be closely monitored to ensure adequate security is defined and implemented as they are deployed.

An example of this coordination is found in OCIO's Cyber collaboration with USDA Service Center Agency (FSA, NRCS, and RD) personnel to develop and begin implementing a comprehensive Web Farm architecture with adequate security controls. By utilizing common hardware, software, configurations, security, policies and procedures, and staffing throughout the Web Farm architecture, the agencies are beginning an orderly transition to delivering services over the Internet. This initiative is critical, as these agencies must quickly comply with legislative mandates to provide customers around the clock electronic access to programs and services. The secure Web Farm architecture that we developed together is now a "best practice model" for all USDA agencies to use to securely move services to web applications.

In addition to common technical standards and procedures for acquiring, deploying, and operating firewalls and other equipment, each Web Farm implementation will also incorporate a training component for system administrators and security administrators. This training will include security requirements for all hardware, software and security tools. This is a significant departure from past practices, where IT has been acquired with training needs addressed later.

At the telecommunications network level, new policies and procedures establish minimum standards for securing information flowing across USDA's networks and stored on its larger computer systems. Fundamentally, USDA has changed its approach to cyber-security management and operation. Instead of permitting all electronic data and transmissions to enter our networks and run on our systems, we now permit access only to authorized services related to USDA business needs. Additionally, the Department has established incident handling and reporting procedures, Department-wide network monitoring tools, and has positioned trained technicians to monitor traffic and to identify and react to network vulnerabilities. Fundamental network security management practices have greatly reduced the likelihood of unauthorized access.

For FY 2003 and beyond, OCIO will continue to operate and enhance its USDA Telecommunications Network Intrusion Detection System to identify unauthorized users and to prevent incidents that may compromise USDA information security assets. As part of USDA's defense in depth strategy, additional sensors, patches, and other detecting enhancements are being analyzed, tested and will be implemented to provide increased network monitoring and security. In addition, OCIO will continue to enhance its security architecture, evaluating a full spectrum of security products and mechanisms that will be added to the architecture database.

Since its beginnings, USDA has been an active participant in the Presidential eGovernment E-Authentication initiative, a project designed to provide the trusted and secure infrastructure - or gateway - to support the 24 government-wide e-Government initiatives, eliminating the need for each initiative to develop a redundant solution for the verification of identity and electronic signatures. The development of a gateway will allow citizens and businesses to conduct transactions with the government through a single sign-on and will provide a uniform process for establishing electronic identity.

Through its own E-Authentication Initiative, USDA is working with USDA agencies to develop a department-wide E-Authentication solution that is fully integrated with the Presidential Initiative. As part of its Integrated Reporting Process, the E-Authentication project has gathered and reviewed electronic signature requirements on a transaction-by-transaction basis to determine the impact that integrity, confidentiality, and availability controls will have on the agency's business processes.

The USDA National Finance Center 's Certificate Authority has successfully cross-certified with the Federal Bridge Certificate Authority for government-to-government transactions, and its PKI option is currently being evaluated at the department.

Finally, USDA has provided comments on the OMB draft E-Authentication government-wide guidelines document to ensure that the department's concerns on establishing levels of assurance for authentication and a common risk-based framework is established in the federal government. USDA has positioned the department's security policy and standards to follow all current federal security guidelines and policy for its electronic business.

Mr. Bonilla: Please update the Committee on the USDA plans to develop or support, IT-related or otherwise, electronic-based services and program delivery.

Response: In October 2001, USDA launched a Department-wide electronic government (eGovernment) program that calls for greater integration and collaboration across USDA and across government in developing and delivering services to citizens and businesses. USDA mission areas and agencies have been actively engaged in an intense enterprise-wide eGovernment planning initiative, resulting in a USDA eGovernment strategic plan. Investments in information technology (IT) across the Department are being leveraged to reduce redundancy and provide information and services on a customer-centric rather than organizational basis. Our investment strategy for achieving electronic government has been integrated with our enterprise, telecommunications, and security architectures but we still have much work to do on this front.

USDA's eGovernment Program strategic planning effort is addressing:

- The President's Management Agenda,
- Departmental business goals and objectives,
- The Government Paperwork Elimination Act (GPEA), and
- The Freedom to E-File Act (E-File)

USDA's eGovernment Program is led by USDA's Associate CIO for eGovernment with an interagency group empowered by the Deputy Secretary to transform USDA to a citizen-centric electronic service provider. USDA finalized an eGovernment Framework that incorporates the vision, strategy, marketing, and tactical activities needed to create an enterprise view of eGovernment at USDA. USDA's eGovernment Strategic Plan serves as the Department's guide to transforming the development and delivery of USDA information and services.

The plan identifies 24 cross-agency eGovernment opportunities that were approved by the Deputy Secretary and the Executive Information Technology Review Board (EITIRB) for subsequent business case development. These 24 opportunities have been categorized as either Strategic or Enabler initiatives. The 15 Strategic initiatives are programmatic in nature and directly impact how information, services, and products are delivered to USDA customers. The 9 Enabler initiatives provide the foundational architectural components that allow program delivery from an enterprise perspective and build USDA's future enterprise architecture direction.

Twelve of the 24 initiatives were singled out as the highest priorities for USDA and labeled Smart Choice Initiatives. To date, business cases have been developed for 6 of the original 12 Smart Choice Initiatives. Four of the six, Web Presence and Portal Strategy, Document Management, Content Management, and Data Management, were integrated into one business case, titled eDeployment. The remaining 2 focus areas are eAuthentication and eLearning. More than 200 USDA employees from across the Department collaborated on cross-agency teams to craft the business cases for these initiatives. These business cases define specific business and technical requirements, analyze alternatives for supporting the applicable business functions, and define recommended business and technical solutions. The focus of the smart choice candidates is to produce tangible and measurable improvements over the next 18 months.

Business case development for the remaining initiatives, except eProcurement which is in the initial implementation phase, are scheduled to begin in fourth quarter of FY 2003. Of particular note is that 11 of USDA's 24 eGovernment opportunities integrate with government-wide Presidential Initiatives.

In terms of the Presidential Initiatives, USDA has established a working group for all of our representatives on these efforts. USDA is a partner in 19 of the 24 initiatives. We have provided financial and human capital to these intergovernmental efforts, as detailed in a later question.

USDA agencies have also developed agency tactical plans that support the overall USDA eGovernment Strategic Plan and address agency-specific tasks. The plans will be used to organize and support collaborative IT investments and are expected to reduce redundant investments that exclusively serve single-agency requirements.

CONTRACTOR SUPPORT

Mr. Bonilla: What are your plans for the use of contractor support in fiscal year 2003 and 2004? Will any Federal jobs be eliminated and replaced with outside contracts?

Response:· The USDA Office of the Chief Information Officer continues to use contract resources in FY 2003 to supplement federal staff across a wide range of projects, including the implementation of its eGovernment strategy, enterprise architecture and the design of the Department's Universal Telecommunications Network. OCIO expects to continue utilizing similar contract support services in FY 2004. It is not yet possible to determine if Federal jobs will be eliminated as a result of these efforts.

BREAKOUT OF OBJECT CLASS 25.0, OTHER SERVICES

Mr. Bonilla: Please provide a detailed breakdown of the items included in object class 25.0, Other Services for fiscal years 2002, 2003 and 2004.

Response: The following table includes funds from several different sources used by the SCMI Program Management Office for shared expenses. Funding sources include the CCE fund, OSEC and SCA contributions. [The information follows:]

Common Computing Environment
Object Class 25.0 Breakdown

Item	AMOUNT ($ In Thousands) FY 2002 Actual	FY 2003 Est.	FY 2004 Est.
Base Infrastructure			
Technical Architecture, and Project Management Support	2,872	$2,369	$1,889
Network Server Support	7,243	--	--
Electronic Access	2,440	3,000	3,000
Security	635	1,000	1,000
Software Services	5,005	--	--
Special Software development related to CCE equipment	--	1,000	1,000
Telecommunications Services	3,970	--	2,000
Agency Specific Increases			
FSA			
Telecommunications	--	3,000	3,000
Information Technology Maintenance and Support	--	19,743	38,648
GIS/Non-IT Data (Mosaic Imagery, CLUs, Compliance & Other Imagery and Training)	--	21,831	44,811
NRCS			

Telecommunications	--	6,000	6,000
Security	--	1,000	1,000
Data Management	--	2,000	2,000
GIS Data	--	2,000	2,000
Electronic Access Initiative	--	1,000	1,000
RD			
Telecommunications	--	1,200	1,200
Web Farm Operations and Relocation			7,000
RMA			
WCF, Infrastructure modernization and assurance, Emerging IT			8,674
OCIO			
Service Center Agency e-Government Initiatives	--	4,000	4,000
TOTAL, OBJECT CLASS 25.0	**22,165**	**69,143**	**128,222**

OBJECT CLASS 31.0, EQUIPMENT BREAKDOWN

Mr. Bonilla: Please provide a detailed breakdown of the items included in object class 31.0, Equipment for fiscal years 2001, 2002 and 2003.

Response: The following table includes funds from several different sources used by the SCMI Program Management Office for shared expenses. Funding sources include the CCE fund, OSEC and SCA contributions. [The information follows:]

Common Computing Environment
Object Class 31.0 Breakdown

	AMOUNT ($ In Thousands)		
Item	**FY 2002 Actual**	**FY 2003 Est.**	**FY 2004 Est.**
Technical Architecture, and Project Management Support	4,161	--	--
Network Servers/Software	6,715	--	--
Workstations	906	--	--
Electronic Access	455	2,000	2,000
Telecommunications System Upgrade Hardware/Software	19,874	--	-

Acquisition of GPS units, digital cameras, scanners and plotters		20,000	--
Equipment Refresh		25,000	17,000
Agency Specific Increases			
FSA			
Reengineer FSA/CCC Payment and Receipt Systems		2,650	2,650
Service Center Modernization		3,180	3,180
Information Technology Maintenance		613	613
GIS/IT		4,569	4,569
NRCS			
GIS Data		1,000	1,000
TOTAL, OBJECT CLASS 31.0	**32,111**	**59,012**	**31,012**

WORKSTATIONS BY AGENCY

Mr. Bonilla: Please provide a table showing by agency the number of individual workstations installed through fiscal year 2002, and those supported by the fiscal year 2003 and 2004 funding estimates.

Response: A summary of workstations installed and planned by Service Center Agency follows:

Agency	Through FY 2002	FY 2003	Planned for FY2004
FSA	18,147	9,629	3,797
Rural Development	9,675	2,533	5,138
NRCS	17,749	4,742	3,655
CCE Project	650	0	0
Total Workstations	46,221	16,904	12,590

PURCHASE OF WORKSTATIONS COMPLETED

Mr. Bonilla: Have you completed the purchase of workstations?

Response: Yes, we purchased the last of the initial CCE workstations early in FY 2002 to complete the objective of providing a CCE workstation to every Service Center Agency employee. In FY 2003, we will be working to refresh or replace workstations as they reach the end of their life cycle.

SCIT CONTRACTS APPROVED

Mr. Bonilla: Please provide a listing of contracts for the Service Center Modernization Initiative that were approved in fiscal years 2002 and 2003. Include in the listing, the name of the contractor, the purpose of the contracts, and the fiscal year and cumulative contract costs.

Response: The following listing of major contracts includes those funded from CCE appropriations and those funded using SCA funds to cover shared cost items such as Interoperability Lab support. [The information follows:]

Fiscal Year 2002

Contractor	Purpose	Cumulative Cost
SAIC	Evaluate high-bandwidth solutions in 8 county-level service centers.	$166,000
Soza Ltd.	Development and maintenance of the CCE IT architecture	895,000
Information Technology Experts	Provide technical documentation support for the CCE network server deployment	21,836
Compumaster	Windows 2000 Training	35,100
Microsoft Consulting Services	Provide support services for design and installation of security configuration of network servers	265,000
PlantGov, Inc.	Second order for network servers	4,247,000
Super PC Memory and CWPS, Inc.	Memory upgrades for older CCE workstations	638,926
GSA FTC-KC	CCE training support and materials	50,000
ESRI	GIS enterprise license	5,000,000
ASAP Software	Microsoft enterprise license agreement	7,685,000
Unisys, Inc.	Support services to assist in the development of registration software	200,000
Dell Computer Corp	Servers for Web Centralized Authentication and Authorization Facility (WebCAAF)	64,208
NLink	Netegrity Siteminder software and support for establishing WebCAAF	500,000
Compaq Federal	Support services for installation and initialization of CCE Network Servers	3,894,954
Anixter, Inc	Cabinets for offices which did not receive one as part of the earlier LWV installation	208,879
PlanetGov, Inc.	Additional disk drives for storage arrays	65,221
Microsoft	Premier Support for 1 year for the CCE project for software on workstations and servers	310,000
GTSI	Upgrade existing web farm firewall hardware	166,556
Dell Computer Corp	Servers for WebFarm Infrastructure	78,000
Dell Computer Corp	DB2 Database software was chosen for the eForms project	47,684
Fishnet Security	FireMon software will be used for the CCE boundary firewalls	21,925

ASAP Software	Microsoft enterprise license agreement true-up. Amount owed after reconciliation of the number of licenses used under the enterprise agreement with Microsoft	763,000
ASAP Software, Inc	Microsoft Government Enterprise Agreement for bundled server software licenses and maintenance	6,807,000
CC-OPS	Cisco Routers - The existing telecommunications routers have achieved their life cycle and are no longer supported for maintenance by the vendor. The new routers will support significant telecommunications bandwidth increases needed by USDA service centers, support information encryption to insure information privacy, and provide Quality of Service (QOS) functionality that will assist in future prioritization of network telecommunications traffic.	14,255,000
Titan Corp	Provide an enterprise-wide assessment of the current state and planned SCMI investments with recommendations to enable the service center agencies to meet future IT requirements	150,000
EDS	Support for the architecture of MS Exchange, SMS, and MOM as part of the CCE network server deployment	1,177,000
SOZA & Company, LTD	Contract support for the interoperability lab through December 31, 2002	2,915,372
McAfee	Total Virus Defense Software and support. This provides virus protection to all service center agency locations	106,000
PlanetGov, Inc.	Network servers already deployed will be enhanced to accommodate application services, avoiding the need to acquire and implement a second server in each Service Center	4,120,000

GOVConnection, Inc.	Servers and accessories to support the implementation of Compaq Insight manager to help manage the deployment and operation of the CCE network servers. These specific servers will be used to house the national level data collected from the network servers in the field	68,130
SAIC	Security support and guidance for Security and Network Personnel engaged in the design and implementation of a security architecture for the SCA Internet, Intranet and Extranet applications.	577,000
SAIC	Router installation services. This is a performance based firm fixed price contract.	2,207,000
FedSIM	Project Management Office support services	1,000,000
Computer Sciences Corporation	Support for developing requirements, procurement, implementation, and training for an enterprise data storage solution	5,000,000
Intelligent Decisions, Inc.	Additional mid-range workstations	67,118
Intelligent Decisions, Inc.	Additional high-end workstations	72,355
World Wide Technology, Inc	Additional laptop workstations	74,084
Unisys, Inc.	Assist in the development of registration capability	200,000
Information Technology Experts	Support services for Help Desk for CCE deployment	437,107
DataLink	Performance enhancement and redundancy for networks in the web farms	26,058
Anixter, Inc	Additional server cabinets	14,595
PlanetGov, Inc	105 36 GB hard drives for the Compaq Proliant M370 server	65,221
Beyond.com Inc.	Premier Microsoft Support for 1 year for the CCE project for software on workstations and servers	309,687
Veridian Technology Solutions	GPS Training material development and classes	347,500
3D Marketing, LLC	GPS Units to be used for training purposes	75,503
GSA FTC-KC	Server deployment team training as well as HD/State IT Instructor led training	1,750,000

Unisys	Provide support for the Electronic Access WebCAAF initiative (sub-contractor Blackbird)	444,000
Worldwide Technology Inc.	Switch with improved redundancy which will reduce single points of failure in the web farm. The existing switch will be redeployed in the test region of the web farm.	186,608
GTSI	Upgrade existing web farm firewall hardware	166,556
Unisys, Inc.	Extension of EAI web farm security support contract through September 30, 2002	200,000
Quest Software, Inc.	Maintenance and support for Fast Lane Active Roles software used to support the implementation of the Active Directory with the CCE network servers through March 31, 2003	49,500

Fiscal Year 2003

Contractor	Purpose	Cumulative Cost
ASAP Software	Microsoft Government Enterprise Agreement, option period 1, October 1, 2002 - September 30, 2003	6,215,000
ESRI	FY 2003 payment to ESRI for GIS Enterprise Software license	5,000,000
GTSI	VERITAS Government Enterprise Agreement. VERITAS backup software for the CCE network/application servers in the field, enterprise servers at the operations centers, application servers at the web farms, and data storage systems at the Data Warehouse locations	2,599,566
Fishnet Security	FireMon RXX starter pack software/support	51,132
Government Telecomm	Extend maintenance and support services for SCA telephone systems from October 1, 2002 through November 30, 2002	292,291
CC-OPS, Inc.	Advanced Services Program	553,608
CC-OPS, Inc.	Cisco SMARTNet maintenance for all purchased in 2002 through December 31, 2003	1,582,877
CC-OPS, Inc.	3 Cisco 7204VXR router chassis, memory and other equipment for the 3 headend sites	44,182

Dell Computer Corp	Additional servers required for NRCS web farm to migrate Plants, Vegsppec, OIP, IT IS, ESIS and NPK applications to the web farm. 2 additional higher end servers required to handle ARCIMS and data warehousing needs	62,200
SAIC	Support services related to Electronic Access Architecture and Security	300,000
Connected Software	Address Magic Enterprise Edition	39,000
USDA Cyber Security Staff in Conjunction with DOI	Management of the Intrusion Detection System (IDS). The IDS will monitor network traffic, assess potential threats and identify unauthorized access to and the misuse of the USDA cyber infrastructure	50,000
SOZA	InterOperability Lab support contract for FY 2003	4,672,412
E. Logicon FDS	Magic Service Desk Enterprise license for the SCA help desk	1,216,449
SOZA and AMS	CCE Technical Architecture support contract. This contract includes GIS Architecture activities.	1,222,930
Computer Discount Warehouse	WebShield E500 appliance hardware, software and warranty support needed for email implementation using Microsoft Exchange	209,247
Compaq Federal	De-install, box and ship 167 Compaq servers during the server upgrade process. These servers are located at the old network hub sites and because of the new network architecture; they will no longer be needed. By having Compaq Federal do this work, the servers remain under warranty coverage.	131,851
Compaq Federal	Multiple-tape autoloaders for network servers in the state offices to facilitate backup of data. HP/Compaq will install these autoloaders as part of the server upgrade process.	213,411
Computer Sciences Corp.	GDW Physical Design/Action Plan/Hardware for EDARCH	2,500,000
Software House International	RUMBA Telenet Edition v7.1 license for 50,000 users and 12 months of maintenance and support	1,287,230
ITX	Deployment Team Project Mgmt Support	71,583
Microsoft Corp.	IOLab Support/Tech Manager/Premier Support	333,648

Compaq Federal	150/1 GB SDRAM DIMM Memory Modules	72,450
GSA/N-Link	Site Minder upgrades and patches, Prepare and test WebCAAF components for certification and accreditation	160,426
Unisys	Contract extension for training & operations support	322,000
Accenture	E-Gov Market Analysis to understand how clients interact with USDA and to understand how to better provide eGov solutions to meet the needs of the clientele	250,000
GTSI	Software for tracking and distributing resources amongst servers	52,000
CC-OPS, Inc.	Application Scanner, media, license and maintenance	36,738
CC-OPS, Inc.	Cisco 7204VXR routers to be used as frame relay routers until the phase out of the legacy frame relay	119,449
IBM	Contractor support for the development, implementation and enhancement of the e-Funds Control System	405,000
Inforeliance	IOLab Senior Consultant for 1,536 hours	408,565
GSA/FTS	XP Migration for State IT/Help Desk staffs	750,000
Computer Sciences Corp.	Geo-spatial Warehouse support	1,420,470
SAIC	WAO: 5/EAI Arch and Security	535,000
Dell Computer Corp.	10/Poweredge 2650's for Web Farm/St. Louis	35,500
Dell Computer Corp.	8/Poweredge 2650 2.4HGz/512K & 2/2.8 Servers	42,224
Westwood Computer Corp.	3382/Assorted Dell Latitude 20 GB drives	334,750
Government Telecomm	Extend maintenance and support services thru May 31, 2003	146,146
Northrop Grumman/Logicon FDC	8/Ethernet switches for LAN connectivity at IOLab & 3 centers	355,562
Various Contractors	Security Risk Assessments on Web Farm, SNOTEL, NRCS Security Program. Additionally, the contractor will provide a roadmap for communications security including best practices, listings of possible 'solution products' and a cost benefit analysis	410,340
3D Marketing LLC	GPS Configuration I & II Receivers	7,482,000

Veridian Information Systems	GIS support	250,000
The Transit Point, LLC	4,900 USDA Digital Camera configuration 1, includes Olympus C-4000 and accessories	2,597,000
ESRI	ArcGIS I Intro training course for 25 employees	169,900

OTHER TRAINING PLANS

Mr. Bonilla: Please share with the Committee your plans for training, including other courses, in fiscal year 2003 and 2004.

Response: In FY 2003 and FY 2004, the Service Center Agencies will provide three GIS Training courses and offer 500 GIS web-based ESRI Virtual Campus course registrations to agency staff. The three GIS courses are "train the trainer" courses that will be provided to state and national office specialists who will in turn train field and other staffs. The three GIS courses are: Fundamentals of GIS for Program Managers, Understanding Service Center Agency Geospatial Data, and ArcGIS I for Service Center Agencies. This training is being developed and delivered largely through private sector vendors. Additional courses in GPS, mobile data collection and ArcGIS are being planned. In addition, the three agencies will conduct a National Geospatial Workshop on June 9-13, 2003 in Houston Texas.

In addition to the GIS training listed, the Service Center Agencies plan to provide end user training to over 40,000 employees on the use of the Microsoft XP operating system, XP Office and Outlook. The training will be a combination of instructor-led courses, job aids and Internet based courses.

STATUS OF COMMON COMPUTING SYSTEMS

Mr. Bonilla: Please update the Committee on the status of the common computing system for county-based offices.

Response: As of the end of FY 2002, we were over 90 percent complete in our plans to establish a Common Computing Environment (CCE) infrastructure. Much of the common infrastructure is in place including integrated phone systems, shared local and wide area networks, common workstations, office automation software, GIS software, and printers. Network servers were installed in FY 2002 providing a platform for a shared e-mail system, local data storage and remote systems management. We also have in place three web farms to support electronic access to information. Enhanced telecommunications capacity, server upgrades to facilitate applications such as GIS and data warehouses will be implemented in FY 2003. Agencies are also rapidly reengineering their program applications to take advantage of the new CCE infrastructure with number of new applications, such as the Service Center Information Management System, which is already in place, and others. The CCE infrastructure and the new program applications will enable the Agencies to use modern business processes, share appropriate information, support electronic access by customers and provide better and more efficient services.

Mr. Bonilla: What is the status of cross-training to meet the broad range of the needs of customers at the Service Center?

Response: The SCMI is cross-training employees in the use of refreshed and newly acquired technologies. The Service Center Agencies have and are continuing to conduct cross-agency training in other areas. In October of 2001, the Service Center Agencies conducted cross-training on the Service Center Information Management System (SCIMS) application that provides common name and address information. Throughout FY 2002, the SCA Human Resources staffs provided training on the Combined Administrative Management System (CAMS). The agencies provided state level cross-agency "train the trainer" training on the use of Geographic Information Systems (GIS), Global Positioning Systems (GPS), and digital cameras. This training was completed in June of 2002.

Mr. Bonilla: Provide an object class table for the request for the common computing environment.

Response: The following table includes funds from several different sources used by the SCMI Program Management Office for shared expenses. Funding sources include the CCE fund, OSEC and SCA contributions. [The information follows:]

Classification by Objects

2002 Actual and Estimated 2003 and 2004

	2002	2003	2004
21. Travel and Transportation of persons	$346,845	---	---
23. Rent, Communications and Utilities	2,800,000	---	---
25. Other Services	22,165,000	$69,143,000	$128,222,000
26. Supplies and Materials	22,010,505	12,000,000	19,480,000
31. Equipment	32,111,000	59,012,000	31,012,000
Total Obligations /a	79,433,350	140,155,000	178,714,000

a/ Total for FY 2002, includes $12,444,672 carryover from the FY 2001 CCE appropriation and $6,428,138 from the Office of the Secretary from FY 2000 no-year direct appropriation.

Mr. Bonilla: What is the current expected return on investment for the common computing environment?

Response: The projected annual return on investment reflected in the November 19, 1999, Service Center Modernization Plan ranged from 34-45 percent. The range reflected variable investment options for CCE that were yet to be decided on. Our piloting activities have indicated that our original benefit estimates were understated. For example, one unanticipated benefit discovered is that by using CCE technologies, RD pilot office personnel were able to better market inventory property, with average sales increasing $10,000 - $25,000 depending on the location. Additionally, our experience to date with CCE investments is that our equipment costs are running about 40 percent less than anticipated. While we still have equipment left to purchase before completing the CCE, these increased benefits and lower cost experiences are strong indicators that the return on investment will be significantly higher than the ranges used in the Service Center Modernization Plan.

During FY 2003 and 2004, the initiative will be placing significant effort on merging the three agencies IT organizational components that support the overall infrastructure of the SCA Enterprise. In FY 2004, the OCIO will update the return on investment analysis to provide appropriate validation that the overall SCA modernization initiative is on track and delivering the expected benefits.

Mr. Bonilla: What is being done to strengthen management controls to ensure that the funds for common computer environment are spent for the purpose for which they are intended?

Response: Strong management controls are in place to ensure that the Common Computing Environment (CCE) project is managed successfully and that funds appropriated for CCE are used for that purpose. The Senior Policy Advisor for Service Center Implementation (SPA), within the Office of the Chief Information Officer (CIO), is responsible for coordinating the planning and implementation activities of the CCE. He is also the manager of the CCE fund. The SPA coordinates these activities through the Information Technology Working Group (ITWG) made up of the Service Center Agency Chief Information Officers and nine interagency technical teams. The annual CCE budget request and detailed operating budgets are developed through this process and are subsequently approved by the USDA CIO. The SPA executes the budget according to the approved plan and includes a detailed budget report in the quarterly report to Congress that is reviewed and approved by the CIO prior to release.

Mr. Bonilla: How much of the request for common computing environment will go to procurement for each of the following items: network/communications servers; application servers; GIS servers; public access servers; printers; digital cameras; and portable data accessories?

Response: The CCE request for FY 2004 includes: $15 mil for 12,600 workstations; $0 mil for 0 printers; and $2 mil for peripherals such as digital cameras and PDA's and other mobile computing devices. These planned acquisitions are part of the technology refresh fund. $1.5 mil has been requested to spend on new servers for the SCMI Electronic Access Initiative. The funds will be used for replacement servers and additional servers for new eGov applications. In addition to the technology listed, the software for use with the implemented technology will total an additional $19.4 million in FY 2004.

SUPPORT FOR USDA'S WEBSITES

Mr. Bonilla: How many people, by agency, work on USDA's websites? What do you estimate to be the USDA annual costs for upgrading and maintaining these websites?

Response: The exact number of FTE and associated annual costs for all agencies are not available at this time. However, based on USDA's recent business case development effort, USDA estimates there are approximately 200 FTEs, representing the aggregate time of roughly 1,000 employees, developing and maintaining websites.

USDA is currently addressing the quality of its websites as well as cost of maintaining them. Through its eGovernment eDeployment initiative, USDA will improve the efficiency of developing and maintaining USDA websites as well as customer access to USDA's information.

An interim re-launch of usda.gov is expected in the next couple of months followed by the more significant enterprise-wide redesign, ideally coupled with content management tools.

CYBER SECURITY PROGRAM IMPLEMENTATION

Mr. Bonilla: Please update the Committee on the implementation of the cyber security program.

Response: Beginning in 2000, using initial funds provided by the Congress as well as existing resources, USDA embarked on a new approach to securing its critical information assets. Since its formation, the Department's Cyber Security Program has engaged in a number of activities and projects designed to address USDA's most serious cyber security deficiencies. These include:

- Establishing a central focal point for addressing cyber security within USDA;
- Establishing forums, work groups, and councils to address specific security issues and to engage all levels of information technology managers;
- Identifying and correcting deficiencies in USDA cyber security policies;
- Raising awareness throughout the Department of new and potentially damaging cyber system risks;
- Increasing the security skill level of the Department's technical community;
- Identifying security vulnerabilities and developing plans to mitigate them;
- Providing security awareness training to meet basic requirements;
- Providing counsel and expertise regarding security strategies and solutions; and,
- Selecting and implementing specific security controls, techniques and processes.

Examples of progress made include:

- Development and issuance of new or revised policies and interim guidance that address 23 specific security areas and provide precise requirements. These include policies addressing: (1) mainframe security, (2) incident reporting, (3) security plan guidance, (4) security requirements for the use of private Internet access providers, (5) user ID and password requirements, (6) privacy policy on the use of customer information (i.e., cookies), (7) server and firewall security, use of network protocol analyzers, (8) and physical security standards and use of configuration management.

- Development and establishment of a Risk Management Program that incorporates the widespread use of security self-assessment tools that address both overall security management and specific technical platforms. OCIO has developed a comprehensive USDA Risk Assessment Methodology that addresses the full spectrum of risk management, including sensitivity, assessment, remediation, and business case.

- Development of a Security Architecture.

- Establishment and management of an enterprise-wide Intrusion Detection System and procedures for detecting and reporting intrusion incidents.

- Establishment of a Cyber Security Advisory Council that engages both senior technical managers and senior functional managers in security issues. OCIO has also established an Information Security Sub-Council to provide a forum for technicians and security managers to discuss a broad array of security

issues, and formed workgroups to address specific security functions and applications.

- Development and implementation of a central cyber security database to store security-related information, track vulnerabilities and their mitigation, and provide data for analysis and reporting. Currently this database is helping OCIO track over 1400 remedial activities that address over 200 specific material security weakness discovered throughout the Department.

- Establishment of a USDA Cyber Corp comprised of USDA security specialists who are trained to respond to security-related crises as they arise. In addition, the Cyber Corp provides support to USDA agencies and staff offices on a broad range of security issues, communicates successful security strategies, and counsels other security technicians on tools, controls and techniques.

- For the broader USDA security community, on-going training is provided in the areas of security controls, forensics, intrusion detection, risk management, vulnerability assessments, contingency planning and other security-related issues.

- Development of an enhanced security awareness program that includes partnership with the Government-wide eLearning initiative. This program provides Department-wide web-based training on security issues to all USDA staff.

- Oversight has been increased for both Capital Investment Planning and technology deployment to ensure that security is considered throughout the entire life-cycle of system development. Annual reporting instructions are issued and requests for approval to invest in technology are carefully scrutinized to ensure security is adequately addressed.

- Site assessment teams are conducting onsite risk assessments at key USDA computer facilities. The teams interview security personnel to determine if security measures, both in place and planned, are adequate to protect the integrity, availability and safety of information resources. Specialists in the areas of security policy, logical controls, physical controls, mainframe operations, and intrusion detection participate in these reviews.

- Initiation of a USDA Certification and Accreditation Program that will position USDA mission critical systems to comply with Federal system certification requirements.

- OCIO staff members act as liaisons to individual agencies to provide counsel and guidance and to ensure review and reporting requirements are met in a timely manner.

- A rigorous reporting and monitoring process has been established to oversee USDA's activities related to the Government Information Security Reform Act and the Federal Information Security Management Act.

- OCIO has negotiated and executed USDA-wide contracts for security services and products. These contracts, managed by OCIO provide USDA agencies with access to quality security controls and expertise in the areas of scanning devices, virus detection and protection, software security patch management, vulnerability assessments, and security planning.

While much remains to be done to improve USDA's information security program, these steps and strategies provide evidence that the Department is committed to eliminating its long-standing security deficiencies. Additional near-term activities planned by OCIO include improvements in contingency planning, certification and accreditation of mission-critical systems, and training and awareness.

Mr. Bonilla: How much has been obligated to date on the cyber security program?

Response: The following table provides a summary of the appropriated funds thus far allocated to OCIO's Cyber Security Program. [The information follows:]

	FY 99	FY 00	FY 01	FY 02	FY 03
Cyber Security Program Appropriated Allowance	0.4 M	0.6 M	3.8 M	3.5 M	4.5 M

In addition, Homeland Security funds have been allocated to the following specific Cyber Security Program initiatives. [The information follows:]

	Contingency Planning	IT Certification & Accreditation	Security Training & Awareness
Homeland Security Funding	1.6 M	0.5 M	0.3 M

STRENGTHENING INFORMATION RISK MANAGEMENT

Mr. Bonilla: Please update the Committee on how the OCIO is strengthening the information risk management program.

Response: OCIO's Cyber Security Program is addressing the issue of risk management on two fronts. With agency and contractor assistance, USDA has developed a comprehensive Risk Assessment Methodology to assist USDA agencies in determining information sensitivity, identifying threats and vulnerabilities, designing mitigation strategies, and developing business cases for necessary security costs. Additionally, risk assessment training and counseling is being provided to agency security managers by both Cyber Security Program Staff and contracted risk management specialists.

At the same time, Cyber Security Program staff is following a risk-based facility review program to fully assess USDA's critical infrastructure. This strategy involves on-site reviews of major USDA information management facilities based on their relative criticality to the organization. This approach allows Security Program staff to witness first-hand existing security controls, security

management and administration, and computing environments to identify security weaknesses and provide guidance and counseling.

Specific examples of progress made in the area of risk management include the following:

- OCIO has developed a series of platform-specific risk assessment tools and has provided training for both security technicians and user/managers. For each assessment tool an actual vulnerability assessment is conducted. All contract activities will be competed by the second quarter of FY 02.

- Overall security program vulnerability self-assessments are executed annually for all agency security programs and for many mission-critical USDA information systems, using the newly developed standard assessment checklists.

- Using a contract designed by OCIO, USDA agencies are engaging contractors to provide independent evaluations of both their security programs and mission critical information systems.

- OCIO has developed a central cyber security database to store security-related information, track vulnerabilities and their mitigation, and provide data for analysis and reporting. Currently this database is helping OCIO track over 1400 remedial activities that address over 200 specific material security weakness discovered throughout the Department. A reporting and scoring process has been established to determine progress made by agencies and offices to correct identified deficiencies. Scores are assigned for overall security status and for progress made to complete activities designed to address specific weaknesses.

TELECOMMUNICATIONS SECURITY ARCHITECTURE

Mr. Bonilla: Please provide information on the implementation of the telecommunications security architecture.

Response: USDA's current network has been able to change and grow with the changes technology, which has included an emphasis on security. However, it became evident that USDA needed to establish a new baseline for future network requirements. To address this need, USDA initiated the Universal Telecommunications Network (UTN) program.

1. The UTN architecture will provide security measures within the aspect of the overall system security posture. In order to effectively address the requirements for availability, as defined within the UTN vision, security measures will be implemented to ensure the highest level of availability for the entire network. Security measures will be selected based on the identified threats to infrastructure availability, bandwidth availability, and the availability of specified information contained on the UTN.

2. As part of the future UTN telecommunications architecture, which is currently being vetted within the Department, the UTN will address the future use of telecommunications hardware, software, and network management tools. Additionally, the UTN architecture will address routers, network switches, firewall hardware and software, intrusion detection hardware and software,

network management support services, security hardware and software (including Virtual Private Networks and managed security services), and network management/reporting tools required beyond existing tools.

3. The UTN infrastructure will be hardened to track and prevent security incidents and disruption of service. The security related services and tools in support of network assessments, prevention, detection, and recovery will include: managed firewalls, managed host-based and network-based intrusion detection systems and authentication services.

FILLING IT VACANCIES

Mr. Bonilla: What is the status of filling information technology vacancies?

Response: USDA participates in various programs that allow the acquisition of individuals with the competencies and skills needed to deliver the services of the organization. USDA was one of the major supporters of the first ever "Virtual Job Fair." Within the Office of the CIO, we have received many applications from qualified individuals for recent vacancies. Anecdotal evidence from across the department suggests that they are also receiving qualified applicants for vacancies.

CCE IMPLEMENTATION SCHEDULE

Mr. Bonilla: Please update the Committee on the CCE implementation schedule. How are you maintaining the integrated project plans, dependencies, and milestones and who is responsible for the results?

Response: The Project Management Office (PMO) for the Service Center Modernization Initiative - IT (SCMI-IT) effort is responsible for managing the Integrated Project Plans (IPP), dependencies, and milestones. The PMO is part of the USDA-OCIO organization. The Senior Policy Advisor (SPA) for the SCMI-IT initiative, who is also Chair of the Information Technology Working Group (ITWG), heads up the PMO. The PMO has a staff of four senior program managers and analysts supplemented by contractor support. The ITWG includes the CIO's of the three Service Center Agencies, the team leaders of the SCMI teams, representatives of employee organizations, and other partner representatives.

The SCMI-IT team leaders are directly responsible for the project plans/schedules of their teams. The three Agency CIO's provide constant feedback and approval of the events within the team plans. With concurrence from the ITWG, the PMO created a tenth team (Deployment) to address the varied deployment needs across the enterprise. The team's charter is to coordinate and/or manage the deployment of a multitude of information technology solutions targeted to all offices in USDA Service Center Agencies (SCA). This includes USDA Service Centers, area offices, district offices, project offices, state offices, regional offices and national offices. The purpose of including all offices is to ensure that activities and technology are coordinated so that one level of deployment does not impact other areas, and deployments are accomplished in the most efficient and least disruptive manner possible.

The Agency CIO's and the team leaders share the responsibility for successful completion of events and milestones at the team level, while the PMO and ITWG share responsibility for the overall coordination across the teams as well as tracking and ensuring that milestones are met. Contractor support is used to provide expertise in the areas of integrated project planning, issues and action items tracking, risk management, documentation management, reporting, reviewing technical issues, and

conducting independent verification and validation services. Each month, the PMO conducts an in-depth In-Progress Review (IPR) with each of the ten SCMI-IT team leaders. These individual meetings supplement the bi-weekly ITWG teleconferences and the quarterly group Program Management Reviews that are conducted. Weekly PMO meetings are held to go over individual team concerns, discuss crosscutting concerns identified during the IPR process, and make decisions on actions that must occur. Additionally, a process for using issue papers for review and approval has been initiated along with a process for implementing critical operational policies specific to the Service Center infrastructure ongoing support. The IPR approach continues to be an integral part of overall Project Status and Reporting to continually find ways to enhance the issue discovery process so that more timely decisions and actions may occur.

CCE PROCUREMENT STRATEGY

Mr. Bonilla: Is there a procurement strategy in place for the CCE? If so, what is your procurement strategy? How are you coordinating the procurements? Who is responsible for the procurement strategy?

Response: The CCE procurement strategy is designed to utilize existing government-wide contracts where appropriate, including incorporating effective Performance Based Contracting measures and also to fully support the Small and Disadvantaged Business interests as we procure the individual components and services for the CCE. This approach saves time and administrative costs and enables government to use incentives for accelerating performance under the contract agreements. The OCIO utilizes the procurement organizations of the three Agencies to execute individual acquisitions. For example, the Natural Resources Conservation Service, Fort Collins, CO IT procurement staff conducted the procurement for acquiring and deploying the Network Servers for all offices. The procurement resulted in significant savings and was awarded to a Small Disadvantaged business.

Acquisition matters are coordinated through the ITWG for approval of each requirement and procurement approach. The USDA CIO signs off on all major procurements and strategies. During discussions at the ITWG level, a decision is made as to which Agency is best qualified to conduct the procurement and how the procurement will be done.

BUDGET PREPARATION MATERIALS

Mr. Bonilla: Provide a complete breakout of the Agency request to the Department, the Department's request to OMB, and the final OMB passback.

Response: Agency and Departmental materials used in developing the FY 2004 President's Budget are considered "pre-decisional" materials and therefore remain a matter of internal record.

USDA'S FY 2004 IT BUDGET

Mr. Bonilla: What is USDA's overall fiscal year 2004 IT budget? Identify all of the funding sources used to support the department's fiscal year 2004 budget.

Response: For FY 2004, the overall IT budget is estimated at $2.25 billion. Funding for the department's FY 2004 IT budget comes from a variety of appropriated sources, both line items for IT and via program appropriations. During FY 2004 some funds may be made available to USDA from unobligated balances. In addition, funds

come from external sources, such as user fees, and through working capital fund arrangements and reimbursements from other agencies.

Mr. Bonilla: Of the total planned expenditures, how much will be used to fund "major or significant" investments as defined by OMB? For what purpose and how will the remaining funds be used? (Please provide the information broken out by mission area/agency/office.)

Response: The following table reflects planned expenditures for FY 2004 major and small/other investments as defined by OMB. Previously, OMB had a category of investments called "significant." For FY 2004, OMB has redefined the significant investments to be categorized as either major or small/other. The following table lists dollars per Mission Area, which breaks out the information on "program" investments. The remaining funds are reported as IT Infrastructure, Enterprise Architecture and Planning, and Grants Management. [The information follows:]

USDA FY 2004 Budget Summary	
Financial Management (includes CFO and agency financial management systems costs)	
Major	50.00
Small/Other (includes the NFC systems paid by Working Capital Funding)	308.34
Natural Resources & Environment	
Major	43.72
Small/Other	113.63
Research, Education & Economics	
Major	3.45
Small/Other	12.99
Food Safety	
Major	29.18
Small/Other	0.00
Food, Nutrition & Consumer Services	
Major	7.53
Small/Other	19.45
Farm & Foreign Agricultural Services	
Major	13.90
Small/Other	64.46
Marketing & Regulatory Programs	
Major	8.12
Small/Other	30.81
Rural Development	
Major	14.48
Small/Other	30.21
Department Administration & Staff Offices	
Major	10.64
Small/Other	17.03
IT Infrastructure, Office Automation & Service Center	
Major	431.65
Small/Other	449.77

Enterprise Architecture & Planning	
Major	22.80
Small/Other	4.01
Grants Management	
Major	0.00
Research, Education and Economics	2.66
Food, Nutrition Consumer Services Grant Programs	
Major	11.67
Small/Other	549.64
Total Major Investments	647.14
Total Small/Other Investments	1,603.00
USDA Total	2,250.14

Mr. Bonilla: How much of USDA's FY2004 IT budget represents cost for personnel, and what is the total number of FTEs that the FY 2004 budget supports? Please break out these numbers by agency/bureau/staff office.

Response: Information Technology personnel represent about 20% of the USDA's FY 2004 IT Budget. The following is a breakout by agency and staff offices. [The information follows:]

Agency	# Of FTEs	FY 2004 Cost
AMS	97	4,829,500
APHIS	221	17,927,467
ARS	285	27,324,936
CSREES	36	2,755,773
DA	17	4,558,858
ERS	51	6,061,300
FAS	56	5,916,750
FNS	126	11,010,196
FS	1460	102,301,789
FSA	685	57,627,579
FSIS	54	7,212,531
GIPSA	35	4,698,477
NASS	135	12,788,800
NRCS	389	36,238,851
OBPA	4	327,000
OC	5	456,376
OCE	4	1,856,453
OCFO	1,605	113,901,098
OCIO	84	8,837,000
OGC	3	277,000
OIG	17	1,574,000
RD	380	15,470,000
RMA	41	3,238,378
TOTAL	5,789	447,192,116

Mr. Bonilla: Where does USDA stand with respect to completing its longstanding efforts to reengineer business processes and reform service delivery in USDA's county offices?

Response: Since 1998, the Service Center Agencies (SCA) (Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS), and Rural Development (RD)) have been re-engineering business processes. They have engaged Service Center and other staff at all levels in the three agencies to accomplish this reengineering, including, Service Center staff from nine pilot sites. All this has been accomplished while experiencing staff reductions as well as increased workload due to increased program participation, implementation of disaster legislation and the local impacts of deteriorating farm economic conditions. The SCA developed, piloted and deployed 10 major Business Process Re-engineering Projects.

1. Combined Administrative Management System (CAMS) was developed from a commercial-off-the-shelf software product - PeopleSoft-HRM, to provide a human resources management system for the SCA. CAMS is an integrated database containing employee information on training, position, and personnel data and provides online real-time access to information built around reengineered processes. There are over 55,000 USDA employees currently being serviced through CAMS. CAMS is the front-end human resources interface to the National Finance Payroll Center in New Orleans. CAMS also provides some self-service capabilities to employees through the Internet.

2. The most critical component in the successful implementation of Geographic Information Systems (GIS) for FSA is development of the Common Land Unit (CLU) data layer. The CLU layer will ultimately include all farm fields, rangeland, and pastureland in the United States. Data are currently maintained at the Service Centers with annotations on hard copy aerial photography. In conjunction with digital imagery and other data, FSA will use the CLU to manage Farm Service programs, monitor compliance, and respond to natural disasters. Because of the dynamic nature of CLU, it is imperative that the data be accurately maintained. FSA has been developing the CLU Maintenance Tool to allow the Service Center employees to maintain and use these data. These GIS software tools customize and enhance ESRI ArcView, and include tools for editing CLU boundaries, adding wetland point data, adding Conservation Reserve Program (CRP) contract information, labeling polygons, and creating maps for producers. Additional tools have been developed in ArcView to automate the 35-mm slide compliance function. These tools are currently being converted to the ArcGIS environment to take advantage of ESRI's Spatial Database Engine product, and features such as multi-user editing. Future development will involve linking the tools to the common customer database (SCIMS) and national commodity reporting databases.

3. The Customer Service Toolkit (CST) provides NRCS and other USDA SCA employees with tools to develop and manage conservation plans, plan maps, and soils inventories. CST uses functions provided in commercial software applications such as Microsoft Outlook, Microsoft Access, Microsoft Excel, and ESRI ArcView. Toolkit programming loosely couples these commercial packages and extends their utility. The CST is customer focused to provide high quality conservation plans and plan maps. It can be used in the field or in the office. It makes use of available GIS data and displays it in a very usable format. Conservation plans are produced in Microsoft Excel, which provides compatibility with most of our customers' technology. Products can be delivered via disk, paper, or e-mail. The Soil Data Viewer, a tool within CST, allows the creation of soil-based thematic maps. Soil Data Viewer shields users and applications from the complexity of the soil database and incorporates rules for appropriate use of soil data. It provides an easy to use tool for geospatial analysis of soil information for resource assessment and management.

4. The Demographic and Business Analysis project was designed to provide USDA Service Center, State Office and National Office staffs, and partner organizations

with easy access to current demographic data integrated with programmatic data for analysis and mapping. This BPR project includes a system of demographic information and automated tools that can be used nationwide to analyze customer information, agency facilities, services needed, services provided, and other business management activities. RD has loaded its single family housing data, both direct and guaranteed, into a data warehouse. This data is refreshed daily. Census data is also stored in the data warehouse. This data was not useful in its raw format, so the agency created its own tools to transform this data into "data cubes". This transformation has enabled the census data to be integrated with the program data for easy analysis and reporting. This will assist RD in determining the demographics of whom is being served and how well they are served. RD plans to expand its data warehouse to include comprehensive demographic data and related information of interest to all SCA.

5. The Resource Data Gateway Project was developed through a cooperative research agreement between Microsoft, Compaq, and USDA-NRCS with the intent to provide an enterprise-class geospatial data delivery system and to implement Web-based geospatial software applications. The vision of the Gateway is to provide easy access and delivery of geospatial environmental data to customers and the general public. The Soil Data Viewer component is a web-based geospatial application that uses the Gateway to provide agency personnel and the public with the ability to create custom soils maps and reports over the Internet for natural resource assessment and planning.

6. The Wetlands Project leveraged the functions developed for CST to provide a suite of tools that can be used in wetland compliance programs. This suite of tools includes many of the same tools as CST, including GIS.

7. The Multi-Family Housing Project provides a personal computer based automated system in RD for managing multi-family housing units including facilities and tenant tracking. The system is currently being migrated to the Internet.

8. The Guaranteed Loan System is an intranet web site used by RD and FSA to process all single family housing, multi-family housing, and FSA guaranteed loans throughout the U.S., greatly reducing paperwork and forms. Over the next few years, components will be added for loan closing, loss claim processing, loss mitigation, and online, real-time obligations.

9. The Mobile Service Center Project provides two recreational vehicles equipped to operate as a USDA Service Center on Wheels to reach people in underserved areas, and to provide emergency response and other services. These vehicles are stationed in Florida and Montana.

10. The Office Information Profile (OIP) system is a Web-based application developed as a joint resource for the SCA, their partner organizations, and customers of USDA. Originally designed to track the movement and collocation of USDA offices at Service Center sites in accordance with the 1994 Reorganization Plan, OIP now provides an inventory of all offices for the FSA, NRCS, RD, and their partner organizations. The application provides management reporting capability and a public interface provides contact information to direct customers to USDA services. Recognized as the 'official' source of office information for FSA, NRCS, and RD, OIP also serves as a common source of data for a number of other USDA information systems.

The SCA have additional projects that are being readied for or being deployed.

1. The Compliance Project is re-engineering the way FSA completes compliance activities. The project looks at how FSA obtains an image of farm property to do compliance work, how it does ground compliance, and how it selects farms for spot checks. FSA is looking at several methods of obtaining an image; satellite, digital image (digital camera), 35mm scanned image, rectified digital image (1 meter and 2 meter), and color infrared digital images. The selection process for spot checks and using Global Positioning Systems (GPS) for ground measurement was analyzed in early 2002. No significant changes were made to the selection process. The initial testing of imagery and digital compliance methods were completed in 2001. Further testing of high-quality geo-referenced true color imagery was done in 121 counties in 2002 and the results are being analyzed. FSA intends to use high quality geo-referenced imagery for compliance in about 850 counties in 2003 under the National Agricultural Imagery Program (NAIP) and all the cropland in the country in 2004. FSA is pursuing partnerships with other government agencies (BLM, FS, NRCS, State Governments and others) to lower the acquisition cost and expand the coverage area of this photography. Deployment will be phased in with the delivery of CLU to Service Centers.

2. The Commodity Reporting project will be will be used to collect commodity data for SCA programs. FSA currently collects this information through its acreage reporting system (FSA-578). The system will enable commodity reporting through the selection of producer/customer and their associated CLU. Staffs record reported commodity by CLU. The Commodity Reporting Project will provide a national commodity reporting database that can be queried by the SCA, and other USDA agencies and their partners, and thus reduce customers' reporting requirements. This national commodity reporting database will include land cover, land use, compliance, and partnership activity.

This software is being developed using the ArcGIS software and ESRI's Spatial Database Engine (SDE). FSA expects to pilot test an ArcGIS version of this software in the summer of 2003. National deployment will be phased in with the delivery of CLU's to Service Centers as part of a full suite of ArcGIS tools, which are currently under development.

3. The Electronic Government (e-Government) Project is a Department-wide BPR project that is migrating the agencies' service delivery and information sharing functions to the Internet. Legislative requirements to provide this alternative come primarily from the Freedom to E-File Act and the Government Paperwork Elimination Act (GPEA). Internet-based services will be offered as an alternative to traditional service delivery mechanisms, which are principally, based on face-to-face interaction between customers and agency staff or program delivery partners. The expectations of the President and Congress are to provide one stop, online services where the public can obtain information about USDA programs and services and conduct transactions with USDA electronically. The objective of e-Government is to transform existing agency processes to optimize interaction with the public and improve internal efficiencies. The SCA are making significant progress on an implementation plan for delivering this capability. By June 20, 2002, the agencies provided their agricultural customers with the capability to access information about the agencies' programs and services online, and electronically submit the forms needed to participate in the agencies' programs and services. To date, 313 forms and instructions have been made available on line. By June 2005, the plan is to implement a high-quality search and retrieval processes for agency information and replace the forms-based user interfaces with software applications that support full online transaction processing and reduced burden on agency customers and partners.

4. The Electronic Access Initiative (EAI) is establishing the information technology infrastructure to make the web and E-Government a common way of doing business for USDA Service Centers. The project has implemented a common technical architecture for web services, otherwise known as web farms, and common policies, processes and procedures. Three centralized web farms have been deployed and necessary tools for security, staging, publishing and reporting are available. Because the EAI is involved in establishing the infrastructure needed for the web farms, it is also discussed under goal 2.

5. The Easements Project provides a web-based product for easement project administration and ecological monitoring, including web access to a digital data layer. The product enables employees to quickly create preliminary boundaries, develop plan maps, and produce monitoring worksheets. Data can be shared, updated, and managed remotely. This product will aid NRCS with the maintenance of the national easement data layer that includes multiple programs. National implementation will be in early FY 2002.

6. FSA recently implemented (leveraging the CCE technical infrastructure) the signup process for the Conservation Reserve Program. FSA is planning the implementation of the Milk Income Loss Compensation (MILC) program in the Common Computing Environment by September 2003.

7. The Electronic Loan Deficiency Project (e-LDP) is being developed to provide an Internet based system for producers to obtain loan deficiency payments. The initial beta test of e-LDP was completed in May 2002. A second expanded beta test of e-LDP will be conducted for the 2002 crop year. The e-LDP project will be expanded in phases to increase the scope (open delivery in additional sites for additional customers) and increase the functionality (to include more LDP functions on more crops).

8. The Service Center Information Management System (SCIMS) Project is being developed in phases. The common name and address component was implemented nationwide in February 2003. Additional requirements from the Service Center Agencies are being identified and prioritized for enhancements and integration with other agency systems. The Service Center Agencies Common Computing Environment capabilities were used to leverage the implementation of the 2002 Farm Bill. The SCIMS shared Customer Name and Address was used to notify over 6.6 million customers of Farm Bill changes that may impact their participation in USDA programs. The CLU and Land Cover projects will also use the SCIMS Common Name and Address. These projects plan to use the Service Center sites to pilot test their products beginning mid-2003.

9. The Systematic Tracking for Optimal Risk Management (STORM) project allows authorized employees to enter disaster event information data online. Authorized employees can immediately view the information over the Internet. Additional requirements were defined for STORM to provide Homeland Security information as part of the system. The Natural Disaster Reporting segment and the Homeland Security segment of STORM were submitted for testing. However, priorities associated with the new Farm Bill have resulted in a delay for completion of testing. Implementation of STORM is targeted for early in the 2003 calendar year.

10. The SCA leveraged the capabilities of the CCE to provide early delivery of programs authorized by the 2002 Farm Bill: FSA partnered with Texas A&M to make an interactive Base and Yield Analysis (BYA) tool available on the USDA and FSA web sites. As announced by Secretary Veneman, "This innovative, web-based software will provide landowners with options for estimating farm bill program payments and help them make informed decisions." The BYA tool helps producers

analyze the economic consequences of selecting different base and yield options." Texas A&M University's Agricultural Food and Policy Center developed the BYA software in conjunction with USDA's Farm Service Agency. FSA is developing a CCE based system to administer the new Milk Income Loss Contracts (MILC) program. This new application will be operational early in 2003. The SCA are constructing a CCE application to support processes for the next CRP general signup. FSA is accessing Soils data provided by NRCS to automate the collection of CRP offer information from customers. GIS data (where available) and a GIS application will be used to identify the location of the land included in the offer (the CLU) and calculate the amount of acreage for each soils type in the offer. A CCE based tool will be constructed to validate the soils, hydrologic, climate, land value, and environmental factors and calculate the Environmental Benefits Index (EBI) for the offer. This will reduce the error rate in the determination of the EBI and result in improving the accuracy of the process and improving the overall environmental benefit of the CRP. The customer will also benefit by receiving up front information on the of eligibility and EBI viability of the proposed offer.

In addition to the projects listed, the agencies have a number of other projects in the initial planning stages. All of these projects were made possible by the development of a common shared information technology system.

Mr. Bonilla: USDA's Service Center IT Modernization Plan, dated December 2000, identifies 9 projects associated with the IT modernization that USDA says are essential to effectively bolster service center program delivery capabilities. What timeframes and milestones have been established for completing each of these projects? What progress has been made, and how are these separate projects being coordinated to ensure that they are effectively inter-related?

Response: Timeframes and milestones have been set for each activity that the ten SCMI-IT project teams have responsibility for and these are reflected in an integrated project plan. These individual tasks are built around overall milestones and objectives for the CCE. Although the Continuing Resolution (CR) delayed some significant activities, the following milestones have been completed:

- Developed, tested, piloted and essentially implemented an integrated technology architecture.
- Implemented performance based contracting as a standard procurement strategy. Penalties and incentives for late or early contract performance were placed in many CCE contracts resulting in a better alignment of government/vendor expectations and a first-year savings of nearly $1 million for the government.
- Installed shared, integrated phone systems and local and wide area networks.
- Provided Internet access for most employees.
- Developed and implemented a plan to upgrade telecommunications capacities for Service Centers.
- Established a shared Interoperability Lab and test facility has been established.
- Acquired and deployed about 46,000 modern/interchangeable and security capable workstations.
- Provided common office automation (word processing, spreadsheet, etc.) software has been provided that is compatible with customer and partner software.
- Acquired and deployed over 14,500 modern and shareable printers.
- Established a shared help desk support system.
- Implemented three Web Farms built around common technologies have to support Web based applications and e-Gov implementation, enabling SCA to meet Freedom to e-File deadlines and e-Gov objectives.

- Deployed a common GIS Enterprise Software License.
- Implemented common security hardware, software, tools, data management approaches and configuration management processes which have reduced security intrusions into SCA systems by 60%.
- Agencies purchased approximately 2,400 Global Positioning System (GPS) receivers to support GIS with contracts put in place for future acquisitions.
- Agencies purchased approximately 2,400 digital cameras with contracts put in place for future acquisitions.
- Selected and acquired a local Service Center application server solution and a local database management system.
- Deployed shared Network Servers to support common e-mail, remote systems management, and local data storage and security enhancements.
- Enhanced shared Network Servers to accommodate additional requirements for application and database services.
- Developed and delivered an interagency GIS and digital camera training course.
- Delivered the SCA GIS implementation plan.
- Completed a detailed architecture for a Geospatial Data Warehouse along with a pilot that demonstrated technical aspects of the warehouse (tested technologies and procedures for managing, protecting and serving geospatial data).
- Developed a technical architecture, and implementation plans for an SCA Enterprise Data Storage Architecture (EDARCH) that will implement a common data storage solution for Web Farms and Data Centers.
- Began the Windows XP deployment to all the CCE workstations in the state offices.
- Implemented the Government Information Security Reform Act (GISRA - now the Federal Information Security Management Act - FISMA) Plan of Action and Milestones (POA&M) and associated reporting for the 1st and 2nd quarters of FY 2003.
- As of April 30, 2003 an Interim Authority to Operate (IATO) was granted to WebCAAF, based on the certification activities and subsequent IATO analysis performed by the contractor, Back Bone Security. A 120-day remediation plan is being generated, and it is anticipated that full certification will be granted by the fourth quarter of FY 03.

The following are the remaining milestones for FY 2003:

- May 21, 2003 - Deploy and activate Microsoft Operations Manager (MOM) and Compaq Insight Manager (CIM) enterprise management tools on the network servers.
- May 30, 2003 - Complete risk assessments and penetration testing.
- June 30, 2003 - Complete FISMA quarterly reporting and administration for the 3rd quarter.
- July 18, 2003 - Complete acquisition and implement Phase I of the Enterprise Data Storage Architecture (EDARCH) at five initial sites.
- July 25, 2003 - Acquire and ship workstations/ laptops for the CCE "refresh".
- August 5, 2003 - Implement IDS Hardware/ Software for the SCAs.
- August 12, 2003 - Provide the enterprise Security Policies (User and Technical manuals).
- August 15, 2003 - Complete Windows XP deployment to CCE workstations.
- August 29, 2003 - Install SQLServer DBMS Solution on the network servers.
- September 8, 2003 - Procure and implement content filtering.
- September 26, 2003 - Install and implement ArcSDE application services.
- September 30, 2003 - Acquire and deploy circuits for the SCA Network Upgrade implementation.
- September 30, 2003 - Create a Management Plan of Operations for the SCA Network Upgrade implementation.

- September 30, 2003 - Complete Exchange deployment.
- September 30, 2003 - Implement GDW Phases I and II.
- September 30, 2003 - Complete enterprise GPS/GIS procurements, including GPS units, digital cameras, field data collection devices, plotters and scanners.
- September 30, 2003 - Deploy small office server solutions.
- September 30, 2003 - Implement the Security Architecture Plan.
- September 30, 2003 - Complete FISMA quarterly reporting and administration for the 4th quarter.
- September 30, 2003 - Provide government Web Farm security specialist support.
- September 30, 2003 - Publish Standards for Development Organizations.
- September 30, 2003 - Agree on common development tools.
- September 30, 2003 - Build Transition Plan (moving legacy systems to new environment).
- September 30, 2003 - Provide comprehensive end-user training to support the FY 2003 initiatives listed above.

What Progress has been Made

The CCE improvements have significantly helped the SCA in terms of meeting the new Farm Bill requirements, Freedom to E-File legislation and other legislative mandates. The ability to move data electronically and communicate with and do business electronically with customers as well as efficiencies in staff use has helped the agencies with this new workload. As GIS is fully implemented, greater efficiencies and improved services will further result from these new shared technologies that the CCE has provided to the SCA.

The 2,700 network servers are fully installed and are currently supporting key functions such as active directory and GIS shared data storage. The e-mail and remote systems management tools are being finalized and will be operational in 2003.

With Congressional approval of the FY 2003 President's Budget Proposal to accelerate acquisition or digitizing of critical data layers (orthoimagery, soils data, common land unit information and others, to maximize the benefit of GIS in the SCA), the GIS Team will see increased activity, with a National GIS Workshop in June and Agency-specific GIS training scheduled through the rest of the year.

The Geospatial Data Warehouse (GDW) pilot, which included the NRCS National Cartography and Geospatial Center (NCGC) in Ft. Worth, the FSA Aerial Photography Field Office (APFO) in Salt Lake City, and the Web Farms, was a significant achievement. Piloting of technologies for sharing, replicating and providing on-line access to geospatial data was conducted and lead to decisions on how the SCAs will manage GIS data. A detailed architecture for geospatial data warehouses within the SCAs, and a robust infrastructure for managing the data were created.

SCA personnel continue to be heavily involved in the development, design and implementation of the OMB E-Government Initiative titled Geospatial Data One-Stop. SCA geospatial data will become a key component of this One-Stop GIS data portal and SCAs will gain access to other needed data layers provided by other Federal, state and local government agencies through this process.

The Electronic Access Initiative (EAI) implemented WebTrends, and supported the rollouts of eForms, WebCAAF, WebReg, TechReg, Search, ListServ, and the Interagency Portal, thereby providing the infrastructure necessary to meet the requirements of the Freedom to e-File Act. The Land Evaluation and Site Assessment (LESA) and the Electronic Field Office Technical Guide (eFOTG), were delivered into the web farm.

The electronic Loan Deficiency Processing (eLDP) system, allowing customers to sign up for loan deficiency payments electronically through the Internet without having to go into the local office, was fielded this fiscal year. Thousands of farmers accessed the beta version of eLDP, and hundreds of payments were made as a result, and this included the expanded pilot in the summer of 2002 for 2002 crops. A nationwide rollout for eLDP is planned for 2003.

SCMI-IT performed security risk assessments, conducted penetration testing and developed common policies and training approaches to ensure the security of CCE systems and the privacy of customer information. This included several Interagency Security policies regarding viruses, vulnerability scans, background investigations and security clearances. The security team completed the revised CCE Security Plan to comply with Departmental regulations, and the 2002 GISRA requirements for SCMI including the Plan of Action and Milestones (POA&M).

Regarding installing basic LAN/WAN/Voice services (integrated voice and data services) in offices as they collocate or move, twenty-six Service Centers and 6 State Offices were planned for FY 2002. In actuality, Thirty-four Service Centers were completed (14 Service Center installs and 20 Service Center moves) and 3 State Offices were completed (two State Office installs and one State Office move). Four more Service Center Offices have been moved since the beginning of FY 2003, and a Tri-Agency Telecommunications Handbook is under development and expected this fiscal year.

The passage of the Farm Security and Rural Development Act of 2002 required a massive effort from the SCA to provide timely implementation of programs and services to customers. The SCA are continuing to use the CCE capabilities to leverage the implementation of the new Farm Bill. The SCIMS Customer Name and Address was used to notify over 6.6 million customers of Farm Bill changes that may impact their participation in USDA programs. FSA partnered with Texas A&M to make an interactive payment calculator available on the USDA website. This product assisted producers in making decisions on options for enrollment in the Farm Bill. The Texas A&M product will also be expanded for use as a PC-based sign up tool for Service Center Office use in the enrollment of customers in the Farm Bill programs.

To more effectively and efficiently utilize the shared CCE environment the SCA are working on developing a broad set of common standards for designing and developing application systems. SCA and CCE are also meeting regularly with the National Finance Center (NFC) personnel to coordinate development and deployment activities. The PMO is working with the Agency leadership to address how the three Agencies will successfully manage their shared systems. This involves developing and formalizing the processes for setting priorities, making IT investments and operating and maintaining the shared IT infrastructure in order to avoid future operational problems.

The Continuing Resolution in early FY 2003 had an impact on the timely funding of major CCE initiatives, and as a result, critical activities were re-planned. Some activities, such as the System Management Server and Large Office solutions, were deferred until early next fiscal year, while others, such as the Exchange Server centralized architecture and the EDARCH, had to be re-scoped.

With much of the new infrastructure already in place and looking towards completion of the additional features, agencies are quickly reengineering their business processes and applications to deliver more efficient and enhanced services. These applications will operate on the shared CCE infrastructure and provide streamlined services in a modern, customer oriented fashion that the previous old stove-piped technologies could not support. Although the CCE infrastructure will be in place

shortly, the full utilization of the infrastructure will depend upon (1) how quickly the agencies can develop and digitize the base data needed to support GIS applications, and (2) the rate of conversion of current business applications to more streamlined integrated applications that takes advantage of CCE shared systems and data. While much progress has been made, it is expected the business process improvements timetable for completing these activities will extend 2-3 years beyond the timetable for completing the CCE.

Additionally, as the shared CCE technology infrastructure has become operational, it is clear that the current IT support organizations of the three SCA need to evolve to operate and maintain it. The Department continues working on plans to merge the infrastructure support staff into one cohesive support organization. Progress was made toward this goal with the identification of the critical roles and functions of the operational environment, and the creation of a draft merged IT organizational structure.

How Projects are being Coordinated to Ensure They are Effectively Inter-related

SCMI-IT now consists of ten inter-dependent projects (see below) coordinated by the interagency Information Technology Working Group (ITWG). The ITWG operates under the general direction of the USDA CIO, and in consultation with Agency program and administrative leaders. The following actions were taken to ensure that the technical teams are effectively inter-related.

Created a tenth team (Deployment) to coordinate and/or manage the deployment of a multitude of information technology solutions targeted to all offices in USDA SCA, including USDA Service Centers, area offices, district offices, project offices, state offices, regional offices and national offices. The purpose of including all offices is to ensure that activities and technology are coordinated so that one level of deployment does not impact other areas, and deployments are accomplished in the most efficient and least disruptive manner possible.

Continued the monthly In-Progress Reviews (IPRs) with each of the ten Service Center Modernization Initiative technology team leaders. The IPR approach continues to be an integral part of overall Project Status and Reporting to continually find ways to enhance the issue discovery process so that more timely decisions and actions may occur.

Continued the quarterly Program Management Reviews to discuss progress, project inter-dependencies, and status.

Drafted a Program Management Handbook that details the program management processes and practices within the PMO.

Continued to provide a coordinated budget management process to ensure effective use of the central CCE funds and funds contributed to the IT modernization initiative.

Mr. Bonilla: Please update the Committee on the status of the SCMI. Is it operational? If not, when does the department plan to accomplish this?

Response: Yes, the Service Center Modernization Initiative continues as a key initiative in the Department. Work on Business Process Reengineering has progressed and several new key service center reengineered applications are now operational, including the Service Center Information Management System (SCIMS), Conservation Toolkit and others. Agencies are working diligently to reengineer and modernize their other applications to take full advantage of new technologies, such as GIS, being rolled out under the CCE component. As of the end of FY 2002, about 90 percent

of the CCE technologies were complete and by the end of FY 2003, we should be 100 percent complete. A refresh cycle will begin in FY 2003.

FREEDOM TO E-FILE IMPLEMENTATION

Mr. Bonilla: Please update the Committee on the status of implementing the Freedom to E-File Act (P.L. 106-222)?

Response: The Service Center Agencies (SCAs) (Farm Service Agency, Natural Resources Conservation Service, and Rural Development) met the fundamental requirements of the Freedom to E-File Act's June 20, 2002, deadline by providing the forms and technical capabilities outlined below to farmers, other agricultural producers, and Rural Development customers on June 17, 2002. The technical components and the statistics of this implementation are detailed below. It should be noted that the SCAs are continuing to improve the level of electronic service available to customers.

Electronic Forms

Currently, SCAs has 313 electronic forms available for customer access through their common eForms service. Fifty-one forms are shared and used by more than one SCA. The Farm Service Agency has 203 forms available, the Natural Resources Conservation Service has 22, and Rural Development has 139.

Web Centralized Authentication and Authorization Facility (WebCAAF)

WebCAAF is a fully functional, electronic signature service that provides an electronic alternative to traditional ink signatures in support of the electronic submission of data to SCAs field offices. WebCAAF consists of an integrated set of management and technical processes that support customer registration and credential management services, employee and customer authentication and authorization for access to restricted services and information, and management of records associated with accessing SCAs electronic services. USDA's implementation of WebCAAF was achieved at a significant cost savings over traditional Public Key Infrastructure (PKI) implementations. The service is intended to support all applicable SCAs electronic services with the agricultural producer community.

Electronic Forms Software Application

This is the Web-based software application that enables agricultural producers to access, save, track, and submit electronic forms and associated documentation to the SCAs. The service provides integrated, one-stop access where SCAs' customers can locate agency forms, obtain instructions on completing the forms, record the necessary data, and submit the data. The E-Forms service is available from the SCAs through their common web site at www.sc.egov.usda.gov. The user interface is modeled after FirstGov.

Common Launch Point for Other SCAs Electronic Services

The SCAs web site also hosts a variety of additional integrated services including:

- Electronic Event Calendar, a Web-based application that enables customers to obtain schedule-based information on SCAs events of interest, such as program deadlines, field days, and related activities.

- Automatic Email List Service, a Web-based application that enables customers to sign up for email lists of interest and obtain information about SCAs programs, activities, etc.

- Links to News and Information Web sites, which offer consolidated news, information, and program materials at State, regional, and national levels.

- Direct access or links to other SCAs Web-based electronic applications, such as electronic loan deficiency payments (eLDP), a searchable database of plants and plant information (PLANTS), spatial data delivery system (Lighthouse), and land evaluation and site assessment (LESA) as well as customers access to farm programs, quarterly trade, economic, and production reports, and other similar agriculture information.

As a result of the SCA's efforts, they expect to meet the Government Paperwork Elimination Act requirements by the October 2003 deadline. Their work has created a solid, scalable foundation on which the SCAs and other USDA agencies can build additional eGovernment services.

In addition, RMA's work with its insurance providers resulted in approval of E-Business Implementation Plans (EBIP) for all crop insurance providers, except the Commonwealth of Puerto Rico. Subsequently, all providers have implemented E-File compliant websites. It should be noted that RMA has longstanding issues with the Commonwealth of Puerto Rico regarding data reporting requirements for program delivery. The Commonwealth of Puerto Rico is not in a position to comply with Freedom to E-File Act requirements given current information technology capabilities. RMA continues to work with the Commonwealth to rectify this issue.

Mr. Bonilla: Has USDA developed and documented a comprehensive E-File implementation plan? If not when does USDA plan to do so?

Response: Based on recommendations from the General Accounting Office (GAO), the Service Center Agencies (SCA) completed a comprehensive plan in May 2001 that addressed each of the plan components recommended by GAO. The plan was signed by the Under Secretaries for Farm and Foreign Services, Natural Resources and Environment, and Rural Development on June 21, 2001 and submitted to USDA's Office of the Chief Information Officer. Copies of the plan were provided to GAO for review and comment. The plan has been continuously updated to incorporate refinements and track status information and address changes required due to the new Farm Bill. In addition, the plan has been updated to align with USDA's enterprise eGovernment direction.

Mr, Bonilla: How will the delivery of farm services be improved when E-File is fully implemented? What specific business processes will be automated as a result?

Response: eGovernment presents a significant driver for modernizing USDA's administrative and program delivery mechanisms. The delivery of farm programs (for example, Conservation Reserve Program) will be improved in several ways as the new services are developed and implemented.

- Services will be available 24 hours a day, 7 days a week, 365 days a year.
- Fewer trips to the USDA service centers will be necessary to conduct transactions.
- Information about USDA program and services will be available on-line and organized for simplified access and use.

In June 2002, the Service Center Agencies' (SCAs) agricultural producer customers were able to access and electronically submit most of the forms needed to participate in the SCA's respective programs and services. Forms defined as "contracts" by the SCAs will require varying levels of personal interaction between the SCAs and their customers. These are forms that are generated through a SCA back office process as the result of customer-submitted applications or documents that require ratification by a third party such as documents used in loan closings. The SCAs intend to minimize trips to their offices to complete signed documents defined as "contracts" by using mail and facsimile services to the extent it is practical.

Most of the Service Center Agencies' business processes are already automated in some manner. However, the migration to on-line delivery of information and services will impact virtually every one of the agencies' processes where interaction with the customer is required. These processes will have to be revamped in a manner that provides intuitive customer interfaces and on-line assistance that reasonably ensure customer understanding and successful use in the non-Service Center environment.

The SCAs plan to significantly enhance the services by incrementally replacing the forms-based interface with on-line software applications that incorporate greater functionality, such as, instant error detection, reuse of customer information that was provided through previous transactions, and integration with SCA back end systems. An early example of this level of functionality is the Farm Service Agency's Electronic Loan Deficiency Payment Program (eLDP). This service provides a full, on-line transaction capability where producers of selected crops will be pre-approved for loan deficiency payments (LDPs) on a specified quantity and will be able to request LDPs on-line through a simple, abbreviated process up to the pre-approved quantity. Payments to the producers will be automatically transferred to their bank accounts as the result of each transaction. Participating producers will have to make only 1 trip to a Service Center to establish their eligibility for LDPs during the crop year. eLDPs are electronically available 24 hours a day and became available in April 2002. FSA plans to make eLDPs available to all producers in 50 counties (1 in each state) in July 2003.

INFORMATION SECURITY AND PRIVACY

Mr. Bonilla: What management priority has the Department assigned to protecting the security and privacy of USDA's information resources?

Response: Because USDA relies on automated information systems and telecommunications networks to deliver billions of dollars in Federal farm, food, and research programs to its customers and partners, the privacy and security of USDA information resources remains one of the Department's highest priorities. In addition, USDA processes, maintains and communicates highly sensitive financial, market, and payroll data and maintains personal customer information. Due to the sensitivity of this information, the Department recognizes it must maintain the highest levels of integrity, confidentiality, and availability.

Currently, OCIO is tracking agency security activities that address identified weaknesses, and requiring agencies to report progress made. To provide feedback to agency executives, OCIO develops an eGovernment scorecard each quarter to reflect agency-by-agency performance in achieving the four standards under the expanding eGovernment element of the Senior Executive Service (SES) Management System Business Results performance element. This element directly links SES performance to the President's five government-wide management initiatives. The ratings ensure senior USDA managers have current information regarding agencies' performance against four

separate standards. Included within this scorecard are scores for overall cyber security status and progress made to address security deficiencies. In this manner, USDA executives are kept abreast of their respective agencies security posture and activities.

USDA RELIANCE ON CONTRACTOR ASSISTANCE

Mr. Bonilla: To what extent does USDA rely on contractor assistance to carry out its IT responsibilities? Please list, by mission area agency office, all outgoing IT contracts, the amount of the contract award, contact length, and describe the contractor's scope of work.

Response: USDA relies on contractor assistance to provide additional staffing resources when federal staff are not available, or do not represent the best staffing choice. This could be the case in situations where a need is temporary, or where an agency seeks skills that are new or are in great demand. The information you request will be provided for the record. [The information follows:]

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
MRP/AMS	Poultry Program Business Process Re-Engineering	FV-01-02	Aquire, Inc.	$ 2,048,000.00	3 yrs.	9/30/2000	7/2/2003	$ 167,000.00	$ 1,279,000.00	$ 1,279,000.00	$ 500,000.00	To re-engineer the Poultry Billing and Operational Activity Twin system.
MRP/AMS	Science & Technology Remote Data Entry Application System	67-01-02	CNSI	$ 350,000.00	1 yr.	5/30/2001	1/6/2003	$ 350,000.00	$ -			To re-engineer the PDP/RDE software system to ensure compatibility with the new operating system such as Windows 2000 that include provisions for shared resources with the new eDP.
MRP/AMS	Fruit & Vegetable Billing & Inspection Information System (BIIS)	FV-01-01	ILS	$ 200,000.00	2 yrs.	8/30/2001	9/30/2002	$ 200,000.00				For the design, development, and deployment of a billing and inspection information system for the Fruit and Vegetable Program, Processed Products Branch
MRP/AMS	Fruit & Vegetable Market News Portal	FV-02-03	SYTEL	$ 220,000.00	1 yr.	11/1/2002	11/1/2003	$ 50,000.00		$ 170,000.00	$ 250,000.00	To re-develop the Fruit & Vegetable Program, Market News Branch service website to be more functional and user-friendly and to establish Market News as the premier provider of customized real-time produce price and supply data via the Web.
MRP/AMS	Fruit & Vegetable Interactive CD-ROM for Advertisement of F&V services	43-32KW-1-B-1600	ESC	$ 140,000.00	2 yrs.	9/30/2001	3/30/2002	$ 140,000.00				To obtain an interactive CD-ROM with informational pages and links to the services and programs that F&V provides.
MRP/AMS	Fruit & Vegetable Economic Database Information Network (EDIN)	FV-02-01	BTG, Inc.	$ 2,438,000.00	3 yrs.	10/1/2000	9/30/2003	$ 746,000.00	$ 384,741.00		$ 320,000.03	To obtain the design, development, and deployment of a data warehousing system for F&V's economic data
MRP/AMS	Market News Database Administration	TB-02-03	CCSI	$ 267,000.00	2 yrs.	10/1/2000	9/30/2002	$ 139,000.00	$ 146,000.00	$ 146,000.00		To obtain Oracle database administration and maintenance of the existing Market News Information System
MRP/AMS	Cotton Classing System	CN-01-01	Compaq	$ 5,000,000.00	3yrs.			$ 210,000.00	$ 3,210,000.00	$ 3,210,000.00	$ 450,000.00	To upgrade the Cotton Classing Tandem systems
MRP/AMS	AMS e-business Roadmap+B34	XX-03-TR	Gartner	$ 69,000.00	1 yr.	10/1/2000	9/30/2001	$ 69,000.00	$ -			To identify the business needs of AMS and recommend tactical and strategic technical investments in support of those needs.
MRP/AMS	Livestock & Seed Seed Regulatory and Testing Information System (SRTIS)	LS-03-TR	CCSI	$ 157,000.00	2 yrs.	10/1/2001	9/30/2002	$ 26,000.00	$ 131,000.00			To enhance the functionality of the existing Seed Regulatory and Testing Information System (SRTIS) written in Oracle on a modern and reliable platform. The technical design shall provide for a new system that will run the Microsoft NT operating system a
MRP/AMS	Web-based Training	FV-03-TR	UTA	$ 22,000.00	3 mo.	7/1/2000	9/30/2000	$ 22,000.00				In order to develop and deliver a web-based training system containing a framework of 15 test
MRP/AMS	Perishable Agricultural Commodities Act (PACA)	FV-03-02	CCSI	$ 545,000.00	2 yrs.			$ 48,000.00	$ 80,000.00			To provide F&V/PACA with a cost effective system for storage of data which resides on paper documents, and the clearing of this data between the regions and headquarters, which is integrated wit the Oracle CBMS
MRP/AMS	Fruit & Vegetable National Inspection Database (NID)	FV-03-TR	SEI	$ 25,000.00	1 month	9/1/2000	9/30/2000	$ 25,000.00				To extract Miami and Philadelphia service center data, and convert the data into the existing National Inspection Database (NID) system.
MRP/AMS	Fruit & Vegetable Enhancement of Inspection Services Requirements Analysis	FV-03-01	Galaxy	$ 2,005,000.00	2 yrs.	1/22/2002	6/30/2004		$ 2,005,000.00	$ 2,005,000.00		A requirements analysis study to enhance/replace the NID system
MRP/AMS	Fruit & Vegetable Central Office Information System (COIS)	FV-03-TR	SEI	$ 280,000.00	10 months	7/16/2001	5/30/2002	$ 248,000.00	$ 33,000.00			To develop and implement the COIS as a replacement for the NID/EIB, and enhance and repair the NID/SC system.

MRP/AMS	Livestock Mandatory Price Reporting	LS-02-05	CHM	$ 16,929.00	2 months	Feb-00	Apr-00	$ 16,929.00				Requirement Analysis - Part I per the Livestock Reporting Act of 1999
MRP/AMS	Livestock Mandatory Price Reporting	LS-02-05	PEC	$ 48,069.00	2 months	May-00	Jun-00	$ 48,069.00				Requirement Analysis - Part 2
MRP/AMS	Livestock Mandatory Price Reporting	LS-02-05	PEC	$ 1,815,876.43	10 months	Aug-00	Jun-01	$ 394,421.48				Develop system titled Mandatory Price Reporting (MPR) per the Livestock Reporting Act of 1999
MRP/AMS	Livestock Mandatory Price Reporting	LS-02-05	PEC	$ 2,429,324.92	3 yrs	Jun-01	Oct-04	$ 570,000.00		$ 939,340.87	$ 1,111,309.84	Help Desk Maintenance and Enhancements
MRP/AMS	Livestock Mandatory Price Reporting	LS-02-05	ALTA	$ 80,000.00	9 months	Apr-02	Dec-02			$ 80,000.00		Post Implementation Report and OMB 300 Documentation Support
MRP/AMS	Livestock Mandatory Price Reporting	LS-02-05	UUNET	$ 81,200.00	1 yr	May-02	May-03			$ 81,200.00	$ 100,000.00	Collocation and Internet Services
MRP/AMS	Livestock Mandatory Price Reporting	LS-02-05	QSKORJACI	$ 1,236,909.96	5 yrs.	Nov-00	Oct-04	$ 339,224.00		$ 211,103.48	$ 219,621.28	Firewall installation and Monitoring
MRP/AMS	AMS Corporate Portal		ID International	$ 280,211.00	1 yr.	Jul-02	Oct-03			$ 280,211.00		Design, develop, and implement corporate portal.
MRP/AMS	Perishable Agricultural Commodities Act (PACA)	FV-03-TR	Quality Software Services Inc. (QSSI)	$ 99,000.00	1 yr.	Mar-03	Mar-04			$ 280,211.00	$ 99,000.00	Help Desk Maintenance and Enhancements
MRP/AMS	Active Directory Migration	XX-03-TR	Internada	$ 43,436.60	3 months	Mar-03	May-03				$ 43,436.60	Implement the AMS DMZ domain to a Windows Active Directory structure.
MRP/AMS	Oracle Software Maintenance	XX-03-TR	Oracle Corporation	$ 477,856.00	4 years	Mar-03	Aug-07				$ 134,620.00	Provide for maintenance and upgrades for the AMS Oracle database systems and software
MRP/AMS	Feasibility Study	FV-01-02	SEI	$ 24,000.00	3 months	7/1/2000	9/30/2000	$ 24,000.00				Concept document to Web enable FQAS services to customers.
MRP/AMS	Food Quality Assurance Service Web Application	FV-01-02	Titan	$ 500,000.00	2 yrs.	10/1/2001	9/30/2003	$ 50,000.00	$ 450,000.00			Phase II - The conclusion of the project will provide a fully functional and integrated Web based system that provides information and guidance in the purchase of foods and food products.
MRP/AMS	Bandwidth Utilization Study	FV-03-TR	SEI	$ 25,000.00	2 mo.	6/1/2001	9/30/2001	$ -	$ 25,000.00			To perform an analysis and design a communication system of F&V's bandwidth in order to deliver off site hosting of digital imaging services, internet access, and data replication.
MRP/AMS	Bandwidth Utilization Study	FV-03-TR	ILS	$ 12,000.00	3 mo.	7/1/2001	9/30/2001	$ -	$ 12,000.00			To analyze PACA's network structure and bandwidth usage to determine how much bandwidth will be needed for the PACA program as various levels of speed and efficiency of the system.
MRP/AMS	Bandwidth Utilization Study	FV-03-TR	SAIC	$ 50,000.00	6 months	4/1/2000	9/30/2000	$ 50,000.00				For the design documentation, implementation plan, roll out procedures and bandwidth analysis of F&V's Fresh Products Branch's field offices.
MRP/AMS	Bandwidth Utilization Study	FV-03-TR	SAIC	$ 50,000.00	6 months	4/1/2000	9/30/2000	$ 50,000.00				For the design, documentation, implementation plan, and cost benefit analysis of the most efficient network architecture commensurate with the FTS2001 contract and current USDA departmental policies.
MRP/AMS	AMS Common Grading Management Information System	XX-03-02	To Be Determined	$ 3,000,000.00	3yrs.						$ 70,000.00	Develop a centralize system using the same data modules in which all data entities within each program area is reponsible for billing and fee-for-services activities, and those business area functions with respect to collecting and managing information that are common to fee-for-service activities across the agency
MRP/AMS	Migration of Legacy STAR Database to MS SQL Server Application	ST-02-03	To Be Determined	$864,000	1 yr.				$ 314,000.00		$350,000.00	Database conversion from Cuticle Associates, Inc., STAR Database System to Microsoft SQL Server 2000. Software development and deployment of a reengineered Relational Database system for the Plant Variety Protection Office and the Seed Regulatory Program to provide current funtionality, to reduce the number of performance incompatibility problems that exist with the current STAR database system.
				$ 24,721,816.71				$3,567,945.48	$ 5,071,741.00	$ 5,634,088.85	$ 5,747,987.96	
Agency Totals:												

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/TIPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
APHIS VS	ATI	40-6395-3-0681	PERRECA ELECTRIC CO	$8,270	1 week	11/19/2002	11/24/2002				$8,270	Install Fiber Optic Line
APHIS MRP-BS E&D FM	ATI	42-6395-3-0391	ITSS, INC	$5,800	1 year	10/1/2002	9/30/2003				$5,800	Maintenance agreement for computer equipment
APHIS VS CEAH	Emergency Management Reporting System	43-6395-3-1084	EAGLE TECHNOLOGY CONSULTANTS	$40,000	6 months	1/15/2003	1/15/2003				$40,000	On-request support/technical assistance for EMRS in support of END
APHIS NMRAL	ATI	42-6395-3-0691	AGILENT TECHNOLOGIES	$305,417	1 year	10/1/2002	9/30/2003				$305,417	Hardware Support Services for Lab Equipment
APHIS, ITD, FI Centers	ITD Training Modules	43-32KW-3-0653	TKG	$300,000	1 Yr	10/1/02	9/30/03			500K		IT Training Modules
APHIS, AC	LANS E-Gov	43-32KW-3-0049	Virtual Technologies, Inc.	$1,000,000	4 Yrs	9/27/02	9/30/06			240K		Requirements Analysis And Design For Labs
APHIS, AC	IVMY Replication	43-32KW-3-049	Cairo Corporation	$1,000,000	4 Yrs	9/27/02	9/30/06			240K		Validation Of Systems
APHIS, AC	Labs Upgrades	43-32KW-3-046	Cairo Corporation	$1,000,000	4 Yrs	9/27/02	9/30/06			240K		Upgrades And Maintenance
APHIS, ITD	APHIS E-Gov	43-32KW-3-046	Cit Corporation	$1,000,000	4 Yrs	9/28/02	9/30/05			150K		Requirements Analysis And Design For Labs
APHIS, ITD	CPIC Study for Ais	43-32KW-3-0652	Seta, Inc	$202,000	6 Mos	8/9/02	9/15/03			202K		Capital Investment Planning Study For AIS
APHIS, ITD	Lotus	43-32KW-3-0938A	Sechrist	$331,710		10/1/02	9/30/03					Database, E-MAIL and Maintenance Support Services
APHIS, ITD	Oracle	43-32KW-3-0685	DLT Solutions	$286,005		10/1/02	9/30/03					Oracleca Application and Software Maintenance
APHIS, ITD	Microsoft Premier Support	43-6395-3-1069	GTSI, Inc.	$99,999		10/1/02	9/30/03					Software and Operating System Maintenance
APHIS, NVSL	CVB Licensing	41-23-KW-3-4376	Creative Computing Services Inc. (Csi)	$450,000	1 Yr	9/15/02	11/1/03			450		Development Of Cvb Licensing
APHIS, ITD	ISS Security Scanning	43-32KW-3-0026	Stetcon Inc	$1,000,000	4 Yrs	9/15/02	9/30/06			$164,000	$89,000	Security Scanning
APHIS, PPQ, PDMA	Maint Of WIGUS, PQ280, AVIM, AQI		Cit Corporation	$3,000,000	3 Yrs	9/5/07	9/30/06			$1,200,000		Maintenance Of Ppq Databases
APHIS, PPQ, PDMA	Asian Longhorned Beetle Eradication Syster	43-32KW-3-0615	Rel Systems	$1,200,000	3 Yrs	4/15/02	9/30/05			$547,000		Tools For Development Of The Pest Affairs Application
APHIS, PPQ, PDMA	Pest Interception And Identification System	44-32-KW-3-021	Cit Corporation	$400,000	2 Yrs	7/7/02	9/30/05			$141,000		Pest Interception
APHIS, ITD	Blue Buy Quarter 4	43-32-KW-3-4708	GMR	$1,760,000	4 mos	9/27/02	01/01/03		$1,760,000.00	$1,760,000		To procure PCs, laptops, printers, and accessories
APHIS, PPQ	eFERMITS	2-KW-3-4375 143-32KW-3-	BAC	$8,261,858	5 Yrs	9/30/2002	09/30/08		$10,000,000.00	$1,600,000	$2,000,000	Upgrade and automation of the PPQ Permits System
APHIS, ITD	Service Pitestelbry	43-21-KE3-3-4814	IBM	$66,000,000	5 Yrs	10/1/2002	10/01/07					Service - Proprietary
APHIS, ITD	Microsoft Interprise Agreement Licensing	43-32-KW-1-C1401	ASAP Software	$2,500,000	1 Yr	8/15/2003	8/15/2004				$2,500,000	Microsoft Interprise Agreement Licensing
APHIS NVSL	ATI	40-6395-3-0729	VERSOFT, inc	$2,860		12/1/2002	9/30/2003				$2,860	Security 3000 software maintenance
APHIS NVSL	ATI	43-6395-3-0649	ACCELRYS	$4,088	1 year	10/1/2002	9/30/2003				$4,088	Software maint for Wisconsin package
APHIS MRP-BS ITD	ATI	43-6395-3-0984	CUMMEL CORPORATION	$2,860	1 year	10/1/2002	9/30/2003				$2,860	Maintenance on Genjova High speed printers
APHIS MRP BS ITD	ATI	43-6395-3-0837	CAVIDLE CORPORATION	$9,595	1 year	10/1/2002	9/30/2003				$9,590	IntelliWatch Pinnacle for NT Maintenance
APHIS MRP BS ITD	ATI	40 VBN 3 0632	SOURCE DIVERSIFIED INC	$7,876	1 month	11/12/2002	12/4/2002				$7,876	Telephone support and software upgrades
APHIS NVSL	CVB DNA Sequencing System	43-6395-3-0657	ACCELRYS	$8,500	2 months	12/20/2002	2/3/2003				$8,500	Installation of V 10.3 Wisconsin package on 600 server
APHIS VS CEAH	ATI	43-6395-3-0512	VERITAS SOFTWARE CORP	$18,466	1 year	10/1/2002	9/30/2003				$18,466	Renew maintenance agreement for Veritas Premier Assist Vanguard
APHIS MRP-BS OTC OD	ATI	43-6395-3-0513	VERITAS SOFTWARE CORP	$23,920	1 year	10/1/2002	9/30/2003				$23,920	Renew maintenance agreement for Veritas Premier Assist Vanguard
APHIS MRP-BS	ATI	43-6395-3-0514	VERITAS SOFTWARE CORP	$8,652	1 year	10/1/2002	9/30/2003				$8,652	Renew maintenance agreement for Veritas Premier Assist Vanguard
APHIS NVSL	NVSL/CVB Infrastructure Support	43-6395-3-0516	VERITAS SOFTWARE CORP	$8,992	1 year	10/1/2002	9/30/2003				$8,992	Renew maintenance agreement for Veritas Premier Assist Vanguard
APHIS IT	ATI	43-6395-3-0516	VERITAS SOFTWARE CORP	$8,703	1 year	10/1/2002	9/30/2003				$8,703	Renew maintenance agreement for Veritas Premier Assist Vanguard
APHIS MRP BS ITD	ATI	43-6395-3-0681	PRECISE SOFTWARE SOLUTIONS INC	$20,691	1 year	10/1/2002	9/30/2003				$20,691	Renewal of support for SAVANT diagnostic config
APHIS NVSL	NVSL Legacy LIMS System Support	43-6395-3-0902	HEWLETT PACKARD	$17,602	1 year	10/1/2002	9/30/2003				$17,602	Hardware/Software Support
APHIS NVSL	NVSL/CVB Auxiliary System Support	43-6395-3-0895	C-TECH NOLOGIES NET	$30,000	1 month	12/23/2002	1/15/2003				$30,000	Support engineer, LIMS application
APHIS NVSL	NVSL/CVB Integrated Item Tracking System	43-6395 3 4022	CISCO INC	$10,000	2 weeks	1/10/2003	1/24/2003				$10,000	Oracle Consulting Services to configure registry tables
APHIS VS CEAH	Emergency Management Reporting System	43-6395-3-1111	ACS GOVERNMENT SERVICES	$50,000	1 month	1/16/2003	1/15/2003				$50,000	Development of electronic version of form 1-27
APHIS VS CEAH	Emergency Management Reporting System	43-6395-3-1119	ACS GOVERNMENT SERVICES	$50,000	1 month	1/16/2003	1/15/2003				$50,000	Development of electronic lab submission form
APHIS VS CEAH	Emergency Management Reporting System	43-6395 3-1400	EAGLE TECHNOLOGY CONSULTANTS	$50,000	1 month	1/20/2003	1/31/2003				$50,000	Develop process software to enter diagnostic data into Clinical DB
APHIS MRP BS ITD	ATI	43-6395-3-1663	GTSI CORPORATION	$89,395	1 month	2/10/2003	1/31/2003				$89,395	SOO-NEW Microsoft Premier support
APHIS NVSL	ATI	42-6395-3-0069	HEWLETT PACKARD	$8,988	1 year	10/1/2002	9/30/2003				$8,988	Hardware/archive/network support for new HP9000
Agency Totals:				$77,718,735				$0	$11,760,000	$8,952,450	$8,398,193	

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITIPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
REE/ARS	NAL	005-18-02-00-02-0028-00	Institute for Scientific Info	$1,518,160.00	1 Yr w/options	Oct-02	3-Sep	$475,870.00	$505,460.00	$505,460.00	$535,810.00	Provide access to 6 database via Internet: Life Sciences; Clinical Medicine; Engineering, Computing & Technology; Agriculture, Biology & Environmental Sciences; Physical, Chemical & Earth Sciences; and Social & Behavioral Sciences.
REE/ARS	NAL	005-18-02-00-02-0026-00	Dun & Bradstreet, Inc.	$232,568.00	1 Year			$105,500.00	$63,269.00	$63,269.00	$63,800.00	DUNS Number Lookup for all USDA agencies that subscribe
REE/ARS	NAL	005-18-02-00-02-0025-00	Dialog Corporation	$139,926.00	1 Year			$45,000.00	$34,926.39	$34,926.39	$60,000.00	FEDLINK subscription with Dialog Corporation, OCLC, etc.
REE/ARS	ARIS	005-18-02-00-02-0004-00	Ultra Technology	$954,770.00	13 Months			$290,700.00	$294,070.00			Develop ARIS System - ARS program management system
REE/ARS	ARIS	005-18-02-00-02-0004-01	Ultra Technology	$486,839.00	12 months	4/25/2002	3/31/2003		$486,839.00	$486,839.00		Maintenance contract for continued support of ARIS
REE/ARS	ARIS	005-18-02-00-02-0004-02	Ultra Technology	$211,725.00	8 months	7/26/2002	3/31/2003		$211,725.00	$211,725.00		Inventions & License System enhancement
REE/ARS	ARIS	005-18-02-00-02-0004-03	TEK Systems	$83,172.00	7 months	9/9/2002	3/31/2003		$83,172.00	$83,172.00		On-Site Oracle Forms support
REE/ARS	ARIS	005-18-02-00-02-0004-04	CSR	$388,772.00	16 months	7/22/2003	11/30/2003		$388,772.00	$388,772.00		Conversion of ARMPS application
REE/ARS	ARIS	005-18-02-00-02-0004-05	CSR	$84,600.00	3 months	6/28/2002	9/30/2002		$84,600.00	$66,586.00		Oracle DBA Support
REE/ARS	ARIS	005-18-02-00-02-0004-06	Oracle Consulting	$2,072.00	1 week	2/25/2002	3/1/2002		$2,072.00	$2,072.00		Oracle Installation support
REE/ARS	ARIS	005-18-02-00-02-0004-07	Oracle Consulting	$82,880.00	12 months	1/1/2002	12/31/2002		$82,880.00	$82,880.00		Oracle Performance Tuning support
REE/ARS	ARIS	005-18-02-00-02-0004-08	TEK Systems	$84,990.00	6 months	4/14/2003	10/4/2003				$84,990.00	On-Site Oracle Forms support
REE/ARS	ARIS	005-18-02-00-02-0004-09	Ultra Technology	$40,500.00	2 months	12/4/2002	2/19/2003				$40,500.00	Correspondence System Conversion
REE/ARS	ARIS	005-18-02-00-02-0004-10	Ultra Technology	$257,820.00	12 months	4/1/2003	3/31/2004				$257,820.00	Maintenance contract for continued support of ARIS
REE/ARS	MWA-NCAUR	005-18-02-00-02-0027-00	BCBC	$10,000	initial			$0		$10,000	$10,000	Web. System Support
REE/ARS	MWA-NCAUR	005-18-02-00-02-0027-00	SSE	$1,680	12 mo.						$2,600	Modifications of Database
REE/ARS	MWA-NCAUR	005-18-02-00-02-0027-00	GM7 GSA Federal Tech. Servi	$5,450	12 mo.					$5,450		Development of Database
REE/ARS	MWA-NCAUR	005-18-02-00-02-0027-00	Red Hat	$20,000	12 mon.					$20,000		Development of Database
REE/ARS	MWA-NCAUR	005-18-02-00-02-0027-00	End Point Corp.	$2,200	12 mo.						$2,200	Development of Database
REE/ARS	MWA-NCAUR	005-18-02-00-02-0027-00	BCSC	$6,800	12 mo.					$4,400	$2,400	System Upgrades
REE/ARS	MWA	005-18-02-00-02-0021-00	Silicon Plains Technologies	$ 100,000.00	600 hours	10/1/2003					$100,000	Modifications to Requisition Tracking System (RTS/CATS)
REE/ARS	PWA-WRRC Network Upgrade	005-18-02-00-02-0027-00	SBC via GSA WACS FY03 is In Bid Process	$180,000	8 Months	1/1/2003	30-Sep	$0	$180,000	$180,000	$180,000	Replace 10Base via 10Base2 Network Backbone and horizontal cabling.
REE/ARS	PWA-Novell Rep Support	005-18-02-00-02-0027-00	IGS Inc	$15,000	8 Months	10/1/2003	30-Sep	$0	$15,000	$20,000	$20,000	Operating System Upgrade and advanced technical support.
REE/ARS	PWA-Wenatchee IT	005-18-02-00-02-0027-00	Vic Tapscott		1 Year	10/1/2003	30-Sep	$15,000	$15,000	$15,000	$15,000	Operating System upgrades and advanced technical support. Dollar amount is estimate based

REE/ARS	PWA-Dubois Wireless	005-18-02-00-02-0027-00	NICS INC	$20,000	2 Months	6/1/2003	30-Sep		$20,000	$20,000		Install Secure Wireless System
REE/ARS	NPA-USDA ARS NRRC Bldg D Fort Collins CO.	005-18-02-00-02-0027-00	Dynanet Corporation	$0	12 Months	9/5/2002	0-Sep				$950,000	Indefinite delivery / Indefinite quantity contract.
REE/ARS	NPA-USDA ARS NRRC Bldg D Fort Collins CO.	005-18-02-00-02-0027-00	Dynanet Corporation	$341,878	12 Months	9/29/2002	25-Sep			$350,000		Provide all materials, parts, equipment, supervision, labor, transportation, etc., necessary for cabling the NRRC Building D, Fort Collins, CO.
REE/ARS	OCIO	005-18-02-00-02-0022-00	Iron Mountain Offsite Data Protection	$2,880	1 year	10/1/2002	30-Sep				$5,000.00	Pickup weekly network server backups and store them offsite.
REE/ARS	OCIO	005-18-02-00-02-0022-00	Software House International	$3,780	1 year	8/1/2002	30-Sep				$3,780.00	Netware Maintainence for NPS Servers
REE/ARS	OCIO	005-18-02-00-02-0022-00	Software House International	$3,118	1 year	8/1/2002	30-Sep				$3,118.50	Groupwise Maintenance for NPS Servers
REE/ARS	OCIO	005-18-02-00-02-0022-00	Software House International	$1,417	1 year	8/1/2002	30-Sep				$1,417.50	Zenworks Maintenance for NPS Servers
REE/ARS	OCIO	005-18-02-00-02-0022-00	Software House International	$12,960	1 year	8/1/2002	30-Sep				$12,960.00	Netware Maintenance for HQ Servers
REE/ARS	OCIO	005-18-02-00-02-0022-00	Software House International	$10,692	1 year	8/1/2002	30-Sep				$10,692.00	Groupwise Maintenance for HQ Servers
REE/ARS	OCIO	005-18-02-00-02-0022-00	Software House International	$6,480	1 year	8/1/2002	30-Sep				$6,480.00	Zenworks Maintenance for HQ Servers
REE/ARS	OCIO	005-18-02-00-02-0022-00	Intellireach	$2,616	1 year	8/1/2002	30-Sep				$2,616.00	Intellireach Maintenance
REE/ARS	OCIO	005-18-02-00-02-0022-00	CaminoSoft Corporation	$1,797	1 year	9/30/2002	30-Sep				$1,797.00	CaminoSoft Maintenance
REE/ARS	OCIO	005-18-02-00-02-0022-00	Computer Associates	$1,625	1 year	9/30/2001	30-Sep				$1,625.00	Network Monitor Maintenance
REE/ARS	OCIO	005-18-02-00-02-0022-00	BindView	$2,224	1 year	8/1/2002	30-Sep				$2,224.34	Bindview Enterprise Maintenance
REE/ARS	OCIO	005-18-02-00-02-0022-00	Worldwide Technology, Inc.	$27,409.00	1 year	8/1/2002	9/30/2003				$27,409.00	[illegible] and switches
REE/ARS	OCIO	005-18-02-00-02-0022-00	Concord Communications	$2,627.00	1 year	9/30/2002	9/29/2003				$2,627.00	Concord Maintenance
REE/ARS	BA-Sci. Applications	005-18-02-00-02-0027-00	SSAI	$36,075.00	7 months	3/1/2002	9/30/2002	n/a	$36,075.36	$36,075.36		43-3K45-2-8017, Application Programmer to support application projects
REE/ARS	BA-Sci. Applications	005-18-02-00-02-0027-00	SSAI	$70,000.00	12 months	10/1/2002	9/30/2003	n/a	n/a	n/a	$70,000.00	43-3K45-2-8005, Application Programmer to support application projects
REE/ARS	BA-Sci. Applications	005-18-02-00-02-0027-00	SSAI	$81,376.00	7 months	3/17/2003	9/30/2003	n/a	n/a	n/a	$81,376.00	43-3K45-3-8013, Application Engineer to support application projects
REE/ARS	BPA	005-18-02-00-02-0027-00	Falcon Computers	$22,800.00	12 months	12/1/2002	11/30/2003				$22,800.00	Service for Network to include Windows 2000; Active Directory Network; Data Storage Server; Exchange E-mail Server.

REE/ARS	MSA-SRDC	005-19-02-00-02-0027-00	CUBE	$287,000.00	Yearly	1/1/2002	yearly renewal		$287,000.00	$287,000.00	$285,000.00	help desk, network, server, oracle, printer, word processing support
REE/ASB	SAA	005-19-02-00-02-0027-00	Univ of Puerto Rico	DPA	Yearly	1/1/2001	1/1/2003	$4,000	$4,000.00	$4,000.00	$0.00	DPA for personal comp. support
Agency Totals:				$5,865,395.34				$857,070.00	$2,708,160.76	$2,827,988.76	$1,946,131.34	

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITIPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
REE/CSREES/ISTM	C-REEMS	"0004"	Analytical Solutions, Inc	$ 4,984.20	6 weeks			$ 4,984.00	$ -			Further development of C-REEMS
REE/CSREES/ISTM	C-REEMS	"0004"	Analytical Solutions, Inc	$ 399,550.81	40 weeks	10/1/2002	9/30/2003	$ 239,651.00	$ 283,986.00	$ 283,986.00	$ 375,000.00	Further development of C-REEMS
REE/CSREES/ISTM	C-REEMS	"0004"	Analytical Solutions, Inc	$ 24,967.99	8 weeks			$ 24,968.00				Technical assessment for C-REEMS
REE/CSREES/ISTM	C-REEMS	"0004"	Analytical Solutions, Inc.	$ -	8 weeks	10/1/2002	9/30/2003		$ 19,257.00	$ 19,257.00		Browser based C-REEMS Solutions
REE/CSREES/ISTM	Document Management System	"0011"	Vendor TBD	$ -	One Year			$ -	$ 312,000.00	$ 312,000.00	$ 1,422,000.00	E-grants development
			Faenet		N/A				$ 218,077.00	$ 232,000.00	$ 50,000.00	Document Management Purchase, Training, Maintenance
REE/CSREES/ISTM	REEIS Software, Licensing, & Support	"1010"	Oracle		One Year			$ 493,512.00	$ 20,000.00	$ 110,000.00	$ 60,000.00	REEIS Software Licenses, Upgrades, and Product Support for REEIS
REE/CSREES/ISTM	REEIS Hardware	"1010"	Contract	$ -	N/A			$ 128,393.00	$ 35,000.00	$ 35,000.00	$ 40,000.00	Hardware for REEIS
REE/CSREES/ISTM	Software Development	"1010"	DSTI	$ -	One Year			$ 770,347.00	$ 888,657.00	$ 888,657.00		Software Development and Operations Support for REEIS
REE/CSREES/ISTM	Software Development	"1010"	Banquin	$ -	One Year			$ -	$ -	$ -	$ 1,300,000.00	Software Development and Operations Support for REEIS
REE/CSREES/ISTM	CRIS Web Access Development	"0005"	Effective Systems Solutions	$ 24,600.00	12 mos			$ 12,600.00	$ 12,400.00	$ 12,400.00	$ 12,600.00	Assist with Web design/access to Star Software and assist in responding to ad-hoc financial retrieval requests via the Star Software suite of programs
REE/CSREES/ISTM	CRIS Project Indexing	"0005"	Locus Systems	$ 24,735.00	12 mos.			$ 24,735.00	$ 24,735.00	$ 24,735.00	$ 24,600.00	CRIS Project Indexing
REE/CSREES/ISTM	Star Software Maintenance/CRIS	"0005"	Cuadra Star	$ 13,384.00	12 mos			$ 13,384.00	$ 13,384.00	$ 13,384.00	$ 13,400.00	Star Software Maintenance/CRIS
REE/CSREES/ISTM	Software Support	"0005"	Sun Systems	$ 3,108.00	12 mos.			$ 3,108.00	$ 3,108.00	$ 3,108.00	$ 3,200.00	Sun/Unix Maintenance/CRIS
REE/CSREES/ISTM	Data Entry Services/CRIS	"0005"	Comveson Plus	$ 10,000.00	12 mos			$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00	Data Entry Services/CRIS
REE/CSREES/ISTM	LAN/WAN Support	"0006"	SSA (8g)	$3,000,000.00	60			$ 660,256.00				LAN/WAN HelpDesk Support Services
REE/CSREES/ISTM	LAN/WAN Support	"0006"	Market						$ 1,165,000.00	$ 1,305,000.00	$ 1,400,000.00	LAN/WAN HelpDesk Support Services
REE/CSREES/ISTM	IT Services	"0006"	Vendor TBD						$ 30,000.00	$ 30,000.00		Network Assessment
REE/CSREES/ISTM	Backbone/Newbury Group	"0003"	Newbury Group						$ 80,000.00	$ 80,000.00		Security Assessment
REE/CSREES/ISTM	IT Strategic Planning	"0002"	HWSW	$ 100,000.00	6 mos.	3/1/2002	9/30/2002		$ 100,000.00	$ 100,000.00	$ 50,000.00	IT Strategic Planning
REE/CSREES/ISTM			Vendor TBD						$ 75,000.00			IT Skills Assessment
Agency Totals:				$3,605,639.70				$2,745,749.00	$ 3,280,813.00	$ 3,484,796.00	$ 4,580,800.00	

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/RTIPS Project ID #	Contract Awardee	Amount of the Contract (FY 2003)	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
DA/PSD	Integrated Acquisition System (IAS)	50501810102000	Booz Allen & Hamilton	$ 4,140,166.00	1 year	10/1/2002	9/30/2003	$ 1,600,000.00	$ 2,400,000	$ 2,400,000	$ 4,140,166.00	Program management, technical and specialized functional support for all PSD managed systems including IAS, PCMS, legacy feeders such as PURCH, FPDS, Web 279, 281, AQCAS, NFI CPS and DOL Wage Determinations co-Loc, and upgrades.
DA/OPPM/PSD	Purchase Card Management System (PCMS)	Not yet assigned	Communications Resource Inc.	$ 832,193.38	1 year	10/1/2002	9/30/2003	$ 600,871	$ 737,289	$ 737,289	$ 832,193.38	Operational and technical support for legacy systems (including PCMS) including system and data research performance metrics and system monitoring, technical writing, developing training materials, quality assurance testing and software configuration change management.
DA/OPPM/PSD	Integrated Acquisition System (IAS)	50501810102000	IBM Global Services - Federal	$ 5,400,000.00	1 year	10/1/2002	9/30/2003	$ -	$ 3,751,484	$ 3,751,484	$ 5,400,000.00	Contractor provides enterprise hardware and software licensing and maintenance, technical, implementation and change management support services for the IAS deployment USDA-wide. Services include training, software configuration, documenting change processes, agency communications, helpdesk, etc.
DA/OPPM/PSD	Integrated Acquisition System (IAS)	50501810102000	I.M. Systems Group, Inc.	$ -	2 months	8/1/2002	9/30/2002	$ -	$ 75,291	$ 75,291	$ -	Contractor conducted an IV&V of the IAS pilot at RD and FNS.
Agency Totals:				$ 10,372,359				$ 2,191,471	$ 6,964,064	$ 6,964,064	$ 10,372,359	

Mission Area/Agency	Project Name	USDA/ITPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
REE/ERS	Web Site		Mind & Media Inc.	$ 162,990.00	10 mon	05/01/01	2/28/2002	$162,990.00	$ -	$ -		Public Website and Extranet
REE/ERS	CMS		Mind & Media Inc.	$ 71,400.00	2 mon	05/21/02	7/31/2002		$ 71,400.00	$ 71,400.00		CMS Preimplementation
REE/ERS	Extranets		Mind & Media Inc.	$ 24,780.00	9 mon	09/05/02	5/31/2003		$ 24,780.00	$ 24,780.00		Support ERS Extranets
REE/ERS	User Profile		Mind & Media Inc.	$ 30,200.00	4 mon	09/05/02	12/24/2002		$ 30,200.00	$ 30,200.00		Strategic Planning & User Profile
REE/ERS	Web Metrics		TBD								$ 30,000.00	Web Metrics
REE/ERS	Web Community		TBD								$ 30,000.00	ERS Web Community
REE/ERS	Org Assessment		TBD								$ 30,000.00	Web Organizational Assessment
REE/ERS	Homeland Sec		INDUS	$1,500,000	3 years	11/01/02	10/32/05				$417,000	Develop decision support system for HS
Agency Totals:				$ 1,789,370.00				$162,990.00	$ 126,380.00	$ 126,380.00	$ 507,000.00	

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
FFAS/FAS	Technical Support		Viatech, Inc.	$176,829.00	1	9/27/2002	7/31/2003	$176,829.00	$176,829.00	$176,829.00	0	Technical support Service
FFAS/FAS	Application Development & Maintenance	FAS IT-03,IT-04,IT-08,IT-07 IT-08,IT-13,IT-16,IT-17,IT-21,IT-26,IT-28,IT-30,IT-32,IT-36	Viatech. Inc.	$ 13,420,820.00	5	10/1/2001	9/30/2006	$ 1,228,557.50	$ 2,561,000.00	$2,561,000.00	$2,678,980.00	Provides computer applications support
FFAS/FAS	Application Development & Maintenance	FAS IT-07	American Management Systems	$3,405,274.37	4 years & 9 months	6/1/1998	9/30/2003	$ 814,087.34	$ 356,313.66	$666,468.76	$496,520	Financial accounting, budgeting, and reporting system
Agency Totals:				$ 16,826,094.37				$ 1,742,644.84	$ 2,917,313.66	$2,737,829.00	$2,678,980.00	

DEPARTMENT'S CHART

CALENDAR YEAR 2002

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITIPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
FNCS/FNS			CNSI	$ 271,991	12 Mo.			$ -	$ 92,506			Disqualified Recipients System support
FNCS/FNS			ALTA Corp.	$ 1,167,030	12 Mo			$ 1,064,000	$ -			Quality Assurance & Change management
FNCS/FNS			SS	$ 1,001,280	12 Mo			$ 278,288	$ 482,217			Quality Assurance & Change Management
FNCS/FNS			ALTA Corp.	$ 1,360,000	13 Mo.			$ 1,313,000	$ -			ALERT
FNCS/FNS			Datel	$ 73,142	12 Mo.			$ 61,775	$ -			NT/Exchange Support (SPA)
FNCS/FNS			ALTA Corp	$ 826,072	12 Mo.			$ 260,000	$ -			Data Base Admin.
FNCS/FNS			ALTA Corp.	$ 804,764	12 Mo.			$ -	$ 127,684			Data Base Admin.
FNCS/FNS			EAC	$ 266,867	46 days			$ 150,123	$ -			Y2K Rate Support
FNCS/FNS			DAC	$ 403,694	12 Mo.			$ -	$ 286,871			FNS Partner Web Site/Internet Development and Operations Support
FNCS/FNS			DAC	$ 250,000	12 Mo.			$ 250,000	$ -			FNS Partner Web Site/Internet Development and Operations Support
FNCS/FNS			DST	$ 20,764	45 days			$ 20,764	$ -			PSSC SOW Support
FNCS/FNS			Bay Networks	$ 37,082	90 days			$ 37,082	$ -			CPU Storage & Installation
FNCS/FNS			Commerce 1	$ 122,000	12 Mo.			$ -	$ 87,065			WEB Server Hosting & Maint/ Enhancements & Maint of IHEI System
FNCS/FNS			Century Comp.	$ 77,503	12 Mo.			$ 77,503	$ -			IHEI System Development/ Enhancements
FNCS/FNS			Century Comp.	$ 24,962	12 Mo.			$ 24,962	$ -			WEB Site Services
FNCS/FNS			Alta Corp.	$ 1,667,264	12 Mo.			$ 1,544,448	$ -			Software System Support and Enhancements for FSPTS/NPRS/SARE
FNCS/FNS			Humanitas	$ 1,728,776	60 mo			$ 704,841	$ 334,726			Support of the Food Stamp Quality Control System (FSQSC)
FNCS/FNS			TWM Assoc.	$ 39,354	12 Mo.			$ 37,590	$ -			(INFOSEC (IT SECURITY)
FNCS/FNS			TWM Assoc.	NTE 3.5 MILLION	60 Mo.			$ -	$ 725,000			INFOSEC(IT SECURITY)
FNCS/FNS			Maximus	$ 53,000	12 Mo.			$ 53,000	$ -			Premier Software Support
FNCS/FNS			Microgent	$ 88,000	12 Mo.			$ -	$ 88,000			Premier Software Support
FNCS/FNS			Staffing Sfc.	$ 27,984	12 Mo.			$ 27,984	$ -			VBI Software Maintenance
FNCS/FNS			Commerware	$ 8,539	12 Mo.			$ 8,539	$ -			QA Software Maintenance
FNCS/FNS			Federal Tele	$ 21,849	12 Mo.			$ 21,849				Cisco Smartnet Software Support
FNCS/FNS			Netmagic	$ 31,008	12 Mo.			$ -	$ 51,008			ASE Enterprise Software Support
FNCS/FNS			Seip CORP.	NTE $3 MILLION	60 mo.			$ -	$ 957,984			Programming and System Support Service, System Development
FNCS/FNS			Shepard Petterson, Corp	$ 2,500,000	5 years			$ 438,000	$ 502,500			Computer Support Services (labor hour)
FNCS/FNS			Computer Associates, Inc	$ -	annual			$ 73,000	$ 73,000			Software Maintenance
FNCS/FNS			IBM Corporation	$ -	annual			$ 53,500	$ 58,000			Software Lease
FNCS/FNS			ISM Corporation	$ -	annual			$ 100,000	$ 105,000			Hardware Lease
FNCS/FNS			General Services Administration	$ -	annual			$ 54,500	$ 30,000			Hardware Maintenance
FNCS/FNS			KPMG	GSA Task Orders	5 Years			$ 3,406,149	$ 2,750,000			Maintenance of Program Accounting System
FNCS/FNS			Easy Sol Int.	$ 24,650	90 days			$ 24,650	$ -			Regional Office Administered Program (ROAP) Payment System support - Add a legislative change
FNCS/FNS			Accums, Inc.	$ 9,505	60 days			$ -	$ 9,505			ROAP support - modify existing system
FNCS/FNS			Alta	$ 1,566,261	1 year			$ -	$ 1,019,630			Software maintenance - Special Nutrition and Food Stamp systems
FNCS/FNS			Datas	$ 817,065	15 months			$ 817,065	$ 1,500,000			State Authorization and Tracking System redesign.
FNCS/FNS			DAC	$ 211,683	1 year			$ 211,683	$ 150,000			Coupon Requisition and Inventory Management System Maintenance
FNCS/FNS			Arts	$ 710,991	1 year			$ 710,991	$ 204,269			Disqualified Recipients System Maintenance
FNCS/FNS			SRA	$ 892,938	8 months			$ 892,938	$ 1,260,000			Special Nutrition and Food Stamp systems redesign study
FNCS/FNS			Alta	$ 248,239	1 year			$ 240,119	$ 339,451			Long Range Plan/ITIPS Support
FNCS/FNS			Booz/Allen	$ 2,140,592	2 year			$ 1,280,783	$ 1,368,680			ERT Support
FNCS/FNS			Alta	$ 1,204,432	1 year			$ -	$ 1,204,432			ALERT Support
FNCS/FNS			Armored Carp	$ 65,984	1 year			$ 65,277	$ 49,984			Data Entry Services
FNCS/FNS			Wyandotte Nat Tel	$ 9,000,000.00	5 years			$ -	$ 1,500,000.00			FNS Help Desk and IT Operational Support
FNCS/FNS			GSA Contract	$ 1,064,014.00	1 year			$ 891,769.00				Help Desk Support
Agency Total:				$ 29,720,229				$ 14,245,224	$ 14,724,818			

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITIPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
NRE/FS	IT Other		SoilSol Resources	$ 150,000.00	4 months	4/10/2003	8/10/2003	-	-	-	$150,000	System Analysis and Performance Tuning
NRE/FS	IT Other			$ 18,310.00				$18,000	$18,000	$18,000	$5,310	Router Maintenance Contract
NRE/FS	EMC -NRIS	005-96-01-11-01-1050-00	General Services Admin.	time and materials	3 yr	Oct-00	Sep-03	$7,091,863	$2,001,810	$3,508,020	$2,592,187	Maintenance of Software
NRE/FS	EMC -NRIS	005-96-01-11-01-1050-00	Environmental Systems Res Inst.	time and materials	3 yr	Nov-00	Aug-03	$602,564	$80,000	$80,096	$48,000	ADP Svc Contracts
NRE/FS	EMC -NRIS	005-96-01-11-01-1050-00	Intecs International Inc.	time and materials	1.8 yr	Oct-01	May-03	$0	$80,000	$80,000	$53,300	ADP Svc Contracts
NRE/FS	EMC -NRIS	005-96-01-11-01-1050-00	Northwest Software, Inc.	time and materials	3 yr	Oct-00	Sep-03	$917,421	$763,048	$931,843	$250,000	Maintenance of Software
NRE/FS	EMC -NRIS	005-96-01-11-01-1050-00	Averster Geospat	time and materials	1 yr	Nov-00	Sep-01	$13,816	-	-	-	ADP Svc Contracts
NRE/FS	EMC -NRIS	005-96-01-11-01-1050-00	Metoom	time and materials	3 yr	Oct-00	Sep-03	$000,000	$700,000	$700,000	$726,700	ADP Svc Contracts
NRE/FS	EEOCTS	005-88-01-11-02-0008-00	Human Resources Research Corp	$ 24,688.00		05/21/01	4/19/2002	$24,688	-	-	-	Evaluate and Analyze Current Database
NRE/FS	EEOCTS	005-96-01-11-02-0008-00	NetBase Corporation	$ 119,086.00		05/30/02	10/15/2002	-	$119,086	$119,086	-	ADP System Development
NRE/FS	EEOCTS	005-96-01-11-02-0008-00	NetBase Corporation	$ 212,797.32		12/15/02	9/30/2003	-	-	-	$212,797	ADP System Development/Enhancement
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	Gramino	$ 111,143.00		1-Oct-00	30-Sep-01	$111,143	-	-	-	GIS Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	TVA	$ 350,000.00		1-Oct-00	30-Sep-01	$350,000	-	-	-	Digitizing
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	EDS	$ 40,000.00		1-Oct-00	30-Sep-01	$40,000	-	-	-	GIS Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	Pacific Meridian Resources	$ 267,665.00		1-Oct-00	30-Sep-01	$267,665	-	-	-	GIS Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	JAYA	$ 50,000.00		1-Oct-00	30-Sep-01	$41,716	-	-	-	Digitizing
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	TVA	$ 248,200.00		1-Oct-00	30-Sep-01	$248,200	-	-	-	GIS Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	ESRI	$ 120,000.00		1-Oct-00	30-Sep-01	$120,000	-	-	-	Software
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	Base Technologies	$ 85,638.00		1-Oct-01	30-Sep-02	-	$85,639	-	-	Software
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	Ciber Inc	$ 88,708.00		1-Oct-01	30-Sep-02	-	$88,709	-	-	Programming
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	JAYA	$ 40,000.00		1-Oct-01	30-Sep-02	-	$40,000	-	-	Digitizing
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	Gram Inc	$ 102,586.00		1-Oct-01	30-Sep-02	-	$102,586	-	-	GIS Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	TVA	$ 247,600.00		1-Oct-01	30-Sep-02	-	$247,600	-	-	GIS Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	Wind River GIS Consultants	$ 11,560.00		1-Oct-02	30-Sep-03	-	-	-	$11,560	GIS Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	Wind River GIS Consultants	$ 18,282.00		1-Oct-02	30-Sep-03	-	-	-	$21,282	GIS Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	Ciber Inc	$ 1,600.00		1-Oct-02	30-Sep-03	-	-	-	$2,400	Programming
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	ESRI	$ 200,000.00		1-Oct-02	30-Sep-03	-	-	-	$200,000	Software
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	BLM	$ 100,000.00		1-Oct-02	30-Sep-03	-	-	-	$100,000	ADP Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	Gram Inc	$ 35,230.00		1-Oct-02	30-Sep-03	-	-	-	$35,230	GIS Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	TVA	$ 180,700.00		1-Oct-02	30-Sep-03	-	-	-	$180,700	GIS Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	JAYA	$ 40,000.00		1-Oct-02	30-Sep-03	-	-	-	$40,000	GIS Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	BLM	$ 80,000.00		1-Oct-02	30-Sep-03	-	-	-	$80,000	ADP Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	Redcon	$ 239,839.00		1-Oct-00	30-Sep-01	$239,839	-	-	-	GIS Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	Redcon	$ 239,829.00		1-Oct-01	30-Sep-02	-	$239,829	-	-	GIS Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	Redcon	$ 239,829.00		1-Oct-02	30-Sep-03	-	-	-	$239,829	GIS Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	Redcon	$ 65,852.00		1-Oct-02	30-Sep-03	-	-	-	$65,852	GIS Services
NRE/FS	ALP/NILS	005-96-01-11-02-0104-00	Redcon	$ 65,852.00		1-Oct-02	30-Sep-03	-	-	$21,000	$21,000	Maint-Rep of ADP Equipment
NRE/FS	GSTC	Softcopy Photogrammetry	LH Systems Inc.	$ 21,000.00		1-Oct-02	30-Sep-03	-	-	$65,548	$40,000	ADP Programming Services
NRE/FS	GSTC	Advanced Data Mgmt Sys	Redcon	$ 40,000.00		1-Oct-02	30-Sep-03	-	-	-	-	

NRE/FS	GSTC	Advanced Data Mgmt Sys	T-Kartor	$ 211,800.00		1-Oct-02	30-Sep-03			$72,000	$139,800	ADP Programming Services
NRE/FS	GSTC	Advanced Data Mgmt Sys	T-Kartor	$ 225,000.00		1-Oct-02	30-Sep-03			$101,250	$124,750	ADP Programming Services
NRE/FS	GSTC		Titan/Avsatar, Inc.	$ 25,000.00		1-Oct-01	30-Sep-02			$25,000	$0	ADP Programming Services
NRE/FS	GSTC	Geospatial Clearinghouse	ESRI	$ 1,329.00		1-Oct-02	30-Sep-03				$1,329	Other ADP & Telecommunications Svcs
NRE/FS	GSTC	Geospatial Clearinghouse	ESRI	$ 11,975.00		1-Oct-02	30-Sep-03				$11,975	Other ADP & Telecommunications Svcs
NRE/FS	GSTC	Cartographic Toolsets	ESRI	$ 100,000.00		1-Oct-02	30-Sep-03			$67,000	$33,000	ADP Programming Services
NRE/FS	GSTC		CAD Services	$ 38,952.00		1-Oct-02	30-Sep-03				$38,952	Maint-Rep of ADP Equipment
NRE/FS	GSTC		Printelligent	$ 6,500.00		1-Oct-02	30-Sep-03			$6,977	$6,500	Maint-Rep of ADP Equipment
NRE/FS	GSTC		Spacenet	$ 1,898.00		1-Oct-02	30-Sep-03			$377	$1,528	ADP Svcs/Telecomm & Transmission
NRE/FS	GSTC	Geospatial Clearinghouse	Redcastle Resources	$ 85,000.00		1-Oct-02	30-Sep-03				$85,000	Other ADP & Telecommunications Svcs
NRE/FS	FS Computer Base		Ashley Computer Support - Jake Mayoh	$ 42,976.00	13.5 mo	8/19/2001	9/30/2002			$33,000	$0	Other ADP & Telecommunications Svcs
NRE/FS			Mensen Engineering - Ashley Plotter Maint.	$ 725.00	10 mo	12/2/2002	9/30/2003			$0	$725	Maint-Rep of ADP EQ & Supplies
NRE/FS	FS Computer Base	005-98-02-00-01-0071-00	Software Professionals	$ 168,256.50	5 yrs	4/1/2002	3/31/2007			$984,628	$171,791	Automated Information System Svcs - ORACLE
NRE/FS	Meaningful Measures		Solutions 4 Recreation	$ 20,000.00	3 yrs	8/29/2001	8/28/2003			$648,810	$100,000	Automated Information System Svcs
NRE/FS			Uinta Business Systems	$ 4,000.00	1 year	10/2/2002	9/30/2003			$4,000		ADP facility management -R4 parts & prev. maintenance
NRE/FS	RMRS printers		Uinta Business Systems	$ 300.00	1 year	10/2/2002	9/30/2003			$300		ADP facility management - printers
NRE/FS	RMRS printers		Uinta Business Systems	$ 400.00	1 year	10/1/2002	9/30/2003				$400	ADP facility management - printers
NRE/FS	FS Telecom Base	005-98-02-00-02-0075-00	Interagency NFS/FS - 02-IA-11041000-012	$ 18,039.00	5 year	10/1/2002	5/15/2007			$7,704	$18,039	Telecommunication Network Mgmt Svcs
NRE/FS	FS Telecom Base	005-98-02-00-02-0075-00	USDI Minerals Management Services - 02-IA-11046000-003	$ 423,784.00	1 year	10/1/2001	9/30/2003			$405,831		Telecommunication Network Mgmt Svcs
NRE/FS	FS Telecom Base	005-98-02-00-02-0075-00	USDI Minerals Management Services - 03-IA-11046000-005	$ 403,032.00	1 year	10/1/2002	9/30/2003			N/A	$403,032	Telecommunication Network Mgmt Svcs
NRE/FS	Interagency National Fire Plan Consultation Website - Development & Maintenance		USDI - Bureau of Land Management - 03-IA-11046000-012	$ 10,000.00	1 year	10/1/2002	9/30/2003				$10,000	ADP Programming Svcs
NRE/FS	Computer Job Announcement Data Compilation		US Department of Treasury - Fedsource - 01-IA-11046000-008 - Supplement #13 - Task Order NW01-162	$ 37,017.50	5 months	10/1/2001	3/31/2002			$37,018	N/A	Automated Information System Svcs
NRE/FS	FS Computer Base		PlanetGov, Inc	$ 5,333.76		1/1/2003	9/30/2003				$5,334	Maint-Rep of ADP EQ & Supplies
NRE/FS	Electronic Site Lease		Weber Broadcasting Co., Inc	$ 2,200.00	12 months	10/31/2002	9/30/2003				$2,200	ADP Svcs/Telecomm & Transmission
NRE/FS	Electronic Site Lease		Weber Broadcasting Co., Inc	$ 2,200.00	12 months	10/31/2001	9/30/2002			$2,200		ADP Svcs/Telecomm & Transmission
NRE/FS	Electronic Site Lease		Questar Infocomm, Inc	$ 15,272.04	12 months	10/31/2002	9/30/2003				$15,272	ADP Svcs/Telecomm & Transmission
NRE/FS	Electronic Site Lease		Questar Infocomm, Inc	$ 8,744.00	12 months	10/31/2001	9/30/2002			$8,744		ADP Svcs/Telecomm & Transmission
NRE/FS	Web Dev/Support		Fed Source	$ 71,500.00	12 months	10/1/2002	9/30/2003			$69,760		Automated Information System Svcs
NRE/FS	PC Rep/Inv/Disp		Fed Source	$ 37,000.00	8 months	1/1/2003	9/30/2003				$7,840	Other ADP & Telecommunications Svcs
NRE/FS	Develop Data Base		Adventure Media	$ 2,520.00	3 months	7/8/2002	9/30/2002			$2,520		ADP Programming Svcs
NRE/FS	Develop Web Site		Dan Pries	$ 2,500.00	1 month	3/10/2002	4/10/2002			$2,500		ADP Programming Svcs
NRE/FS	Develop Web Site		Steve Dantsch	$ 2,500.00	1 month	10/15/2001	11/15/2001			$2,500		ADP Programming Svcs

NRE/FS	Data Migration		Terrel Wagner	$ 4,356.21	2 months	2/17/2002	4/17/2002	-	-	$4,356	-	Other ADP & Telecommunications Svcs
NRE/FS	IT Other		Toolsen Telephone	$ 126.80	1 week	1/21/2002	1/22/2002	-	-	$127	-	Telecommunications Network Mgmt Svcs
NRE/FS	IT Other		Teton Valley Trading	$ 15,180.00	9 months	1/9/2003	9/30/2003	-	-	-	$1,000	Telecommunications Network Mgmt Svcs
NRE/FS	Technical Support		GSA	$ 175,000.00	1 year	7/1/2002	7/1/2003	-	-	$10,000	$50,000	Other ADP & Telecommunications Svcs
NRE/FS	GIS Maps for Oil and Gas EIS		ML Technologies	$ 74,998.00	1 year	12/10/2002	12/10/2003	-	-	-	-	ADP Programming Svcs
NRE/FS	GIS Maps for Oil and Gas EIS		Terra Nova Mapping	$ 2,499.80	6 weeks	7/19/2002	10/17/2002	-	-	$2,500	-	ADP Programming Svcs
NRE/FS	GIS Maps for Oil and Gas EIS		Terra Nova Mapping	$ 750.00	4 weeks	10/21/2002	10/31/2002	-	-	-	$800	ADP Programming Svcs
NRE/FS	Data Entry into FS/VEG FS data base		Dave Barren	$ 5,886.26	6 weeks	11/6/2002	12/12/2003	-	-	-	$5,886	ADP Programming Svcs
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	Planet Gov	$3,329	9 months	1/1/2003	9/30/2003	-	-	$0	$3,329	Maint-Rep of ADP EQ & Supplies
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	Specpro, Inc	$ 299,950.00	12 months	10/1/2002	9/30/2003	-	-	$0	$28,995	Maint-Rep of ADP EQ & Supplies
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	Hewlett Packard	$4,332.00	1yr	1/10/2001	8/30/2002	-	-	$4,332	-	Maint-Rep of ADP EQ & Supplies
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	Hewlett Packard	$4,510.00	1 yr	1/10/2002	8/30/2003	-	-	-	$4,510	Maint-Rep of ADP EQ & Supplies
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	ERDAS, Inc.	$ 3,500.00	1 yr	1-Oct-02	30-Sep-03	$2,700	$2,700	$2,700	$3,540	Software Support
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	Intergraph Corp.	$ 30,000.00	1 yr			$30,824	$25,000	$23,290	-	Hardware and Software Support
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	ZI Imaging	$ 17,000.00	1 yr	1-Oct-02	30-Sep-03	$17,223	$17,223	$17,223	$16,584	Hardware and Software Support
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	Bentley Systems, Inc.	$ 3,672.00	1 yr	1-Oct-02	30-Sep-03	$2,858	$2,858	$2,858	$3,672	Software License Subscription
NRE/FS	FS Telecom Base	005-86-02-00-02-0075-00	Federal Network Systems	$ 60,000.00	1 yr			$87,396	$70,000	$66,495	-	Network Hardware and Software Support
NRE/FS	FS Telecom Base	005-86-02-00-02-0075-00	Computer Consulting Operations Specialist	$ 93,136.00	1 yr	1-Oct-02	30-Sep-03	-	-	-	$93,136	Network Hardware and Software Support
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	IBM	$ 10,000.00	1 yr	1-Oct-02	30-Sep-03	$991,472	$1,000,000	$1,000,024	$10,000	Hardware Maintenance
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	SpecPRO	$ 380,000.00	1 yr	1-Oct-02	30-Sep-03	-	-	-	$380,000	Hardware Maintenance
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	PlanetGOV	$ 80,000.00	6 months	1-Feb-03	30-Sep-03	-	-	-	$80,000	Hardware Maintenance
NRE/FS	FS Radio Communications	005-86-02-00-02-0074-00	M&M Communications	as needed	1 yr	1-Oct-02	30-Sep-03	$5,135	$2,000	$1,965	$2,000	2-way radio repair
NRE/FS	FS Radio Communications	005-86-02-00-02-0074-00	J&R Electronics, Inc.	as needed	2 yrs	12-Mar-01	31-Dec-02	$10,409	$15,000	$15,000	-	Radio Maint & Installation
NRE/FS	FS Radio Communications	005-86-02-00-02-0074-00	Western Electronics, Inc.	as needed	2 yrs	12-Mar-01	31-Dec-02	$17,099	$35,000	$33,075	-	Radio Maint & Installation
NRE/FS	FS Radio Communications	005-86-02-00-02-0074-00	J&R Electronics, Inc.	as needed	2 yrs	13-Mar-03	31-Dec-04	-	-	-	$20,000	Radio Maint & Installation
NRE/FS	FS Radio Communications	005-86-02-00-02-0074-00	Western Electronics, Inc.	as needed	2 yrs	13-Mar-03	31-Dec-04	-	-	-	$20,000	Radio Maint & Installation
NRE/FS	FS Radio Communications	005-86-02-00-02-0074-00	Maid Communications	as needed	2 yrs	13-Mar-03	31-Dec-04	-	-	-	$20,000	Radio Maint & Installation
NRE/FS	FS Radio Communications	005-86-02-00-02-0074-00	L.C. Staffing	as needed	1 yr	21-Jun-02	21-Jun-03	-	$10,000	$10,075	$20,000	Telephone Maint & Installation
NRE/FS	FS Radio Communications	005-86-02-00-02-0074-00	James Stell	as needed	1 yr	1-Oct-01	30-Sep-02	$5,000	$5,000	$5,000	$2,500	Radio maintenance
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	Imperial Data	$ 6,088.00	1 yr	1-Oct-00	30-Sep-01	$6,088	$0	-	-	Printer maintenance
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	Black and Veil Office Equipment	$ 1,200.00	1 yr	1-Oct-01	30-Sep-02	-	$1,200	$1,200	-	Printer maintenance
NRE/FS	FS Computer Base	005-86-02-00-01-0071-00	Hewlett Packard	$ 936.00	1 yr	1-Oct-00	30-Sep-01	$936	-	-	-	Plotter maintenance
NRE/FS			ETI Professionals	$ 95,000.00	Annual Contract	1-Oct-02	30-Sep-03	-	$95,000	$95,000	$95,000	PC Desktop Support
NRE/FS			Icon Consulting	$ 80,000.00	Annual Contract	1-Oct-02	30-Sep-03	-	-	-	$80,000	Server Support
NRE/FS	Infra Project	005-86-01-11-01-1030-00	IRM Consulting Group		Annual Contract	1-Oct-02	30-Sep-03	$947,500	-	$2,408,000	$3,707,000	ADP Systems Development

NRE/FS	Infra Project	005-96-01-11-01-1030-00	Pixl Inc.		Annual Contract	1-Oct-02	30-Sep-03	$1,662,000	-	$1,563,000	$1,835,000		ADP Systems Developement
NRE/FS	Infra Project	005-96-01-11-01-1030-00	Anteon		Annual Contract	1-Oct-02	30-Sep-03	$235,000	-	$155,000	$235,000		Documentation/Training
NRE/FS	Infra Project	005-96-01-11-01-1030-00	Mindseeker		Annual Contract	1-Oct-02	30-Sep-03	-	-		$88,000		Documentation/Training
NRE/FS	Infra Project	005-96-01-11-01-1030-00	SAI		Annual Contract	1-Oct-02	30-Sep-03	$25,000	-	$69,000	$79,000		Admn Technical support
NRE/FS	Infra Project	005-96-01-11-01-1030-00	Logicon/Northrop Grumman		Annual Contract	1-Oct-01	30-Sep-02	$2,452,000	-	$445,000	-		ADP Systems Developement
NRE/FS	FS Radio Communications	005-96-02-00-02-0074-00	Capital Communications	$ 20,000.00	1 yr	1-Oct-02	30-Sep-03	$10,694	$20,000	$19,784	$20,000		Radio Maint & Installation
NRE/FS	WFRP-MS	005-96-01-11-02-0135-00	This Computer Solutions					$25,000	$25,000	$25,000			
NRE/FS			TBA			1-May-03	30-Sep-03				$100,000		Technical Support - Not Yet Awarded
NRE/FS	FS Computer Base	005-96-02-00-01-0071-00	IBM			1-Oct-00	30-Sep-02	$11,336,151	$6,621,849	$5,070,174	-		Technical Support, Hardware Maintenance, Systems Admin and Analyst Support contracts
NRE/FS	FS Computer Base	005-96-02-00-01-0071-00	IBM			1-Oct-02	30-Sep-03	-	-	-	$11,819,837		Transition, Integration, Technical Support, Hardware Maintenance, and IT Services Contracts
NRE/FS	FS Computer Base	005-96-02-00-01-0071-00	NSGI		Annual	1-Oct-02	30-Sep-03	$339,949	$1,677,364	$1,679,816	$1,653,057		Systems Admin and Analyst Support
NRE/FS	FS Computer Base	005-96-02-00-01-0071-00	RGS		Annual	1-Oct-02	30-Sep-03	$280,017	$278,892	$279,892	$304,780		System Analysis Support
NRE/FS	FS Telecom Base	005-96-02-00-02-0075-00	RGS		Annual	1-Oct-02	30-Sep-03	-	$105,000	$121,298	$158,565		Network Telephone Support
NRE/FS	FS Computer Base	005-96-02-00-01-0071-00	G&B Solutions			13-Jan-03	30-Sep-03	-	-	-	$1,490,000		E-Gov/Enterprise Architecture
NRE/FS	FS Computer Base	005-96-02-00-01-0071-00	Gartner Group	as needed		1-Oct-02	30-Sep-03	$244,110	$360,076	$491,930	$125,332		V&V, Consultant, Customer surveys Contracts
NRE/FS	FS Computer Base	005-96-02-00-01-0071-00	FF&A		Annual	1-Oct-02	30-Sep-03	-	$431,793	$426,160	$369,460		Software Systems & Quality Assurance
NRE/FS	FS Computer Base	005-96-02-00-01-0071-00	ESRI		Annual	1-Oct-02	30-Sep-03	-	$229,440	$236,833	$202,135		GIS System Software developer and Tech. Support
NRE/FS	FS Computer Base	005-96-02-00-01-0071-00	GSA - 03-IA-11132215-001		Annual	1-Oct-02	30-Sep-03	-	$525,017	$578,011	$876,057		System engineering Analyst; IT Specialist Support
NRE/FS	FS Computer Base	005-96-02-00-01-0071-00	LGB & Associates		Annual	1-Oct-02	30-Sep-03	$160,233	$171,456	$171,456	$175,028		PC Imaging/Testing/Quality Assurance
NRE/FS	FS Computer Base	005-96-02-00-01-0071-00	PIXL, Inc.		Annual	1-Oct-02	30-Sep-03	-	$194,040	$194,040	$197,247		System Analysis Support
NRE/FS	FS Computer Base	005-96-02-00-01-0071-00	SRA		Annual	1-Oct-02	30-Sep-03	-	$836,997	$574,426	$928,260		System Analysis/Tivoli Support
NRE/FS	FS Computer Base	005-96-02-00-01-0071-00	Universal Hi-Tech Dev.		Annual	1-Oct-02	30-Sep-03	-	$221,550	$221,550	$350,000		System Analysis/Tivoli Support
NRE/FS	FS Computer Base	005-96-02-00-01-0071-00	S&K		Annual	1-Oct-02	30-Sep-03	-	$207,360	$207,360	$177,158		System and Security Architect Support
NRE/FS	FS Telecom Base	005-96-02-00-02-0075-00	TLA		Annual	1-Oct-02	30-Sep-03	-	-	-	$354,170		WAN Support and Analysis
NRE/FS	Client Database		Larry Bednar	$ 5,000.00		1-Jan-03	30-Jan-03	-	-		$5,000		Development of MS Access application
Agency Totals:				$ 7,226,973.28				$29,547,826	$17,728,076	$24,251,169	$32,441,059		

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITIPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
FFAS/FSA	Nationwide SCOAP Mntnc	FSA #58	IBM	$ 37,422,647.00	5	9/23/1997	9/30/2002	$ 3,653,371.00	$ 3,805,103.00	$ 3,255,000.00	Expired	Nationwide SCOAP maintenance
FFAS/FSA/FAS/RMA	Computer Facility Operations	FSA #63	ARSC	$ 8,590,316.00	5	10/1/2001	9/30/2006	$ -	$ 8,590,316.00	$ 8,590,316.00	$ 10,037,758.00	Computer facility operations
FFAS/FSA	Information Technology Support Services	Multiple	ITSS-2: EDS*	$ 29,636,674.00	5	11/20/2001	11/20/2006	$ 14,414,153.00	$ 5,079,056.00	$23,295,273		Software development, enhancement and maintenance
FFAS/FSA	Information Technology Support Services	Multiple	ITSS-2: Unisys*	Included in above	5	11/21/2001	11/21/2006	N/A	$ -	$ -	$ -	
FFAS/FSA	Information Technology Support Services	Multiple	ITSS-2: NSR*	Included in above	5	11/22/2001	11/22/2006	$ 1,511,194.00	$ 1,648,216.00	$1,099,210		Software development, enhancement and maintenance
FFAS/FSA		FSA #66	Vistech Inc.	$ 551,662.00	1			$ 551,662.00	$ 834,391.00			Support Service for Application Development
FFAS/FSA	GIS Support Svc	FSA #64	Veridian-MRJ	$ 2,262,000.00	1	10/8/2001	3/31/2003	$ 1,199,000.00	$ 2,262,000.00	$1,915,000.00	$1,366,810.00	GIS/GPS Support
FFAS/FSA	AS 400 Maintenance	FSA #68	IBM	$ 2,001,920.00	1	1/1/2001	9/30/2002	$ -	$ 2,001,920.00	$ 2,001,920.00	Expired	AS/400 Maintenance
FFAS/FSA	MQ Series Support	FSA #69	IBM	$ 66,414.00	1	2/22/2002	9/30/2002	$ -	$ 66,414.00	$ 56,576.00	Expired	MQ Series System Engineer Support
FFAS/FSA	AS/400 Main	FSA #69 & FSA #59	ComTek	$ 25,000,000.00	5	10/15/2002	9/30/2007	$ -	$ -	$ -	$3,927,300.00	IBM AS/400 and 4317 Laser Printer Maintenance
FFAS/FSA	Support Services		EDS	$ 168,305.00	1	9/28/2001	9/30/2002	$ 168,305.00	$168,305.00	168,305.00	Expired	System Engineer Support
FFAS/FSA		Multiple	IBM	$ 376,728.00	1			$ -	$ 376,728.00			IT Technical Support
FFAS/FSA	Support Services	Multiple	IBM	$ 827,000.00	1	5/3/2002	9/30/2003	$ -	$ 827,000.00	$ 827,000.00		IT Technical Support
FFAS/FSA			MELE Associates	$ 58,906.00	2	10/1/2002	9/30/2003	$ 58,906.00	$ 61,647.00	$ 61,647.00	N/A	Support Service for Data Entry
FFAS/FSA	Webcaff Support Services		N-Link Corporation	$ 635,029.00	1	1/7/2002	5/1/2002	$ -	$ 635,029.00	$ 635,029.00	Expired	Support Services for Webcaff Requirement
FFAS/FSA	Mentoring Services	Multiple	IMD	$415,087.00	1	7/29/2002	9/30/2002	0	$415,087.00	$416,087.00	Expired	Mentoring Services
Agency Totals:				$ 109,212,885.00				$ 21,885,991.00	$ 26,789,112.00	$ 42,322,263.00	$ 18,353,874.00	

IT Contractor Assistance Information

Mission Area/Agency	act	NS	R	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
FS/FSIS				Sybase	$ 985,000.00	1year			-	$ 986,000.00	$ 987,120.58	-	Database Development
FS/FSIS				Falm Help	$ 1,717,513.00	1year			$ 1,859,528.00	$ 1,717,513.00			FAIM Helpdesk
FS/FSIS				ID Enterprise	$ 790,276.20	5year	7/30/2002	7/30/2007	$ -	$ 206,800.00	$ 206,800.00	$ 61,320.00	Application Development
FS/FSIS				Unisys (Help desk)	$ 419,712.48	1year			$ 419,712.50	$ 425,000.00			Headquarters Helpdesk
FS/FSIS				Bay State	$ 7,000,000.00	5year	10/1/2002	9/30/2007	$ 5,000,000.00	$ 5,813,555.00	$ 5,813,555.00		PC Purchases
FS/FSIS				SMAC	$ 250,000.00	1year		8/30/2001	$ 300,000.00	$ 250,000.00			PC Purchases
FSIS				SAIC	$ 6,395,527.00	5 year	10/18/2002	9/30/2007				$ 653,000.00	Sybase Support
Agency Totals:					$ 17,558,031.68				$ 7,579,240.50	$ 9,397,868.00	$ 7,007,476.58	$ 714,320.00	

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITIPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
MRP/GIPSA			A&T Systems Inc	$ 20,315.50	1 time			$ 20,315.50	$ -			P&SP Software Install
MRP/GIPSA			Adager	$ 300.00	1 Year	OCT 01	SEP 30	$ 300.00	$ 300.00	$ 300.00	$ 1,100.00	FGIS Mini Computer Software Maintenance
MRP/GIPSA			API International	$ 1,164.00	1 Year	OCT 01	SEP 30	$ 1,164.00	$ 1,164.00	$ 1,164.00	$ 1,164.00	FGIS Mini Computer Software Maintenance
MRP/GIPSA			ATL Products	$ 7,000.00	Yearly			$ 7,000.00	$ 7,000.00	$ 7,000.00	$ 7,000.00	P&SP Tape Drive Maintenance
MRP/GIPSA			Cisco Systems	$ 2,950.89	1 Year	OCT 01	SEP 30	$ 2,950.89	$ 2,928.54	$ 2,928.54	$ 2,244.00	FGIS LAN Software Maintenance
MRP/GIPSA			CTI Inc.	$ 199,584.94	6 Months	21-May	4-Sep		$ 199,584.94	$ 199,584.94		Swire Contract Library
MRP/GIPSA			CTI Inc.	$ 90,960.00	1 Year	28-Sep	28-Sep		$ 90,960.00	$ 90,960.00		Application Maintenance
MRP/GIPSA			CTI Inc.	$ 154,445.54	1 Year	28-Sep	28-Sep		$ 154,445.54	$ 154,445.54		Application Maintenance
MRP/GIPSA			CTI Inc.	$ 249,900.00	1 Year	30-Sep	1-Oct		$ 249,900.00	$ 249,900.00		XP Desktop Computer Deployment
MRP/GIPSA			CTI Inc.	$ 250,000.00	1 Year	25-Sep	24-Sep		$ 250,000.00	$ 250,000.00		Enterprise Architecture Plan
MRP/GIPSA			Dominion Data	Replaced Indelible	1 Year	OCT 01	SEP 30		$ 1,960.00	$ 1,960.00	$ 1,949.19	FGIS Software Maintenance
MRP/GIPSA			EMC	$ 7,185.00	1 time			$ 7,185.00	$ 7,185.00	$ 7,185.00	$ 7,185.00	P&SP Software Install
MRP/GIPSA			EMC	$ 43,013.64	Yearly			$ 43,013.64	$ 43,013.64	$ 43,013.64	$ 43,013.64	P&SPComputer System Maintenance
MRP/GIPSA			Entrix Computing	$ 1,049.00	1 Year	OCT 01	SEP 30	$ 1,049.00	$ 1,049.00	$ 1,049.00	$ 1,049.00	FGIS Mini Computer Software Maintenance
MRP/GIPSA			Hewlett Packard	$ 27,159.68	1 Year	OCT 01	SEP 30	$ 27,159.68	$ 28,830.32	$ 28,830.32	$ 28,332.96	FGIS Mini Computer Hardware/ Software Maintenance
MRP/GIPSA			Indelible Blue, Inc	$ 1,089.00	1 Year	OCT 01	SEP 30	$ 1,089.00				FGIS Software Maintenance
MRP/GIPSA			Minisoft	$ 600.00	1 Year	OCT 01	SEP 30	$ 600.00	$ 1,200.00	$ 1,200.00	$ 1,200.00	FGIS Mini Computer Software Maintenance
MRP/GIPSA			Novell	$ 13,900.00	1 Year	OCT 01	SEP 30	$ 13,900.00	$ 12,518.82	$ 12,518.82	$ 14,300.82	FGIS LAN Software Maintenance
MRP/GIPSA			Opesn Seas /Jetform	$ 1,800.00	1 Year	OCT 01	SEP 30	$ 1,800.00	$ 1,800.00	$ 1,800.00	$ 1,800.00	FGIS Mini Computer Software Maintenance
MRP/GIPSA			Productive Software	$ 7,130.00	1 Year	OCT 01	SEP 30	$ 7,130.00	$ 7,402.52	$ 7,402.52	$ 7,340.30	FGIS Mini Computer Software Maintenance
MRP/GIPSA			RGB Technology Inc	$ 10,711.55	1 time			$ 10,711.55	$ -			P&SP Cable Install
MRP/GIPSA			ROC Software	$ 605.00	1 Year	OCT 01	SEP 30	$ 605.00	$ -	$ -	$ -	FGIS Mini Computer Software Maintenance
MRP/GIPSA			Speedware LTD	$ 9,725.00	1 Year	OCT 01	SEP 30	$ 9,725.00	$ 9,725.00	$ 12,000.00	$ 14,400.00	FGIS Mini Computer Software Maintenance
MRP/GIPSA			Speedware LTD	$ 9,725.00	1 Year	OCT 01	SEP 30	$ 9,725.00	$ 12,000.00	$ 12,000.00	$ 14,400.00	FGIS Mini Computer Software Maintenance
MRP/GIPSA			Vesoft, Inc	$ 1,740.00	1 Year	OCT 01	SEP 30	$ 1,740.00	$ 1,770.00	$ 1,770.00	$ 1,800.00	FGIS Mini Computer Software Maintenance
Agency Totals:				$ 1,112,053.74				$ 167,163.26	$ 1,082,758.32	$ 1,056,033.32	$ 148,279.91	

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITIPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
DA/NAD			PTI	$ 88,655	4 months			$ 68,655	0	0	0	IT Assessment/Implementation Plan
DA/NAD					unknown			$ -	$ -	$ -	$ 20,000	IT Security Study
Agency Totals:				$ 88,655				$ 88,655	$ -	$ -	$ 20,000	

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITPA Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Planned Cost FY2004	Purpose
REE/NASS	Census/Survey Process		Bob Hoeup	$ 88,200.00	15 months	10/1/2001	3/31/2003	$ 41,000.00	$ 26,000.00	$ 25,000.00			System Integration & Design
REE/NASS	eGOV		Bob Hoeup	$ 26,000.00	3 months	1/1/2002	3/31/2002		$ 26,000.00	$ 26,000.00			eGOV planning & coordination
REE/NASS	Census/Survey Process		IBM/Informix	$ 150,000.00	4 years	10/1/2000	9/30/2004	$ 25,000.00	$ 30,000.00	$ 30,000.00	$ 40,000.00	$ 40,000.00	Data Warehouse Performance
REE/NASS	IT Support		VTI	$ 359,300.00	5 years	4/1/2000	3/31/2005	$290,000.00	$ 34,400.00	$ 34,400.00	$ 131,000.00	$ 38,000.00	Software & implementation of Integra
REE/NASS	Est Processing		John Markham	$ 240,000.00	4 years	10/1/2000	9/30/2004	$ 70,000.00	$ 80,000.00	$ 80,000.00	$ 55,000.00	$ 53,000.00	Application implementation
REE/NASS	Security		Price Waterhouse	$ 79,000.00	9 months	6/1/2001	2/28/2002	$ 23,000.00	$ -				IT Security Review
REE/NASS	Security		Pinpoint Services	$ 10,000.00	1 year	10/1/2000	9/30/2001	$ 10,000.00	$ -				Security cameras
REE/NASS	IT Support		Corporate	$ 45,200.00	4 years	10/1/2000	9/30/2004	$ -			$ 25,000.00	$ 20,000.00	Imgae Support
REE/NASS	Census/Survey Process		SAS Institute	$ 90,000.00	3 years	10/1/2001	9/30/2004	$ -	$ 40,000.00	$ 30,000.00	$ 30,000.00	$ 30,000.00	Survey processing software
REE/NASS	IT Support		Total Computer Solutions	$ 31,100.00	2 years	10/1/2001	9/30/2004	$ -	$ 11,100.00	$ 11,100.00	$ 10,000.00	$ 10,000.00	Email Support
REE/NASS	Census/Survey Process		Deloitte	$ 7,400.00	2 years	10/1/2001	9/30/2003	$ 5,000.00	$ 2,400.00	$ 2,400.00			SAS Support
REE/NASS	IT Support		TLS	$75,000	3 years	10/1/2001	9/30/2004		$ 25,000.00	$ 15,000.00	$ 25,000.00	$ 25,000.00	Headquarters LAN Cabling
REE/NASS	IT Support		Gotham Consulting	$ 60,000.00	3 years	10/1/2001	9/30/2004		$ 15,000.00	$ 15,000.00	$ 20,000.00	$ 20,000.00	System performance
REE/NASS	IT Support		Data Cards	$ 11,500.00	4 years	10/1/2000	9/30/2004	$ 2,500.00	$ 3,000.00	$ 3,000.00	$ 3,000.00	$ 3,000.00	Computer Room Cleaning
REE/NASS	Security		not yet awarded	$ 300,000.00	2 years	10/1/2002	9/30/2004				$ 125,000.00	$ 165,000.00	Security for Information Technology
REE/NASS	eGOV		Decision Systems Tech. In	$1,237,500.00	3 years	10/1/2001	9/30/2004		$ 232,000.00	$ 232,000.00	$ 500,000.00	$ 500,000.00	ECM Support
REE/NASS	Est Processing		not yet awarded	$ 40,000.00	6 months	4/1/2003	9/30/2003				$ 20,000.00	$ 20,000.00	Data Search Engine
REE/NASS	Census/Survey Process		Into US2	$ 700,000.00	3 years	10/1/2000	9/30/2003	$ 60,000.00	$ 100,000.00	$ 50,000.00	$ 400,000.00	$ 200,000.00	Nelson Phone Directory
REE/NASS	IT Support		not yet awarded	335,850	6 months	10/1/2003	3/31/2004					$ 30,000.00	Server Operating System Evolution
REE/NASS	Security		Backbone Technology	$ 44,000.00	8 months	4/1/2002	9/30/2002	$ -	$ 21,000.00	$ 44,000.00			Telecomm and Security Administration Evaluation
Agency Totals:				$3,997,263.00				$573,500.00	$ 923,900.00	$ 575,900.00	$ 1,109,000.00	$ 1,144,000.00	

FY2003 ITAT WORKLOAD (End of 1st Quarter Update)

NOTE: Items identified below with "PBSC" are either performance-based service contracts or will have the potential for FFP PBSC task orders placed against contracts. It is the ITAT objective to award all FFP services work as PBSC.

PART I
NEW ACQUISITIONS PLANNED FOR FY2003

NO.	TITLE	CONTRACT	TYPE	SPONSOR	AMOUNT	STATUS	CO	COMMENTS
6	MicroSoft Premier Support	Competitive GSA Schedule	FFP	OCIO/CCE	Est. $300K	In Statement of Work, Pre-Solicitation Phase.	Dove	Replaces expiring contract in February 2003.
7	Snotel Support Services for Portland, OR	GSA Schedule	FFP	West Region/Nat'l Water and Climate Ctr.	Est. $400K	In Statement of Work Phase.	Dove	Vendor: GSA Financial Division (follow-on)
8	NHQ LAN Support Services	USDA, DA-OPPM/POD BPA 8(a) Award	FFP PBSC	NRCS/ITD	Est. $900K	In Statement of Work, Pre-Solicitation Phase.	Sanders	**Performance Based Services.** New PBSC task order under the BPA to transition current work identified in Part II, No. 11 below on 3/1/03. Performance period through 09/30/03. Vendor: Evergreen IT Services (8(a) contractor)
9	IT Support Services for NRCS Mission Critical Applications and SCM IT Architecture	Competitive ITAT Contract 8(a) Award	T&M/ LOE/ FFP-PBSC	NRCS/ITC	DPA of $25M	In Statement of Work, Pre-Solicitation Phase.	Sanders/ Ensminger	This contract will allow for LOE, T&M, and FFP PBSC work orders to be issued against it. Competitive 8(a) Award for transitional work after "bridge" contract identified in Item below. Estimated award date of 10/01/03 to include a base year and four (4) option year periods.

$266,000,000

PART II
CURRENT AND ACTIVE PROCUREMENTS

NO.	TITLE	CONTRACT	TYPE	SPONSOR	AMOUNT	STATUS	CO	COMMENTS
1	**USDA Telecommunications Infrastructure Evaluation and Support Task Order with multiple work authorization orders (WAO's) placed under it.**	Competitive FSA ITSS-II	LOE/ T&M/ FFP-PBSC	USDA/OCIO	DPA of $25M	Awarded March 18, 2002. Performance period includes Base Year and four (4) option years (through September 30, 2006)	Ensminger	The task order allows for LOE, T&M, and FFP-PBSC work orders to be issued against it. Vendor: Science Applications International Corporation.
1a	*WAO No. 1 -- Electronic Access Operations and Maintenance -- eContracts Development -- West Texas Telecommunications Pilot (20-50 USDA offices)*		T&M	West Texas Pilot Funds	$653,174.00	Preformance Completed December 31, 2002.	Ensminger	Awaiting final invoice. Final payment, general performance evaluation, and Close-Out to be completed by Government.
1b	*WAO No. 2 -- Pilot Implementation Support -- West Texas Telecommunications Pilot (20-50 USDA offices)*		FFP-PBSC	West Texas Pilot Funds	$119,092.98	Preformance Completed January 20, 2003.	Ensminger	***Performance-Based Services.*** *Performance-Based evaluation completed by Government. Awaiting final invoice. Final payment, general performance evaluation and Close-Out to be completed by Government.*
1c	*WAO No. 3 -- Telecommunications Throughput Data Collection -- West Texas Telecommunications Pilot (20-50 USDA offices)*		T&M	West Texas Pilot Funds	$11,421.00	Preformance Completed July 2, 2002	Ensminger	Final Payment made by Government. Close-Out to be completed by Government.
1d	*WAO No. 4 -- USDA Service Center Agency Router Installation for 2,700 USDA locations*		FFP-PBSC	OCIO/CCE	$2,206,533.00	Preformance Completed December 20, 2002	Ensminger	***Performance-Based Services.*** *Performance-Based evaluation completed by Government. Awaiting final invoice. Government-furnished property reconciliation is underway by COTR with completion expected by January 31, 2003. Final payment, general performance evaluation and Close-Out to be completed by Government.*
2	**Electronic Access/Web Farms Operations (EAWF) with multiple Work Authorization Orders (WAO's) placed under it.**	Competitive FSA ITSS-II	T&M/ FFP-PBSC	OCIO/NRCS	DPA of $25M	Awarded April 5, 2002.	Sanders	Vendor: Science Applications International Corporation.
2a	*WAO No. 1 -- Electronic Access Web Farm Architecture and Security*		T&M	OCIO/NRCS	$437,316.17	Performance Completed 12/31/02	Sanders	
2b	*WAO No. 2 -- Electronic Access Operations and Maintenance*		T&M	OCIO/NRCS	$299,859.00	Performance Completed 12/31/02	Sanders	
2c	*WAO No. 3 -- Information Technology Working Group (ITWG) Security*		T&M	OCIO/FSA-KC	$576,718.00	Awarded 9/17/02. Performance period runs through 09/30/03	Sanders	
2d	*WAO No. 4 -- Web Modernization and Support*		T&M - PBSC	NRCS/ITD	$232,293.09	Performance Completed 1/6/03	Sanders	
2e	*WAO No. 5 -- Electronic Access Architecture & Security and Operations & Maintenance*		T&M	OCIO/NRCS	$1,602,446.00	Awarded 12/31/02. Performance period runs through 12/31/03.	Sanders	

3	**Implementation of Geospatial Data Warehouses (GDW) for Service Center Agencies Task Order with multiple Work Authorization Orders (WAO's) placed under it.**	Competitive FSA ITSS-II	LOE/ T&M/ FFP- PBSC	OCIO/NRCS	DPA of $25M	Awarded May 28, 2002.	Ensminger	The task order allows for LOE, T&M, and FFP-PBSC work orders to be issued against it. Vendor: Computer Sciences Corporation.
3a	*WAO No. 1 -- Support for the Initial Foundation of the GDW*		FFP- PBSC	OCIO/NRCS	$672,196.00	*Performance Completed December 6, 2002.*	Ensminger	***Performance-Based Services.*** *Performance-Based evaluation completed by Government. Awaiting final invoice. Final payment: general performance evaluation and Close-Out to be completed by Government.*
3b	*WAO No. 2 -- Sub-Task 2 (Phase I) Implementation of the GDW*		FFP- PBSC	OCIO/NRCS	$2,500,000.00	*Awarded December 27, 2002.*	Ensminger	***Performance-Based Services.*** *WAO End-date: September 30, 2003.*
4	**Enterprise Data Storage Architecture, Procurement, and Installation for Service Center Agencies Task Order**	Competitive FSA ITSS-II	FFP - PBSC	OCIO/NRCS	$7,000,000.00	Awarded September 18, 2002. Performance period includes base period and two (2) option periods (through September 30, 2004).	Sanders	**Performance Based Services.** Vendor: Computer Sciences Corporation
5	**Infrastructure Support Services with the following task orders placed under it:**	ITAT Contract (8(a) Award)	T&M/ FFP	NRCS/ITC and OCIO/CCE	DPA of $3M	Contract is currently in the first option year period. Contract has one option period remaining.		**Plan to convert to PBSC starting with 2nd Quarter of 1st option period (3/01/03).** Vendor: Information Technology eXperts (8(a) contractor)
5a	*TO No. 01 -- System Administration*		FFP	NRCS/ITC	$459,456	*In performance phase*	Sanders	*Period of performance expires on 1/31/02. Need to negotiate and modify to extend to 2/28/03 during continuing resolution the transition to new **PBSC** TO No. 05 below on 3/1/03.*
5b	*TO No. 02 -- National Help Desk*		FFP	NRCS/ITC	$852,234	*In performance phase*	Sanders	*Period of performance expires on 1/31/02. Need to negotiate and modify to extend to 2/28/03 during continuing resolution the transition to new **PBSC** TO No. 06 on 3/1/03.*
5c	*TO No. 03 -- Technical Documentation Specialist*		T&M	OCIO/CCE	$22K	*Performance Completed 1/31/02.*	Sanders	
5d	*TO No. 04 -- CCE Deployment Team Project Management Support*		T&M- PBSC	OCIO/CCE	$71,583	*In performance phase.*	Sanders	*Performance period expires on 9/30/03.*
5e	*TO No. 05 -- System Administration*		FFP PBSC	OCIO/CCE	Est. $350K	*In Statement of Work, Pre-Solicitation Phase.*	Sanders	***Performance Based Services.*** *Estimate Award for 3/1/03 (depending upon Continuing Resolution limitations)*
5f	*TO No. 06 -- National Help Desk*		FFP PBSC	OCIO/CCE	Est. $600K	*In Statement of Work, Pre-Solicitation Phase.*	Sanders	***Performance Based Services.*** *Estimate Award for 3/1/03 (depending upon Continuing Resolution limitations)*
6	**Enterprise Architecture Support Services with the following task orders placed under it:**	ITAT Contract (8(a) Award)	T&M/ FFP	NRCS/ITC	DPA of $3M	Contract is currently in the first option year period. Contract has one option period remaining.	Sanders	Vendor: Synergetics (8(a) award).
6a	*Geospatial Data Management*		FFP	NRCS/ITC	$60K	*Performance Completed.*	Sanders	
6b	*Network Prediction System*		T&M	NRCS/ITC	$135K	*Performance Completed 12/31/02*	Sanders	

6c	*Protracts Application Development (formerly eContracts Application Development)*		*T&M*	*NRCS/ITC*	*$275,101*	*In performance phase. Expires on 1/31/02.*	*Sanders*	*Period of performance expires on 1/31/02. Need to negotiate and modify to extend to 2/28/03 during continuing resolution the transition to new PBSC Contract (see Part I, No. 8 above) on 3/1/03.*
6d	*SCM/ Data Management, Development, and System Integration Support Services*		*T&M*	*NRCS/ITC*	*$1,006,848*	*In performance phase. Expires on 1/31/02.*	*Sanders*	*Period of performance expires on 1/31/02. Need to negotiate and modify to extend to 2/28/03 during continuing resolution the transition to new PBSC Contract (see Part I, No. 8 above) on 3/1/03.*
7	**IT Support Services for NRCS Mission Critical Applications and SCM IT Architecture**	ITAT Contract (8(a) Award)	T&M/ LOE/ FFP PBSC	NRCS/ITC	DPA of $3M	Currently in the negotiation/award phase of a new contract. Estimate contract award no later than 2/28/03.	Sanders	This contract will allow for LOE, T&M, & FFP PBSC task orders to be issued against it. Vendor: Synergetics (8(a) award). Transitional contract until new, competitive 8(a) contract can be awarded (see Part I, No. 8 above).
7a	*IT Support Services for NRCS Mission Critical Applications and SCM IT Architecture*		*T&M PBSC*	*NRCS/ITC*	*Est. $2.0M*	*In Statement of Work, Pre-Solicitation Phase.*	*Sanders*	***Performance Based Services.*** *Estimated period of performance to start 3/1/03.*
8	**Federal Information Systems Support for West Region (SNOTEL)**	GSA Tripart Contract	FFP	West Region/Nat'l Water and Climate Ctr.	Varies - $295K in FY02	Ongoing.	Dove	Annual Software Support and Maintenance.
9	**CCE Program Management Support Services**	Open Market 8(a)	FFP-PBSC	OCIO/CCE	$100,000.00	Awarded 7/1/02. Performance period runs through 6/30/02.	Sanders	**Performance Based Services.** Vendor: Synergetics (8(a) award).
10	**Snotel Support Services for Portland, OR**	GSA Schedule	FFP	West Region/Nat'l Water and Climate Ctr.	$440,000.00	Awarded July 18, 2002	Dove	Vendor: GSA Financial Division
11	**NHQ LAN Support Services**	USDA, DA-OPPM/POD BPA	FFP	NRCS/ATD	$252,000.00	In performance phase	Sanders	*Period of performance expires on 2/2/03. Need to award new PBSC task order under the BPA to transition current work (see Part I, No. 7 above) on 3/1/03.*
12	**USDA Microsoft Windows 2000 Systems Exchange, MS Systems Management Server (SMS), and Microsoft Operations Manager (MOM) Architecture and Configuration Services**	Competitive GSA Schedule	T&M	OCIO/CCE	$1,176,688.00	Awarded May 30, 2002.	Sanders	In performance phase. Vendor: EDS Corporation
13	**OPNET Software and Services**	USDA, Forest Service BPA	FFP	OCIO	$451,271.00	Two (2) Awards: June 7 and 27, 2002	Ensminger	For ITC, Fort Collins, and the OCIO, TSO, UTN, Beltsville, MD. Vendor: CC-OPS (8(a) woman-owned contractor)
14	**Active Roles Software and Support**	NASA SEWP II (Compaq)	FFP	NRCS-ITC	$278K	On-going through Feb 2005.	Dove	45,000 User License. Annual Updates.
15	**Veritas Government Enterprise Agreement for CCE and Datawharehouse Requirements**	Competitive GSA Schedule	FFP	OCIO/CCE	$4,239,146	Currently in base year of BPA. BPA has 2 option years (through September 30, 2005)	Sanders	Includes a semi-annual inventory reconciliation (true-up. Vendor: GTSI (small business)
16	**Microsoft Premier Support**	Competitive GSA Schedule	FFP	OCIO	$310K	Awarded February 1, 2002. Performance runs through Feb 2003.	Dove	Vendor: GTSI, Inc.

19	**Microsoft Software Upgrades and Maintenance for the ITC**	Competitive GSA Schedule	FFP	NRCS	$93,057.00	Awarded July 31, 2002. Performance period runs through July 2004.	Dove	Vendor: Micro Warehouse
20	**McAfee WebShield E500 Appliance Hardware, Software and Warranty Support.**	USDA, DA-OPPM/POD BPA	FFP	OCIO/CCE	209,247.20	Awarded on 12/30/02.	Sanders	Performance period through 12/31/03.
21	**PeopleSoft Software License for Human Resources - Annual Support**	GSA Schedule	FFP	NRCS/FSA/ RD	$ 480K per annum	Currently in annual maintenance phase.	Ensminger	Maintenance services for initial license. License includes Human Resources, Benefits Administration, and Payroll Interface software.
34	**Administrative Services Task Order, with the following work orders placed against it:**	Competitive FSA ITSS	CPFF		DPA of $25M		Sanders	Vendor: Unisys Corp. Performance Completed. In the process of quick close-out procedures to make final payment for cost-reimbursement interim payments.
34a	*Electronic Access Security Design*			*OCIO*	*$1.5M*	*Performance Completed.*	*Sanders*	
34b	*CAMS Implementation*			*CAMS*	*$2.6M*	*Performance Completed*	*Sanders*	
36	**Data Base Resources Task Order with the following work orders placed against it:**	Competitive FSA ITSS	CPFF	*NRCS/ITC*	DPA of $25M		Sanders	Vendor: Unisys Corp. Performance Completed. In the process of quick close-out procedures to make final payment for cost-reimbursement interim payments.
35a	*Office Information Profile (OIP)*			*NRCS/ITC*	*$327K*	*Performance complete.*	*Sanders*	
35b	*Electronic Access*			*NRCS/ITC*	*$500K*	*Performance complete.*	*Sanders*	
35c	*VegSpec*			*NRCS/ITC*	*$66K*	*Performance complete.*	*Sanders*	
35d	*NASIS*			*NRCS/ITC*	*$598K*	*Performance complete.*	*Sanders*	
35e	*Integrated Accountability System (Web TCAS, IAS, RC&D)*			*NRCS/ITC*	*$1.5M*	*Performance complete.*	*Sanders*	

$167,201,392.60

PART III
PROCUREMENTS IN CLOSEOUT PHASE

NO.	TITLE	CONTRACT	TYPE	SPONSOR	AMOUNT	STATUS	CO	COMMENTS
1	**NRCS Customer Service Toolkit Support Services with the following task orders placed under it:**	ITAT Contract (8(a) Award)	T&M/ FFP	NRCS/ITC		Contract Closeout Pending.	Sanders	
1a	*Customer Services Toolkit*		*T&M*	*NRCS/ITC*	*$769,673.88*	*Performance Completed 4/30/02.*	*Sanders*	
1b	*Maintenance and Support for the NRCS IT Applications*		*T&M*	*NRCS/ITC*	*$2,247,270.00*	*Performance Completed 12/6/02.*	*Sanders*	
3	**Server Installation Services**	Competitive GSA Schedule	FFP PBSC	OCIO/CCE	$3,815,764.00	Performance Completed 10/21/02. Closeout Pending.	Sanders	
5	**Expanded New Mexico Telecommunications Pilot (44 USDA offices)**	Competitive GSA Schedule	FFP	New Mexico SO	$450K	Final Payment Executed; Closeout Pending.	Ensminger	
6	**Strategic Assessment of IT Processes for NRCS**	Competitive GSA Schedule	FFP	NRCS/ITD	$350K	Final payment Executed; Closeout Pending.	Sanders	
7	**Geospatial Requirements and Cost Benefit Analysis**	Competitive GSA Schedule	FFP	NRCS/ITD	$100K	Final payment Executed; Closeout Pending.	Sanders	

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITIPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
OBPA			0	$0	0			$0	$0			
Agency Totals:				$0				$0	$0			

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITIPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2003	Actual/Planned Cost FY 2003	Purpose
OC			0	$0	0			$0	$0	$6,000	$6,000	0
Agency Totals:				**$0**				**$0**	**$0**	**$6,000**	**$6,000**	

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/OMB Project ID #	Contract Awarded	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2003	Actual/Planned Cost FY 2003	Purpose
OCIO			0	$0	0			$0	$0	$0	$0	
Agency Total			0	$0	0			$0	$0	$0	$0	

IT Contractor Assistance Information

Mission Area/Agency	Project Name*	USDA/ITIPS Project ID #*	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
OCFO/NFC		43-7245-1-039	ACS	$2,016,750.00	24 mo	Oct-01	Sep-03	$1,140,622.00	$676,118.00	$1,428,725.00	$1,150,485.00	Programming/Analyst Support TSPD
		43-7245-1-034	ACS	$24,860.00	3 mo	Oct-00	Dec-00	$24,860.00	$0.00	$0.00	$0.00	PKI Implentation Plan
		NFC-02-BPA-0005	ACS	$342,756.00	36 mo	Oct-01	Sep-04	$0.00	$108,800.00	$109,527.37	$114,192.00	TSP Automation Specialist
OCFO/NFC		43-7245-1-030/43-2-060	ACS	$586,640.00	12 mo	Apr-01	Nov-01	$252,640.00	$334,000.00	$12,091.00	$0.00	Support Services for HW & SW Installation & Web
OCFO/NFC		43-7245-1-024/43-2-057	ACS	$24,223.89	12 mo.	Oct-01	Sep-02	$4,236.69	$19,545.00	$840.00	$0.00	Telecommunications Support Svs.
OCFO/NFC		43-7245-2-005	ACS	$324,480.00	21 mo	Oct-01	Sep-03	$144,000.00	$180,480.00	$173,490.00	$0.00	RDBMS Developer
OCFO/NFC		NFC-02-BPA-006	ACS	$310,180.00	36 mo	Oct-01	Sep-04	$91,360.00	$228,800.00	$220,753.50	$126,725.00	Web and PKI Support
OCFO/NFC		43-7245-1-029	ACS	$27,488.16	4 mo.	Oct-00	2/30/01	85,886.16	$21,600.00	$0.00	$0.00	System Dev. Consultant-SCP/AP Documentation
OCFO/NFC		43-7245-2-026	ACS	$285,551.00	24 mo	Oct-01	Sep-03	$252,640.00	$32,911.00	$17,070.98	$0.00	Install and distribute PCs
		53-3142-2-1010	Adnet	$6,741,978.00	5 yrs	Apr-02	Sep-05	$0.00	$837,354.00	$891,565.05	$1,784,136.60	TSP Data Entry
OCFO/NFC		43-7245-1-103/43-2-063	Candio	$232,312.00	18 mo	Apr-01	Jun-02	$139,512.00	$92,800.00	$85,800.00	$0.00	Sr. Consultant-Implement CU/Superession
OCFO/NFC		43-7245-1-978	Computer Associates	$134,176.00	7 mo	Jan-03	Jul-03	$101,642.00	$0.00	$0.00	$0.00	JAD Facilator
OCFO/NFC		43-7142-3-04005	Computer Associates	$100,000.00	12 mo.	Oct-03	Sep-03	$0.00	$0.00	$0.00	$100,000.00	Tech support, on-site expenses
OCFO/NFC		43-7245-1-064	Computer Solutions	$20,025.00	3 mo.	Nov-01	Jan-02	$0.00	$20,025.00	$20,025.00	$0.00	Implementation of PKI Sybase DB
OCFO/NFC		43-7245-1-104	Computer Solutions & Ser	$4,531.25	1 mo	Nov-01	Dec-01	$0.00	$4,531.25	$4,531.25	$0.00	PKI Sybase DB Assistance
OCFO/NFC		53-3142-2-1032	Consolidated Safety Services	$1,264,186.00	3 yrs	Oct-02	Sep-05	$0.00	$0.00	$0.00	$1,264,186.00	CASE Tools Support Service
OCFO/NFC		43-7245-2-146	Cyntek	$30,796.00	2 mo.	Jul-02	Sep-02	$0.00	$13,706.00	$30,796.00	$0.00	Data Encryption Services
OCFO/NFC (COD)		53-3142-1-1007	Cirsque, Inc+047	$914,124.00	5 yrs	Oct-00	Sep-05	$406,177.00	$507,947.00	$363,079.00	$527,395.00	Data Entry
OCFO/NFC	PKI	43-7245-2-068/005-03-01-01-02-1030-00	DTL Solutions	$41,100.00	12 mo.	Jan-02	Dec-02	$0.00	$41,100.00	$36,100.00	$0.00	On-site tech set up Veritas Serv-PKI
OCFO/NFC		53-7245-2-3068	Dykon Computer Help	$197,064.00	8 mo.	Oct-03	Sep-02	$98,064.00	$99,000.00	$165,193.00	$0.00	Helpdesk Technician-Dev Remedy Solutions
OCFO/NFC		43-7245-1-113/43-2-025	Dykon Computer Help	$135,000.00	10 mo	Oct-01	Jul-02	$133,728.51	$135,000.00	$233,319.79	$0.00	Support for conversion of application emulation
OCFO/NFC		NFC-02-BPA-0010	GACI Dynamic Systems	$1,107,501.85	5 yrs	Mar-02	Sep-08	$0.00	$115,437.85	$115,437.85	$233,921.10	Firewall Service
OCFO/NFC	PKI	NFC-03-BPA-0020/005-03-01-01-02-1030-00	Entrust	$1,375,000.00	3 yrs	Oct-02	Sep-05	$0.00	$0.00	$0.00	$275,000.00	PKI Contractual Support
OCFO/NFC	PKI	43-7245-1-93/43-7245-2-032/005-03-01-01-02-1030-00	Entrust	$101,863.92	1 mo.	Feb-01	Mar-01	$12,310.58	$88,843.34	$87,938.83	$0.00	Support Svc.-Dev Of C Program
OCFO/NFC		43-7245-2-097	Executive Info. Systems	$251,500.00	2 mo.	May-03	Jul-02	$35,500.00	$216,000.00	$112,631.00	$310,000.00	Training and SW installation of it charge MGT
OCFO/NFC		43-7245-2-122	Executive Info. Systems	$305,000.00	3 mo.	Apr-02	Jul-02	$0.00	$305,000.00	$116,212.89	$0.00	Technical Support-Implementation of BAS
OCFO/NFC		43-7245-2-3005	GSA/Eurpard	$542,728.68	12 mo	Oct-01	Sep 02	$186,728.68	$373,000.00	$612,498.00	$210,427.00	Disaster Recovery Services
OCFO/NFC		43-7245-2-115	IBM	$13,800.00	1 mo.	Aug-02	Sep-02	$0.00	$13,800.00	$11,377.64	$0.00	RS-6000 Technical Support
OCFO/NFC		43-7245-2-098	IBM	$282,400.00	10 mo	Feb-02	Dec-02	$224,000.00	$58,400.00	$58,400.00	$0.00	On-Site Technical Support for RS/6000
OCFO/NFC		43-7245-1-108	IBM	$64,560.00	1 mo	May-01	Jun-01	$64,313.22	$0.00	$0.00	$0.00	JB How Level Security Study
OCFO/NFC		53-3142-1-1002	ISRC	$4,316,611.00	5 yrs	Oct-00	Sep-05	$663,896.00	$742,471.00	$552,083.00	$842,466.00	Computer Data Librarians
OCFO/NFC		53-3142-1-1008	ICSS	$3,810,400.00	5 yrs	Oct-01	Sep-03	$0.00	$782,080.00	$612,250.00	$782,080.00	Desktop Support Services
OCFO/NFC		53-3142-01-1028	Innovative Sys. Architech	$500,000.00	24 mo	Oct-01	Sep-03	$175,000.00	$250,000.00	$250,000.00	$275,000.00	Process Improvement Support
OCFO/NFC		53-3142-9-1021	Iron Mountain	$316,743.00	5 yrs	Oct-99	Sep 04	$156,743.00	$160,000.00	$176,100.00	$247,299.96	Offsite Storage
OCFO/NFC		43-7245-1-145	KPMG	$373,364.00	4 mo	Jan-02	Dec-01	$0.00	$373,364.00	$373,364.00	$0.00	PKI Assessment
OCFO/NFC		43-7245-2-143	KPMG	$72,000.00	1 mo	Jul-02	Aug-02	$0.00	$72,000.00	$23,781.00	$0.00	RS/SAM Audit Review
OCFO/NFC		43-7245-2-001	Lockheed	$120,034.00	12 mo	Oct-00	Dec-03	$104,532.00	$0.00	$0.00	$0.00	Programming/Analyst Support TSPD
OCFO/NFC		43-7245-1-020	Lockheed	$228,500.00	12 mo.	Oct-03	Sep-03	$145,440.00	$0.00	$0.00	$0.00	Helpdesk Support Service
OCFO/NFC		NFC-02-BPA-0019	Network Designs	$277,323.00	3 yrs	Oct-02	Sep-05	$0.00	$0.00	$0.00	$87,283.00	Intrusion Detection Service
OCFO/NFC		53-3142-1-3072	Nois	$125,837.00	6 mo.	Feb-01	Sep-01	$125,837.00	$126,000.00	$0.00	$0.00	Remedy Helpdesk Support
OCFO/NFC		53-3142-1-1004	Nois	$11,815,138.50	28 mo	Oct-00	May-02	$2,976,434.52	$1,218,209.53	$4,218,209.53	$0.00	Data Entry
OCFO/NFC		43-7245-2-007	NSR	$218,233.00	2 mo.	Oct-01	Nov-01	$8,308.00	$0.00	$0.00	$0.00	TSP Programmer
OCFO/NFC		43-7246-1-031	Oracle	$536,890.00	12 mo	Oct-00	Sep-01	$87,880.00	$249,000.00	$0.00	$0.00	Consultant for PC/MS/FLEET
OCFO/NFC		43-3147-3-04018	Pitney Bowes	$626,881.00	12 mo.	Oct-02	Sep-03	$0.00	$0.00	$0.00	$626,881.00	Tech support TSP stmts
OCFO/NFC		43-7245-1-123	Sebl Corp	$166,584.00	4 mo.	Jun-01	Sep-01	$166,104.00	$0.00	$0.00	$0.00	Voice Replacement Service
OCFO/NFC		43-7246-2-083	Seta Corp	$218,649.00	13 mo	Jun-01	Jul-01	$168,584.00	$50,064.00	$50,064.00	$0.00	Study of Voice Sys.
OCFO/NFC		43-7245-2-100	Seta Corp	$436,738.00	12 mo	Oct-01	Sep-02	$0.00	$175,738.80	$339,927.00	$0.00	Alternative Study of Voice Sys.
OCFO/NFC		43-7245-3-006	Seta Corp	$274,000.00	12 mo	Oct-02	Sep-03	$0.00	$0.00	$0.00	$274,000.00	Alternative Study of Voice Sys.

OCFO/NFC		43-7245-2-805	Sterling	$1,367,000.00	12 mo.	Oct-01	Jun-02	$748,000.00	$618,000.00	$157,500.00	$0.00	On-site Product Tech Support		
OCFO/NFC		43-7245-3-3039	SRA	$242,905.00	2 mo.	Feb-03	Apr-03	$0.00	$0.00	$0.00	$242,905.00	IRMD Consulting Services		
OCFO/NFC		43-7245-2-129	Sytsse	$24,000.00	2 mo.	May-02	Jun-02	$0.00	$24,000.00	$11,700.00	$0.00	On-site support, implement PKI		
OCFO/NFC		43-7245-1-3076	The Systems Group	$157,500.00	18 mo.	Jan-01	Sep-02	$0.00	$157,500.00	$157,500.00	$0.00	EPS Consulting Services		
OCFO/NFC	PKI	43-3142-3-1005/005-03-01-01-02-1030-00	The Systems Group	$684,500.00	5 yrs.	Nov-02	Sep-07	$0.00	$0.00	$0.00	$118,625.00	Documentation of PKI		
OCFO/NFC	PKI	43-7245-1-110/005-03-01-01-02-1030-00	Trusted Signature	$100,075.00	1 mo	May-01	Jun-01	$50,075.00	$50,000.00	$0.00	$0.00	Web Consultant for PKI		
OCFO/NFC		43-3142-6-1021	Ultimate Marketing	$4,000,000.00	5 yrs	Oct-96	Mar-03	$812,710.00	$0.00	$0.00	$0.00	Desktop Support Services		
OCFO/NFC		43-7245-1-073	VSS Inc	$38,720.00	6 mo.	Jan-01	May-01	$720.00	$38,000.00	$0.00	$0.00	Program Manager-Implementation of IT chargeback		
OCFO/NFC		43-7245-3-003	Xerox	$100,000.00	12 mo	Oct-02	Sep-02	$0.00	$0.00	$0.00	$100,000.00	On-site engineer		
OCFO/NFC Subtotal				$39,689,202.55				$8,600,015.39	$5,833,854.97	$6,883,099.60	$9,805,919.92			
OCFO/ACFO-FS	FFIS	005-03-01-01-1020-00	PriceWaterhouse Coopers	$1,527,512.00	12 mo.	Oct-02	Sep-03	$847,512.00	$680,000.00	$680,000.00	$1,001,354.00	ACRWS Implementation & Support		
OCFO/ACFO-FS	FFIS	005-03-01-01-1020-00	American Management Systems, Inc **	$44,431,195.00	10 years	Oct-02	Sep-03	$15,412,181.00	$11,394,740.00	$14,519,005.00	$14,500,000.00	FFIS Implementation & Operations		
OCFO/ACFO-FS	FFIS	005-03-01-01-1020-00	Logistics Management Institute	$2,269,609.00	12 mo.	Oct-02	Sep-03	$1,299,009.00	$970,000.00	$970,159.00	$170,000.00	IV & V / Program Management		
OCFO/ACFO-FS	IT Infrastructure and Ongoing Administrative Processing (ADM ACCT and IRM Systems)	005-03-01-02-0000-00	Communication Resource Inc.	$331,085.00	6 mo.	Nov-02	May-03	$ -	$ -	$ -	$331,085.00	Tele/EDI Development		
OCFO/ACFO-FS	IT Infrastructure and Ongoing Administrative Processing (ADM ACCT and IRM Systems)	005-03-01-02-0000-00	Enterprise Integration Co p	$158,595.00	12 mo	Oct-02	Sep-03	$ -	$ -	$ -	$158,595.20	Program Management		
OCFO/ACFO-FS	FFIS	005-03-01-01-1020-00	Newberry Group	$58,626.00	4 mo.	Nov-02	Mar-03	$ -	$ -	$ -	$58,626.00	Risk Assessment - FSDW, FDW, ACRWS		
OCFO/ACFO-FS	IT Infrastructure and Ongoing Administrative Processing (ADM ACCT and IRM Systems)	005-03-01-02-0000-00	Newberry Group	$71,563.00	4 mo.	Nov-02	Mar-03	$ -	$ -	$ -	$71,563.00	Risk Assessment -PRCH, PROP, TRVL		
OCFO/ACFO-FS	FFIS	005-03-01-01-1020-00	TBD	TBC	3 mo	TBD	TBD	$ -	$ -	$ -	$150,000.00	Risk Assessment and Security Test and Evaluation- Admin		
OCFO/ACFO-FS	FFIS	005-03-01-01-1020-00	TBD	TBD	6 mo.	TBD	TBD	$ -	$ -	$ -	$150,000.00	Risk Assessment and Security Test and Evaluation HEAT		
OCFO/ACFO-FS	IT Infrastructure and Ongoing Administrative Processing (ADM ACCT and IRM Systems)	005-03-01-02-0000-00	TBD	TBC	6 mo	TBD	TBD	$ -	$ -	$ -	$150,000.00	Risk Assessment and Security Test and Evaluation Tele EDI		
OCFO/ACFO-FS	FFIS	005-03-01-01-1020-00	Management Information System	$450,000.00	1yr	Oct-02	Sep-03	$ -	$ -	$ -	$450,000.00	C&A Support for the FDW		
OCFO/ACFO-FS	FFIS	005-03-01-01-1020-00	TBD	TBD	8 mo.	TBD	TBD	$ -	$ -	$ -	$100,000.00	FDW-Platform Installation & Support		
OCFO/ACFO-FS	FFIS	005-03-01-01-1020-00	TBD	TBD	6 mo.	TBD	TBD	$ -	$ -	$ -	$100,000.00	FDW-New Platform Risk Assessment, Trusted Facilities Manual, Security Plan		
OCFO/ACFO-FS	FFIS	005-03-01-01-1020-00	TBD	TBD	6 mo.	TBD	TBD	$ -	$ -	$ -	$50,000.00	FDW-New Platform Security Test and Evaluation		
OCFO/ACFO-FS	FFIS	005-03-01-01-1020-00	TBD	TBD	6 mo.	TBD	TBD				$118,043.00	Quality Assurance Support		
OCFO/ACFO-FS Subtotal				$49,296,168.00				$17,559,312.00	$13,044,740.00	$16,169,164.00	$17,958,285.20			

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IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITIPS Project ID #	Contract Awardee	Amount of this Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2003	Actual/Planned Cost FY 2004	Purpose
OCIO			SRA	$ 31,500.00	3 months			$ -	$ -			Gingrich-Cohen Report
OCIO			SRA	$ 83,000.00	2 months			$ -	$ -			Wanidyk e Data Analysis
OCIO			SOZA	$ 33,000.00	8 Weeks			$ -	$ 58,000.00	$ 88,000.00		Capital Planning Advisory
OCIO			SOZA	$ 49,000.00	3 months			$ -	$ 30,000.00	$ 30,000.00		Capital Planning Guide
OCIO			SOZA	$ 18,000.00	6 weeks			$ 18,000.00	$ -			Capital Planning Training
OCIO			Booz Allen Hamilton	$ 65,000.00	1 Year			$ 65,000.00	$ 65,000.00			NITC E.R. maintenance support
OCIO			Booz Allen Hamilton	$ 364,000.00	2 years			$ 182,000.00	$ 182,000.00			Project Management Investment Management Training
OCIO			SOZA	$ 25,000.00	8 months			$ 25,000.00	$ -			Boston 508 planning
OCIO			Acquisition Solutions	$ 100,000.00	1 Year			$ -	$ 100,000.03	$ 50,000.00		Metrics and Outreach on structure of IT Acquisitions
OCIO			Computer Sciences Corp	$ 18,000.00	4 weeks			$ -	$ 14,000.00	$ 18,000.00		Enterprise Architecture Planning
OCIO			SOZA	$ 294,000.00	1 year			$ -	$ 300,000.00			NAV of Enterprise Arch. Mgmt. Sys
OCIO			Delightful And Assoc.	$ 90,000.00	6 months			$ 90,000.00	$ -			IT Executive 508 Assessment
OCIO			Crumbly Technology	$ 350,000.00	1 years			$ 350,000.00	$ -			Software & Services for Section 508 compliance
OCIO			Microsoft Corporation	$ 5,000,000.00	3 years			$ -	$ 1,000,000.00			Support for existing software
OCIO			Booz-Allen & Hamilton	$ 49,884.00	3 mos			$ 49,884.00	$ -			Telecom/Intrusion Security Checklist
OCIO			SAIC	$ 32,882.00	3 mos			$ 32,882.00	$ -			VM-Ware OS Security Checklist
OCIO			Booz-Allen & Hamilton	$ 53,856.00	3 mos			$ 53,856.00	$ -			UNIX OS Security Checklist
OCIO			SAIC	$ 47,466.00	6 mos.			$ 47,466.36	$ -			Security Checklists
OCIO			SAIC	$ 178,892.00	6 mos.			$ 178,892.00	$ -			Security Architecture
OCIO			Booz-Allen & Hamilton	$ 43,468.00	3 mos.			$ 43,468.00	$ -			Classified System Security Checklist
OCIO			SAIC	$ 148,304.00	8 mos			$ 148,304.00	$ -			Risk Management Methodology
OCIO			CACI	$ 26,724.00	3 mos.			$ -	$ 26,724.00			Network Vulnerability Test
OCIO/CRM			Resolve Data								$ 30,521.00	Develope of SDLC
OCIO/CRM			Accenture, LLP						$ 28,000.00	$ 28,000.00		Review Exhibit 300's
OCIO			Northrop Grumman	$ 50,362.00	4 mos.			$ -	$ 50,000.00			Network Intrusion/Control Analysis
OCIO/Cyber Security			SAIC	$ 729,823.00	1 Year			$ -	$ 300,000.00		$ 765,000.00	Intrusion Detection System Support
OCIO/Cyber Security			Patriot Technologies	$ 765,000.00	2 yr			$ 495,000.00	$ 310,000.00	$ 310,000.00	$ 203,467.00	Network Monitoring SW and Maint.
OCIO/Cyber Security			CSC	$ 674,000.00	8 yrs.			$ 250,000.00	$ 324,000.00	$ 100,000.00		Database Development
OCIO/Cyber Security			Newberry Group								$ 37,000.00	
OCIO/Cyber Security			8 Computer & Hi-Tech Mgmt						$ 180,000.00	$ 180,000.00		
OCIO/CIO			Aquo		3 mos				$53,000	$53,000		Asset with Y2000 conversion
OCIO/DM			Meta Group						$ 65,000.00	$ 65,000.00		EA Standards
OCIO/NITC (KC)	All MF/Remote	N/A	AGS	$ -	N/A	N/A	N/A	$ 199,224.00	$ -	$ -	$ -	NT ADMIX Sys Admin (combining) (FY 02)
OCIO/NITC (KC)	All MF/Remote	N/A	ACS	$ -	N/A	N/A	N/A	$ 167,840.00	$ -	$ -	$ -	UNIX/Mail Admin (combined FY 02)
OCIO/NITC (KC)	All Mid-Range	N/A	ACS	$ -	N/A	N/A	N/A	$ 97,736.00	$ -	$ -	$ -	Security and ACDS Support (combined FY 02)
OCIO/NITC (KC)	All users of SW	N/A	BMC	$ -	N/A	N/A	N/A		$ 3,312.00	$ 3,312.00	$ -	Software support
OCIO/NITC (KC)	FAA charge back	N/A	CA	$ -	N/A	N/A	N/A	$ 6,300.00	$ 30,675.03	$ 24,981.69	$ -	FAA/Funding (comp FY 03)
OCIO/NITC (KC)	All	N/A	Dynacs	$ -	1 year		9/30/2001	$ 1,581,128.00	$ -	$ -	$ -	Operations Mod at (dig vendor FY 02)
OCIO/NITC (KC)	Security Assessment	N/A	EDS	$ -	6 mo	N/A	N/A	$ 112,183.00	$ -	$ -	$ -	Security Assessment (comp FY 01)
OCIO/NITC (KC)	Changeback	N/A	FDC	$ -	N/A	N/A	N/A	$ 72,000.00	$ -	$ -	$ -	Changeback (comp in FY 01)
OCIO/NITC (KC)	All SW users	N/A	ISI	$ -	N/A	N/A	N/A		$ 6,720.00	$ 6,720.00	$ -	ISI Software evaluation
OCIO/NITC (KC)	LDAP	N/A	IBM	$ -	N/A	N/A	N/A	$ 31,860.00	$ -	$ -	$ -	LDAP Support (comp FY 01)
OCIO/NITC (KC)	All mainframe users	N/A	IBM	$ -	N/A	N/A	N/A		$ 653,200.00	$ 778,813.05	$ 1,028,845.00	OS/390, OCS/ZOS, TSO, LPP Mgmt
OCIO/NITC (KC)	All mainframe Users	N/A	IBM	$ -	1 year	N/A	N/A	$ 171,140.00	$ -	$ -	$ -	OS/390 Support (combined FY 02)
OCIO/NITC (KC)	All mainframe users	N/A	IBM	$ -	N/A	N/A	N/A		$ 23,160.00	$ 20,627.55	$ -	WorkLoad Mgt/Perfm Mgmt (combined Fy03)
OCIO/NITC (KC)	All SW users	N/A	IBM	$ -	1 year	N/A	N/A	$ 277,500.00	$ -	$ -	$ -	CICS & DB2 Support (combined FY 02)
OCIO/NITC (KC)	All Mid-Range	N/A	IBM	$ -	N/A	N/A	N/A	$ 5,200.00	$ 6,000.00	$ 400.03	$ -	Edge Server/Sol (combined FY03)
OCIO/NITC (KC)	All mainframe users	N/A	IBM	$ -	N/A	N/A	N/A	$ 187,500.00	$ -	$ -	$ -	ACS/ITRS Support (combined FY 01)
OCIO/NITC (KC)	NDSS	N/A	IBM	$ -	N/A	N/A	N/A	$ 11,320.00	$ -	$ -	$ -	HACMP (comp FY 01)
OCIO/NITC (KC)	NAAS	N/A	IBM	$ -	N/A	N/A	N/A	$ 42,260.00	$ -	$ -	$ -	LOTUS Domino installation Support (comp FY 01)
OCIO/NITC (KC)	F&A Efunds	N/A	IBM	$ -	N/A	N/A	N/A	$ -	$ 76,310.00	$ 58,684.61	$ 81,074.81	MQ Series at F&A Beaver location.
OCIO/NITC (KC)	All	N/A	Iron Mountain	$ -	N/A		9/30/2003	$ 79,500.00	$ -	$ -	$ -	N/A- Off Site Storage (chg vendor FY 02)
OCIO/NITC (KC)	All mainframe Users	N/A	Isogon	$ -	N/A	N/A	N/A	$ 11,455.00	$ -	$ -	$ -	SoftAudit Software Support (comp FY 01)
OCIO/NITC (KC)	Marketing	N/A	Newberry	$ -	N/A	2/27/2002	8/30/2006	$ -	$ 56,684.00	$ 18,114.97	$ 62,379.00	Marketing Tech Support
OCIO/NITC (KC)	All mainframe users	N/A	Newberry	$ -	N/A	2/27/2002	8/30/2006	$ -	$ 60,882.20	$ 61,358.08	$ 748,131.20	Mainframe System Analysis
OCIO/NITC (KC)	Security	N/A	Newberry	$ -	N/A	2/27/2002	8/30/2006	$ -	$ 49,015.00	$ 42,174.47	$ 46,865.00	Security Planning
OCIO/NITC (KC)	Security	N/A	Newberry	$ -	N/A	2/27/2002	8/30/2006	$ -	$ 116,022.00	$ 78,418.88	$ 173,606.40	Security evaluations, implementations, and documentation
OCIO/NITC (KC)	All	N/A	Newberry	$ -	N/A	2/27/2002	8/30/2006	$ 12,400.00	$ 56,000.00	$ 56,060.00	$ 57,000.00	Telecommunications Hardware/Equipment Specialist
OCIO/NITC (KC)	All SW users	N/A	Oracle	$ -	5YR	10/1/1998	9/30/2006	$ 332,840.00	$ 332,840.00	$ 340,700.31	$ 314,000.00	Software FSA Support
OCIO/NITC (KC)	All users	N/A	RMA/GSA	$ -	5 YR	10/1/2002	8/30/2007	$ -	$ 2,093,085.00	$ 1,835,478.38	$ 1,844,022.33	Operations Support
OCIO/NITC (KC)	F&A Efunds	N/A	Savern	$ -	N/A	N/A	N/A	$ -	$ 23,081.00	$ 11,000.15	$ 108,150.66	Webspha's support for FSA Efunds
OCIO/NITC (KC)	F&A Efunds	N/A	Savern	$ -	N/A	N/A	N/A	$ -	$ -	$ -	$ 24,226.76	MQ Support for FSA Efunds
OCIO/NITC (KC)	FAA	N/A	Software AG	$ -	N/A	N/A	N/A	$ 264,000.00	$ 238,000.00	$ 127,010.00	$ 185,000.00	FAA Software support
OCIO/NITC (KC)	all sw users	N/A	Trivoli	$ -	N/A	N/A	N/A	$ 68,500.00	$ 61,000.00	$ 89,160.00	$ 35,000.00	Network Software Support
OCIO/NITC (KC)	All SW users	N/A	Tri-Cor	$ -	N/A		8/30/2002	$ 107,794.00	$ -	$ -	$ -	ACF2/RACF Support (comp FY 01)
OCIO/NITC (KC)	Project Mgmt	N/A	ITSM	$ -	N/A	N/A	N/A	$ -	$ -	$ -	$ 300,000.00	Project Management Support
OCIO/NITC (FC)	N/A	N/A	Data Migration Service	$ -	1 YR	10/1/2000	8/30/2001	$ 35,000.00	$ -	$ -	$ -	Migration service
OCIO/NITC (FC)	n/a	N/A	IBM	$ -	1 YR	10/1/2000	8/30/2001	$ -	$ 35,430.00	$ -	$ -	Software Support/Maintenance
OCIO/NITC (FC)	N/A	N/A	TDX	$ 1,106,000.00	3 yr	10/1/2001	8/30/2004	$ -	$ 332,930.00	$ 333,830.00	$ 345,000.00	System Administration & LAN Support
OCIO/NITC (FC)	N/A	N/A	NATCOM, Inc.	$ 7,000,000.00	5 yr	10/1/1999	8/30/2004	$ 1,166,166.00	$ 1,481,906.00	$ 1,481,906.00	$ 1,809,000.00	Contractor Support Services
OCIO/NITC (FC)	N/A	N/A	NSR Information, Inc.		1 YR	10/2/2000	8/30/2001	$ 304,529.00	$ -	$ -	$ -	System Administration & LAN Support (chg vendor FY 02)
OCIO/NITC (FC)	N/A	N/A	ORACLE Corporation	$ 49,727.00	1 YR	10/1/2002	8/30/2003	$ 31,621.00	$ 49,727.90	$ 49,727.00	$ 49,727.00	Software Support/Maintenance
OCIO/NITC (FC)	N/A	N/A	LINEVS Corporation		1 YR	10/1/2000	8/30/2001	$ 488,665.00	$ -	$ -	$ -	Contractual Support Services
OCIO/NITC (FC)	N/A	N/A	World Wide Technology	$ -	1 YR	10/1/2001	8/30/2002	$ -	$ 3,837.00	$ 3,837.00	$ -	Software Support/Maintenance

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITIPS Project ID #	Contract Awardee	Amount at the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2003	Actual/Planned Cost FY 2003	Purpose
OCIO/CIO			Peoplesoft, Inc	$ -				$ 420,512.00	$ 445,000.00			PSAMS - Annual Maintenance Fee
OCIO/CIO			Unisys Corp	$ -				$ 1,995,000.00	$ 600,000.00			PSAMS - Implementation & Support
OCIO/CIO/IT			Oracle Corp	$ -				$ 9,614.00				PSAMS - Database Maintenance
OCIO/CIO/IT			NSC, Inc	$ -				$ 10,974.00	$ 10,824.00			PSAMS - HP Server Support
OCIO/CIO/IT			Sun, STK	$ -				$ 148,544.00				Data Management - Technical & Programming
OCIO/CIO/IT			BAIC	$ -				$ 122,000.00	$ 100,000.00			Data Management - Technical & Programming
OCIO/CIO/IT			Unisys Corp	$ -				$ 314,548.00	$ -			Enterprise Data Gateway
OCIO/CIO/IT			Sun, STK	$ -				$ 1,393,550.00	$ 2,300,000.00			IO Lab Support
OCIO/CIO/IT			ACS-Govt Systems	$ -				$ 119,000.00	$ -			Customer Service Toilet - Contractor Support
OCIO/CIO/IT			Quality	$ -				$ 195,293.00	$ -			Customer Service Toilet - Technician Support
OCIO/CIO/IT			Anderson Hood Sys	$ -				$ 4,017,791.00	$ -			OCE - Technical Architecture
OCIO/CIO/IT			BEA	$ -				$ 54,000.00	$ -			OCE - Technical Architecture
OCIO/CIO/IT			NFEC	$ -				$ 15,000.00	$ -			Collection Management
OCIO/CIO/IT			IBM	$ -				$ 1,406,576.00	$ -			Provide support services/ Update of LAN/WAN/Voice
OCIO/CIO/IT			Fairfax, Inc	$ -				$ 264,516.00	$ -			Provide Port Nation of LAN/WAN/Voice
OCIO/CIO/IT			CC-OPS	$ -				$ 857,644.00	$ 21,721.00			Provide telephone maintenance, equipment, software & cabling
OCIO/CIO/IT			EDS	$ -				$ 848,826.00	$ 100,419.00			Provide invoice verification, items entry, inventory & inventory support for LAN/WAN/Voice
OCIO/CIO/IT			Qwest Telecom	$ -				$ 1,997,260.00	$ -			Provide Mainframe Maintenance
OCIO/CIO/IT			Federal Data Corp	$ -				$ 887,145.00	$ 18,958.86			Provide Repair and Switch Maintenance
OCIO/CIO/IT			Sun, STK	$ -				$ 987,297.00	$ -			IT Staff Management
OCIO/CIO/IT			Accts, Unl	$ -				$ 2,033,539.00	$ -			Project Management
OCIO/CIO/IT			Unisys Corp	$ -				$ 160,000.00	$ -			Project Management
OCIO/CIO/IT			Professional Service Providers	$ -				$ 200,000.00	$ 100,000.00			Project Management Office Support
OCIO/CIO/IT			Sun, Ltd	$ -				$ -	$ 1,343,000.00			OCE - Technical Architecture
OCIO/CIO/IT			AT & Assoc	$ -				$ -	$ 23,116.00			Provide Installation of LAN/WAN/Voice
OCIO/CIO/IT			Global Services & Sys	$ -				$ -	$ 23,116.00			Provide Installation of LAN/WAN/Voice
OCIO/CIO/IT			Allied Telephone	$ -				$ -	$ 13,166.00			Provide equipment for LAN/WAN/Voice
OCIO/CIO/IT			Allied Telephone Company	$ -				$ -	$ 100,000.00			IT Support & Integrated Project Plan Support
OCIO/FSD	LAN		Info Technology Experts	$ 77,000.00	1 Year	10/1/2001	9/1/2002	$ 25,000.00	$ 77,000.00	$ 39,736.00	$ -	Operations & Maintenance for LAN
OCIO/FSD	WAN		Info Technology Experts	$ 90,462.00	1 Year	11/1/2001	9/1/2002	$ -	$ -	$ -	$ 90,462.00	Lan System Administration
OCIO/FSD	LAN		ITA Services, Inc.	$ 42,000.00	1 Month	10/1/2001	10/31/2001	$ 385,164.00	$ 42,000.00	$ 41,250.00	$ -	Operations & Maintenance for LAN
OCIO/FSD	Network		Jacques Technology	$ 34,000.00	1 Year	10/1/2000	9/1/2001	$ 27,834.00	$ -	$ -	$ -	Network Analysis Support
OCIO/TSD	NRRC		Marsh Chemical Supply (MARSHA)	$ 912,493.00	1 Year	10/1/2002	9/1/2003	$ 103,429.44	$ 120,000.00	$ 98,230.42	$ 120,000.00	NRRC Network Admin Services
OCIO/FSD	WAN		BAIC	$ 799,417.00	1 Year	10/1/2002	9/1/2003	$ -	$ 733,453.86	$ 733,453.86	$ 799,417.00	NICRA Backbone Network Support
OCIO/FSD	WAN		BAIC	$ 821,413.00	1 Year	10/1/2000	9/1/2001	$ -	$ 815,391.00	$ 815,391.00	$ -	USDA WAN Assist. Dist. Area
OCIO/FSD	WAN		BAIC	$ 821,413.00	1 Year	10/1/2000	9/1/2001	$ 315,231.00	$ -	$ -	$ -	Interim USDA Network Operations
OCIO/FSD	WAN		FTS2001(Worldcom)	$ 240,000.00	1 Year	10/1/2001	9/1/2002	$ -	$ 240,000.00	$ 180,000.00	$ -	WAN Network Management
OCIO/FSD	UTH - RPA		Info Technology		1 Year	10/1/2002	9/1/2003	$ -	$ 10,872.00	$ 10,872.00	$ -	Network Help Lab at OCIO
OCIO/FSD	UTH		CC-Ops	$ -	1 Job	8/10/2000	9/30/2003	$ -	$ 12,000.00	$ 12,000.00	$ -	OCIO/CC Operations Access Manager
OCIO/FSD	UTH		Network Typing Center	$ -	1 Year	10/1/2002	9/30/2003	$ -	$ 7,272.72	$ 7,272.72	$ 354.55	Client Registration at OCIO
OCIO/FSD	UTH	00510620001102000	SOSA	$ 75,000.00	2 months	8/1/2001	9/30/2001	$ 74,645.00				UTH Technical and Program Office Support
OCIO/FSD	UTH	00510620001102000	GSA/SOSA	$ 2,500,000.00	1 year	10/01/2001	9/30/2002	$ -	$ 2,500,000.00	$ 2,500,000.00		UTH Technical and Program Office Support
OCIO/FSD	UTH	00510620001102000	Air Force/General Group	$ 1,500,000.00	1 year	10/01/2001	9/30/2002	$ -	$ 691,354.00	$ 195,256.00		UTH - NRV and Program Support
OCIO/FSD	UTH	00510620001102000	GSA/SOSA	$ 1,500,000.00	1 Year	10/01/2002	9/30/2003	$ -	$ -	$ -	$ 2,500,000.00	UTH Technical and Program Office Support
OCIO/FSD	UTH	00510620001102000	SOSA	$ 1,854,174.00	3 months	10/1/2002	12/30/2003	$ 31,000.00				UTH Technical and Program Office Support
OCIO/FSD	LAN		Info Technology Experts	$ 77,000.00	1 Year	10/1/2001	9/1/2002	$ 25,000.00	$ 77,000.00	$ 39,736.00	$ -	Operations & Maintenance for LAN
OCIO/FSD	WAN		Info Technology Experts	$ 90,462.00	1 Year	11/1/2001	9/1/2002	$ -	$ -	$ -	$ 90,462.00	Lan System Administration
OCIO/FSD	LAN		ITA Services, Inc.	$ 42,000.00	1 Month	10/1/2001	10/31/2001	$ 385,164.00	$ 42,000.00	$ 41,250.00	$ -	Operations & Maintenance for LAN
OCIO/FSD	Network		Jacques Technology	$ 34,000.00	1 Year	10/1/2000	9/1/2001	$ 27,834.00	$ -	$ -	$ -	Network Analysis Support
OCIO/TSD	NRRC		Marsh Chemical Supply (MARSHA)	$ 912,493.00	1 Year	10/1/2002	9/1/2003	$ 103,429.44	$ 120,000.00	$ 98,230.42	$ 120,000.00	NRRC Network Admin Services
OCIO/FSD	WAN		BAIC	$ 799,417.00	1 Year	10/1/2002	9/1/2003	$ -	$ 733,453.86	$ 733,453.86	$ 799,417.00	NICRA Backbone Network Support
OCIO/FSD	WAN		BAIC	$ 821,413.00	1 Year	10/1/2000	9/1/2001	$ -	$ 815,391.00	$ 815,391.00	$ -	USDA WAN Assist. Dist. Area
OCIO/FSD	WAN		BAIC	$ 821,413.00	1 Year	10/1/2000	9/1/2001	$ 315,231.00	$ -	$ -	$ -	Interim USDA Network Operations
OCIO/FSD	WAN		FTS2001(Worldcom)	$ 240,000.00	1 Year	10/1/2001	9/1/2002	$ -	$ 240,000.00	$ 180,000.00	$ -	WAN Network Management
OCIO/FSD	UTH - RPA		Info Technology		1 Year	10/1/2002	9/1/2003	$ -	$ 10,872.00	$ 10,872.00	$ -	Network Help Lab at OCIO
OCIO/FSD	UTH		CC-Ops	$ -	1 Job	8/10/2000	9/30/2003	$ -	$ 12,000.00	$ 12,000.00	$ -	OCIO/CC Operations Access Manager
OCIO/FSD	UTH		Network Typing Center	$ -	1 Year	10/1/2002	9/30/2003	$ -	$ 7,272.72	$ 7,272.72	$ 354.55	Client Registration at OCIO
OCIO/FSD	UTH	00510620001102000	SOSA	$ 75,000.00	2 months	8/1/2001	9/30/2001	$ 74,645.00				UTH Technical and Program Office Support
OCIO/FSD	UTH	00510620001102000	GSA/SOSA	$ 2,500,000.00	1 year	10/01/2001	9/30/2002	$ -	$ 2,500,000.00	$ 2,500,000.00		UTH Technical and Program Office Support
OCIO/FSD	UTH	00510620001102000	Air Force/General Group	$ 1,500,000.00	1 year	10/01/2001	9/30/2002	$ -	$ 691,354.00	$ 195,256.00		UTH - NRV and Program Support
OCIO/FSD	UTH	00510620001102000	GSA/SOSA	$ 1,500,000.00	1 Year	10/01/2002	9/30/2003	$ -	$ -	$ -	$ 2,500,000.00	UTH Technical and Program Office Support
OCIO/FSD	UTH	00510620001102000	SOSA	$ 1,854,174.00	3 months	10/1/2002	12/30/2003	$ 31,000.00				UTH Technical and Program Office Support
OCIO/TSD	CSD		Management Corp	$ 7,500.00	1 Year	10/1/2001	9/1/2002	$ -	$ 7,500.00	$ 7,500.00	$ -	Technical Support Management Dept
OCIO/FSD	CSD		Wagner, Talley & Co., LLP	$ -	1 Job	8/20/2001	12/30/2001	$ 25,000.00	$ 25,000.00	$ 25,000.00	$ -	Contractual Senior Accounts Services
OCIO/FSD			Key Data Corporation	$ -	1 Year	10/1/2001	9/30/2002	$ 1,413,332.32	$ 47,858.00	$ 47,858.00	$ -	Construction Services
OCIO/FSD	ESD OCIO LAN Support		ATOS	$ 2,040,348.00	1 Year	10/1/2002	9/30/2003	$ 622,215.73	$ 1,918,343.00	$ 1,918,343.00	$ 2,040,348.00	OCIO LAN Support
OCIO/FSD	OSM		ATOS	$ 3,000.00	1 Job	2/28/2003	3/31/2003	$ -	$ -	$ -	$ 3,000.00	OCIO LAN Support - Integrated Access Support
OCIO/FSD	OSM		Input Systems Int Corp (USA)	$ 154,129.00	1 Job	10/1/2002	9/30/2003	$ 2,021,184.25	$ 329,994.00	$ 329,994.00	$ -	Management HQSTF
OCIO/FSD	NRR IT Support		ITS, Inc	$ 1,872,281.18	1 Year	10/1/2002	9/30/2003	$ -	$ 1,349,976.17	$ 1,349,976.17	$ 1,872,281.18	Management NCRET
OCIO/FSD	NRR IT Support (CSA)		ITS, Inc	$ 80,000.00	1 Year	10/1/2002	9/30/2003	$ -	$ 80,000.00	$ 80,000.00	$ 80,000.00	Client Support Services
OCIO/FSD	NRR - CSC/ITS		CSC, NIST (CSA/CS)	$ -	1 Year	10/1/2001	9/30/2002	$ -	$ 1,843,478.17	$ 1,843,478.17	$ -	Support Svcs for NCRA, CSA/CS, C Area, AUs
OCIO/FSD	NFS		Virgo	$ 150,000.00	1 Year	10/1/2002	9/30/2003	$ -	$ 129,000.00	$ 129,000.00	$ 226,000.00	Telephone Access Management/Personnel Rost
OCIO/FSD	NCAD - ITS		KGS Technology		1 Year	10/1/2002	9/30/2003	$ -	$ 49,000.00	$ 41,118.00	$ -	LAN/Voice Cross Support for NCAD
OCIO/FSD	TCSC Contract Support		KGS Technology	$ 897,819.24	1 Year	10/1/2001	9/30/2002	$ 858,827.48	$ 897,819.24	$ 858,817.54	$ 897,791.54	Staffing & Operating Services for TCSC
OCIO/FSD	TCSC LAN Support		KGS Technology	$ 17,812.49	1 Job	10/1/2002	9/30/2003	$ -	$ 14,374.42	$ -	$ -	Programmatic Support for TCSC Project
OCIO/FSD	ASCD - ITS		KGS Technology		1 Year	10/1/2002	9/30/2003	$ -	$ 372.81	$ 372.81	$ 372.81	LAN/Voice Cross Support for ASCD
OCIO/FSD	ASCD		Quakers Staffing	$ 3,641.30	1 Job	3/29/2002	9/9/2002	$ -	$ 3,641.30	$ 3,641.30	$ -	Contractual Secretarial Support Services
Agency Total				$ 36,712,493.71				$ 27,174,703.69	$ 31,054,713.79			

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITP6 Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
OGC			0	$0	0			$0	$0			
Agency Totals:				$0				$0	$0			

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITIPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
OIG			Planned Systems International Inc. (PSI)	$818,539	15 months	11-Jun-02	9/30/2003	$0		$318,601	$818,539	To maintain the current IT infrastructure for OIG. PSI provides desk help support network administration and telecommunication s management
Agency Totals				$818,539				$0		$318,601	$818,539	

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITIPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Costs FY 2003	Purpose
RD/RD	Multi-Family Information System	55501710101010000	Rose Intl.	BPA	1 year with 4 option years	Aug-01	Sep-05	$ 241,000.00	$ 248,000 00	5248,000 00	$ 250,000 00	ICARE Support for MFIS
RD/RD	Multi-Family Information System	55501710101010000	Unisys	BPA	1 year with 4 option years	Mar-01	Sep-05	$ 2,780,000 00	$ 1,500,000 00	$ 300,000 00	$ 1,000,000.00	MFIS Development
RD/RD	Multi-Family Information System	55501710101010000	Rose Intl.	BPA	1 year with 4 option years	Sep-01	Sep-05	$ 1,635,000 00	$ 650,000.00	$ 500,000.00	$ 1,140,000 00	MFIS Reports Development/Oracle/CAGE
RD/RD	Automated Multi-Family Housing Accounting System		Rose Intl.	BPA	1 year with 4 option years	Sep-01	09/31/2005	$ 1,235,741 00	$ -	$ -	$ 995,000 00	AMAS Maintenance
RD/RD	Automated Multi-Family Housing Accounting System		Unisys	BPA	1 year with 4 option years	Mar-01	Sep-05	$ 324,930 72		$ -	$ -	AMAS Maintenance
RD/RD	Industry interface "trade partner Agreement Maintenance		Rose Intl.	$ 80,000	1 Year	May-02	Sep-05	$ 80,000.00	$ 80,000.00	$ 50,336 00		Industry Interface
RD/RD	Infrastructure		Oracle	$ -	1 year with option years	Oct-00	Sep-02	$ 7,848 00	$ 86,180 00	$ 105,413.00		Oracle Support and Licensing Fees
RD/RD	Infrastructure		Oracle		1 Year	Aug-03	Aug-04				$ 36,823 00	Oracle Support and Licensing Fees CSI 2509871
RD/RD	Infrastructure		Oracle	$ 7,076	1 Year	Oct-02	Sep-03				$ 7,073 00	Oracle Support and Licensing Fees CSI 2407839
RD/RD	Infrastructure		Oracle	$ 9,080	1 Year	Oct-02	Sep-03				$ 9,060 00	Oracle Support and Licensing Fees CSI 1810152
RD/RD	Infrastructure		Oracle	$ 5,304	1 Year	Oct-02	Sep-03				$ 5,304 00	Oracle Support and Licensing Fees CSI 1812835
RD/RD	Infrastructure		Sterling Commerce		1 Year	Jun-02	Jun-03			$ 4,080.00	$ 4,080 00	Support and License Renewal for Gentran
RD/RD	Infrastructure		Software	$ 19,767	1 Year	Mar-03	Feb-03				$ 19,767 00	Support and License Renewal for DB2
RD/RD	Infrastructure		Rose Intl.		3 mos			$ -	$ -		$ 45,000 00	Order, Tracking & Inventory System (OTIS)
RD/RD	Support Services		The Newberry Group	$ 3 400,000	2 Years	Oct-99	Sep-01	$ 1,693,626 00				Onsite LAN and desktop support services
RD/RD	LAN Support Services		Comtek	$ 7 550,064	5 Years	Oct-01	Sep-06		$ 1,418,844 00	$ 1,257,618 00	$ 1,525,144 00	Onsite LAN and desktop support services
RD/RD	PLAS Support Services	55501010102000000	Rose Int.	$ 269,000	1 Year	Feb-01	Mar-02	$ 267,023.59				PLAS maintenance
RD/RD	PLAS Support Services	55501010102000000	Rose Int.	$ 300,000	1 Year	Apr-02	Apr-03		$ 300,000.00	$ 293,978 88		PLAS maintenance
RD/RD	PLAS Support Services	55501010102000000	Not Yet Awarded		1 Year	Apr-01	Apr-04				$ 300,000 00	PLAS maintenance
RD/RD	RUS85 Support Services	55501010107000	Rose Int	$ 11,637,673	5 Year	Sep-00	Sep-05	$ 9,067,000.00	$ 1,139,588 00	$ 1,139,588.00	$ 4,615,000 00	Redesign RUS legacy systems and provide automation support to Water and Environmental Programs
RD/RD	Infrastructure		IBM	$ 33,921	1 year with option years	Oct-02	Sep-03				$ 33,921.00	RUS Software Maintenance
RD/RD	Infrastructure		DBArtisan	$ 2,264	1 year with option years	Oct-02	Sep-03				$ 2,264.00	RUS Software Maintenance
RD/RD	Infrastructure		Xerox	$ 4,900	1 year with option years	Oct-00	Sep-03	$ 4,900.00	$ 4,900.00	$ 4,900.00	$ 4,900 00	Print Support & Licensing Fees
RD/RD	DLOS COTS System Support	55501710101020000	MortgageServ	$ 6,932,068	5 Years	Oct-00	Sep-03	$ 1,644,492 00	$ 1,744,524.00	$ 1,144,524.00	$ 1,795,104 00	Maintenance of Loan Origin/Servicing Systems
RD/RD	DLOS COTS System Support	55501710101020000	MortgageServ	Not contractually defined	5 years	Oct-03	Sep-03	$ 1,250 000 00	$ 50 000 00	$ 50 000.00	$ 1,400,000 00	Enhancement of Loan Origin/Servicing Systems

Mission Area/Agency	Project Name	USDA/ITIPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Costs FY 2003	Purpose
RD/RD	Support Services for the Centralized Servicing Center		WWT, Inc	$ 3,856,630	5 Years	Oct-00	Sep-03	$ 668,842.00	$ 660,511.00	$ 660,511.00	$ 989,275.00	Maintenance of Imaging System
RD/RD	Support Services for the Centralized Servicing Center		Siemens	$ -	1 year	Oct-00	Sep-01	$ 69,252.00				Maintenance for Davox Corp Equip 2002
RD/RD	Support Services for the Centralized Servicing Center		Siemens	$ -	1 year	Oct-01	Sep-02		$ 212,606.04	$ 157,293.04		Maintenance for Davox Corp Equip 2002
RD/RD	Support Services for the Centralized Servicing Center		Government Telecommun Inc	$ -	1 year	Sep-02	Oct-03	$ -			$ 142,580.00	Maintenance for Davox Corp Equip 2003
RD/RD	Support Services for the Centralized Servicing Center		Davox	$ -	5 year	Oct-01	Sep-02	$ -	$ 101,652.00	$ 101,652.00		Maintenance for Davox Corp Equip
RD/RD	Support Services for the Centralized Servicing Center		Pitney-Bowes	$ 1,167,975	5 Years	Oct-00	Sep-03	$ 240,195.80	$ 244,283.00	$ 244,283.00	$ 291,274.04	Maintenance for Pitney Bowes Finishing Equip
RD/RD	Support Services for the Centralized Servicing Center		Lucent/Avaya	$ 230,298	1 year	Oct-00	Sep-01	$ 230,298.00				Maintenance for Lucent Tech Equipment
RD/RD	Support Services for the Centralized Servicing Center		Lucent/Avaya	$ 204,816	1 year	Oct-01	Sep-02		$ 204,815.88	$ 204,815.88		Maintenance for Lucent Tech Equipment
RD/RD	Support Services for the Centralized Servicing Center		Lucent/Avaya	$ 230,000	1 year	Oct-02	Sep-03				$ 222,487.00	Maintenance for Lucent Tech Equipment

Mission Area/Agency	Project Name	USDA/RTIPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002		Actual Cost FY 2002	Actual/Planned Costs FY 2003	Purpose
RD/RD	Support Services for the Centralized Servicing Center		Syntellect	$ -	1 year	Oct-00	Sep-01	$ 83,280.00	$ -			$ -	Maintenance for Syntellect Corp Equip
RD/RD	Support Services for the Centralized Servicing Center		Syntellect	$ -	1 year	Oct-01	Sep-02	$ -	$ 82,809.00		$ 82,809.00		Maintenance for Syntellect Corp Equip
RD/RD	Support Services for the Centralized Servicing Center		Syntellect	$ -	1 year	Oct-02	Sep-03	$ -				$ 97,222.00	Maintenance for Syntellect Corp Equip
RD/RD	Support Services for the Centralized Servicing Center		Powerwave Global		1 Year	Oct-02	Sep-03					$ 12,365.04	Pull 7 by 24 support of UPS and Service Center telephony
RD/RD	Support Services for the Centralized Servicing Center		Symon Communications		1 year with option years	Oct-01	Sep-03		$ 64,809.00		$ 64,809.00	$ 30,000.00	Telephony statistical displays for Service Center
RD/RD	Support Services for the Centralized Servicing Center		Lucent	$ 33,280	1 year	Oct-00	Sep-01	$ 33,280.00	$ -				Definity interface for Nice Logger
RD/RD	Support Services for the Centralized Servicing Center		GTSI	$ 406,850	1 year	Oct-00	Sep-01	$ 386,898.00					Nice Call Logger System - FY 01
RD/RD	Support Services for the Centralized Servicing Center		GTSI	$ 406,850	1 Year	Oct-01	Sep-02		$ 76,297.65		$ 76,297.65		Nice Call Logger System - FY 02
RD/RD	Support Services for the Centralized Servicing Center		GTSI	$ 406,850	1 Year	Oct-02	Sep-03					$ 77,715.00	Nice Call Logger System - FY03

Mission Area/Agency	Project Name	USDA/ITPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Costs FY 2003	Purpose
RD/RD	Support Services for the Centralized Servicing Center		Lucent	$ 15,142	1 year	Oct-00	Sep-01	$ 15,142.00	$ -			Upgrade for FY02001-MCI cutover
RD/RD	Support Services for the Centralized Servicing Center		Lucent	$ 39,342	1 year	Oct-00	Sep-01	$ 39,342.00	$ -			CentreVu Explorer II report system
RD/RD	Support Services for the Centralized Servicing Center		Lucent	$ 18,834	1 year	Oct-00	Sep-01	$ 18,834.00	$ -			Upgrade for CMS PBX reporting tool
RD/RD	Support Services for the Centralized Servicing Center		Devox	$ 30,785	1 year	Oct-00	Sep-01	$ 30,785.00	$ -			Devox/Pace interface
RD/RD	Guaranteed Loan System Support Services	5692010101105000	Unisys	$ 28,028,881	5 years	Oct-00	Sep-05	$ 6,300,000.00	$ 3,169,318.00		$ 3,869,564.00	Automation Support Services
RD/RD	Infrastructure		Computer Associates	$ 419,000	1 year with option years	Oct-00	Sep-01	$ 209,000.00	$ 214,500.00	$ 218,000.00		Maintenance support for ROASE tools
RD/RD	Infrastructure		Hewlett Packard	$165,818.00	1 year	Oct-01	Sep-02		$ 165,818.00	$ 149,150.77	$ 180,000.00	Provide hardware/software support for Hewlett Packard servers and software
RD/RD	Infrastructure		Hewlett Packard	$137,936.52	1 year	Oct-02	Sep-03				$ 140,735.32	Provide hardware/software support for Hewlett Packard servers and software
RD/RD	Infrastructure		Datalink	$27,835 for 1 year	1 year				$ 13,356.00	$ 27,835.00	$ 30,000.00	SAN/backup hardware & software maintenance
RD/RD	Infrastructure		Datalink	$95,129.00	1 year	Oct-02	Sep-03				$ 95,129.00	SAN/backup hardware & software maintenance
RD/RD	Automation Security		Cisco	$17,903.00	1 year	Oct-01	Sep-02		$ 17,903.00			Cisco - Web Farm switches maintenance
RD/RD	Automation Security		Checkpoint	$24,380.00	1 year	Oct-01	Sep-02		$ 24,380.00		$ 28,000.00	Check Point Firewall software support
RD/RD	Automation Security		Fishnet Security	$38,998.02	1 year	Apr-03	Mar-04				$ 39,028.69	Checkpoint Software & Nokia Firewall Appliances Maintenance and Support
RD/RD	Automation Security		ISS	$7,493.00	1 year	Oct-01	Sep-02		$ 7,493.00		$ 10,000.00	ISS intrusion Detection software support
RD/RD	ISS Maintenance & Support		Patriot Technologies	$ 12,376.52	1 year	Nov-02	Oct-03				$ 10,376.52	ISS intrusion Detection software support
RD/RD	Infrastructure		NetIQ	$5,040.00	1 year	Sep-01	Sep-02		$ 5,040.00	$ 5,040.00		Web Trends Software Subscription
RD/RD	Web Trends Maintenance & Support		NetIQ		1 year	Sep-03	Sep-03				$ 5,040.00	Web Trends Software Subscription
RD/RD	Infrastructure		Chili Soft	$1,382.00	1 year	Oct-01	Sep-02		$ 1,382.00		$ 2,000.00	Chilisoft software maintenance
RD/RD	Infrastructure		OTAI	$40,000.00	1 year	Oct-01	Sep-02		$ 40,000.00	$ 40,000.00	$ 40,000.00	HP Service Guard Support
RD/RD	Infrastructure		PRC	$105,500.00	1 year	Oct-01	Sep-02	$ 105,500.00				Provide hardware/software support for Hewlett Packard servers
RD/RD	Infrastructure		IBM	Not to exceed $24,800,000	1 year with option years	Oct-00	Sep-03	$ 4,653,750.00	$ 4,200,000.00	$ 4,200,000.00	$ 4,800,000.00	Equipment maintenance

Mission Area/Agency	Project Name	USDA/ITPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Costs FY 2003	Purpose
RD/RD	Infrastructure		IBM/WWT	$11,060.00	1 year with option years	Oct-01	Sep-02		$ 11,060.00	$ 11,060.00	$ 15,000.00	Maintenance of AS 400's
RD/RD	Infrastructure		Brio	Based on Number of Licenses	1 year	Oct-00	Sep-02	$ 10,200.00				Reporting Software Maintenance FY 2001
RD/RD	Infrastructure		IBM Government Systems	Based on Number of Licenses	1 Year	Oct-01	Oct-02		$ 106,107.00	$ 106,107.00		Reporting Software Maintenance FY 2002
RD/RD	Infrastructure		IBM Government Systems	Based on Number of Licenses	1 Year	Oct-02	Oct-03				$ 168,985.00	Reporting Software Maintenance FY 2003
RD/RD	Infrastructure		IBM Government Systems	Based on Number of Licenses	1 Year	Sep-01	Sep-01	$ 336,368.00				Purchase Sho Licenses
RD/RD	Infrastructure		IBM Government Systems	$12,570.00	1 year	Oct-00	Sep-01	$ 12,570.00				Enterprise Server Maintenance
RD/RD	Infrastructure		IBM Government Systems	$14,455.00	1 year	Oct-01	Sep-02		$ 14,455.00	$ 14,455.00		Enterprise Server Maintenance
RD/RD	Infrastructure		IBM Government Systems	$74,164.00	1 Year	Sep-02	Sep-03		$ 74,164.00	$ 74,164.00		
RD/RD	Infrastructure		Sun Systems	$25,000.00	1 year with option years	Oct-00	Sep-03	$ 4,500.00	$ 4,500.00	$ 4,500.00	$ 5,400.00	Hardware Maintenance
RD/RD	Infrastructure		Informix	Progressive based on licensing	1 year with option years	Oct-00	Sep-03	$ 3,700.00	$ 4,255.00	$ 4,255.00	$ 4,500.00	Data Base Licensing and Maintenance
RD/RD	Infrastructure		T3 Corp	$39,570.00	1 year	Oct-00	Sep-01	$ 39,570.00	$ -			Data Warehouse consulting
RD/RD	Infrastructure		Rose International	$283,800.00	1 year	Sep-01	Sep-02	$ 252,699.00	$ 31,101.00	$ 31,101.00		Technical support, training and development assistance for Brio ad hoc reporting
RD/RD	Infrastructure		Rose International	$723,391.00	1 year	Sep-02	Sep-03	$ -	$ 723,391.00	$ 723,391.00	$ 800,000.00	Technical support, training, and development assistance for Brio ad hoc reporting
RD/RD	Infrastructure		NITC	$41,400.00	1 year - MOU	Oct-01	Oct-02	$ -	$ 41,400.00	$ 41,400.00	$ 41,400.00	MOU with NITC to support RD on-demand-server
RD/RD	Infrastructure		NITC	$20,700.00	1 year - MOU	Oct-01	Oct-02		$ 20,700.00	$ 20,700.00	$ 20,700.00	MOU with NITC to support RD Sun Data Warehouse server
RD/RD	Infrastructure		Government Micro Systems	$2,642.00	1 year	May-00	May-01	$ 2,642.00	$ -	$ -		Maintenance for Sun 450 ODS Server
RD/RD	Infrastructure		Government Micro Systems	$3,289.00	1 year	May-01	May-02	$ -	$ 3,557.00	$ 3,557.00		Maintenance for Sun 450 ODS Server
RD/RD	Infrastructure		Government Micro Systems	$3,557.00	1 Year	May-02	May-03				$ 4,300.00	Maintenance for Sun 450 ODS Server
RD/RD	Exec Info System		Unisys	$30,000.00	1 year	Oct-00	Sep-01	$ 30,000.00	$ -	$ -		EIS support services
RD/RD	Phone Bill		MCI	Based on usage	Multiyear through GSA	Oct-00	Sep-03	$ 6,536,850.00	$ 2,057,586.00	$ 2,057,586.00	$ 2,100,000.00	Telecommunications
RD/RD	Program Funds Control System	65501000010001000	Unisys and Oracle Financials		5 Year	Sep-02	Sep-05		$ 7,920,000.00	$ 7,920,000.00	$ 3,300,000.00	Commercial Software to Support Program Funds Control Requirements. Includes only the cost of the COTS software package without any modifications and interfaces to Rural Development financial systems.
RD/RD	Centralized Servicing Center Automation Support		World Wide Technology	$69,040.00	1 Year	Oct-00	Sep-01	$ 69,040.00	$ -			
RD/RD	Infrastructure		Federal Data Corp	$ 111,952.00	1 year with option years	Oct-01	Sep-03	$ -	$ 111,952.00	$ 111,952.00	$ 120,000.00	Cisco router maintenance
RD/RD	Infrastructure		Video Telecomm Inc	$ 19,454.00	1 Year	Oct-00	Sep-01	$ 19,454.00	$ -			Modem maintenance
RD/RD	Infrastructure		En-Net	$ 20,571.00	1 Year	Oct-01	Sep-02	$ -	$ 20,571.00	$ 20,571.00	$ -	Modem maintenance
RD/RD	Telecom support		The Newberry Group	$ 2,674,196.00	1 Year	Sep-02	Sep-03				$ 2,674,196.00	Voice over Internet Protocol purchase and installation
RD/RD	Infrastructure		Unisys	$ 1,535,238.00	1 Year	Oct-01	Sep-03				$ 1,535,238.00	Cabling and Web Farm Infrastructure support
RD/RD	Information Systems Security		Black Bird	$ 55,000.00	1 Year	Oct-00	Sep-01	$ 55,000.00	$ -			Security Program Assessment

Mission Area/Agency	Project Name	USDA/ITPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Costs FY 2003	Purpose
RD/RD	Information Systems Security		Rose	$ 250,000.00	1 Year	Oct-00	Sep-01	$ 250,000.00	$ -			Security Support Services
RD/RD	Information Systems Security		Unisys	$ 167,000.00	1 Year	Oct-00	Sep-01	$ 167,000.00	$ -			Security Logbook Implementation
RD/RD	Information Systems Security		Rose	$ 199,866.00	1 Year with option years	Oct-01	Sep-03	$ -	$ 199,866.00	$ 199,866.00	$ 262,000.00	Security Support Services
RD/RD	Support Services Support		Analytical Support Inc.	$ 699,000.00	1 Year with option years	Oct-00	Sep-03	$ 346,000.00	$ 353,000.00	$ 353,000.00	$ 361,000.00	Third party testing
RD/RD	Support Services		Computer Minded	$ 61,584.00	1 Year with option years	Oct-00	Sep-03	$ 16,584.00	$ 45,000.00	$ 45,000.00	$ 50,000.00	Media duplication
RD/RD	Web Farm Infrastructure Support		Unisys	$ 1,100,515.00	1 Year	Sep-01	Sep-02	$ -	$ 1,100,515.00	$ 1,100,515.00	$ -	Support St Web Farm
RD/RD	Web Farm Infrastructure Support		Unisys	$ 963,600.00	1 Year	Sep-01	Sep-02		$ 963,600.00	$ 963,600.00		COOP Implementation & Support St Web Farm
RD/RD	Web Farm Infrastructure Support		Unisys	$ 1,348,358.00	1 Year	Sep-01	Sep-02		$ 1,348,358.00	$ 1,348,358.00		Telecom Support St Web Farm
RD/RD	Web Farm Infrastructure Support		Unisys	$ 1,456,000.00	1 Year	Sep-01	Sep-02		$ 1,456,000.00	$ 1,456,000.00		Coordinate & Implement the migration of apps to St Web Farm
RD/RD	Web Farm Infrastructure Support		Unisys		1 Year	Sep-02	Sep-03	$ -	$ -		$ 1,200,000.00	Support St Web Farm
RD/RD	Web Farm Infrastructure Renewal		Unisys		1 Year	Sep-02	Sep-03				$ 178,000.00	Web Farm Security Specialist (EAI Contract)
RD/RD	Web Farm Infrastructure Support		N-Link		1 Year	Sep-02	Sep-03				$ 273,400.00	Web Farm Integrity Specialist (EAI Contract)
RD/RD	Information Systems Security		The Newberry Group	$ 1,300,000.00	1 Year	Sep-02	Sep-03				$ 1,300,000.00	
RD/RD	Mission Support		Computer Support Group Inc	$ 78,574.44	1 year with option years	Oct-01	Sep-03		$ 78,574.44	$ 78,574.44	$ 200,000.00	Computer operations and mission support
RD/RD	Mission Support		CSU, LLC		1 year with 4 option years	Oct-00	Sep-03	$ 320,887.96	$ 203,709.53	$ 203,709.53	$ 365,817.00	Computer operations and mission support
RD/RD	Mission Support		Staroga Technology		1 year with 4 option years	Oct-00	Sep-03	$ 24,725.18	$ 28,188.80	$ 28,188.80	$ 13,666.66	Computer operations and mission support
RD/RD	Mission Support		Computer Network Technology		1 year with 4 option years	Oct-00	Sep-03	$ 16,164.00	$ 16,648.92	$ 16,648.92	$ 18,319.08	Computer operations and mission support
RD/RD	Mission Support		Solution Data Systems		1 year with 4 option years	Oct-00	Sep-03	$ 19,989.92	$ 7,920.52	$ 7,920.52	$ 15,999.00	Computer operations and mission support
RD/RD	Mission Support		Tri-Cor Industries		1 year with 4 option years	Oct-00	Sep-03	$ 4,092.00	$ 4,092.00	$ 4,092.00		Computer operations and mission support
RD/RD	Mission Support		Air Masters Corp		Open Market Purchase	Oct-03	Sep-03		$ 9,451.40	$ 9,451.40	$ 10,116.00	Computer operations and mission support
				$ 82,672,554.19				$ 48,594,393.15	$ 33,974,277.05		$ 34,810,475.39	
Agency Total												

Risk Management Agency
Response to Congressional Questions regarding Contracting

IT Contractor Assistance Information

Mission Area/Agency	Project Name	USDA/ITIPS Project ID #	Contract Awardee	Amount of the Contract	Length of Contract	Contract Start Date	Contract End Date	Actual Cost FY 2001	Actual/Planned Cost FY 2002	Actual Cost FY 2002	Actual/Planned Cost FY 2003	Purpose
FFAS/RMA	RMA-01 - Financial Management Systems	00547010102000100	FEDSIM/Millennia/ SAIC	Contract Total $80,000,000	1 yr w/opts to 5 yrs	5/2000	Renewable by year	$ 2,074,475.36	$ 2,101,051.00	$2,101,051.00	$ 1,882,618.00	IT Support
FFAS/RMA	RMA-02 - Corporate Insurance Information Systems	00547015102000200	FEDSIM/Millennia/ SAIC	Included in above amount	-	5/2000	Renewable by year	$ 4,537,053.80	$ 6,291,558.00	$5,291,556.00	$ 4,331,739.00	IT Support
FFAS/RMA	RMA-04 - Infrastructure Modernization, Support and Training	00547020001000410	FEDSIM/Millennia/ SAIC	Included in above amount	-	5/2000	Renewable by year	$ 6,621,375.16	$ 6,647,131.00	$6,647,131.00	$ 6,921,405.00	IT Support
FFAS/RMA	RMA-10 - GIS Information Interface	00547015102001000	FEDSIM/Millennia/ SAIC	Included in above amount	-	5/2000	Renewable by year	$ 4,317,711.00	$ -	$0.00	$ -	IT Support
FFAS/RMA	RMA-12 - Infrastructure Assurance	00547020002001200	FEDSIM/Millennia/ SAIC	Included in above amount	-	5/2000	Renewable by year	$ -	$ 276,210.00	$276,210.00	$ 283,000.00	IT Support
FFAS/RMA	RMA-14 - Agricultural Risk Protection Act of 2000 (ARPA) Implementation	00547015102001400	FEDSIM/Millennia/ SAIC	Funds provided legislatively	-	2000	2000	$ 878,004.18	$ -	$0.00	$ 5,882,000.00	Program development, research and analysis. Some IT support.
FFAS/RMA	RMA -16 - Distance Learning Certification	00547015102001600	FEDLEARN	$265,000	1 year	3/2003	3/2004	$ 42,232,527.00	$ -	$ -	$ 265,000.00	IT Support
FFAS/RMA	RMA-15 - Standard Reinsurance Agreement Analysis	00547015102001500	GovWorks	-	Renewable annually	5/1/2002	6/1/2007	$ -	$ 300,000.00	$0.00	$ -	IT Support
FFAS/RMA	FSA/RMA Service Level Agreement	N/A	FSA/MSU (Inter-Agency Agreement)	$ 1,521,000.00	Renewable annually	4/2002	4/2003	$ 1,912,767.00	$ 1,912,767.00	$ 1,912,767.00	$ 1,912,767.00	IT Support
FFAS/RMA	RMA-07 - Strategic Data Analysis	00547015101000700	Tarleton State Univ	$ 5,000,000.00	1 year	10/1/2001	Renewable by year	$ 934,854.26	$ 5,128,378.00	$ 6,100,000.00	$ 4,000,000.00	Data Mining & Data Warehouse Development & Services
FFAS/RMA	RMA-13 - Emerging Information technology Architecture	00547020002001300	FEDSIM/ILS	$ 500,000.00	1 year	2/28/2001	7/2/2003	$ 500,000.00	$ -0-	$ -	$0	IT 5 Year Planning Support
Agency Total				$ 57,290,000.00				$ 64,009,467.76	$ 23,667,353.00	$ 24,328,718.00	$ 25,278,629.00	

USDA FY 2004 SPENDING CONTRACTOR SUPPORT SERVICES

Mr. Bonilla: How much of USDA's FY 2004 IT budget is for contractor support services, and what did USDA spend for such services in FY 2002/2003?

Response: USDA plans to spend $488 million in FY 2004 for contractor support services. This is 21.6% of the total USDA FY 2004 IT budget. In FY 2002, USDA spent about $288 million or 16% of the total IT budget on contractor support services. In FY 2003, USDA plans to spend an estimated $406 million or 19% of the total estimated FY 2003 budget of $2.14 billion.

IMPROVING DEPARTMENTWIDE IT MANAGEMENT AND CIO ACCOUNTABILITY

Mr. Bonilla: What are the CIO's key goals for improving department-wide management and security of information systems and telecommunications networks and to what extent is the CIO held accountable for results?

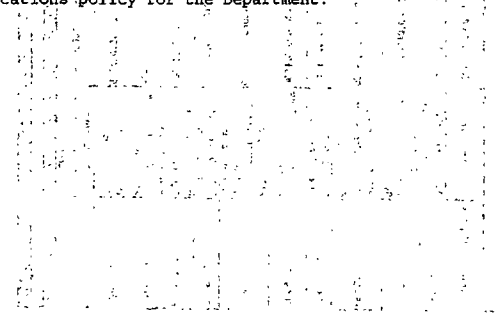
Response: USDA's strategy for improving the management and security of its information assets is based on an enterprise-wide approach. This approach is designed to implement uniform, repeatable processes for each functional area within OCIO: eGovernment, IT Management, Telecommunications Management, and Cyber Security. This includes developing policies, defining and applying standards for procedures and controls, acquiring common tools, and sponsoring enterprise-wide training sessions to assist all agencies in strengthening the management and security of our IT resources.

The eGovernment Program is identifying and implementing common business processes across the Department that can be unified and simplified to better serve customers while ensuring scarce IT funds are invested wisely.

The IT Investment Management Program monitors the USDA's Major IT Systems Portfolio, which is approved annually by the Department's Executive IT Investment Review Board. Our Capital Planning and Investment Control Process (CPIC) tracks systems throughout their life-cycle from design to production to retirement. Measures of security-related performance are determined at multiple points throughout the life-cycle, including:

- Security scoring is conducted during all phases of the CPIC process to determine if security as been appropriately considered and necessary controls have been implemented.
- Security plans at both the agency and system level are carefully scrutinized and scored to ensure all security functions are adequately addressed.
- USDA's eGovernment Presidential Scorecard contains scores for both security status and security progress. These scores provided USDA's senior management with quarterly reports on the state of their respective agencies' security posture and remedial activities.

The Telecommunications Management Program responsibilities include: maintaining the USDA wide area network, program management of FTS 2001 services, supporting the special needs of a Washington, D.C. metropolitan area network (MAN), managing interagency network planning and development, and developing and recommending telecommunications policy for the Department.



The OCIO is held accountable for meeting its responsibilities through multiple levels of oversight, both internally and externally.

- The CIO is first and foremost accountable to the Deputy Secretary, as the Department's Chief Operating Officer, for successful performance. The CIO provides regular reports and briefings to the Deputy Secretary on progress in each program area.
- USDA agencies - the CIO's primary customers - provide feedback on the success of our programs and work with OCIO to find better ways to achieve our objectives.
- The Office of the Inspector General, through regular audits, also plays a key role in holding the CIO accountable for completing its performance plans.
- The Office of Management and Budget tracks USDA's progress managing its IT systems implementations through the annual budget and capital planning processes, the President's Management Agenda Scorecard, and regular briefings and updates from USDA staff.
- The Congress also holds the CIO accountable through a regular series of GAO audits and additional reports provided on a regular basis as required by the FY 2001 and 2002 Agricultural Appropriations Acts.

DEPARTMENT-WIDE INFORMATION AND TECHNICAL INFRASTRUCTURE

Mr. Bonilla: A primary goal for USDA CIOs has been the development of a department-wide information and technical infrastructure to improve service delivery through more effective information systems and data management. What efforts are now underway in connection with this overall goal and where does the department stand on carrying out these initiatives? What are the time frames for their completion?

Response: The establishment of a USDA Enterprise Architecture (EA) to improve service delivery through more effective information systems and data management has been a long-standing goal of the USDA CIO. In developing our EA, we are following the Federal Architecture reference models endorsed by OMB and the Federal CIO Council.

The timeframes for completing the "As-Is" and "To-Be" Architectures are September 2003 and January 2004 respectively. As the architecture is developed, opportunities for improving data management will be initiated. These include identifying and selecting data standards, developing common data models and designs to promote data integration, and developing policy for sharing data across organizations.

Common business applications within the areas of financial management, human resources management, and services used by agricultural producers are each targeted for integration in FY-2004. These initiatives leverage work that has already begun across the department in FY-2003.

Through the eGovernment program, USDA agencies are being required to work together to address common requirements associated with developing eGovernment capability and capacity. The collaborative approach will yield additional common data and application solutions through cross-agency and enterprise acquisitions. Using information and analysis derived from an EA, we will be able to better target these types of activities in order to realize even greater benefits for the Department. In FY-2004 eAuthentication, eGrants, and eLoans will be supported.

USDA'S IT WORKFORCE ANALYSIS

Mr. Bonilla: What is being done to address the issues raised in the "Analysis of USDA's IT Workforce?"

Response: The "Analysis of USDA's IT Workforce" assessed the impact of IT trends on USDA's IT workforce. The following accomplishments address issues raised in the report:

OCIO conducted an Executive Skills Assessment using the competencies identified by the Federal CIO Council. Results of the assessment identified developmental needs in leadership and management, technical skills and IT security. As a result of this assessment, OCIO developed comprehensive Project Management and Cyber Security training programs. The Project Management training program to date has trained 63 students, 18 of whom have received Project Management Professional (PMP) certification from the Project Management Institute. In response to the skills assessment, OCIO has also provided Executive Leadership training. Five classes have been provided, training 88 individuals. Several topics, including building business cases for investments, risk assessment for investments, and an enterprise architecture overview were addressed. OCIO has also provided training in Performance Based Service Contracting and Contracting Basics for COTRs. We are closely working with our Human Resources organization in identifying skills gaps and how efficiently and effectively those gaps can be closed. Also, during the remainder of this fiscal year and into FY 2004 we plan to build on these workforce improvement efforts by developing a Workforce Plan. This will include a process for continuous assessment of skills gaps.

Mr. Bonilla: How many waivers did agencies request for each fiscal year period since the moratorium was established and what was the dollar amount of the waivers?

Response: [The information follows:]

- During FY 1997, there were 127 waiver requests submitted for approximately $284 million;
- During FY 1998, there were 246 waiver requests submitted for approximately $380 million;
- During FY 1999, there were 249 waiver requests submitted for approximately $415 million;
- During FY 2000, there were 78 waiver requests submitted for approximately $430 million;
- During FY 2001, there were 63 waiver requests submitted for approximately $195 million;
- During FY 2002, there were 63 waiver requests submitted for approximately $182 million;
- For FY 2003 through April 15, 2003 there have been 50 waiver requests submitted for approximately $195 million.

Mr. Bonilla: How many waivers were denied for each fiscal year period since the moratorium was established and what was the dollar amount of the denied waivers by fiscal year?

Response: [The information follows:]

- During FY 1997, 7 waivers were denied totaling $30 million and two waivers were exempt from the moratorium totaling $44 million;

- During FY 1998, 7 waivers were denied and 3 waivers were canceled by the requesting agency or OCIO due to lack of documentation. Denied amounts totaled $23 million in fiscal year 1998 and 1999 funds;

- During FY 1999, 2 waivers were fully denied and the requesting agency or OCIO canceled 4. Denied amounts totaled $28 million in FY 1999 and 2000 funds;

- During FY 2000, there were 3 waivers that received partial approval. Denied amounts totaled $15 million in fiscal year 2000 and 2001 funds;

- During FY 2001, there was 1 waiver that received partial approval. Denied amounts totaled $15 million;

- During FY 2002, there were 27 waivers that received partial approval. Denied amounts totaled $30 million;

- For FY 2003 through April 15, 2003, 1 waiver request has been denied. Denied amounts totaled $2 million.

USDA'S IT MORATORIUM

Mr. Bonilla: Does USDA's IT moratorium remain in effect? If not, when was it discontinued and why?

Response: The IT moratorium is still in effect. The Chief Information Officer is in the process of lowering the current dollar threshold for USDA IT investments that require formal approval.

NEW POSITIONS FUNDED IN FY 2004

Mr. Bonilla: How many new positions would be funded at the fiscal year 2004 budget request compared to the fiscal year 2003 enacted level? At what grade level? Where would the new positions be located?

Response: The 2003 budget as enacted supports 71 FTEs for the OCIO. The 2004 President's Budget request supports 84 FTEs. OCIO requests 10 new positions to support the Department's Enterprise Architecture Initiative. In addition, OCIO requests 3 new positions to strengthen the Department's Information Survivability program.

OCIO CONTRACTS/SUBCONTRACTS

Mr. Bonilla: How many contracts/subcontracts does the OCIO currently operate that provide for the contractor/subcontractor to have their employees report to work at USDA facilities? What is the cost of each of those contracts/subcontracts? Who are the contractors/subcontractors that have their employees report to work at USDA facilities? How many employees of contractors/subcontractors report to work at USDA facilities on a daily basis? Which USDA facilities do these employees report to?

Response: Currently OCIO has two contracts in place that require employees report to work at USDA Facilities. The table below provides the requested detailed information. [The information follows:]

OCIO Contract Name	Cost of Each Contract	Number of employees on contract who report to work at USDA facilities on a daily basis	Names of the USDA facilities to which the employees report
Titan Systems	$514,000	3	USDA Headquarters, Washington, DC
Accenture	$1,000,000	10	USDA Headquarters, Washington, DC

FY 2004 BUDGET REQUEST INCREASE

Mr. Bonilla: The fiscal year 2004 budget request includes a $16.341 million increase over the enacted fiscal year 2003 funding level. Tell the Committee what this increase is for by the project and activity.

Response: USDA requested an increase of $16,340,960 to restore the FY 2003 budget request consisting of two components, (1) for Enterprise Architecture (EA) development and (2) for information survivability. The components are discussed below:

The first component of the request is for an increase of $12,371,960 and 10 staff years to continue development of the USDA EA. The Office of Management and Budget (OMB) identified the lack of an EA as a major risk to the successful delivery of information technology (IT) programs in the department. Although initial work is in progress on the USDA EA in FY 2003, the funding increase will allow further development of the architecture components needed for decision-making at the agency and Departmental level.

In addition to minimizing risks of IT program and system development, an EA will create significant benefits for USDA and its agencies. The development of an EA will result in more cost-effective IT systems being implemented, enabling USDA to undertake significant program enhancements. Major eGovernment projects underway at USDA, both strategic (eLoans and Online Trade Assistance, for example) and infrastructure (e.g., eAuthentication and eLearning) form a core part of USDA's target Enterprise Architecture and are proceeding in coordination with overarching EA efforts. Additionally, EA planning will improve the telecommunications and information security capabilities available to applications across the IT infrastructure.

In FY 2003, USDA plans to develop a high-level baseline architecture, as well as begin development of the target architecture. During FY 2004, USDA expects to:

- Use contractor support to assist in the development and use of the architectural components and products at both the Department and agency levels. Development across the organization will be managed at the Department level and will be aligned with federal efforts;
- Use contractor support to assist with development and implementation of EA policy, including governance and configuration management for architecture components. Contractor support will also be used for an extensive training effort across the Department, with training content and length tailored for multiple audiences across the Department including: program executives, IT executives, architecture program managers and their teams, and agency staff;

- Conduct assessments of compliance to architecture standards at the agency-level as well as perform evaluations quality and scope of agency-level architectures;
- Use staff and contractor support to initiate a data management program that includes identification and promotion of data standards;
- Integrate architecture with other internal management processes (e.g., IT investment decisions, human capital management, budget and program integration, and competitive sourcing). Because it supports all USDA business lines, the EA effort supports every goal of the USDA Strategic Plan. It also provides direct support to the "Expand Electronic Government" Management Initiative included in the Plan.

Secondly, an increase of $3,750,000 and 3 staff years was requested to continue developing Information Survivability Plans for USDA's mission critical IT systems. The USDA Office of the Chief Information Officer (OCIO) is establishing a USDA information survivability program to guide agencies in the development and testing of disaster recovery and business resumption plans for the Department's highest priority mission critical systems. This program will provide methods, policy, training, tools, guidance and oversight to ensure that agency program and technical managers develop and test Disaster Recovery and Business Resumption (DR/BR) plans for the mission-critical systems they manage.

An inter-agency Sub-council, which is setting the overall direction for this initiative, is reviewing a single, common, methodology for developing these plans. And, in coordination with a similar Continuity of Operations Initiative for USDA's mission critical facilities, a common software tool will be selected for use in DR/BR planning across USDA.

OCIO is funding the development and implementation of its Information Survivability Program with Homeland Security funds provided to the Department. These funds have allowed OCIO to acquire contract expertise and to purchase and deploy software tools that support contingency planning.

Contingency plans must be continuously revised and tested to ensure recovery strategies are sound and effective should a disruption occur. Likewise, the software and hardware platforms used to support this program must be continuously maintained and kept current. The increase in FY 2004 funding will be used to continue implementing this program, directly supporting the development, testing, and evaluation of USDA agency mission critical IT systems.

Mr. Bonilla: Your budget request includes a decrease of $37,000 to reflect savings from the centralization and improvement of information technology at USDA. Please explain what efficiencies have been achieved that allows the Department to give up these funds. What are the savings by agency and in total for this proposal in fiscal year 2004? Were these savings USDA or OMB-initiated?

Response: Over the past two years USDA-OCIO has looked for opportunities to help agencies acquire IT products and services in a collaborative manner by using the collective buying power of USDA as a whole to effect more favorable pricing on a range of products and services. The expectation was that monies saved through volume purchasing of IT assets and services would be redirected to agency program activities to enhance performance in the delivery of existing agency services and information, or enable opportunities for agencies to provide new services or information. Volume purchasing of IT assets and services has resulted in lower IT costs from a Department-wide perspective. The Administration made reducing or eliminating

redundant systems and equipment purchases a priority. Working with OMB, USDA identified redundancies included in USDA's IT portfolio, and proposed to consolidate the purchase of these systems and equipment with an estimated savings of $16,000,000. Since all agencies in USDA benefit or make use of the technologies and services acquired through the volume acquisitions already completed at some level, the IT budget reduction requested by OMB was distributed across all agencies in proportion to their full time equivalent (FTE) personnel levels.

USDA E-GOV INITIATIVES IMPLEMENTATION

Mr. Bonilla: Has USDA fully implemented OMB E-Gov initiatives? What is the cost, by agency or office, to implement OMB E-Gov initiatives?

Response: USDA continues to participate in 19 of the President's 24 eGovernment initiatives. USDA has been actively involved in developing business cases and implementation plans for these initiatives. For example, USDA has been fully engaged in GovBenefits.gov, the first of the Presidential Initiatives to go 'live', having been launched on April 29, 2002. The National Finance Center has been named one of the four federal payroll services provider as part of the Presidential Initiative on ePayroll. Geospatial One-Stop also has an active USDA component and has received funding from us.

Specific funding contributions by Mission Area are outlined below. [The information follows:]

Total Presidential Initiatives Estimated Contribution Amounts
FY 2003

Mission Area	OVERALL TOTAL
Farm and Foreign Agricultural Services (FFAS)	$1,027,932
Food, Nutrition and Consumer Services (FNCS)	159,936
Food Safety (FS)	535,645
Marketing and Regulatory Programs (MRP)	646,355
Natural Resources and Environment (NRE)	3,221,258
Research, Education and Economics (REE)	282,235
Rural Development (RD)	749,915
Departmental Administration (DA) & Staff Offices	515,724
Total Amount	$7,139,000

We also estimate that we are currently providing a total of 17.6 FTEs from USDA to the various Presidential Initiatives.

STATUS OF USDA'S CORPORATE SYSTEMS INITIATIVES

Mr. Bonilla: What is the status of the corporate systems initiative? Did OMB approve all of USDA's fiscal year 2004 requests for inclusion in the President's budget?

Response: The Office of the Chief Financial Officer (OCFO), along with partners from the Assistant Secretary for Administration (ASA), the Office of the Chief Information Officer (OCIO), and the Office of Budget and Program Analysis (OPBA) have established a major initiative to address modernization of corporate systems.

General provisions of fiscal year 2002 appropriations language granted USDA the authority to transfer unobligated balances to the Working Capital fund and to use these balances to fund the modernization of corporate systems. As required under the language, USDA sought and received approval from the appropriations committees of Congress to obligate resources from transferred funds. The USDA plan allocates to several concurrent initiatives funds to ensure the broadest coverage during fiscal year 2003. These initiatives include: Universal Telecommunications Network, the Integrated Acquisition System, the Data Warehouses, the Corporate Asset Management System (Real Property), Corporate Travel (includes department interface to the Presidential e-government initiative, e-travel), USDA e-government initiatives, and USDA Enterprise Architecture. USDA will prepare and submit to OMB and the appropriations committees of Congress a plan to use unobligated balances authorized in fiscal year 2003 appropriations language. These funds would be used in fiscal year 2004. While we anticipate that the need for resources will continue, the fiscal year 2004 budget for the Working Capital Fund makes no presumption regarding the availability of unobligated balances.

Regarding "OMB approvals", agency and Departmental materials used in developing the FY 2004 President's Budget are considered "pre-decisional" materials and therefore remain a matter of internal record.

STATUS AND FY 2004 PLANS FOR USDA'S ENTERPRISE ARCHITECTURE

Mr. Bonilla: According to your performance measures, your Office will complete the baseline Enterprise Architecture in fiscal year 2003. Please describe the status of that effort. How will you develop and target Enterprise Architecture implementation in fiscal year 2004?

Response: USDA has developed a high level vision for an Enterprise Architecture (EA) that will fully incorporate Departmental and Federal E-Government initiatives. In fiscal year 2003, an enterprise architect was hired to lead the Department and agencies in documenting a current "As-Is" USDA architecture. The target date for completion of the "As-Is" architecture is the end of fiscal year 2003. This effort will develop a USDA EA that includes Business, Data, Applications, and Technology layers. The EA will be aligned to Federal Enterprise Architecture reference models. Enterprise Architecture program activities will focus on information currently available in the Department. An Enterprise Architecture Working Group has been established to provide input for the detailed development of EA at USDA. This group consists of department and agency staff. Additionally, a common toolset is being purchased to assist in capturing EA data.

While a complete "To-Be" architecture including the E-Government components and other strategies for achieving the corporate vision will be completed in early Fiscal Year (FY) 2004, initiatives such as eAuthentication, eGrants, eLearning, and a USDA Universal Telecommunications Network are already underway. Key components of the "To-Be" vision are based on USDA's enterprise-wide electronic government initiatives. These initiatives are designed to provide common infrastructure and services needed to deliver agency information and services through electronic alternatives.

A consolidated business plan for the USDA Enterprise Architecture including departmental and agency portions will be submitted to OMB this summer. This plan will include an estimate of the complete costs needed for the Enterprise Architecture.

DISASTER RECOVERY PLANS FOR USDA MISSION-CRITICAL SYSTEMS

Mr. Bonilla: Your performance measures indicate that you will have disaster recovery plans for 30 percent of mission-critical system in fiscal year 2003, and 100 percent in fiscal year 2004. Please provide additional information on how this will be accomplished, and are the necessary funds to accomplish disaster recovery plans for 100 per cent of mission critical systems included in the budget request? How much is contained in the budget request for these efforts?

Response: The USDA Office of the Chief Information Officer (OCIO) is establishing a USDA Information Survivability Program to guide agencies in the development and testing of disaster recovery and business resumption plans for the Department's highest priority mission critical systems. This program will provide methods, policy, training, tools, guidance and oversight to ensure that agency program and technical managers develop and test Disaster Recovery and Business Resumption plans for the mission-critical systems they manage. This strategy is designed to meet contingency planning requirements mandated by law and oversight guidance.

An inter-agency Subcouncil, which is setting the overall direction for this initiative, is reviewing a single, common, methodology for developing these plans. And, in coordination with a similar Continuity of Operations Initiative for USDA's mission critical facilities, a single software tool has been selected for use in DR/BR planning across USDA.

OCIO is funding the development and implementation of its Information Survivability Program with Homeland Security funds provided to the Department. These funds have allowed OCIO to acquire contract expertise and to purchase and deploy software tools that support contingency planning.

Operating under a Continuing Resolution delayed launch of the Information Survivability Program by several months. Nevertheless, the project has been initiated, contract expertise has been engaged, and supporting software tools have been purchase for all agencies and offices. We remain hopeful that will be able to meet the 30 per cent target this fiscal year, but feel confident that contingency plans for all mission-critical systems will be in place by the end of FY 2004.

OCIO's FY 2004 budget request covers only the cost for continuous training, support, oversight and testing of agency contingency plans. Individual agencies and offices are responsible for providing the resources necessary to build the system-specific plans for the IT assets they manage. Contingency planning is a longstanding Federal requirement that agencies should consider when developing their IT operating and maintenance budgets.

GOVERNMENT PAPERWORK ELIMINATION ACT IMPLEMENTATION

Mr. Bonilla: Will USDA be able to fully implement the Government Paperwork Elimination Act by October 2003? Please describe the actions being taken during fiscal year 2003 and any barriers to full implementation.

Response: USDA has been working to comply with the Government Paperwork Elimination Act.

USDA's mid-year review of its progress toward achieving GPEA compliance identified 3,146 forms or similar customer interactions covered by the Paperwork Reduction Act that are covered by GPEA. Of this total, 1,128 (36%) either have already completed electronic options or will have completed them by 10/31/2003, as detailed in the table below.

Completion Date	Transaction Count	% of Total Transactions
Interactions completed to date	354	11%
Interactions to be completed by 10/31/2003	774	25%
Interactions to be completed post 11/2003	422	13%
Interactions that will not be completed	1,596	51%

Currently, there are no plans to provide an electronic option for 1,596 customer interactions. A number of reasons affected our agencies' determinations that providing electronic options for these transactions is not practicable. The most common reasons are delivery of services through an intermediary; physical restrictions (e.g., the certificate must be present on, or accompany, a physical item such as a shipment); face-to-face; or one-time, non-recurring.

As such, 1,002 (32%) of our GPEA interactions are planned to reach the electronic transactions transformation status, i.e., the implementation of end-to-end electronic processing, categories by October 2003. However, many of the forms that will not reach the electronic transactions status by this year's deadline are portions of projects involving business process redesign, which are expected to achieve a higher transformation status in the 6-12 months following October 2003.

Barriers to achieving full GPEA compliance include a lack of electronic signature capabilities and dependencies on government-wide initiatives. For example, agencies are seeking to reprioritize their very limited FY '03 IT funds to fund an enterprise-wide approach for Authentication purposes which leverages Service Center work with WebCAAF and NFC's PKI Solution, but is also dependent upon the Presidential Initiative "gateway" provided by GSA.

Mr. Bonilla: Please tell the Committee how the CIO initiative to consolidate/converge IT staff is proceeding, and how are you responding to the programming requirements of the bill as it relates to this proposed convergence? Are there specific funds identified in the fiscal year 2004 budget request for this activity? How much?

Response: The Service Center Agencies IT Convergence is progressing well and we are proceeding very carefully to insure success. The proposed convergence will merge the three agencies IT infrastructure staffs into the Office of the Chief Information Officer's organization. The CIO has been named by the Secretary as having the responsibility to coordinate and carry out the actions necessary to

consolidate/converge the SCA IT staffs. A core planning team, with representation from the 3 agencies and employee organizations, has been designated, met, and a proposal generated on the organizational components of a new service organization. We are currently undertaking an independent review of the product developed. Once that document is reviewed and any recommendations provided, a final organization will be put forward for action.

As far as the responding to the programming requirements of the Farm Bill, each agency is proceeding well. The proposed SCA-IT Convergence will not affect the programming staffs since they will remain in each agency and only infrastructure support will be converged.

Mr. Bonilla: Why was there an $8,702,608 unobligated balance in fiscal year 2003 in the Common Computing Environment account, and why weren't these funds transferred to the Working Capital Fund pursuant to section 704 of P.L. 107-76? This is the third consecutive year that there has been a significant unobligated balance in this account, so provide any information available for the record that substantiates the OCIO's ability to obligate $177,714,000 in fiscal year 2004.

Response: The balance carried forward into FY 2003 was due to continuing impacts of the delay in deployment of the network servers. Several components of the CCE were dependent upon the network servers being in place and fully operational and were therefore held up waiting for the server deployment to be completed and stabilized. These items included electronic mail, remote system administration, spatial and tabular database support, small office solutions, and large office servers. It was determined that it was better to delay these items than to move forward without having the proper support systems in place. For example, the final decision on Exchange implementation was not made by the Service Center Agencies until March 2003. It would not have been appropriate to acquire and deploy components for the email infrastructure, large offices, and small offices without this decision being made first. Had equipment, software, and services been acquired when originally planned, much of that equipment would not have been compatible with the final design selection, this would have led to waste and lost opportunities to economize.

Mr. Bonilla: Since fiscal year 2001, this Committee has appropriated over $231,000,000 for the Common Computing Environment. Please tell the Committee what the return on this investment has been for the taxpayer.

Response: The projected annual return on investment reflected in the November 19, 1999, Service Center Modernization Plan ranged from 34-45 percent. The range reflected variable investment options for CCE that were yet to be decided on. Our piloting activities have indicated that our original benefit estimates were understated. For example, one unanticipated benefit from using CCE technologies was that RD pilot office personnel were able to better market inventory property, with average sales increasing $10,000 - $25,000 depending on the location. Additionally, our experience to date with CCE investments is that our equipment costs are running about 40 percent less than anticipated. These increased benefit and lower cost experiences are strong indicators that the return on investment will be significantly higher than the ranges used in the Service Center Modernization Plan.

During FY 2003 and 2004, significant effort will be placed on merging the three agencies IT organizational components that support the overall infrastructure of the SCA Enterprise. Assuming that support activities will be migrating from the agencies into a new organization within the OCIO, it is imperative that analysis and validation continue regarding cost and benefits. In FY 2004, the OCIO will update

it's analysis to provide appropriate validation that the overall SCA modernization initiative is on track and delivering the expected benefits.

Mr. Bonilla: How many web applications are being supported in fiscal year 2003? How many in 2004?

Response: [The information follows:]

Agency	Actual FY 2003	Projected FY 2004
FSA	68	78
NRCS	89	105
RD	32	45

Mr. Bonilla: When will the common office automation, network and e-mail software be completely implemented under CCE? How many employees will be affected by this complete implementation?

Response: We are scheduled to complete the initial implementation of CCE this year. At the present time we have common office automation software and network services that provide security, printing, file storage, backup, and common directory services across the three agencies. We will be implementing the new email system and other enterprise operation and support capabilities as the final components of CCE. The project currently supports 46,726 workstations being used by all the full time, part time, and temporary employees of the Service Center Agencies along with many of their local partners. The CCE infrastructure is also used in training facilities and by contractor employees working on site with the agencies.

Mr. Bonilla: How much is being spent at the interagency interoperability lab in each of fiscal years 2000-2003? How much is proposed in fiscal year 2004?

Response: The following table shows the spending levels of the Interoperability Lab:

Fiscal Year	Amount
2000	$2,000,000
2001	3,000,000
2002	3,300,000
2003	5,000,000
2004	5,400,000

Mr. Bonilla: Of the amount requested in the fiscal year 2004 budget, how much is for the acquisition of equipment, how much is for each of GPS devices, digital cameras, plotters and scanners?

Response: The CCE request for FY 2004 includes: $15 million for 12,600 workstations; $0 million for 0 printers; and $2 million for peripherals such as digital cameras and PDA's. These planned acquisitions are part of the technology refresh fund. $1.5 million has been requested to spend on new servers for the SCMI Electronic Access Initiative. The funds will be used for replacement servers and additional servers for new eGov applications.

Mr. Bonilla: How much of the request is to fund annual software licenses? How many licenses are funded? Which Ones?

Response: There is $19,480,000 in the CCE request for FY 2004 to cover payments for enterprise license agreements for the software being used in the Service Center Agencies. This covers all the CCE workstations, currently 46,726 licenses, and the CCE network servers, presently 2,992. While the agreements are primarily focused on the user community, they also cover activities conducted by the agencies at their development and operations centers. The agreements that are now in place are for Microsoft software, ESRI GIS software, Veritas backup utilities, and McAfee anti-virus tools. The following table details the Microsoft products currently covered and the quantities of licenses.

Microsoft Products	Quantity
Windows XP Professional SA	46,726
Office Professional SA	46,726
Front Page Lic/SA	1,050
Publisher	3,050
MapPoint	300
Exchange CAL SA	46,726
SharePoint Server Lic/SA	4
SharePoint Portal CAL Lic/SA	46,726
SQL CAL SA	46,726
Systems Mgmt CAL SA	46,726
Windows CAL SA	46,726
Project Professional	60
Project CAL Lic/SA	650
Visio Professional SA	350
Exchange Server Enterprise SA	100
Host Integration Server Lic/SA 1 Processor License	2,700
ISA Server Enterprise Edtn SA 1 Processor License	5
MOM Operations Mgr Base SA 1 Processor License	6,300
MOM Application Mgmt Pack SA 1 Processor License	6,300
SQL Server Standard Edtn SA	2,756
SQL Server Enterprise Edtn SA	172
SQL Server Enterprise Edtn SA 1 Processor License	72
Systems Mgmt Server SA	156
Windows Server SA	3,750

Mr. Bonilla: According to the explanatory notes, your target for GPS units for fiscal year 2003 is 10,365, an increase of 7,796 units. What is the cost for this purchase? Yet in 2002, your target for these units was 4,527 and you only acquired 2,569, nearly 2,000 short of your target. What makes you think you can achieve your 2003 target? Does the 2003 target includes the 2,569 units that were not acquired in 2002? There are no GPS units targeted for purchase in 2004, does this assume that all acquisitions are completed in 2003?

Response: At the end of fiscal year 2002 the Service Center Agencies had purchased 2,481 GPS units. These units were purchased with individual agency funds. Recently, the Service Center Agencies (SCA) issued a purchase order for an additional 6,413 GPS units. Of these, CCE purchased 6,193 units and FSA purchased 220 additional units. The cost of GPS units acquired in FY 2003 is $7,782,453, paid from CCE and FSA funds. By the end of FY 2003 the Service Center Agencies will have purchased and deployed 8,894 GPS units. In FY 2001 we worked with the agencies to determine the total number of units required. At that time, it was estimated that 12,876 units would be needed, 7,442 high accuracy units at $1,365 per unit and 5,434 lower accuracy units at $619 per unit. Since then the SCA have requested more of the high accuracy units and fewer of the lower accuracy units. FY 2003 CCE funding will not be sufficient to satisfy the full requirement. In FY 2004, we will work with the agencies to determine their additional requirements and purchase these remaining

units with CCE and agency funds. The shift towards the higher accuracy units was made after the FY 2004 SCMI budget request was submitted. There is $2 mil in the FY 2004 budget for peripherals and some of this money may, based on the findings of a needs analysis, be used for GPS units.

OMB APPROVAL OF USDA IT SPENDING

Mr. Bonilla: What controls does OMB exert over IT spending? How long does the approval process take? Are offices like the Chief Financial Officer and Departmental Administration also subject to OMB approval?

Response: The Department's budget request is sent to OMB each September; initial passback occurs late in the fall. IT business cases that are not approved in the OMB Passback may be approved through additional work to improve their quality and through negotiations with OMB. OMB reviews and approves business cases for major IT investments for every federal agency, including the Department of Agriculture. OMB also reviews the overall IT budget request, including major and small systems, and makes funding decisions related to those requests. OMB reviews and approves the budget requests for all USDA component offices and agencies, including the CFO and DA. OMB also has oversight responsibility for financial management and procurement activities, which affect the CFO and DA programmatically.

APPROVED FY 2004 BUSINESS CASES

Mr. Bonilla: According to OMB, 50 of the 50 business cases for IT have been approved for fiscal year 2004 spending. Could you provide a list of the approved business cases and the cost for each?

Response: The following chart lists all 50 approved business cases and their FY 2004 costs. Originally, only 48 business cases were approved. Approval only means that the business case is acceptable, it does not mean that funding is provided. The business cases that were not approved were updated to provide more information so they could be rescored. In addition, after the approval of the 50 major IT investments, OMB approved another major IT investment. It is the Food Nutrition Service [FNS) Women Infants Children (WIC) State ADP support system for the total of $11.67 million. Also, after the OMB passback, the RMA funding for the initiative, Compliance Support and Pattern Recognition System, was increased to $3.49 million. [The information follows:]

Business Case	FY 2004 Cost
EMC -- NRIS (Natural Resource Information System)	12.50
FNS FSPIIS/SNPIIS Redesign	0.99
Processed Commodity Inventory Management System (PCIMS)	12.90
OCIO - Service Center Modernization Initiative	177.00
FAM - FPA (Fire Program Analysis) System Preparedness Module	6.00
FNS Integrated Program Accounting System (IPAS)	3.29
FNS FSP Grantee Reporting (FSPIIS Legacy System)	1.59
SNP Grantee Reporting (SNPIIS Legacy System)	1.66
Program Fund Control System (PFCS) - #0082	2.02
USDA Enterprise Architecture	15.00
e-Payroll	32.45
Foundation Financial Information System (FFIS)	28.91
USDA Universal Telecommunications Network	4.96
Portal Services	1.14

Online Trade Assistance	1.00
Food Safety and Security Tools	1.00
Data Management	0.31
APHIS Automated Targeting System (ATS)	2.91
AMS Livestock Mandatory Price Reporting 300	0.70
INFRA	9.82
IPS -- Integrated (Interim) Personnel System (Rev2)	1.22
Multi-Family Integrated System - MFIS (formerly AMAS)	2.95
New Guaranteed Loan Accounting System (NGLS)	12.35
Research, Education, and Economics Information Systems (REEIS)	2.75
ConnectHR (Previously called IPS21)	3.76
USDA Capital Planning & Investment Control w/ I-TIPS	2.66
Web Presence	0.24
Rural Utilities Service Loan Servicing System (RULSS)	5.32
Dedicated Loan Origination and Servicing System (DLOS)	11.53
Combined Administrative Management System (CAMS)	3.22
APHIS Information Technology Infrastructure (AITI)	41.82
Forest Service Computer Base	140.41
Core Accounting System (CORE)# 0006 Core Accounting System (CORE)	1.40
Integrated Acquisition System (IAS)	2.92
FSIS Automated Corporate Technology Suite (FACTS)	17.63
RMA-04 - Infrastructure Modernization, Support, and Training	10.07
TIM - (Timber Information Manager)	10.42
Web-base Supply Chain Management	0.00
PPQ Phytosanitary Certificate Issuance & Tracking System	2.18
USDA eGrants and Grants Management	2.66
DA - Civil Rights - Employment Complaints Tracking System (ECTS)	0.00
Corporate Asset Management Solution	10.00
eAuthentication	1.16
Content Management	3.01
eLearning	0.31
Commodity Market Information System (CMIS)	3.0
Information Management	3.84
eLoans (FSA)	5.14
FSIS FAIM	11.55
RMA-07 - Compliance Support and Pattern Recognition System	0.00

Mr. Bonilla: The CCE request includes an increase of $41,885,000 for FSA's legacy application, acquisition and use of GIS, among other items. Is FSA requesting funds within its own S&E account for any of these items? What is the fiscal year 2003 cost for GIS, and what is the cost for 2004?

Response: Funding increases related to conversion/migration and GIS efforts are requested in the CCE account to ensure coordination of these initiatives with the larger SCMI effort. There is also some base funding maintained in FSA's S&E account related to these items.

The fiscal year cost for GIS is $27,750,000 for FY 2003, and $50,734,000 for FY 2004.

Mr. Bonilla: Regarding legacy applications, how long will legacy code be needed to be maintained to keep it functional and operational?

Response: FSA estimates that legacy code will need to be maintained through June 2006 in order to keep legacy applications functional and operational. At that time, the Price Support Loans application will be completely migrated. Other systems will be migrated sooner.

Mr. Bonilla: Is FSA IT funding base for 2003 in the CCE budget or the FSA budget? How much is that funding base?

Response: FSA's IT funding base of $107,829,000 is in the FSA S&E budget. A large portion of that funding base is for the IT Greenbook costs, such as National Finance Center (NFC) costs and National Information Technology Center (NITC) costs, and ongoing operational costs.

The total increase of funds of $55,586,000 ($33,755,000 for IT support; $21,831,000 for GIS Data) over and above the $107,829,000 FSA requested for FY 2003 was appropriated under the Department of Agriculture's Office of the Chief Information Officer's Common Computing Environment (OCIO/CCE) account. The $55,586,000 became part of the OCIO/CCE base for FY 2003.

FY 2003 HOMELAND SECURITY SPENDING ON IT

Mr. Bonilla: Please describe how the funds appropriated to USDA for Homeland Security in 2002 are being expended on information technology related issues. Please list the amounts expended or planned for expenditure by each initiative. Are any fiscal year 2003 funds being expended on Homeland Security-related items? How much?

Response: The following chart lists how the funds appropriated for Homeland Security in 2002 are being expended for information technology related issues:

Homeland Security Initiative	Cost of Each Initiative	Description
Secure Telephones	$250,000	Replace USDA's 31 Secure Telephones
Secure Communications	$250,000	Assess requirements and demand for additional security communication devices across USDA
Information Security Awareness	$300,000	Establish Strategy and Provide Tools for Educating USDA Personnel on the Benefits and Requirements for Computer Security
Information Survivability/Disaster Recovery	$1,710,000	Enable USDA Agencies to Establish Executable Business Resumption and Disaster Recovery Plans for USDA's Critical Information Systems
IT Certification and Accreditation	$500,000	Develop and Deploy a Standard USDA Methodology and Process to Verify Systems Function as Required, and that the Data and Processes are Confidential and Available

FAS - Upgrade Firewall	$140,000	Upgrade Firewall Infrastructure to meet OCIO's Requirement for Agency Firewall Security
RMA - Access Control	$100,000	Acquire Additional Hardware and Software to Better Control Access Between RMA's Network and the Internet

No fiscal year 2003 funds are being expended on Homeland Security-related items.

FY 2003 SPENDING ON EAMS

Mr. Bonilla: How much was expended in 2003 on the implementation of EAMS, the IV&V, and documentation of the system.

Response: $160,000 has been expended in FY 2003 to support the development of an open source architecture tool for USDA and other Federal Departments. $40,000 supported a prototype based on the original system, $20,000 was for staff support, and $100,000 was for the open source project. When the Open Source project is completed, the USDA Enterprise Architecture Working Group will evaluate its suitability for use in various USDA agencies. Prior to that time, USDA agencies will be using Commercial-Off-the-Shelf packages and customized them to link to the Federal Enterprise Architecture reference models.

SERVICE CENTER MODERNIZATION INITIATIVES

Mr. Bonilla: Please provide a comprehensive table that lists all of the major Service Center systems requests included in the 2003 budget as well as previous major Service Center modernization initiatives. The table should display cost data for each item by year from 1998 through an estimated 2006 for all of the agencies participating in the Service Center initiative including OCIO.

Response: [The information follows:]

($ in Thousands)

System or Application	FY 1998 thru FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Farm Loan Program Information & Delivery System (FLPIDS)	970	2,718	3,760	3,700	4,735	5,114	5,523
New Guaranteed Loan System (NGLS) (FSA funding requests only)	4,201	804	1,500	1,500	1,725	2,000	2,000
Natural Disaster Relief Programs	187	297	360	360	605	425	437
Acreage Reporting & Compliance Systems	379	629	653	528	401	390	409

SCIMS: Farm Programs Management System and Customer Name/Address & Subsidiary System	1,350	3,879	3,592	2,031	2,317	1,764	1,236
Tobacco Mainframe and Field Office System	100	372	372	1500	2,500	2,000	994
Conservation Reserve Program (CRP)	322	300	680	4,473	2,859	3,212	3,975
Program Funds Control System (PFCS) (FSA funding requests only)	1,347	2,792	4,480	220	1,236	1,300	1,085
Guaranteed Loan System (GLS)	25,000	2,332	6,569	12,349	5,478	5,568	2,890
Multi-Family Integrated System (MFIS)	6,470	1,700	2,140	2,315	2,460	1,600	2,240
Combined Administrative Management System (CAMS)	11,640	3,495	4,200	3,215	2,375	3,117	2,533
National Plant, Animal and Ecological Information System (NPAEIS)	9,500	1,000	925	800	750	700	700
National Soil Information System (NASIS)	10,000	3,000	3,000	3,000	3,000	3,000	3,000
Field Level IS Common Computing Environment/Shared Information System (CCE/SIS)	117,000	33,700	27,900	25,000	24,000	24,000	24,000
Strategic Analysis and Assessment Information System (SAAIS)	15,500	4,900	3,200	3,200	3,000	2,700	3,000

Mr. Bonilla: Why are you requesting $8,673,000 for Risk Management Agency as part of the CCE request? If other agencies adopted the CCE architecture and participated in common hardware and software acquisitions, would their IT spending requests also come through CCE?

Response: The decision to include funding for the Risk Management Agency (RMA) as part of the CCE request was made by senior departmental officials in consultation with both the OCIO and RMA. The decision to include RMA in the CCE initiative was driven by the commonalities between the data needs of RMA and the Farm Service Agency (FSA). The Agricultural Risk Protection Act of 2000 forged a close alliance between RMA and FSA. Because of that close alliance, it is important that there be seamless data sharing between the two agencies. The inclusion of RMA in the CCE initiative will help to ensure coordination in the future development of information technology

for RMA and FSA. There are no other USDA agencies that are being considered for inclusion in the CCE.

Mr. Bonilla: Provide a table for the record showing Risk Management Agency IT spending for fiscal years 1998-2003 by fund type (mandatory v. discretionary) and amounts.

Response: [The information follows:]

Fiscal Year	Discretionary ($000)	Mandatory ($000)
1998	12,029	444
1999	14,134	0
2000	22,319	0
2001	11,950	0
2002	13,478	6,100
2003	10,384	0

The table does not include interagency payments to NITC. There are additional program funds (ARPA) for partnership agreements. Approximately $10 million was funded in 2001, and $10 million in 2002. Some IT work will be performed under these partnerships, but the projects are not mature enough to calculate the costs at this time.

Mr. Bonilla: Please list all USDA agencies that are requesting a specific increase, based on the justification of increases and decreases, for Department Services/Working Capital Fund inflationary costs.

Response: A portion ($114,000) of the requested increase for the Common Computing Environment is to cover Working Capital Fund inflationary costs.

Mr. Bonilla: Please provide a breakout of the $3,130,000 increase for RMA infrastructure modernization by the following categories: system administration of network and operating environment to include 7 days a week operation; maintenance and services for local and wide area networks; corporate and office automation services; end user support with incorporation of security and contingency measures at all levels; update and modernization of business operation; maintenance/support services; software upgrades; and IT equipment upgrades.

Response: The following chart shows the distribution of the $3,130,000 increase for RMA infrastructure modernization.

Category	Fiscal Year 2004 Amount
Network System Administration	$300,300
Corporate & Office Automation Services	100,419
End User Support	86,472
Security & Contingency Measures	261,000
Maintenance/Support Services	343,039
Software	559,950
IT Equipment Upgrade	1,283,820
ADP Supplies	195,000
TOTAL	3,130,000

Mr. Bonilla: Why does RMA investment portfolio require 7 days a week operation? How many days per week is it currently being operated?

Response: The 24X7 schedule was put in place to facilitate timely payment of funds to private insurance partners so they can, in turn, pay benefits due agricultural producers. The processing schedule is part of a negotiated agreement with the partners and has been the practice since the program moved to reinsurance in the late 1980's. RMA could negotiate an alternate schedule, however, that would involve coordinating the needs of all 21 partners.

Mr. Bonilla: The budget request includes $1,030,000 for infrastructure assurance. Yet the three components that make up this request add to $1,149,354 if the adjustment for software/supplies is included as an increase, or $1,031,354 if the adjustment for software/supplies is included as a decrease. Please reconcile the difference.

Response: The amount should be $1,031,354. The decrease is due to a reduction in the amount of supplies requested.

Mr. Bonilla: Where does the RMA propose to locate its "hot site" to backup RMA computer systems and programs to ensure continuity of operations?

Response: Currently, a Memorandum of Understanding between RMA and the National Information Technology Center (NITC) is in place to house a "temporary" hot site facility until September 30, 2003. The "temporary" hot site location was identified, so performance testing could be conducted on the RMA UNIX systems prior to relocating to a permanent location. RMA is currently analyzing options including reviewing a RMA Field Office to house the permanent hot site equipment.

Mr. Bonilla: Why is it essential to develop a "hot site?"

Response: The Information Technology industry best practices include planning and preparation for business continuity and contingency. That is, planning and preparation so that in the event of a disaster (manmade or natural), the business can still be conducted in a different geographical location. Industry standards are driven, in part, by the National Institute of Standards and Technology (NIST). NIST guidance states:

"NIST SP-800-34 - Contingency Planning Guide for Information Technology Systems

3.4.2 Alternate Site
Although major disruptions with long-term effects may be rare, they should be accounted for in the contingency plan. Thus, the plan must include a strategy to recover and perform system operations at an alternate facility for an extended period."

NIST is used as the standard by which all entities should measure their practices. Typically, auditors and other evaluators compare an agency's practices to the NIST standards, federal regulations and requirements.

RMA has been cited on numerous audits over the last several years for not having a hot site or some off-site contingency plan. With the terrorists attacks in 2001 it has become a much more important imperative to address this issue and establish a hot site.

The implementation of a 'hot site" backup for RMA computer systems and programs, including a "mirror" Internet site to ensure continuity of RMA operations in a secure environment, is extremely important to the welfare of RMA business operations. With the importance of RMA's programs to producers as the farm safety net and the requirements of the disaster recovery and business continuity planning, comes the requirement for an alternative system at a different location that will mirror RMA's computer systems and programs. Completion of this objective supports the RMA general goal of delivering sound risk management programs and education by ensuring that RMA programs and information are always available to the public and to our business partners.

Mr. Bonilla: Would the entire $4,400,000 for emerging information technology architecture be used to contract for support services for this effort? Please provide a breakdown of the $4,400,000 request for this item.

Response: Fiscal Year 2004 will be the first year for development to actually begin on the Emerging Information Technology Architecture. During this period a pilot project will be developed and tested for a predetermined length of time. Once the pilot is deemed ready for expansion, current system processing will be cut over into the new system methodology. This will require an extensive business analysis and additional funding. During the development period, funding to maintain the old processing will have to occur simultaneously with funding for the new project.

Contracted staff will do the largest portion of this effort. RMA plans to have integrated project teams work on this investment, creating an atmosphere where RMA experience and knowledge will be an integral part of the technical development.

Planned costs at this time are restricted to contracted staff, however there may be other costs including the cost of participating in a Data Exchange.

Mr. Bonilla: Was the request to fund RMA information technology part of the CIO request to the Department?

Response: The original budget request for the OCIO did not include funding for RMA. The decision to include a portion of RMA's information technology request under the CCE initiative was made by senior departmental officials in consultation with both RMA and the OCIO. As noted in the response to a previous question, the inclusion of RMA in the CCE initiative was done to help ensure coordination in the future development of information technology for RMA and FSA.

Mr. Bonilla: Please provide a breakdown of the $4,000,000 request for Rural Development's Web Farm Operations by cost item.

Response: This request consists of $1.53M for hardware licensing, maintenance, and upgrade; $1.60M for software licensing, maintenance, and upgrade; and $.87M for contracted automation support.

Mr. Bonilla: The budget requests $3,000,000 to relocate the web farm from downtown St. Louis to the Goodfellow complex. How much is USDA requesting overall in the fiscal year 2004 request for this relocation?

Response: Information Resources Management in its FY 2004 budget submission requested $17.1 million to fund those expenses related to providing the automation technology support necessary to accomplish the relocation of Rural Development to the 4300 Goodfellow location. This does not reflect any funding requested by Rural Development for any relocation costs that are not related to automation technology such as furniture, etc.

Mr. Bonilla: How much are you spending on "refresh" procurement in fiscal year 2003? 2004? Provide a list and amounts for each category (i.e. laptops, desktops, GIS, cameras, etc.).

Response: The original plan was to use $25 million in FY 2003 and FY 2004 for technology refresh activities. With those funds, the plan is to acquire the following items:

Item to Purchase	FY 2003	FY 2004
Desktops	15,181	7,236
Laptops	1,284	4,901
High End Workstations	0	453
GPS Units	6,413	550
Digital Cameras	4,900	500
Plotters	650	1,150
Printers	0	0

Notes:

1. The refresh numbers for desktops, laptops, and high-end workstations are from the original procurements that are being replaced and represent the numbers purchased at that time. Extra quantities of each item are expected to be added in both years to increase the numbers of laptops and high-end workstations to better meet the needs of the agency staff. Since these workstation models are more expensive than the basic desktops the difference in purchase cost will be offset by cost savings in the competitive procurement of these computers and with contributions from the agencies to meet their specific needs. Also, total numbers of workstations is expected to increase to account for new hires, temporary, part time, partner agency, and contractor employees working in cooperation with the Service Center Agencies. Funding for purchase of these extra workstations will also come from the agencies and from the unit cost savings realized by the CCE coordinated procurement.

2. No printers were purchased in FY 2003 since 4,393 were acquired at the end of FY 2002 that served to meet the needs of the agencies for printers. The request in FY 2004 for 1,500 printers is to begin the technology refresh of the printers initially purchased in FY 1999.

3. The funding for purchase of the items shown for FY 2004 comes from the CCE appropriation supplemented with agency contributions to meet specific needs.

[Clerk's Note. — The President's budget request for fiscal year 2004 was submitted on February 3, 2003. This preceded final Congressional action of the fiscal year 2003 bill, which was completed in the House of Representatives on February 13, 2003. The President's fiscal year 2004 budget request (including the explanatory notes) compared the submission with the budget request for fiscal year 2003, NOT with the fiscal year 2003 enacted amounts. The following material covers portions of the fiscal year 2004 explanatory notes revised to reflect enactment of the fiscal year 2003 appropriations act.]

OFFICE OF THE CHIEF INFORMATION OFFICER

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Office of the Chief Information Officer

For necessary expenses of the Office of the Chief Information Officer, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 is for employment under 5 U.S.C. 3109, [$15,251,000] $31,334,000.

OFFICE OF THE CHIEF INFORMATION OFFICER

Appropriations Act, 2003	$15,251,000
Budget Estimate, 2004	31,334,000
Increase in Appropriation	+16,083,000

Adjustments in 2003:		
Appropriations Act, 2003	$15,251,000	
Rescission under P. L. 108-7a/	-99,000	
Activities included in the DHS b/	-158,960	
Adjusted base for 2003		14,993,040
Budget Estimate, 2004		31,334,000
Increase over adjusted 2003		+16,340,960

a/ The amount is rescinded pursuant to Section 601 (a) of the Division N, Title VI of P. L. 108-7.

b/ Pursuant to P. L. 107-296, the Homeland Security Act, net rescission. Annual amount. Actual amount of transfer to be determined.

SUMMARY OF INCREASES AND DECREASES
(On basis of adjusted appropriation)

Item of Change	2003 Estimated	Pay Costs	Program Changes	2004 Estimated
Office of the Chief Information Officer	$14,993,040	+$254,000	+16,084,960	$31,332,000
FECA	--	--	+2,000	2,000
Total, OCIO	14,993,040	+254,000	+16,086,960	31,334,000

OFFICE OF THE CHIEF INFORMATION OFFICER

Project Statement
(On basis of appropriation)

	2002 Actual		2003 Estimated		Increase or Decrease	2004 Estimated	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
Chief Information Officer.....	$10,018,850	65	$14,993,040	71	+$16,338,960	$31,332,000	84
FECA.....	–	–	–	–	+2,000	2,000	–
Unobligated Balance.....	+70	–	–	–	–	–	–
Total available or estimate..	10,018,920	65	14,993,040	71	+16,340,960	31,334,000	84
Rescission.....	+10,080	–	+99,000	–			
Transfer to the Dept. of Homeland Security.....	–	–	+158,960	+2			
Total, Appropriation	10,029,000	65	15,251,000	73			

COMMON COMPUTING ENVIRONMENT

Appropriation Language and Explanation of Changes in Language

The estimates include appropriations language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Common Computing Environment:

For necessary expenses to acquire a Common Computing Environment for the Natural Resources Conservation Service, the Farm and Foreign Agricultural Service and Rural Development mission areas for information technology, systems, and services, [$133,155,000] $177,714,000 to remain available until expended, for the capital asset acquisition of shared information technology systems, including services as authorized by 7 U.S.C. 6915-16 and 40 U.S.C. 1421-28: Provided, that obligation of these funds shall be consistent with the Department of Agriculture Service Center Modernization Plan of the county-based agencies, and shall be with the concurrence of the Department's Chief Information Officer.

COMMON COMPUTING ENVIRONMENT

Appropriations Act, 2003	$133,155,000
Budget Estimate, 2004	177,714,000
Increase in Appropriation	+44,559,000

Adjustments in 2003:		
Appropriations Act, 2003	$133,155,000	
Rescission under P. L. 108-7 a/	-866,000	
Adjusted Base for 2003		132,289,000
Budget Estimate, 2004		177,714,000
Increase over adjusted 2003		+45,425,000

a/ The amount is rescinded pursuant to Section 601 (a) of the Division N, Title VI of P. L. 108-7.

Summary of Increases and Decreases

Item of Change	2003 Estimated	Program Changes	2004 Estimated
Common Computing Environment	$132,289,000	$45,425,000	$177,714,000

COMMON COMPUTING ENVIRONMENT

Project Statement
(On basis of available funds)

	2002 Actual		2003 Estimated			2004 Estimated	
	Amount	Staff Years	Amount	Staff Years	Increase or Decrease	Amount	Staff Years
CCE	$59,369,000	—	$133,155,000	—	+$44,559,000	$177,714,000	—
Start of year Unobligated Balance	+12,575,572	—	+8,702,068	—	-8,702,068	—	—
Restoration	+8,879	—					
End of year Unobligated Balance	-8,702,068	—	—	—	—	—	—
Rescission	-140,980	—	-866,000	—	+866,000	—	—
Total, Appropriation	63,110,403	—	140,991,068	—	+36,722,932	177,714,000	—

[Clerk's Note. – Following are the explanatory notes submitted as part of the President's fiscal year 2004 budget request prior to enactment of the fiscal year 2003 appropriations act.]

2004 Explanatory Notes
Office of the Chief Information Officer

Table of Contents

Page

Purpose Statement 4-1
Statement of Available Funds and Staff Years 4-2
Permanent Positions by Grade and Staff-Year Summary 4-3
Classification by Object 4-4
Office of Chief Information Officer:
Appropriations Language 4-5
Justifications 4-8
Geographic Breakdown of Obligations and Staff Years 4-8
Status of Program 4g-1

Common Computing Environment:
Purpose Statement 4-9
Statement of Available Funds and Staff Years 4-10
Classification by Object 4-10
Appropriation Language 4-11
Project Statements 4-11
Justifications 4-12
Status of Program 4g-9

4-1

OFFICE OF THE CHIEF INFORMATION OFFICER

Purpose Statement

The Clinger-Cohen Act of 1996 required the establishment of a Chief Information Officer (CIO) for all major Federal agencies. The Act requires USDA to maximize the value of information technology acquisitions to improve the efficiency and effectiveness of USDA programs. To meet the intent of the law and to provide a Departmental focus for information resources management issues, Secretary's Memorandum 1030-30, dated August 8, 1996, established the Office of the Chief Information Officer (OCIO). The CIO serves as the primary advisor to the Secretary and Mission Area Heads in these areas. OCIO provides leadership for the Department's information and information technology (IT) management activities in support of USDA program delivery.

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

Funded through the USDA Working Capital Fund, OCIO provides automated data processing (ADP) and wide-area telecommunications services to all USDA agencies through the National Information Technology Center and the Telecommunications Services and Operations organization, with locations in Ft. Collins, Colorado, Kansas City, Missouri, and Washington, D.C. Direct ADP services are provided to the Office of the Secretary, Office of the General Counsel, Office of Communications, Office of the Chief Financial Officer, and Executive Operations.

OCIO also has direct management responsibility for the IT component of the Service Center Modernization Initiative (SCMI). This includes the implementation of a common technology infrastructure to replace the outdated and stove-piped systems supporting the Farm Service Agency, the Natural Resources Conservation Service, and Rural Development.

As of September 30, 2002, there were 292 full-time and 12 other employees under the Office of the Chief Information Officer. These employees were located as follows:

Location	Full-time permanent	Other
Washington, D.C.	96	4
Field Units	196	8
Total	292	12

Office of the Inspector General Reports

#23099-1-FM OCIO Security Over Data Transmission in the Department Needs Improvement
#50099-27-FM Security Over USDA Information Technology Resources
#50099-28-FM PCIE/ECIE Critical Infrastructure Protection Review
#50099-33-FM Security Over USDA Information Technology Resources - Phase II
#50601-4-HQ Assessment of USDA's Controls Over Website Content
#88099-3-FM NITC - General Controls Review FY2000

General Accounting Office Reports

AIMD-00-217 Information Security: USDA Needs to Implement Its Department-wide Information Security Plan.

OFFICE OF THE CHIEF INFORMATION OFFICER

Available Funds and Staff Years
2002 Actual and Estimated 2003 and 2004

Item	2002 Actual Amount	2002 Actual Staff Years	2003 Estimated Amount	2003 Estimated Staff Years	2004 Estimated Amount	2004 Estimated Staff Years
Direct Appropriation	$10,029,000	65	$31,277,000	84	$31,334,000	84
Rescission	-10,080	--	--	--	--	
Transfer to Homeland Security	--	--	-160,000	--	--	--
Total, OCIO	10,018,920	65	31,117,000	84	31,334,000	84
Obligations under Other USDA appropriations:						
Reimbursements:						
Enterprise Software	1,817,803	--	3,359,000	--	3,368,000	--
Capital Planning & Investment Control	101,405	--	103,000	--	106,000	--
Service Center (SCIT) Oversight	1,438,420	2	1,096,000	2	1,123,000	2
NTIA Spectrum Management	848,468	--	933,000	--	1,026,000	--
Project Mgt Training Management Support	167,663	--	172,000	--	176,000	--
Services Provided to WCF Activities	368,065	3	377,644	3	389,701	3
Subtotal, Reimb	4,741,824	5	6,040,644	5	6,188,701	5
Working Capital Fund a/:						
Information Technology	76,098,000	232	81,896,000	255	83,706,000	255
Capital Equipment	4,200,000	--	9,871,000	--	4,080,000	--
Subtotal, WCF	80,298,000	232	91,767,000	255	87,786,000	255
Total, Office of the Chief Information Officer	95,058,744	302	128,924,644	344	125,308,701	344

a/ This section only includes WCF activities managed by OCIO. Please refer to the WCF Explanatory Notes for more details about the WCF.

4-3

OFFICE OF THE CHIEF INFORMATION OFFICER

Permanent Positions by Grade and Staff Year Summary

2002 Actual and Estimated 2003 and 2004 a/

	2002	2003	2004
Grade	Washington, DC	Washington, DC	Washington, DC
ES-6	3	3	3
ES-4	2	2	2
ES-1	1	1	1
GS-15	9	9	9
GS-14	33	34	34
GS-13	14	27	27
GS-12	3	3	3
GS-11	3	3	3
GS-10	1	2	2
GS-9	4	3	3
GS-7	1	1	1
GS-5	1	1	1
Total, Permanent Positions	75	89	89
Unfilled Positions end-of-year	-4	--	--
Total, Permanent Full Time Employment, end-of-year	71	89	89
Staff Year Ceiling	70	89	89

/ Positions shown are appropriated and reimbursed only. For WCF financed positions, refer to the WCF Explanatory lotes for more details.

4-4

OFFICE OF THE CHIEF INFORMATION OFFICER

Classification by Objects
2002 Actual and Estimated 2003 and 2004

	2002	2003	2004
Personnel Compensation:			
Washington, D.C.	$5,086,581	$6,348,000	$6,568,000
11 Total personnel compensation	5,086,581	6,348,000	6,568,000
12 Personnel benefits	990,090	1,249,000	1,283,000
Total personnel comp. & benefits	6,076,671	7,597,000	7,851,000
Other Objects:			
21 Travel	119,718	192,000	192,000
22 Transportation of things	1,796	2,000	2,000
23.3 Communications, utilities, and misc. charges	263,246	279,000	279,000
24 Printing and reproduction	69,347	69,000	69,000
25.2 Other services	1,964,620	20,745,000	20,708,000
25.3 Purchases of goods and services from Government Accounts	951,006	1,124,000	1,124,000
26 Supplies and materials	227,085	234,000	234,000
31 Equipment	345,210	875,000	875,000
43 Interest penalties	151	--	--
Total other objects	3,942,179	23,520,000	23,483,000
Total direct obligations	10,018,850	31,117,000	31,334,000
Position Data:			
Average Salary, ES positions	$134,788	$138,967	$142,302
Average Salary, GS positions	$67,369	$71,983	$74,562
Average Grade, GS positions	13.1	13.2	13.2

4-5

OFFICE OF THE CHIEF INFORMATION OFFICER

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Office of the Chief Information Officer

For necessary expenses of the Office of the Chief Information Officer, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 is for employment under 5 U.S.C. 3109, $31,334,000.

OFFICE OF THE CHIEF INFORMATION OFFICER

President's Budget, 2003	$31,277,000
Budget Estimate, 2004	31,334,000
Increase in Appropriation	+57,000

Adjustments in 2003:		
President's Budget	$31,277,000	
Transfer to the Department of Homeland Security a/	-160,000	
Adjusted base for 2003		31,117,000
Budget Estimate, 2004		31,334,000
Increase over adjusted 2003		+217,000

a/ Estimates for transfer to the new Department of Homeland Security are included as a one-time shift of funds. On a comparable basis the full annual cost is $160,000.

SUMMARY OF INCREASES AND DECREASES
(On basis of adjusted appropriation)

Item of Change	2003 Estimated	Pay Costs	Program Changes	2004 Estimated
Office of the Chief Information Officer	$31,117,000	+$254,000	-$37,000	$31,334,000

OFFICE OF THE CHIEF INFORMATION OFFICER

STRATEGIC GOAL 1: Enhance Customer Service and Operational Support
STRATEGIC GOAL 2: Improve and Enhance the Information Technology Capital Investment Process and the Skills of the Information Technology Workforce
STRATEGIC GOAL 3: Effective Stewardship Through Enterprise Management
STRATEGIC GOAL 4: Develop, Implement, and Maintain a Secure and Confidential IT Environment While Protecting Policy

4-6

OFFICE OF THE CHIEF INFORMATION OFFICER

Project Statement
(On basis of appropriation)

	2002 Actual		2003 Estimated		Increase or Decrease	2004 Estimated	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
Goal 1:	$1,578,387	9	$1,697,000	9	+$24,000	$1,721,000	9
Goal 2:	3,580,402	30	4,141,000	35	+89,000	4,230,000	35
Goal 3:	584,395	2	14,620,000	13	+34,000	14,654,000	13
Goal 4:	4,275,666	24	10,659,000	27	+70,000	10,729,000	27
Rescission.....	+10,080	--	--	--	--	--	--
Unobligated Balance.....	+70	--	--	--	--	--	--
Total available or estimate.....	10,029,000	65	31,117,000	84	+217,000 (1)	31,334,000	84

Project Statement
(On basis of appropriation)

	2002 Actual		2003 Estimated		Increase or Decrease	2004 Estimated	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
Chief Information Officer.....	$10,018,850	65	$31,117,000	84	+$217,000	$31,334,000	84
Unobligated Balance.....	+70	--	--	--	--	--	--
Total available or estimate..	10,018,920	65	31,117,000	84	+217,000 (1)	31,334,000	84
Rescission.....	+10,080	--	--	--			
Transfer to the Dept. of Homeland Security.....	--	--	+160,000	+2			
Total, Appropriation	10,029,000	65	31,277,000	86			

4-7

Performance Goals and Indicators

	FY 2002			
	Target	Actual	FY 2003	FY 2004
Goal 2. Improve and Enhance the IT Capital Investment Process and the Skills of the IT Workforce				
Develop the USDA Enterprise Acthitecture (EA)	N. A.	N. A.	Complete Baseline EA	Develop & begin target EA implementation
Increase the % of USDA IT spending identitfied, reviewed, and monitored by the Department's Executive IT Investment Review Board 1/	N. A.	60%	70%	80%
Goal 3: Effective Stewardship Through Enterprise Management				
Work with agencies to: Reduce all prior and current year violations of the Paper Work Reduction Act (PRA) to zero (measure is #s of violations).	N.A.	35	0	0
Meet requirements of Freedom-to-E-File Act	100%	100%	100%	100%
Meet requirements of Government Paperwork Elimination Act 2/	5%	16%	58%	63%
Issue enterprise-wide or interdepartmental agreements for hardware, software, and services.	N.A.	9	10	10
Goal 4: Develop, Implement, and Maintain a Secure and Confidential IT Environment While Protecting Policy				
Complete all mitigation actions identified in the USDA Government Information Security Reform Act Plan of Action and Milestones.	N.A.	N. A.	100%	100%
Increase percent of mission-critical systems that have executable disaster recovery plans.	20%	5%	30%	100%
Define & implement Comprehensive Security Awareness Program.	N.A.	N. A.	100%	100%

1/ Note: FY 2002 % reflects on planning for FY 2004 portfolio, FY 2003 % reflects planning on FY 2005, etc.

2/ Note: Percentage represents all USDA transactions, including some where an electronic alternative was already determined to be impractical.

Justification of Increases and Decreases

(1) A net increase of $217,000 for the Office of the Chief Information Officer consisting of:

(A) An increase of $254,000 for pay costs which includes $78,000 for annualization of the FY 2003 pay raise and $176,000 for the anticipated FY 2004 pay raise. Should OCIO be forced to absorb these pay cost increases, 2-3 positions must be held vacant all year, and each succeeding year to generate the funds to absorb this increase. The impact of this permanent staff reduction will be an overall decline in OCIO's effectiveness to manage the Department's Information Technology investments, at a time when program mandates are increasingly focusing on securely delivering electronic services while preventing and preparing for homeland security related events. Successfully meeting these challenges will require the full utilization and funding of these staff years.

(B) A decrease of $37,000 to reflect savings from the centralization and improvement of information technology at USDA. Reduction for the savings associated with centralization and improvement of information technology. Savings are associated with consolidated buys for infrastructure and office automation, and consolidation of enterprise architecture projects within the Department. USDA continues to ensure that information technology investments utilize enterprise licenses for hardware and software where appropriate and reduce the information technology costs.

OFFICE OF THE CHIEF INFORMATION OFFICER

Geographic Breakdown of Obligations and Staff Years
2002 Actual and Estimated 2003 and 2004

	2001		2002		2003	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
District of Columbia	$10,018,850	65	$31,117,000	84	$31,334,000	84
Unobligated balance	70	--	--	--	--	--
Total, Available or Estimate	10,018,920	65	31,117,000	84	31,334,000	84

4g-1

OFFICE OF THE CHIEF INFORMATION OFFICER

STATUS OF PROGRAM

Current activities, progress, and current programs under each of the Office of the Chief Information Officer (OCIO) strategic goals are outlined below:

Goal 1: Enhance Customer Service and Operation Support

Current Activities:

The Department's Telecommunications Management Program develops and maintains USDA telecommunications policy through regulations, standards, guidance, and reviews. Program staff review all major IT investments as part of the Department's Capital Planning and Investment Control (CPIC) process to ensure telecommunications related issues are addressed as earlier as possible in an IT project's life-cycle. In addition, program staff participate in establishment and maintenance of policy for the use of secure communications equipment, provide oversight for the Department's radio frequency program, and represents the Department in government-wide policy initiatives pertaining to telecommunications management.

Examples of Recent Progress:

Telecommunications Management: During FY 2002, Telecommunications Management promoted enterprise concepts through several venues: continued work on a revision of DR 3300-1, the USDA telecommunications regulation; promotion of telecommunications management principles through the USDA CPIC process and the E-Government initiatives; leadership and support of the Department's Telecommunications Advisory Sub Council; and completion of the Department's first report to the Congress on Telecommunications. In addition, through a good cooperative effort with the USDA agencies, several long-standing GAO audits were brought to closure.

Secure Voice Telecommunications: Activities continued in support of meeting the National Security Agency (NSA) timeline and the USDA three-year phased approach for replacement of older analog secure telephones. Plans and briefing materials were developed to support the increased expenditures associated with the transition from STU (older analog phones) to STE (new digital phones). In addition, telecommunications management continued to manage the GETS Cards Program and to deploy the Wireless Priority Phones across USDA Telecommunications Management.

Goal 2: Improve and enhance the Information Technology (IT) capital investments process and the skills of the IT workforce.

Current Activities:

Capital Planning and Investment Control (CPIC): OCIO must ensure that the Department's IT investments deliver a substantial business benefit to agencies and a positive return on the investment for taxpayers.

The Department established a CPIC program in 1997 for selecting, managing, and evaluating the results for all major IT investments. The Department's Executive Information Technology Investment Review Board (EITIRB), which is chaired by the Deputy Secretary and includes the Under and Assistant Secretaries as members, is the final CPIC decision making body. The CPIC process is used to select investments which are based on applicable General Accounting Office (GAO) and Office of Management and Budget (OMB) guidance, assessing investments based on their ability to meet mission needs, a cost/benefit/return profile, security, telecommunications and eGovernment planning, and the risks of the investment. It promotes a consistent set of information that permits evaluations across different investments as well as focuses agency

attention on factors that bear on their investments and their management. The Department has also taken a leadership role in the government-wide IT capital planning effort.

IT Acquisition Approval Process: Under the IT acquisition approval process, OCIO staff reviews significant IT investments for conformity with the USDA architecture, eGovernment objectives, elimination of telecommunications duplication, security concerns, the Rehabilitation Act Section 508 requirements, and the need for additional CPIC documentation. Based on the results of reviews, acquisitions are approved, modified to meet Departmental requirements, or disapproved.

Examples of Recent Progress:

CPIC: The USDA Major IT Investment Portfolio for FY 2004 included 50 initiatives, up from 32 in FY 2003. The estimated cost of the Major IT System Portfolio is about $490 million. The EITIRB decisions for each investment were distributed to the agencies along with requests for additional follow-up work necessary to address EITIRB and Office of the Chief Information Officer (OCIO) investment concerns. Early in the fiscal year, the EITIRB made final decisions on the FY 2003 IT Investment Portfolio. After new EITIRB members were briefed on the CPIC process, their designated Executive Working Group members scored and made recommendations on the investment proposals.

OCIO continued to refine tools and provide guidance for agency use in developing their investment proposals. The Capital Planning and Investment Control (CPIC) Process Guide was updated and staff from all OCIO functional areas (including cyber security, telecommunications management, and eGovernment) reviewed proposals and provided feedback to the agencies. USDA also hosted a series of seminars on business case development presented by OMB. Following the seminars, OCIO staff prepared guidance to assist agencies in preparing summary information technology business cases to address the OMB's latest business case scoring criteria. Staff from all functional areas of OCIO reviewed 50 Exhibit 300 business cases, provided improvement guidance, and, where necessary, worked directly with the agency representatives to strengthen the business cases for submission to OMB.

USDA also continued its support of the Federal CIO Council's Capital Planning and IT Management function. Significant resources were expended performing research and leading development of the "First Practices in Portfolio Management" document issued this year.

USDA has a strong presence in the government-wide capital planning effort, including support of I-TIPS software that more than 15 departments and agencies use to track and report on IT expenditures to OMB.

IT Acquisition Approval Process: Sixty three IT Acquisition Approval waivers were reviewed during FY 2002. Three were partially disapproved and 60 were approved, most with conditions that addressed management and security issues. The Acquisition Approval Process continues to enable attainment of USDA's IT architecture goals, including adherence to Section 508 requirements for accessibility, sharing of telecommunications resources at collocated office sites and directing a much greater emphasis on security. The approval process is also used as part of the control phase mechanism in the IT Capital Planning Process.

IT Workforce Planning and Development: In FY 2002, USDA continued to make progress in its IT workforce program. The Department prepared for and participated in the first-ever Federal Virtual IT Job Fair, which was held April 22-26, 2002. USDA also responded quickly to the new classification series 2210, established by the Office of Personnel Management (OPM) to help recruit and retain IT professionals. The series in which many IT professionals were classified, 334, was abolished as of December 31, 2002. Most of these positions were converted to the 2210 series. Departmental conversion is already fifty-seven percent complete.

Additionally, USDA, through OCIO, continues to provide extensive support to the Federal CIO Council. The Deputy Chief Information Officer Ira L. Hobbs co-chairs the CIO Council's IT Workforce Committee

with the Department of Labor's Deputy Chief Information Officer Laura Callahan.

Goal 3: Effective Stewardship through Enterprise Program Management

Current Activities:

Enterprise Architecture: The Enterprise Architecture (EA) initiative continues to move forward, although at a slower pace than anticipated because of the continuing resolution. An Enterprise Architecture Plan has been developed. Recruitment for an Enterprise Architect is progressing, and the first of several vacancy announcements to staff the EA team has been published. It is anticipated that this initial staffing effort will be concluded during the second quarter of FY 2003. Work with the EA inventory management tool continues, with incorporation of data from the Federal Business Reference Model and the Budget Data Review exercise. Additional work is being done to tie the inventory system to the Information Collection process. Finally, a Memorandum of Understanding has been developed to support the interdepartmental development of the management tool in an "open source" environment.

eGovernment: The Department has continued to develop the USDA eGovernment Framework under the direction of the Deputy Secretary, the Chief Information Officer, and the eGovernment Executive Council and Working Group. USDA through its eGovernment Strategic and Tactical Planning efforts and governance structure is well positioned to make eGovernment a reality at USDA and implement the Government Paperwork Elimination Act by October 2003. These efforts identified enterprise opportunities and cross-mission area solutions, facilitated the sharing of best practices, and identified 24 eGovernment Strategic Opportunities for USDA. USDA is aggressively moving towards implementation of its 12 highest priority – or Smart Choice - Initiatives identified in the USDA eGovernment Strategic Plan along with the implementation of agency-specific tactical initiatives. USDA is currently exploring the use of an Enterprise Solution Center concept to provide support to agencies making the transition to cross-agency and enterprise approaches, provide common tools, increase collaboration, and facilitate change. USDA has continued its contractual support with its industry partner Accenture. This partnership allows USDA to use a consistent methodology for addressing eGovernment at USDA from an enterprise perspective and to advance eGovernment in a timely fashion.

In addition, USDA continues to integrate its eGovernment planning and strategic principles into its overall IT planning and investment processes. The OCIO has begun to tightly integrate these efforts with USDA's enterprise architecture and budget processes. To maximize adoption of eGovernment concepts at USDA, OCIO is viewing eGovernment, the Government Paperwork Elimination Act, and the Freedom to E-File Act in the context of other legislation such as the Clinger-Cohen, Paperwork Reduction, and Government Performance and Results Acts, our Departmental business goals, and the President's Management Agenda. This commitment means that eGovernment planning integrates program, budget, and technical domains and enables USDA to think and act corporately about its eGovernment solutions to delivering information and services.

In addition, USDA continues to participate on 19 of the President's 24 eGovernment initiatives that are Federal-wide in scope.

Program Management: OCIO is expanding upon earlier effort to provide training to IT and program executives during FY 2003. Upcoming training will address Enterprise Architecture, Business Case Development, Project Management for Executives, Risk Management, and Portfolio Management.

Examples of Recent Progress:

Enterprise Architecture: USDA has continued to make progress in the development of its Enterprise Architecture (EA). The Department submitted its revised Enterprise Architecture Plan to OMB on October 3, 2002. USDA has moved to establish management structure and control of the EA process and has

defined and updated the EA approach. The Department is currently pilot-testing the Enterprise Architecture Management System (EAMS), developed by the Department of Housing and Urban Development (HUD), for use as an EA repository across USDA. Additionally, as scheduled, OCIO conducted and published an independent verification and validation (IV&V) review of EAMS in March 2002. Market research activities are ongoing to identify potential industry partners for the EA initiative. Efforts are also underway to complete new position descriptions for a small Departmental EA staff. In addition, USDA has used its collective buying power to establish a number of enterprise agreements for IT, hardware, software and services. OMB has placed the development of an USDA Enterprise Architecture as a core condition for getting to "Green" as part of the President's Management Agenda.

eGovernment: The Administration recognized the progress that USDA has made in addressing eGovernment opportunities by rating the department a "Green" for second, third, and fourth quarters of FY 2002, recognizing that the Department has made satisfactory progress in its internal and external eGovernment initiatives. The scorecard employs a simple "traffic light" grading system common today in well-run businesses: green for success, yellow for mixed results, and red for unsatisfactory.

During FY 2002, the Deputy Secretary approved USDA's eGovernment Strategic Plan, which has served as the foundation for the Department's progress. This plan:

- Defines USDA's eGovernment mission, vision, goals and objectives;
- Identifies key interdepartmental, enterprise-wide, cross-mission area, and cross-agency strategic opportunities and foundational activities for achieving USDA's eGovernment goals and objectives; and
- Identifies USDA's 24 highest priority projects.

The eGovernment Smart Choices in the plan represent opportunities for enhancing the delivery of USDA's services and information and reducing costs through consolidation, greater collaboration and fundamental changes in existing business processes. Preliminary business cases were completed for the first 12 Smart Choices in accordance with USDA's Capital Planning and Investment Control Process (CPIC). USDA's Executive Information Technology Investment Review Board (EITIRB) approved these preliminary business cases and convened inter-agency teams to complete the more detailed business cases, as outlined in the CPIC process.

Through the cooperative efforts of mission area senior program and technical managers, USDA has continued to make good progress in meeting the President's Management Agenda initiative *Expanding Electronic Government* and its own vision of "USDA, Electronically Available Any Place, Any Time." The mission areas and agencies are working together to champion citizen-centered delivery of information and services that will result in major improvements in the government's value to the citizen and will leverage investments in information technology (IT) to reduce duplication and redundancy.

USDA also continues to support agency efforts to comply with the Government Paperwork Elimination Act (GPEA). On September 23, USDA submitted its GPEA Report and associated database to the Office of Management and Budget (OMB). This report provided OMB with USDA's progress toward achieving the requirements of GPEA. OCIO has established a process to assist agencies further define their specific implementation plans during the 1st quarter of FY 2003.

Program Management: To improve the management of IT investments and ensure efficient and cost-effective investments at USDA, OCIO developed a comprehensive training course that prepares USDA IT professionals with skills in the critical competency of Project Management. As of October 10, 2002, 48 USDA employees have completed the training and 8 of the graduates have obtained professional certification as Project Managers by passing an exam administered by the Project Management Institute. OCIO is planning at least four more classes for FY 2003 and is targeting IT professionals across USDA who manage or are team members of, major IT Investments at USDA.

Section 508: USDA continued to provide extensive assistance and guidance concerning Section 508 of the Americans with Disabilities Act (ADA) to agencies and staff offices. The highlight of this year's effort was a Department-hosted training event on June 25, 2002, to commemorate the first anniversary of the enforcement of the 1998 Section 508 amendment and to increase awareness at USDA of the Electronic and Information Technology Accessibility Standards. The USDA Section 508 Coordination Team and the Secretary's Advisory Committee for Employees with Disabilities (SACED) have spearheaded this training activity in an effort to increase the knowledge and understanding of USDA personnel on this important issue. Speakers included experts from within USDA and the Federal community.

Goal 4: Develop, Implement and Maintain a Secure and Confidential IT Environment while Protecting Privacy

Current Activities:

Cyber Security: OCIO is aggressively establishing standardized computer security processes and controls within USDA to align with best management practices, Federal laws and oversight requirements. Computer security procedures, policies, strategies and products implemented since the establishment of USDA's Cyber Security Program provide evidence that the Department is committed to improving its information security management.

OCIO has begun addressing a broad number of security issues such as the implementation of a Department-wide intrusion detection system, the purchase and installment of standard network monitoring devices, the development of standard security assessment tools, filtering and firewall protection of the Department's backbone network, the formulation of an Emergency Response Team, an aggressive facilities-based review program, and the formation of a Security Advisory Council. OCIO has also engaged contract expertise to (1) assist the Department with the development and implementation of a Department-wide security architecture, a comprehensive risk management program, and a security awareness and training strategy; and, (2) provide support in the areas of intrusion detection, disaster recovery and business resumption planning, contingency planning, and vulnerability assessment.

Examples of Recent Progress:

Cyber Security: In compliance with the Government Information Security Reform Act (GISRA), OCIO led the agencies and staff offices in identifying vulnerabilities to USDA programs and information systems and developing appropriate mitigation actions. The Department's FY 2002 GISRA Report and related Plan of Action and Milestones (POA&M) were provided to OMB this fall.

System and program assessments are regularly conducted using standard guides and procedures provided by OCIO. Deficiencies identified as a result of these assessments are tracked to ensure mitigation plans are defined and executed, employing a customized database designed for USDA needs. In addition, security reviews are conducted to ensure assessments are accurate and thorough. These reviews are conducted by teams of OCIO security specialists in all areas of information security. To assist agencies with this endeavor, OCIO provided training to agency personnel on risk assessment methodologies and the use of vulnerability assessment checklists. Using these tools, many USDA agencies expanded their security program vulnerability self-assessments during FY 2002.

During the past year OCIO has completed its first iteration of a Department-wide security architecture. This strategy identifies optimum security controls that USDA system developers can consider during system design and implementation. OCIO will continue to evaluate security products and mechanisms to expand its architecture offerings, taking into consideration variables such as integration, cost, flexibility, existing user base, ease-of-use, and other criteria.

4g-6

In the area of network and access control, OCIO continues to support network-scanning tools, providing annual maintenance and upgrades as well as hands-on training. A Department-wide contract for virus protection software has been executed that provides state-of-the-art virus detection mechanisms at much reduced cost. OCIO's Intrusion Detection System (IDS) expanded during the past year, adding much needed sensors and new sensing techniques. A contract was awarded during FY 2002 to provide contractor support to OCIO's IDS staff.

Also during the past year, OCIO continued with its aggressive security training strategy. Training sessions were held for security technicians and managers in the areas of incidence response, configuration management, intrusion detection, risk assessment, and other security disciplines.

During FY 2002, OCIO issued a number of new security policies; added self-assessment checklists for Mainframes, Personal Electronic Devices, and Classified systems; conducted a thorough review of all agency security plans; executed a Department-wide contract for independent security assessments; conducted penetration tests and risk assessments on Departmental networks; and, obtained Homeland Security funding for contingency planning and security training and awareness. These and other achievements have positioned USDA agencies to address security risks and provide protection to the Department's mission critical information technology assets.

4-9

COMMON COMPUTING ENVIRONMENT/SERVICE CENTER MODERNIZATION

Purpose Statement

The objective of the Service Center Modernization Initiative (SCMI) is to create an environment of one-stop quality service for customers of the Farm Service Agency (FSA), the Natural Resources Conservation Service (NRCS), and the Rural Development (RD) agencies. The Common Computing Environment (CCE) provides the shared information technology to assist these Service Center agencies accomplish this objective. SCMI involves office collocation, business process re-engineering, culture change, building partnerships and improving customer satisfaction – in addition to a modern integrated technology. In March 2000, the Office of the Chief Information Officer (OCIO) was given direct management responsibility for the CCE while the agencies, manage the other parts of SCMI. This section addresses the FY 2004 funding needs of the CCE to fund Information Technology (IT) investments in support of the Department's SCMI.

Since FY 1996, USDA has been planning and deploying an integrated information system to replace several old legacy IT systems in the Service Center agencies that could not share data. Investments in the new system are needed to provide timely, reliable service that is jeopardized by the continued reliance on old technology, separate non-interconnected computer systems, and software applications that are not interchangeable. In addition, maintaining separate systems results in unnecessary duplication, increases maintenance and operating costs, and consumes funds that could be used more productively elsewhere. Moving forward with an integrated IT approach under the framework of a CCE enables USDA to take full advantage of opportunities to use technology to increase the productivity and efficiency and deliver better farm, conservation and rural development services to customers.

Initial SCMI efforts involved reducing the number of individual agency field office locations and collocating offices to provide "one-stop service" and allow for sharing of office equipment. Efforts are now focused on re-engineering and modernizing business processes and providing modern integrated technology that will make USDA services more accessible and efficient. The Department has been able to make significant progress on these efforts and, with requested funding, will complete the basic CCE infrastructure by the end of FY 2003. This means that all current and re-engineered business processes will be supported by a CCE that enables full information sharing, and enables customers to begin doing their business with USDA from any location, including remote access over the internet. However, investments in Geographic Information Systems (GIS) and replacement of more of these agencies' legacy systems will be needed to realize the full benefits of the CCE.

The Department plans to ensure that these investments are well managed and maintained by merging the SCA's information technology functions that support CCE into a single organization. Until an integrated management organization is in place, the SCMI CCE component will continue to operate as a joint project of the Farm Service Agency, the Natural Resources Conservation Service and the agencies of the Rural Development mission area under the management and direction of the USDA Chief Information Officer (CIO) who will approve all technology investments. The overall guiding plan for the technology modernization component is described in the "Service Center Modernization Initiative - Information Technology Blueprint," which was published in December 2000. The SCMI is supported by a combination of funding and personnel contributed by the service center agencies as well as central funding provided by the Congress for the capital investments to establish the CCE. In FY 2002, the Congress provided these central funds under the "Office of the Secretary" account. In FY 2001 - 2002, Congress provided a separate account for this purpose under the oversight of the CIO.

For FY 2004, in addition to funding for the basic CCE investments, increases for agency specific GIS and other modernization activities are included in this account rather than including them in the separate Service Center Agency budgets. Similar increases were included in the FY 2003 SCMI budget. This ensures that appropriate coordination and cross-agency involvement takes place as critical agency initiatives move forward. In FY 2004 infrastructure increases for the Risk Management Agency (RMA) are also included in the CCE account. RMA has basically adopted the CCE architecture and regularly participates in common hardware and software acquisitions of CCE. RMA is also collaborating with the CCE on GIS technologies and working with CCE agencies on data compatibility issues.

4-10

COMMON COMPUTING ENVIRONMENT

Available Funds and Staff Years
2002 Actual and Estimated 2003 and 2004

Item	2002 Actual Amount	2002 Actual Staff Years	2003 Estimated Amount	2003 Estimated Staff Years	2004 Estimated Amount	2004 Estimated Staff Years
Common Computing Environment	$59,369,000	---	$133,155,000	---	$177,714,000	---
Carryover balance	+12,575,572		+8,702,068			
Restoration	+8,879					
Rescissions	-140,980					
Unobligated balance	-8,702,068					
Total, Common Computing Environment	63,110,403	---	141,857,068	---	177,714,000	---
Obligations under other USDA appropriations: a/						
Office of the Secretary	6,125,241	---	841,313	---	---	---
Farm Service Agency	8,348,000	---	9,046,000	---	9,046,000	---
Natural Resources Conservation Service	7,436,000	---	7,407,000	---	7,407,000	---
Rural Development	7,265,000	---	7,030,000	---	7,030,000	---
Total, other USDA appropriations	29,174,241	---	24,324,313	---	23,483,000	---
Grand Total Available	92,284,644	b/	166,181,381	b/	201,197,000	b/

a/ Office of the Secretary amounts are from FY 2000 no-year direct appropriation of $12,600,000. Amounts for Agencies reflect actual and estimated contributions for the Information Technology Modernization component of the Service Center Modernization Initiative.

b/ Staff years and staff year costs are included within the totals of the OCIO and partner Agencies.

Classification by Objects
2002 Actual and Estimated 2003 and 2004

Other Objects	2002	2003	2004
21.00 Travel	$312,099	---	---
23.00 Rent, Communications and Utilities	2,806,201	---	---
25.00 Other Services	5,687,563	$74,845,068	$123,758,000
26.00 Supplies and materials	22,268,810	11,000,000	19,932,000
31.00 Equipment	32,035,730	56,012,000	34,024,000
Total Direct Obligations	63,110,403	141,857,068	177,714,000

4-11

COMMON COMPUTING ENVIRONMENT

Appropriation Language and Explanation of Changes in Language

The estimates include appropriations language for this item as follows (new language underscored; deleted matter enclosed in brackets):

For necessary expenses to acquire a Common Computing Environment for the Natural Resources Conservation Service, the Farm and Foreign Agricultural Services and Rural Development Mission areas for information technology, systems, and services, $177,714,000 to remain available until expended, for the capital asset acquisition of shared information technology systems, including services as authorized by 7 U.S.C. 6915-16 and 40 U.S.C. 1421-28: Provided, that obligation of these funds shall be consistent with the Department of Agriculture Service Center Modernization Plan of the county-based agencies, and shall be with the concurrence of the Department's Chief Information Officer.

COMMON COMPUTING ENVIRONMENT

Presidents Budget, 2003	$133,155,000
Budget Estimate, 2004	177,714,000
Increase in Appropriation	+44,559,000

Summary of Increases and Decreases

Item of Change	2003	Program Changes	2004 Estimated
Common Computing Environment	$133,155,000	$44,559,000	$177,714,000

COMMON COMPUTING ENVIRONMENT

USDA STRATEGIC GOAL 5: Operate an efficient, effective, and discrimination-free organization.

Objective 5.2: Improve organizational productivity, accountability, and performance.

Project Statement
(On basis of appropriation)

	2002 Actual		2003 Estimate				2004 Estimate	
	Amount	Staff Years	Amount	Staff Years	Increase or Decrease		Amount	Staff Years
Strategic Goal 5: CCE	59,228,020	---	133,155,000	---	+44,559,000	(1)	177,714,000	---
Rescission	+140,980	---	---	---	---		---	---
Total, Appropriation	59,369,000	---	133,155,000	---	+44,559,000		177,714,000	---

Project Statement
(On basis of available funds)

	2002 Actual		2003 Estimated			2004 Estimated	
	Amount	Staff Years	Amount	Staff Years	Increase or Decrease	Amount	Staff Years
CCE	59,369,000	---	133,155,000	---	+44,559,000 (1)	177,714,000	---
Start of year Unobligated Balance	+12,575,572	---	+8,702,068	---	-8,702,068	---	---
Restoration	+8,879	---					
End of year Unobligated Balance	-8,702,068	---	---	---	---	---	---
Rescission	-140,980	---	---	---	---	---	---
Total, Appropriation	63,110,403	---	141,857,068	---	+35,856,932	177,714,000	---

Performance Goals and Indicators

	FY 2002 Target	FY 2002 Actual	FY 2003	FY 2004
Complete initial implementation of CCE Infrastructure	90%	90%	100%	N/A
Refresh CCE Equipment				
Number of workstations	N/A	N/A	16,500	12,600
Number of printers	N/A	N/A	N/A	8,000
Network servers deployed and operational	100%	100%	N/A	N/A
Telecommunication upgrade completed	50%	50%	100%	N/A
Acquire/deploy application servers	50%	50%	100%	N/A
Provide web farm infrastructure to meet eFile deadlines	100%	100%	N/A	N/A
Acquire GPS units	4,527	2,569	10,365	N/A
Percent Acquired	35%	20%	80%	N/A
Acquire digital cameras	2,511	2,395	4,779	N/A
Percent Acquired	35%	33%	67%	N/A
FSA Common Land Units digitized:				
Counties completed (cumulative)	N/A	N/A	1,300	3,030
Percent Counties completed	N/A	N/A	43%	100%
Digital Ortho Imagery acquired:				
Number of counties (cumulative)	N/A	N/A	3,056	3,141
Percent Counties completed	N/A	N/A	97%	100%
Counties refreshed yearly	N/A	N/A	433	714
Percent of total	N/A	N/A	14%	23%

Justification of Increases and Decreases

1. A net increase of $44,559,000 ($133,155,000 available in FY 2003) consisting of:

   A. A decrease of $13,000,000 ($59,369,000 available in FY 2003) for base infrastructure needs. The decrease in basic infrastructure funding reflects the completion of the initial establishment of the CCE, but maintains the same level as FY 2003 to "refresh" the CCE technologies as they age and to fund annual software licenses and maintenance costs.

B. An increase of $57,559,000 for agency specific needs, follows:

1. Farm Service Agency increases totaling $41,885,000. The Farm Service Agency (FSA) has undertaken a mammoth migration and modernization project to re-engineer its legacy application systems in support of Service Center Modernization, Government Paperwork Elimination Act (GPEA), Freedom to E-File Act, and E-Government. The primary goal of migration/modernization is to eliminate FSA's dependency on a proprietary and restrictive operating environment and to develop applications that are platform independent. With the migration/modernization of FSA's applications, the business community, FSA's service providers and customers will realize significant improvements spanning all program areas.

FSA has begun making its suite of new, reengineered and migrated program applications open, interoperable, and "*computer platform independent.*" To achieve openness, interoperability, and "platform independence" FSA began developing its program applications suite within a layered architecture, which FSA calls the "Reference Architecture." The Reference Architecture keeps each layer of the software application independent of other layers meaning that changes in one layer do not necessarily require changes in any other layer. These layers include a "User Interface" (UI) layer, a "Business Rules" layer, a Data or persistence layer and a layer that interacts with the host platform. FSA calls this last layer, the Common Applications Framework (CAF). The CAF layer includes the common activities normally supplied by a computer operating system. The CAF will enable FSA to move its applications to any computer platform-OS/400, "Windows XP", UNIX, LINUX, etc. More importantly, FSA will immediately be able to host new, reengineered and migrated program applications using legacy data during the migration to the target open, interoperable, and platform independent system.

While all FSA legacy applications must be migrated, they cannot all be migrated simultaneously. Migration has been planned in a priority order. The first priority is the IT "Applications Infrastructure", i.e., applications upon which most or all other applications depend. Subsequent priorities are new applications which are required to meet or implement legislation and/or Administration priorities like Freedom to E-File, GPEA, Farm Bill, e-LDP, GIS, etc. Migration order of other legacy applications follows the priorities established by the program executives of the Agency and Mission Area. While the migration proceeds, the remaining legacy code will still need to be maintained to keep it functional and operational.

FY 2003 will be the first year that FSA will have funding to support a full year of migration/modernization efforts. However, in order to meet the migration priorities established by the program executives, FSA is having to realign the distribution of FY 2003 funding among the IT investments in order to complete the first priority which is the "Infrastructure" applications/investments. The realignment of funds occurred within FSA's IT base, not the funding for FSA IT and GIS that is included in the OCIO's CCE account. Funds from FSA's migration/modernization investments, as well as, other IT investments were redistributed to support the "Infrastructure" applications/investments. This realignment of funds results in several investments not having full funding to complete the subsequent migration priorities by the end of FY 2004. Therefore, FSA is requesting the additional funding to allow for the completion of all migration priorities by the end of FY 2004.

Additionally, FSA is requesting a funding increase for the acceleration of GIS data acquisition and implementation. This acceleration provides for the acquisition of GIS data and implementation to be completed by the end of FY 2004. With the acceleration of GIS implementation, benefits will be realized sooner by FSA, our customers and other Government Agencies.

In FY 2004, FSA is requesting a net increase of $41,885,000 ($18,905,000 for IT support; $22,980,000 for GIS data acquisition) over the $55,586,000 ($33,755,000 for IT support; $21,831,000 for GIS data acquisition) already included in the OCIO CCE FY 2003 base for agency specific needs. While there are increases in our FY 2004 funding needs, there are also offsetting decreases totaling $10,303,000. These decreases are due to the completion of the first priority "Infrastructure" applications/investments that will occurr in FY 2003. Development for these investments has been completed and only maintenance support is needed in FY 2004.

Following is a detailed breakout of the FY 2004 FSA agency specific increases:

Systems migration/modernization – ($18,901,000) Funding will continue contractor support that began in FY 2003. This effort will complete the move of FSA systems and applications by the end of FY 2004, to an open platform independent common computing environment, providing agency customers with alternative methods for obtaining FSA services and improving program delivery capabilities. The $18,901,000 will cover such migration priorities as:

- Conservation Reserve Program (CRP) – $4,473,000
- Direct Counter-Cyclical Program Enrollment & Payment System (DCP) – $2,700,000
- Non-insured Assistance Program (NAP) - $1,664,000
- Conservation Reporting and Evaluation System (CRES) - $1,500,000
- Automated Price Support System (APSS) - $1,296,000
- Tobacco Mainframe and Field Office System - $1,500,000
- Miscellaneous Systems - $4,089,000 The conversion/migration effort is supported by a number of systems, which are crucial to the migration effort and support of the Farm Bill.
- Infrastructure - $1,679,000 Data administration and information technology support needed to provide strategic direction and standards for application development for all FSA mission-critical applications. The results will be open, platform-independent systems applying reusable common functions, common look and feel, reduced maintenance costs.

Acceleration of Geographical Information Systems (GIS) - ($22,980,000) This increase will accelerate the GIS program to complete the data layers (a seamless, digital base map derived from one meter aerial photography, and a fully attributed farm field boundary layer) by the end of FY 2004. The acceleration of GIS means completing production for these layers in a shorter time frame, and deploying the hardware, software, business solutions, training, and support of the service centers. Completing the GIS layers along with the hardware and software implementation will provide the ability to effectively administer farm programs, as well as to geo-reference natural disasters, animal or plant disease outbreaks, and bio-terrorism events. It is critical that the geospatial datasets – digital orthophotography that is mosaiced for a seamless county view with digitized farm and field boundaries – be in place before they can be linked with program and customer data and enable the use of GIS for program delivery.

Of this amount $3,277,000 would be used to prepare base county imagery for digitizing and to produce mosaics of digital orthophoto quadrangles (MDOQ). This increase level would complete approximately 1500 county offices mosaics. $5,328,000 would be used for digitizing farm field boundaries and for contractor costs associated with developing the Common Land Unit (CLU) data layer. CLU creates the basic layer of data that will be utilized by all Service Center Agencies and for source material scanning associated with CLU digitizing. $7,708,000 will be used for digital imagery, including FSA's share of the cost in Digital Aerial Photography and satellite data to support FSA program compliance activities and replace the current 35mm aerial compliance slide program. $482,000 would be used to digitize the CLU annotated hard copy aerial photographs. $2,200,000 would be used for training employees to utilize the new GIS technologies and applications. $3,985,000 would be used for program oversight to carryout the coordination, delivery, support and oversight associated with project application.

2. Risk Management Agency increases totaling $8,674,000. Infrastructure investment increases for the Risk Management Agency (RMA) are included under the CCE account for FY 2004 in order to facilitate coordination and data exchange ability with Service Center Agency systems. RMA has basically adopted the CCE architecture and regularly participates in common hardware and software acquisitions of CCE. RMA is also collaborating with the CCE on GIS technologies and working with CCE agencies on data compatibility issues. Detail of the increases follow:

   - Department Services/Working Capital Fund IT Related Costs ($114,000) An increase is needed to cover the rising cost of services reimbursed to the Department/Working Capital Fund. These types of services include the use or interface into the administrative systems of the National Finance Center, Office of Communication, National Information Technology Center and FSA contracted Computer Support Help Desks. The increase above the FY 2003 level is solely due to the appropriate inflationary factor. The increase is for maintenance and/or support services.

– Infrastructure Modernization ($3,130,000) This category of the RMA investment portfolio supports system administration of the Agency's network and operating environment to include 7 days a week operation. Funding of maintenance and services for Local and Wide Area Networks are included. Also included are corporate and office automation services, end user support with incorporation of security and contingency measures at all levels. The smooth operation of desktops and the ability for connection to peripheral applications should be a seamless process for customers, both internal and external.

This increase will allow RMA to continue updating and modernizing its business operation to be in accord with e-government initiatives. Of the requested amount, $899,000 is for maintenance and/or support services, $511,000 will support the purchase of software upgrades and $1,720,000 will support upgrades of IT equipment.

– Infrastructure Assurance ($1,030,000) This increase is intended to support IT costs associated with security and the Agency's Disaster Recovery Plan. This investment includes the implementation of a "Hot Site" to backup RMA computer systems and programs to ensure continuity of operations in a secure environment. With the importance of RMA's programs to producers as the safety net and the requirements of disaster recovery and business continuity planning, comes the requirement for an alternative system at a different location that will mirror RMA's computer systems and programs. Completion of this objective supports the RMA general goal of delivering sound risk management programs and education by ensuring that RMA programs and information are always available to the public and to our business partners. In addition, the USDA Office of the Chief Information Officer has required agencies to be prepared to report activities, planning and expenditures in the area of security. RMA has been identified in several audit reports as lacking a Disaster Recovery or "Hot Site" Plan. While RMA has a disaster recovery plan, there has never been a true "Hot Site" in place. In wake of the events of September 11, 2001, it is vital that funding be provided for a "Hot Site." The above estimate includes maintenance/support services costs of $394,354; an adjustment of $59,000 in software/supplies from FY 2003 to FY 2004 and an increase of $696,000 for equipment purchases to fulfill this requirement.

– Emerging Information Technology Architecture ($4,400,000) This is a new initiative that is key to development of RMA's business process model that will support current processes and accommodate projected exponential growth of the crop insurance program and reflect the relative roles of RMA and the private insurance companies. This project is intended to provide oversight of the crop insurance program. Implementation of legislation such as ARPA has required RMA to rethink business processes and the information resources used to meet service delivery challenges. The project is to develop a system that will allow customers to submit data in real-time and develop a Web-based entry point so companies can input data, receive entry errors at a point of entry, correct and then submit the data. This data then would be added to the existing data files without error. The need to resubmit data over time would be eliminated, thereby, improving business processes. This project also includes a plan to improve software engineering practices as well as incorporate project management and planning into the process. These efforts will greatly enhance RMA's practices, making documentation and audit tracking more readily available. This system change will also address internal users and customer problems with accessing and extracting data. Moreover, connectivity between the Kansas City office, Washington, D.C. and RMA field offices will be configured to allow quick, easy access to data and applications. The funding requested will be used to contract for support services to develop this investment.

3. Rural Development mission area increases totaling $7,000,000 for Web Farm Operations and relocation of the St. Louis Web Farm. Detail of the increase follows:

Web Farm Operations ($4,000,000) - The USDA Service Center Agencies have built three web farms to provide USDA web products and services to the public. Each of the web farms provides:

– A highly available architecture with high speed access to both the Internet and the USDA Intranet
– Robust security features including firewalls, intrusion detection, vulnerability monitors, user authentication and other security features.

-- Common web services including index/search, event calendaring, File Transfer Protocol, Hyper text Transfer Protocol, web conferencing, listserv and discussion group administration.
-- Dedicated resources including staffing and funds to ensure appropriate operations.
-- Consistent policies and procedures to ensure dependable delivery of USDA's products and services.

The agency is rapidly moving to web-enable many of the mission critical applications. This infrastructure will be capable of meeting the mandated legislation such as Government Paperwork Elimination Act, and Freedom to E File, as well as complying with the USDA Cyber Security policies and policies established by the Service Center Modernization initiative. As part of the Electronic Access Initiative, it will be also important that Rural Development's web farm comply with hardware, software, telecommunications and security standards to enable the three web farms to provide global load balancing and fail-over requirements.

A common web farm infrastructure provides integrates web services for Rural Development (RD) customers, employees, and trading partners. This infrastructure is making the web a mainstream for doing RD business. The public will be able to access more information and services online. Funds are requested for this initiative to provide the continued support, enhancement of the common infrastructure hosting all applications for Rural Development, regular software and hardware maintenance and the daily costs for operations and security.

The following is required for the operations of the St. Louis Web Farm:

- Training for staff (server operations, security training on firewall, intrusion detection, scanning, operating systems, active directory, etc.) this is needed to maintain staff expertise and ability to support web farm technologies.
- Procurement of new software and provide maintenance for existing software. This includes database software (SQL server, Oracle, DB2, etc); web enabling software (IIS, Coldfusion, etc), monitoring software, ListServ, Web Trends, Adobe, McAfee anti-virus, firewall, intrusion detection, operating system, Verisign, Veritas, etc.
- Procurement of new hardware, hardware upgrades and provides maintenance for existing hardware. This includes servers, racks, tape library, SAN, Brocade switches; Cisco switches and routers; Firewall, NAS.
- Services for installation of new hardware and software and upgrades of new hardware and software.
- Facilities upgrades (additional air conditioning, UPS, electrical power, cabling, generator).
- Contracting support is needed to supplement government staff. Contractor support is needed to provide 24X7 operational support; install new hardware and software; assist in application migration, implementation; etc.

Relocation to Goodfellow site in St Louis – Web Farm Support ($3,000,000) - General Services Administration has announced plans to relocate all Rural Development downtown St. Louis locations to the 4300 Goodfellow complex. The following must be accomplished to facilitate the Web Farm move to 4300 Goodfellow:

- Installation and purchase of cabling (CAT5 and Fiber); conduit; patch panel; telecommunications equipment; Telecom services (T1 lines, internet access).
- Provide adequate electrical power, air conditioning, UPS, and generator facilities for the Web Farm.
- Renovation of Web Farm space to provide slab to slab construction.
- Installation of required security features in the Web Farm area .
- Moving expenses – relocation of equipment, installation of equipment (servers, SAN, tape backups, telecom switches, routers, firewalls, intrusion detection; monitoring equipment); procurement of additional equipment to facilitate logistics of move; contractor services to accomplish the move.

COMMON COMPUTING ENVIRONMENT/SERVICE CENTER MODERNIZATION

STATUS OF PROGRAM

The Common Computing Environment (CCE) provides the shared information technology infrastructure to enable the Service Center Agencies (SCA): the Farm Service Agency (FSA), the Natural Resources Conservation Service (NRCS), and the Rural Development Mission Area (RD) to modernize and improve service delivery to customers. The overall SCMI initiative involves office collocation, business process re-engineering, cultural changes, building partnerships and improving customer satisfaction - in addition to a modern integrated technology. The Office of the Chief Information Officer (OCIO) has direct management responsibility for the integrated technology, while the SCA, using the National Food and Agriculture Council (NFAC) process, are managing the other parts of SCMI. The following describes the current activities and progress for this initiative.

Goal 1: Develop seamless program delivery and customer outreach processes that improve the quality of customer service, deliver products and services at reduced cost, and reduce the burden on the USDA customer.

Current Activities: Since 1998, the SCA have been re-engineering business processes. They have engaged Service Center and other staff at all levels in the three agencies to accomplish this re-engineering. All this has been accomplished while experiencing staff reductions as well as increased workload due to increased program participation, implementation of disaster legislation and new farm legislation. The SCA have developed, piloted and deployed many major Business Process Re-engineering Projects. A discussion of these projects follows:

1. Combined Administrative Management System (CAMS) was developed from a commercial-off-the-shelf software product - PeopleSoft HRM. In July 2002, CAMS was upgraded and is now called ICAMS. ICAMS continues to provide a human resources management system for the SCA. ICAMS is an integrated database containing employee information on training, position, and personnel data and provides online real-time access to information built around re-engineered processes. ICAMS is the front-end human resources interface to the National Finance Payroll Center in New Orleans for over 58,000 Service Center employees. ICAMS is now totally Internet based for both human resource personnel and employees for all ICAMS self-service and personnel action processing.

2. Geographic Information Systems (GIS) and geospatial data play a key role in enabling many of the more dramatic benefits identified for the SCMI Common Computing Environment (CCE). Production of some of the core geospatial databases requires a multiyear investment by USDA. USDA has been a major partner to USGS as well as partners with other levels of government in investing in production of digital orthophoto quads (DOQs) and quarter quads (DOQQs). USGS produces the initial DOQ, which USDA data centers process to provide county mosaics and DOQQs that are enhanced to be more useful for interpretation of agricultural features. While these digital orthophotos are now available for the entire country, production of county image mosaics will continue until they are available for all required areas. DOQQs are old in some areas and collection of new data and production of a more current DOQQ is planned to occur every five years. The Common Land Unit (CLU) is USDA's agricultural cadastre (i.e., agricultural land ownership and use data type). CLU data are being provided by the Farm Services Agency (FSA) at a variety of digitizing centers across the country. In addition, some CLU data are or will be produced by contractors. Soils maps have been and are being digitized to provide this type of data in geospatial data formats. The Natural Resources Conservation Service (NRCS) is responsible for soil maps and soil map digitizing.

The most critical component in the successful implementation of Geographic Information Systems (GIS) for FSA is development of the Common Land Unit (CLU) data layer. The CLU layer will ultimately

include all farm fields, rangeland, and pastureland in the United States. The CLU data is currently digitized in 770 counties. Areas without digitized CLU data maintain the information at the Service Centers with annotations on hard copy aerial photography. In conjunction with digital imagery and other data, FSA will use the CLU to manage Farm Service programs, monitor compliance, and respond to natural disasters. Because of the dynamic nature of CLU, it is imperative that data be accurately maintained. FSA has been developing the CLU Maintenance Tool to allow Service Center employees to maintain and use these data. These GIS software tools customize and enhance ESRI's ArcView software, and include tools for editing CLU boundaries, adding wetland point data, adding Conservation Reserve Program (CRP) contract information, labeling polygons, and creating maps for producers. Additional tools have been developed in ArcView to automate the 35-mm slide compliance function. These tools are currently being converted to the ArcGIS environment to take advantage of ESRI's Spatial Database Engine product, and features such as multi-user editing. Future development will involve linking the tools to the common customer database (SCIMS) and national commodity reporting databases.

The application development groups of FSA, NRCS, and RD each develop GIS applications. The Business Process Reengineering (BPR) Labs generated many of the concepts and requirements for desktop GIS pilot applications, which have since been further developed by the agency applications development groups. All three SCAs have developed GIS applications and have plans to develop additional applications, as well as migrate desktop GIS applications to an enterprise GIS architecture. Desktop GIS applications that have been deployed include NRCS's Customer Service Toolkit, which is a conservation-planning tool, and FSA tools to digitize and maintain CLU data and calculate acreages. RD has also deployed its web based MAP application, which provides RD managers with the ability to map the locations of RD grants and loans and generate geospatial queries and reports. NRCS has deployed a number of other applications including the Resource Data Gateway, Wetlands Determination Toolkit, webEasements, and the Soil Data Viewer. Resource Data Gateway is a geospatial data portal, which allows users to identify available geospatial datasets of interest and places orders for delivery of data via CDs or ftp. WebEasements is the most advanced application from an architectural standpoint; webEasements makes innovative use of NRCS developed web geospatial services and ESRI's Internet GIS tools to provide geospatial data capture and editing capabilities over the web. Table 1 presents a listing of implemented GIS applications by service center agency.

Table 1 Service Center Agency Implemented GIS Applications

FSA Implemented GIS Applications	**NRCS Implemented GIS Applications**	**RD Implemented GIS Applications**
Land Cover Tool	Customer Service Toolkit	Mapping Analysis Program (MAP)
CLU Map Production (Digitizing Tool)	Wetland Determinations Toolkit	
Acreage Reporting	Soils Data Viewer	
CLU Maintenance Tool	Resource Data Gateway	
CLU Crop Reporting Tool	webEasements	
CLU Compliance Tool	Office Information Profile	

Future plans include development of a number of new enterprise GIS applications. For example, FSA will develop the Customer-Land link in a new GIS based version of SCIMS. In addition, FSA will migrate existing CLU digitizing and maintenance applications from the desktop to a local client server architecture. This migration will provide support for editing by multiple users, versioning, history tracking and other advanced geospatial data management techniques. Future SCA GIS applications development plans are presented in Tables 2.

Table 2 -Future SCA GIS Applications for planned for 2003-2004

Future FSA GIS Applications	Future NRCS GIS Applications	Future RD GIS Applications
Acreage Reporting (Land Use)	ProTracts	RHS Single Family Housing Program Eligibility Locator
Acreage Compliance	Soils Data Warehouse	Environmental Hazard Reporter
SCIMS Customer-Land Link	Smartech Runof Curve/Object Modeling System	Spatially Enabling the RD Data Warehouse
CLU Map Production	Smartech Electronic Field Office Technical Guide	Spatially Enabling the Preservation Information Exchange
CLU Map Maintenance	ArcGIS Customer Service Toolkit	
GIS Measurement Services		

3. The Customer Service Toolkit (CST) provides NRCS and other USDA SCA employees with tools to develop and manage conservation plans, plan maps, and soils inventories. CST uses functions provided in commercial software applications such as Microsoft Outlook, Microsoft Access, Microsoft Excel, and ESRI ArcView. Toolkit programming loosely couples these commercial packages and extends their utility. The CST is customer focused to provide high quality conservation plans and plan maps. It can be used in the field or in the office. It makes use of available GIS data and displays it in a very usable format. Conservation plans are produced in Microsoft Excel, which provides compatibility with most of our customers' technology. Products can be delivered via disk, paper, or e-mail. The Soil Data Viewer, a tool within CST, allows the creation of soil-based thematic maps. Soil Data Viewer shields users and applications from the complexity of the soil database and incorporates rules for appropriate use of soil data. It provides an easy to use tool for geospatial analysis of soil information for resource assessment and management. CST is deployed in all service centers and is the primary NRCS program delivery tool for conservation planning and resource analysis.

4. Rural Development data warehousing efforts continue to expand and grow as more and more data is added to the warehouse. As end users become more familiar and comfortable with the Brio ad hoc reporting capabilities, the demand for new data is rapidly increasing. Key current efforts include eligibility mapping for specific loan programs, analyzing the effectiveness of loan program delivery efforts by geo-coding tabular data, and performing trend analysis on program funds. Rural Utilities Service borrower management data is being added to the warehouse as the new Rural Utilities Loan Servicing System is deployed.

5. The Resource Data Gateway Project was developed through a cooperative research agreement between Microsoft, Compaq, and USDA-NRCS with the intent to provide an enterprise-class geospatial data delivery system and to implement Web-based geospatial software applications. The vision of the Gateway is to provide easy access and delivery of geospatial environmental data to customers and the general public. The Soil Data Viewer component is a web-based geospatial application that uses the Gateway to provide agency personnel and the public with the ability to create custom soils maps and reports over the Internet for natural resource assessment and planning. The project was awarded 2nd place for Natural Resource and Environment applications at the 2001 ESRI Users Conference and was also recognized by the Enterprise Data Management Institute for innovation. The ease of use of the Gateway has increased demand for data by several fold both within NRCS and from customers outside the agency. Plans are being developed to develop web services for commercial supplier access to data via a subscription process.

6. The Wetlands Toolkit Project leveraged the functions developed for CST to provide a suite of tools that can be used in wetland compliance programs. This suite of tools includes similar functionality as CST, including GIS. The Toolkit is being used in service centers with significant wetland determination workload.

7. The Multi-Family Housing Project provides a personal computer based automated system in RD for managing multi-family housing units including facilities and tenant tracking. The system is currently being migrated to the Internet.

8. The Guaranteed Loan System, which supports both Rural Development and Farm Services Agency guaranteed loan programs, is a large integrated system using both web-based and mainframe components. Several business processes such as loan obligation, loan closing, loan servicing, electronic lender status reporting and electronic fund transfers are included in this system. Additional automated capabilities, including automated underwriting, automating loan loss claims, web-enabled lender application processing, and Treasury Offset processes, have been requested by program managers The completions of these initiatives are contingent upon receiving adequate funding.

9. The Mobile Service Center Project provides two recreational vehicles equipped to operate as USDA Service Centers on Wheels to reach people in under served areas and to provide emergency response and other services. These vehicles are stationed in Florida and Montana.

10. The Office Information Profile (OIP) system is a Web-based application developed as a joint resource for the SCA, their partner organizations, and customers of USDA. Originally designed to track the movement and collocation of USDA offices at Service Center sites in accordance with the 1994 Reorganization Plan, OIP now provides an inventory of all offices for the FSA, NRCS, RD, and their partner organizations. The application provides management reporting capability and a public interface provides contact information to direct customers to USDA services. Recognized as the 'official' source of office information for FSA, NRCS, and RD, OIP also serves as a common source of data for a number of other USDA information systems.

11. The Environmental Easements Toolkit Project provides a web-based product for administration of easement projects and ecological monitoring, including web access to a digital data layer. The product enables employees to quickly create preliminary boundaries, develop plan maps, and produce monitoring worksheets. Data can be shared, updated, and managed remotely. This product aids NRCS with the maintenance of the national easement data layer that includes multiple programs. Approximately 5,000 easements currently are being managed using the application. InfoWorld rated the application 56th in their top 100 list of most innovative web applications of 2002.

The SCA have the following additional projects that are being readied for deployment or deployed.

1. The Compliance Project is re-engineering the way FSA completes compliance activities. The project looks at how FSA obtains an image of farm property to do compliance work, how it does ground compliance, and how it selects farms for spot checks. FSA is looking at several methods of obtaining an image: satellite, digital image (digital camera), 35MM scanned image, rectified digital image (1 meter and 2 meter), and color infrared digital images. The selection process for spot checks and using Global Positioning Systems (GPS) for ground measurement was analyzed in early 2002. No significant changes were made to the selection process. The initial testing of imagery and digital compliance methods were completed in 2001. Further testing of high-quality geo-referenced true color imagery was done in 121 counties in 2002 and the results are being analyzed. FSA intends to obtain high quality geo-referenced imagery for compliance in about 850 counties in 2003 under the National Agricultural Imagery Program (NAIP) and for all the cropland in the country in 2004. FSA is pursuing partnerships with other government agencies (BLM, FS, NRCS, State Governments and others) to

lower the acquisition cost and expand the coverage area of this photography. Deployment will be phased in with the delivery of CLU to Service Centers.

2. The Commodity Reporting project will create a national commodity-reporting database that will be used to collect commodity data for SCA programs. FSA currently collects this information through its acreage reporting system (FSA-578). The system will enable commodity reporting through the selection of producer/customer and their associated CLU. Staffs record reported commodity by CLU. Up front the user chooses program(s) for which the report is intended. This program selection determines the required commodity attributes to be reported. The database will be available for queries by the SCA, and other USDA agencies and their partners and thus reduce customers' reporting requirements. This national commodity-reporting database will include land cover, land use, compliance, and partnership activity. National deployment will be phased in with the delivery of CLUs to Service Centers. This software is being developed using the ArcGIS software and ESRIs Spatial Database Engine (SDE). FSA expects to pilot test an ArcGIS version of this software in the summer of 2003. National deployment will be phased in with the delivery of CLU's to Service Centers as part of a full suite of ArcGIS tools, which are currently under development.

3. The Electronic Government (e-Government) Project is a Department-wide BPR project that is migrating the agencies' service delivery and information sharing functions to the Internet. Legislative requirements to provide this alternative come primarily from the Freedom to E-File Act, the Government Paperwork Elimination Act (GPEA) and the eGov Act of 2002. Internet-based services will be offered as an alternative to traditional service delivery mechanisms, which are principally, based on face-to-face interaction between customers and agency staff or program delivery partners. The expectations of the President and Congress are to provide one stop, online services where the public can obtain information about USDA programs and services and conduct transactions with USDA electronically. The objective of e-Government is to transform existing agency processes to optimize interaction with the public and improve internal efficiencies. The SCA are making significant progress on an implementation plan for delivering this capability. This effort represents the second phase of Service Center business process reengineering. In June 2002, the agencies provided their agricultural customers with the capability to access information about programs and services online, to electronically submit the forms needed to participate in programs and services, and perform search and retrieval processes. The plan is to replace the forms-based user interfaces with software applications that support full online transaction processing, thereby reducing the burden on agency customers and partners.

4. The Electronic Access Initiative (EAI) is establishing the information technology infrastructure to make the web and E-Government a common way of doing business for USDA Service Centers. The project has implemented a common technical architecture for web services, otherwise known as web farms, as well as common policies, processes and procedures. Three centralized web farms have been deployed and necessary tools for security, staging, publishing and reporting are available.

5. FSA is in the process of developing a new signup process for CRP, which incorporates GIS. A GIS tool is being developed which calculates the acreage for the three main soil types for a CLU or for a polygon drawn by the user. This information will be fed into a spreadsheet or database where additional calculations will be made. The data will then be linked to existing System/36 processes. The GIS portion of this application will be deployed in all service centers where Digital Imagery and Digital Soil Surveys are available (the Common Land Unit layer is optional).

6. The Electronic Loan Deficiency Project (e-LDP) is being developed to provide an Internet based system for producers to obtain loan deficiency payments. The initial beta test of e-LDP was completed in May 2002. A second expanded beta test of e-LDP will be conducted for the 2002 crop year. The e-LDP project will be expanded in phases to increase the scope (open delivery in additional sites for additional customers) and increase the functionality (to include more LDP functions on more crops).

7. The Service Center Information Management System (SCIMS) Project is being developed in phases. The common customer name and address component was implemented nationwide in February 2002. Additional requirements from the SCAs are being identified and prioritized for enhancements and integration with other agency systems. The Service Center Agencies Common Computing Environment capabilities were used to leverage the implementation of the 2002 Farm Bill. The SCIMS shared Customer Name and Address was used to notify over 6.6 million customers of Farm Bill changes that may impact their participation in USDA programs. The CLU and Land Cover projects will also use the SCIMS Common Name and Address. These projects plan to use the Service Center sites to pilot test their products beginning mid-2003.

8. The Systematic Tracking for Optimal Risk Management (STORM) project allows authorized employees to enter disaster event information data online. Authorized employees can immediately view the information over the Internet. Additional requirements were defined for STORM to provide Homeland Security information as part of the system. The Natural Disaster Reporting segment and the Homeland Security segment of STORM were submitted for testing. However, priorities associated with the new Farm Bill have resulted in a delay for completion of testing. Implementation of STORM is targeted for early in the 2003 calendar year.

9. The SCA leveraged the capabilities of the CCE to provide early delivery of programs authorized by the 2002 Farm Bill: FSA partnered with Texas A&M to make an interactive Base and Yield Analysis (BYA) tool available on the USDA and FSA web sites. As announced by Secretary Veneman, "This innovative, web-based software will provide landowners with options for estimating farm bill program payments and help them make informed decisions. The BYA tool helps producers analyze the economic consequences of selecting different base and yield options." Texas A&M University's Agricultural Food and Policy Center developed the BYA software in conjunction with USDA's Farm Service Agency. FSA is developing a CCE-based system to administer the new Milk Income Loss Contracts (MILC) program. This new application will be operational early in 2003. The SCA are constructing a CCE application to support processes for the next CRP general signup. FSA is accessing soils data provided by NRCS to automate the collection of CRP offer information from customers. GIS data (where available) and a GIS application will be used to identify the location of the land included in the offer (the CLU) and calculate the amount of acreage for each soils type in the offer. A CCE based tool will be constructed to validate the soils, hydrological data, climate, land value, and environmental factors, as well as calculate the Environmental Benefits Index (EBI) for the offer. This will reduce the error rate in the determination of the EBI and improve the accuracy of the process and the overall environmental benefit of the CRP. The customer will also benefit by receiving up-front information on the eligibility and EBI viability of the proposed offer.

10. NRCS released the initial version of TechReg in January 2003 to provide a streamlined process for registering Technical Service Providers (TSPs) and tracking their assistance in delivering conservation programs. The application will provide TSPs on-line access to enter performance data in the agency's accountability database. The application automates processes for agency certification of TSPs and linkage to external certification databases. The application is integrated with SCIMS and uses WebCAAF for authentication.

11. NRCS released its Smartech Electronic Technical Guide (eFOTG) "Thunderbook" in January 2003. This application is a digital briefcase for technical information frequently used by agency conservationists while working with customers in the field. The eFOTG, which has been on-line and publicly available from the NRCS or Service Center Agency web sites since August 2002, contains or electronically references all official technical content the agency uses to deliver conservation programs and technical assistance. The new Thunderbook enables agency employees and technical service providers to download eFOTG content to a hand-held or laptop computer, which subsequently is taken

to the field. When the user re-docks the laptop or PDA to the CCE network, the content is automatically refreshed.

12. NRCS is beta testing its new ProTracts application, that manages the cost-share contracting process for NRCS conservation programs. The application eliminates all paper transactions and need for forms, although completed forms are a product for those that need them. The application is being evaluated in a telecommunications pilot featuring remote connectivity in the field, where practices are certified in the field using GPS units and uploading of data to the on-line system database hosted in the SCA web farm. The field conservationist also approves payment and processes customer receipts while in the field with the customer. ProTracts is integrated with SCIMS and uses WebCAAF authentication.

In addition to the projects listed, the agencies have a number of other projects in the initial planning stages. All of these projects were made possible by the development of a common shared information technology system.

Goal 2: Deploy a shared information technology system for USDA offices that will enable reengineered business processes that improve customer service, and reduce program delivery costs and customer burdens.

The Service Center Modernization Initiative-Information Technology (SCMI-IT) is the IT portion of the USDA SCMI, commonly referred to as the CCE. The modernization of outdated technology is vital to the ability of the SCA and agency partners to fulfill USDA's mission. The agency partners include conservation districts, state conservation agencies, farmer-elected committees, county extension agents, cooperatives, lenders, realtors, growers associations, and agriculture industry groups.

The OCIO provides direct management and oversight for the development and coordination of the SCMI-IT, including the implementation of a common technology infrastructure to replace the outdated and stove-piped systems currently supporting the SCA. The success of the SCMI relies heavily on the partnership among the SCAs and the OCIO. All SCMI-IT activities are coordinated through the Information Technology Working Group (ITWG) under the direction of the OCIO. The ITWG includes the CIO's of the three SCA, SCMI-IT Team Leaders, employee organization representatives and partner representatives. A Senior Executive from the OCIO chairs the ITWG. In partnership with the SCA, OCIO is on target to ensure the basic CCE technology infrastructure becomes operational in FY 2003.

The SCMI is supported by a combination of funding and personnel contributed by the SCA, as well as appropriated funding provided by the Congress for the capital investments needed to establish a CCE. In FY 2001 and FY 2002, the amount of appropriated funding was $59.5 million annually. All appropriated funds are managed by OCIO.

Current Activities:

To date, the SCA have been implementing portions of SCMI-IT as funding becomes available, both through ongoing Agency budgets and other available funds. Significant progress continues to be made regarding the critical infrastructure components that form the basis for the CCE. One of the cornerstone activities of the SCMI-IT Plan was the acquisition and deployment of network servers for Service Centers. The servers were purchased in FY 2001 and were fully deployed by June 2002. The network servers are a linchpin of the CCE. These servers tie together the nearly 45,000 CCE workstations that have been purchased over the past several years, allowing the SCA to manage these workstations from a central location, provide a common e-mail and messaging system, support initial re-engineered processes, and provide additional security and remote management tools

Use of the Internet to help deliver SCA programs is growing at a rapid rate. Additional investments will be made in the SCMI Electronic Access Initiative to ensure that the infrastructure keeps pace with program demand and provides additional enhancements and functionality to the web farms.

The first round of CCE workstations that were purchased in 1998 will be replaced. These older workstations do not have the capacity to efficiently run many of the new applications that are being delivered to the field.

The SCMI has been very effective in obtaining enterprise license agreements for widely used software. Agreements for the use of Microsoft products and GIS software have led to substantial savings by the SCA. These agreements will be continued and new opportunities for enterprise licenses will be pursued

A number of activities for FY 2003 were proposed as part of the FY 2003 Budget. A brief summary of those activities follows.

Additional application and data servers are needed to run the more demanding GIS and other complex applications and to manage data and provide mirroring and disaster recovery functions. The network servers already deployed in each Service Center will be enhanced to accommodate application services, thereby avoiding the need to acquire and implement a second server in each Service Center. This approach will result in considerable savings in purchase, installation, and operation costs while still providing an effective solution for meeting the application servicing needs for the Agencies. After extensive analysis and comparison testing, Microsoft SQLServer 2000 was selected as the Relational Database Management System (RDBMS) to be installed on the approximately 2,700 servers. Procurements have been completed which will implement these decisions. Planning for the installation of the server enhancements along with the RDBMS and GIS software has been initiated, with expected deployment to occur in the second quarter of FY 2003.

A nation-wide upgrade of telecommunications capacity for the Service Center Agencies began in FY 2002. Telecommunications capacity was extremely limited at most field locations. The expanding use of the Internet and Intranet, growing numbers of Web-based agency applications, and e-Government services could not be supported by the existing network. The upgrade began in mid 2002 with completion scheduled for FY 2003. Larger, high demand field offices are targeted early in the process to alleviate already congested situations. Increased telecommunications capacity for Service Center offices will be integral to the Department's plans for a Universal Telecommunications Network (UTN).

Investments will also be made in data warehouses, data centers, security components and the web farms to support internal and external data sharing and electronic services. A data storage architecture will be finalized and implemented and it will include disaster recovery, failover and other features. Training is planned to ensure employees have the skills needed to effectively use and support the new technologies.

Although the basic CCE infrastructure will be in place shortly, the full utilization of the infrastructure will depend upon (1) how quickly the agencies can develop and digitize the base data needed to support GIS applications, and (2) the rate of conversion of current business applications to more streamlined integrated applications fully utilizing the CCE shared systems and data. While much progress has been made, it is expected the timetable for completing these activities will extend 2-3 years beyond the timetable for completion of the CCE depending on fund availability.

Selected Examples of Recent Progress:

Network Servers - The CCE Network Servers provide the first shared server for the Service Centers supporting a common e-mail system, provide local data storage, add needed security tools, host some limited applications and provide the ability to monitor and manage the local network and CCE workstations from an offsite location. The Support Services Contract vendor (Compaq/Federal) completed the

installation of all of the network servers on June 21, 2002. By the end of 2002, the SCA IT staffs had completed the migration of 90 percent of the CCE workstations to the Active Directory already running on the network servers. This establishes the basis for supporting the other functions that these servers will provide to the Service Centers. It is expected that all of the workstations will be migrated by the second quarter of the calendar year.

Workstations - With the deployment of the 10,000 CCE workstations purchased late in FY 2001 we now have a CCE compliant workstation for all SCA employees. This eliminates significant security issues associated with the old workstations and provides each employee with common office automation software and access to shared information and resources on the network. Additionally, all CCE workstations will be migrated from the Windows NT Operating System to Windows XP to provide additional functionality and security. To ensure that the nationwide Windows XP migration is accomplished seamlessly, testing of legacy applications was completed in the Inter-Operability Lab to insure business continuity during and after the migration. Pilot testing of the final configuration and installation procedure was completed in December 2002. XP migration was postponed until the second quarter of FY 2003 to allow for further testing of fixes to agency application software and the first Microsoft Service Pack. Current plans are to complete the migration by mid-August 2003 to support the full deployment of the common email system.

Telecommunications Upgrade - Each field office's telecommunications circuit capacity is being upgraded based on its current and future business needs and the most economical connectivity solution available to that location. Options evaluated included private IP network, satellite, Internet virtual private network (VPN), and wireless. Based on the evaluations, the Telecommunications Strategic Planning Team recommended raising the minimum bandwidth to T-1 in at least 80% of the offices and to 128 kbps and 256 kbps for small offices. As part of the telecommunications upgrade, new Cisco switches were purchased for each Service Center. The switches are needed to support the higher bandwidth capacities that the telecommunications upgrade will provide and support GIS mapping capabilities. 3000 Cisco model 2651 routers were purchased and shipped to replace the six-year-old LAN/WAN/Voice routers currently in use.

The Telecommunications Strategy IT Working Group continues to evaluate new technologies that extend broadband connectivity for field employees. The group has worked with the ClearChannel Company to outfit a NRCS vehicle with an antenna and small satellite dish enabling connectivity while working in the field with customers. Initial tests have shown that a field conservationist with a laptop or hand-held computer with wireless card can operate within a 1000-foot radius of the vehicle and still stay connected with good bandwidth. GPS coordinates can be uploaded almost as they are taken in the field, and users have access to applications for processing customer requests.

Electronic Access - Additional investments were made in the three Web Farms to provide high availability, secure, and fully functional web services for internal and external customers. The Electronic Access Initiative Central Authentication and Authorization Facility (WebCAAF) was installed in the three SCA web farms and became fully operational during FY 2002. WebCAAF is the single sign on solution for employees and the public to access partner agency web farms. All necessary IT infrastructure components needed to meet Freedom to E-file requirements were in place and operational well before the June 2002 deadline. By the end of FY 2002, well over one thousand (1,000) farmers signed up for the beta version of Electronic Loan Deficiency Payment (eLDP) and eForms. Nationwide deployment of eLDP, Technical Services Provider Register, FSA Farm Records and other applications is scheduled to begin in 2003. A contract was awarded to Computer Sciences Corporation (CSC) to develop a data storage architecture for the Service Center Agencies to include mirroring, replication, fail-over and business continuity. The contract covers completion of an overall architectural design and implementation of the first phases of investments needed to put this in place. This will address the primary infrastructure delivery components of the Geospatial and tabular data warehouses, as well as the Web Farm structure improvements needed.

Security - Security risk assessments were completed for the four telecommunications solutions tested in New Mexico, for the three agency Web Farms and for the overall telecommunications support system.

Penetration testing was completed on the FSA IBM AS 400 field office server as well as on the three Web Farms. Potential vulnerabilities and risks pointed out by the analyses are being addressed.

Geographical Information Systems - The USDA negotiated and executed a department wide enterprise license agreement with the Environmental Systems Research Institute (ESRI) for enterprise GIS software following an in-depth CCE GIS market research process. This agreement allows USDA agencies to use unlimited quantities of ESRI ArcView 3.x and ArcGIS 8.x software, including many extensions. Access to limited quantities of ArcIMS, an Internet GIS tool, and ArcPad, a mobile GIS tool, are also authorized by the agreement. The agreement also provides ESRI software maintenance for a period of five years and help desk support.

GIS software purchased in FY 2001 was deployed to accelerate the implementation of labor savings and service improvement with agency GIS applications. A Geospatial Data Warehouse (GDW) pilot was also initiated during the third quarter of FY 2002. This pilot includes the NRCS National Cartography and Geospatial Center (NCGC) in Ft. Worth, the FSA Aerial Photography Field Office (APFO) in Salt Lake City, and the Web Farms. Piloting of technologies for sharing, replicating and providing on-line access to geospatial data is being conducted and will lead to decisions on how the SCA will manage GIS data. The SCA have developed common data standards and are migrating their GIS Data to the network servers so that the data can be shared. The GIS Team established both a GIS Team and a Geodata Administrator at the State level to work together to manage geospatial data as a shared resource in Service Centers.

SCA personnel continue to be heavily involved in the development, design and implementation of the OMB E-Government Initiative titled Geospatial Data One-Stop. SCA geospatial data will become a key component of this One-Stop GIS data portal and the SCA will gain access to other needed data layers provided by other Federal, state and local government agencies through this process.

SCMI-IT awarded a multi-year, government-wide contract for GPS units late in FY 2001. GPS units are essential components of integrating GIS concepts and practices into Service Center program delivery. The units provide field personnel with the ability to quickly and accurately locate and measure field acres, boundaries, geographical features, and to electronically calculate acreage information for program sign-ups. GPS units provide latitude and longitude information and, in higher level units, altitude data that can then be used for plotting features on digital maps where they can be incorporated into more comprehensive digital data bases and used for many purposes by SCA personnel. The FSA and NRCS purchased about 1,700 GPS units in FY 2001. In FY 2002 FSA purchased an additional 250 and NRCS purchased and additional 625 GPS units. In FY 2003 we will purchase approximately 6,500 more GPS units from CCE funds to fill the field requirements.

To effectively use the GIS software, digitized data must be available. In FY 2001, additional orthoimagery was contracted and to date the National Digital Orthophotography program has mapped all of the conterminous U.S., Hawaii and Puerto Rico. Orthoimagery has been delivered for all but a few U.S. counties, and a program has been developed to replace counties orthoimagery. In some counties, imagery is over 10 years old. Digital Soil Surveys are available for 1,368 Soil Survey Areas. NRCS intends to complete 350 to 400 counties per year to complete the U.S. by 2006. CLUs have been digitized for more than 650 counties. FSA intends to contract out the development of CLU in six states in FY 2003, with a target of 500 counties. FSA expects to digitize additional 300-350 counties in-house in FY 2003. FSA plans to complete coverage for the continental US in FY 2004 through a combination of contracting and in-house development.

The SCMI-IT GIS Training Team developed customized GIS training courses that are being used by the agencies. GIS has been deployed to every Service Center and both FSA and NRCS have deployed customized desktop GIS applications. FSA deployed a GIS application that allows automatic updates of the CLU (farm field and tract boundaries) to over 650 counties, and has piloted GIS-based compliance procedures in over 200 counties. NRCS deployed the CST GIS application that enables wetland and conservation planning. The RD Rural Housing Service, Rural Utilities Service agencies, and Office of Community Development have begun the development of requirements and applications to support their unique needs.

OFFICE OF THE GENERAL COUNSEL

USER FEE PROGRAMS

Mr. Bonilla: Please update the table from last year's hearing record that lists all the user fee programs for which you receive a reimbursement and the amount of the reimbursement to include fiscal year 2002 actuals and estimates for fiscal years 2003 and 2004.

[The information follows:]

USER FEE PROGRAMS
FY 2002 ACTUALS AND FY 2003 and 2004 ESTIMATES

Program	FY 2002 ACTUALS	FY 2003 ESTIMATES	FY 2004 ESTIMATES
Perishable Agricultural Commodities Act	$ 609,691	$ 805,358	$ 881,000
Agricultural Marketing Act	26,023	30,911	32,000
Tobacco Inspection Act	11,802	11,839	12,000
Cotton Standards Act	1,331	1,335	1,400
Plant Variety Protection Act	15,046	24,914	27,000
Voluntary Meat Services	1,500	1,504	1,600
Research and Consumer Information Act	99,712	118,134	124,000
Animal and Plant Health Inspection Service	178,835	197,532	205,000
United States Warehouse Act	7,031	8,448	8,700
United States Grain Standards Act	9,107	8,023	8,300
Food Safety and Inspection Service	250	281	300
	$ 960,328	$1,253,279	$1,301,300

USER FEE HOURS

Mr. Bonilla: Update the table that appears in last year's hearing showing the attorney-hours spent on each user fee account to include fiscal year 2002 actuals and estimates for fiscal years 2003 and 2004.

[The information follows:]

OFFICE OF THE GENERAL COUNSEL
USER FEE HOURS

Agency	FY 2000	FY 2001	Actual FY 2002	Estimated FY 2003	Estimated FY 2004
AMS	9,364	9,142	12,528	12,528	12,576
APHIS	2,088	2,080	2,088	2,088	2,096
GIPSA	150	63	76	76	76
FSA	63	150	83	83	83
FSIS	21	21	21	21	21
Total	11,686	11,456	14,796	14,796	14,852

STAFF YEARS

Mr. Bonilla: Please update the table that appeared in last year's hearing record showing staff years by appropriation and reimbursements, to include fiscal year 20 actuals and fiscal year 2003 and 2004 estimates.

[The information follows:]

OGC Staff Years
By Appropriation and Reimbursements
FY 2000, 2001, 2002 Actuals and FY 2003 and 2004 Estimated

	Fiscal Year				
				Estimated	
	2000	2001	2002	2003	2004
Office of the General Counsel	312	301	304	337	337
Allocation from Hazardous Materials Mgmt...	10	11	11	14	14
Staff under other USDA appropriations:					
FS Subsistence Mgmt	1	1	1	--	--
FSA Reimbursement	--	--	1	1	1
AMS-User Fees	5	5	6	6	6
APHIS-User Fees	1	1	1	1	1
GIPSA-User Fees	0	0	0	0	0
FSA-User Fees	0	0	0	0	0
FSIS-User Fees	0	0	0	0	0
Total, Other USDA Appropriations	7	7	9	8	8
Total, Office of the General Counsel	329	319	324	359	359

ATTORNEY HOURS BY CATEGORY

Mr. Bonilla: Please update the table that appears in last year's hearing report, showing attorney-hours worked by category, to include fiscal year 2001 actuals.

Attorney Hours Worked
Fiscal Years 1998 - 2001

Areas:	FY 1998	FY 1999	FY 2000	FY 2001
Administrative Cases	38,498	40,130	41,143	38,422
Civil Cases	109,120	117,475	119,089	121,252
Criminal Cases	8,967	6,416	6,136	6,543
Nonjudicial Foreclosures	4,187	2,648	2,657	3,493
Hearing Officer/Claims Adjudicator Cases	8,886	7,993	7,997	8,384
Regulations	20,560	15,649	15,692	17,207
Correspondence/Documents	86,750	83,677	82,759	85,864
Oral Opinions	57,240	62,499	63,004	58,468
Draft or Review Legislation, Legislative Reports, Testimony	8,002	7,396	7,421	7,627
Other	68,845	78,245	77,653	76,745
Total	411,055	422,128	423,551	424,004

ATTORNEY HOURS BY AGENCY

Mr. Bonilla: Also update the table in last year's hearing report showing a breakout by agency of the attorney-hours worked for fiscal year 2001.

[The information follows:]

ESTIMATED ATTORNEY HOURS FOR FISCAL YEAR 2001
(By Agency)

	Hours	Percent
Agricultural Marketing Service	32,489	8
Animal and Plant Health Inspection Service	32,072	8
Farm Service Agency	46,750	11
Food and Nutrition Service	21,653	5
Food Safety and Inspection Service	13,488	3
Foreign Agricultural Service	7,621	2
Forest Service	124,111	29
Grain Inspection, Packers and Stockyards Administration	11,568	3
Natural Resources Conservation Service	19,627	5
Rural Business Cooperative Service	7,955	2
Rural Housing Service	56,522	13
Rural Utilities Service	20,692	5
Other (includes OGC internal management and several USDA agencies where time spent is less than 1%)	29,456	7
Total	424,004	100

PRIVATE COUNSEL

Mr. Bonilla: Did you initiate the use of private counsel in fiscal year 2002? Are there any plans to use the authority in fiscal year 2003?

Response: OGC did not initiate the use of private counsel in fiscal year 2002 and has no plans to initiate the use of private counsel in fiscal year 2003. However, the Secretary acting through the Administrator of the Rural Utilities Service (RUS) did use private counsel in fiscal year 2002 pursuant to the authority provided in the Rural Electrification Loan Restructuring Act of 1993 (Pub. L. No. 103-129, § 2(c)(4)) codified as 7 U.S.C. § 918(c). RUS is continuing to make limited use of outside counsel during fiscal year 2003 under this authority using procedures published as 7 CFR Part 1789. The authority provided by § 918(c) is limited to those circumstances where an RUS borrower voluntarily agrees to pay all the fees and expenses of the outside counsel representing RUS.

ATTORNEY LOCATIONS

Mr. Bonilla: Please update the table showing the number and locations of OGC attorneys appearing in last year's hearing record.

Response: Following is a table showing our attorneys by location as of March 31, 2003.

[The information follows:]

Attorney locations and positions

Washington, DC	123
Albuquerque, NM	3
Atlanta, GA	10
Chicago, IL	5
Columbus, OH	2
Denver, CO	12
Harrisburg, PA	7
Juneau, AK	4
Kansas City, MO	7
Little Rock, AR	6
Milwaukee, WI	6
Missoula, MT	5
Montgomery, AL	2
Ogden, UT	3
Portland, OR	9
San Francisco, CA	11
St. Paul, MN	4
Temple, TX	5
Total	224

CIVIL AND CRIMINAL CASES

Mr. Bonilla: Please update the table that appears in last year's hearing record, showing the number of new and pending civil and criminal cases, as well as the dollar value related to the pending cases, to include fiscal year 2001.

[The information follows:]

CIVIL AND CRIMINAL CASES

	New Cases Referred		Pending End of Fiscal Year	
	Civil	Criminal	Civil	Criminal
Fiscal Year:				
1997	9,433	209	23,863	424
1998	9,587	231	22,493	453
1999	9,428	224	20,929	471
2000	9,763	219	22,789	432
2001	9,286	208	21,327	434

DEBT COLLECTION

	Pending Cases	Dollar Amount
September 30, 1997	10,864	8,425,037,538
September 30, 1998	11,157	7,232,229,713
September 30, 1999	8,497	1,356,208,180
September 30, 2000	8,879	1,403,268,286
September 30, 2001	9,313	1,465,140,381

LAW LIBRARY

Mr. Bonilla: Please update the law library expenditures table that appeared in last year's hearing record to reflect 2002 actuals and fiscal years 2003 and 2004 estimates.

[The information follows:]

LAW LIBRARY COSTS

Fiscal Year	Total Expenditures
1991	$586,983
1992	$454,518
1993	$541,416
1994	$407,885
1995	$427,083
1996	$471,977
1997	$441,896
1998	$519,639
1999	$378,208
2000	$383,402
2001	$864,500
2002	$506,381
2003 Estimate	$493,063
2004 Estimate	$528,213

FY 2004 BUDGET REQUEST BREAKOUT

Mr. Bonilla: Please 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 2004 President's budget are considered "pre-decisional" materials and therefore remain a matter of internal record.

EXAMPLES OF RECENT PROGRESS

Mr. Bonilla: For each of the examples of recent progress, provide an estimate of the cost and lawyer staff years associated with providing legal assistance, the number of cases involved, and the outcome of the OGC assistance.

[The information follows:]

Selected Examples of Recent Progress	Estimated Cost	Staff Years	Number Of Cases	Outcome of Assistance
Legal assistance in connection with research and promotion programs.	239,050	2.50	11	OGC attorneys provided assistance in the defense of eleven new or ongoing constitutional challenges to USDA's research and promotion programs. Hearings were conducted before Administrative Law Judges in connection with the honey and watermelon programs, and a challenge to the egg program was dismissed on procedural grounds. Two cases involving the beef program and one involving the pork program are pending before U.S. Courts of Appeals; USDA prevailed at the district court level in cases involving the milk and avocado programs; and three cases involving the beef program are pending before the U.S. Court of International Trade.
Legal assistance in connection with marketing agreements and orders.	239,050	2.50	17	OGC attorneys provided substantial legal assistance in connection with over 130 rulemaking and other documents published in the Federal Register for the fruit and vegetable and milk marketing order programs. Legal services were provided to AMS Dairy programs in connection with six hearings held to revise pooling standards in seven milk marketing orders. Formal rulemaking hearings also were held to amend the Fruit and Vegetable Program's Cranberry Marketing Order and to establish a new marketing order for pistachios.

Selected Examples of Recent Progress	Estimated Cost	Staff Years	Number Of Cases	Outcome of Assistance
				Revisions to the raisin diversion program established under the Raisin Marketing Order contributed significantly to the OGC workload. OGC attorneys also handled eleven marketing order enforcement cases and six administrative challenges to marketing orders, including a constitutional challenge to the advertising provisions of the California tree fruit order.
Legal assistance in connection with the Animal Welfare Act and Horse Protection Act.	382,480	4.00	33	OGC attorneys initiated 29 new administrative enforcement actions under the Animal Welfare Act (AWA) and four new Horse Protection Act (HPA) cases. The number of HPA cases was down substantially as a result of the implementation of APHIS' Operating Plan for the 2002 Horse Show Season. In addition, OGC provided substantial assistance in connection with ongoing administrative enforcement actions under the AWA and HPA, and provided legal review and drafting services in connection with several rulemaking and policy statements.
Legal assistance in connection with the Grain Standards Act.	47,810	.50		OGC attorneys provided legal services in connection with a variety of rulemaking actions and other documents. OGC worked with and advised the agency concerning a number of program changes to better serve the grain industry, including

Selected Examples of Recent Progress	Estimated Cost	Staff Years	Number Of Cases	Outcome of Assistance
				implementing new services, such as a commodity process verification program for grain, rice and pulses. OGC attorneys also provided advice and guidance in connection with restructuring the basis upon which the agency charges and collects user fees.
Legal assistance to APHIS in connection with proposed and final rules dealing with import, interstate movement, and control and eradication programs for plant pests, plant and plant products, animal and animal products.	429,306	4.50		OGC assisted in the drafting, revision and review of over 190 Federal Register dockets aimed at the protection of animal and plant health, the control and eradication of pests and diseases, and the facilitation of international trade.
Assistance to APHIS in connection with legislation to consolidate and update the animal health laws, to establish the Department of Homeland Security, and to regulate certain biological agents.	23,850	.25		OGC contributed to the enactment of three significant legislative initiatives, and continues to assist in the successful implementation of these statutes.
Conducting or assisting in litigation challenging APHIS program activities regulating animal and plant health and APHIS' Wildlife Services animal damage control projects.	143,102	1.50	14	Examples of these cases include civil actions challenging APHIS rules permitting the importation of Spanish clementines and Mexican avocados. These cases are ongoing. Cases at the federal and state levels challenging APHIS' citrus canker program have been

Selected Examples of Recent Progress	Estimated Cost	Staff Years	Number Of Cases	Outcome of Assistance
				successfully resolved. APHIS enforcement of U.S. CITES obligations has been successfully defended.
Food Safety and Inspection Service Rulemakings, Notices, and Directives.	333,905	3.50		OGC assisted FSIS in connection with an array of rules, policy notices, and directives that included regulatory initiatives addressing E.coli 0157:H7 contamination of beef products, more effective drug residue testing procedures, improved security guidelines for official plants, and enhanced procedures for preventing listeria contamination of ready-to-eat products.
Enforcement actions under the Federal Meat Inspection Act, Poultry Products Inspection Act, and the Egg Products Inspection Act.	190,803	2.00	180	OGC worked with USDA's OIG and with the Department of Justice on an array of criminal and civil actions resulting in successful prosecutions and injunctive actions against violations of these inspection laws. OGC attorneys also litigated successfully administative proceedings involving the withdrawal and suspension of inspection for violations of regulatory requirements.
Cases/issues arising out of the Hunt Point bribery investigations.	273,648	3.50		In this FY, OGC provided litigation services to PACA in disciplinary and reparation cases arising out of the Hunts Point bribery investigation.

Selected Examples of Recent Progress	Estimated Cost	Staff Years	Number Of Cases	Outcome of Assistance
Cases/issues arising out of the Hunts Point bribery investigation.	78,185	1.00		OGC is participating in the investigation of GIPSA competition cases and acts as liaison for USDA with DOJ and the FTC on competition issues.
Ocean Transportation Cargo Loss and Damage Claims.	19,734	.20	40	OGC reviews claims against ocean carriers for cargo loss and damage, general average, and salvage in connection with shipments of agricultural commodities under United States' (U.S.) Foreign assistance programs. OGC prepares cases for referral to the Department of Justice and actively assists in the resultant litigation. The cases currently pending include approximately 300 individual admiralty claims reviewed by OGC.
Foreign Assistance Activities.	148,005	1.50		OGC reviews and helps prepare grant and concessional credit agreements governing the supply of agricultural commodities to meet humanitarian and developmental needs overseas.
International Trade Disputes.	197,340	2.00	4	OGC reviews and drafts briefs in connection with World Trade Organization cases involving U.S. agricultural commodities and assists Departmental personnel in negotiations involving trade disputes. One of those cases currently involves an action brought by Brazil concerning the U.S. cotton program.

Selected Examples of Recent Progress	Estimated Cost	Staff Years	Number Of Cases	Outcome of Assistance
Implementation of Food Security and Rural Investment Act of 2002.	98,670	1.00		OGC provides assistance to the Farm Service Agency (FSA) and the Commodity Credit Corporation (CCC) in connection with the promulgation of regulations needed to implement the many programs provided for recently by Congress in new legislation. Principal among these has been the 2002 Farm legislation under which many new programs and provisions were implemented leading to numerous rulemakings and the need for the resolution of the many new important issues affecting millions of farmers. Very recently, additional effort and advice have been rendered in connection with the enactment of the multi-faceted Agricultural Assistance Act of 2003 which provides for, among other things, new disaster authorities.
New Conservation Measures.	19,734	.20		OGC provides ongoing assistance to FSA and CCC in connection with the administration of the 30 million acre Conservation Reserve Program (CRP), including the development of new agreements under the Conservation Reserve Enhancement Programs which target the CRP to particular State environmental needs. Recent efforts have also included implementation of new provisions provided for in the recent Farm legislation.

Selected Examples of Recent Progress	Estimated Cost	Staff Years	Number Of Cases	Outcome of Assistance
Domestic Commodity Programs.	394,680	4.00	100	OGC continues to provide legal advice and support with respect to the administration of the on-going programs administered by FSA. For example, OGC has provided assistance with regard to matters involving the implementation of the recent Farm legislation and in connection with the defense of the lawsuits that have resulted from the implementation of such legislation. These include a class action lawsuit brought by dairy operations seeking to receive larger milk income support payments and a class action lawsuit brought by peanut quota holders seeking larger buyout payments. These efforts are in addition to the many other lawsuits resulting from the day-to-day operations of the multi-billion dollar programs administered by FSA.
Food Stamp Program (FSP) Quality Control (QC) Liability Appeals.	125,653	1.50	4	OGC provided legal advice in analyzing and responding to State agency appeals of FSP QC sanctions filed with the USDA Office of the Administrative Law Judges. OGC prepares the answer to the appeal, represents the Food and Nutrition Service (FNS) at the appeal hearing, and handles any appeal filed with the USDA Judicial Officer. Four appeals have been filed for FY 2001 sanctions. FNS anticipates a similar number for FY 2002.

Selected Examples of Recent Progress	Estimated Cost	Staff Years	Number Of Cases	Outcome of Assistance
Child and Adult Care Food Program (CACFP) Regulatory Amendments.	16,754	.20		OGC attorneys worked closely with FNS to provide legal review of major interim CACFP regulatory amendments to implement provisions of the Agricultural Risk Protection Act of 2000. These statutory amendments restructured fundamental CACFP functions ranging from frequency of program reviews of day care providers to due process provided for sponsoring organizations.
FNS Program Litigation.	100,522	1.20	5	OGC assisted in the defense of several legal challenges to the domestic food assistance programs. Among other issues, litigation involved: (1) USDA's position that hearings provided for CACFP providers are informal rather than formal proceedings under the Administrative Procedure Act; (2) rules regarding timely filing of claims for reimbursement by CACFP sponsors; and (3) restored FSP benefits for the period from the date a regulation became effective to the date the State agencies were required to implement the regulation. OGC also played a significant role in the settlement of a *qui tam* action under which misused CACFP funds were recovered. Finally, OGC was influential in the settlement of a class action lawsuit against the State of New York which resulted in the efficient transfer

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				of FSP recipients who were being converted from public assistance to the Supplemental Security Income program.
Memorandum of Understanding (MOU) regarding Veterans participation in the domestic food assistance programs.	8,377	.10		OGC provided legal advice regarding a MOU between the FNS and the Veterans Administration which specifies collaborative efforts of the two agencies to encourage disabled and other veterans to participate in the domestic food assistance programs for which they are eligible.
Special Supplemental Nutrition Program for Women, Infants and Children (WIC) and Food Stamp Program regulations.	67,015	.80		OGC reviewed a substantial rule proposing a variety of changes to the WIC program which, among other things, would streamline federal requirements for financial and participation reporting for State agencies. OGC also reviewed rules which would change FSP requirements applicable to anticipating income and reporting changes, and revise standards for approval and operation of FSP electronic benefit transfer systems.
FCIC disqualification of farmers from crop insurance.	38,521	.40	34	OGC provided advice and assistance to FCIC in reviewing disqualification of farmers from crop insurance.

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Rural Housing Service and Rural Business-Cooperative Service non-procurement debarment proceedings.	28,891	.30	7	OGC reviewed, advised, and represented the Rural Housing Service in bringing proposed and final non-procurement debarment cases. Decisions were reached on individual debarments.
FCIC proposed and final non-procurement debarments.	9,630	.10	15	Reviewed, advised, and assisted FCIC regarding proposed and final non-procurement debarments. Reviews completed.
FCIC Cooperative Agreements and pursuant to the Agriculture Risk Protection Act of 2000.	19,261	.20	55	Reviewed cooperative agreements and for FCIC. New cooperative agreements are prepared each year and the number requiring OGC review should increase as more authority is utilized.
Board of Contract Appeals litigation of FCIC cases.	19,261	.20	15	BCA litigation for FCIC cases. OGC represented the Federal Crop Insurance Corporation before the Board of Contract Appeals in matters where the reinsured company filed suit against the government.
Crop Insurance litigation in Federal Courts.	9,630	.10	6	OGC assisted several United States Attorneys in the defense of FCIC in litigation, Kansas, New Mexico, Minnesota, Iowa, North Carolina, Washington, D.C.

Selected Examples of Recent Progress	Estimated Cost	Staff Years	Number Of Cases	Outcome of Assistance
Review comments on proposed rule on National Environmental Policy Act for Rural Housing Service and Rural Business-Cooperative Service.	4,815	.05	1	OGC Reviewed Final Rule on National Environmental Policy Act for Rural Housing Service and Rural Business-Cooperative Service (RBS). Review completed and RBS was advised of OGC comments.
Bracero case class actions.	9,630	.10	4	Assisted the Department of Justice in defending several class actions by former braceros for damages arising out of alleged misfeasance in handling rural savings accounts in the 1940s to1960s. On August 23, 2002, the case was dismissed with leave to amend the complaints. Plaintiffs are seeking to amend the complaints.
Debt Collection Improvement Act.	9,630	.10		OGC provided advice to RD, FSA, and FCIC on many issues in connection with implementing the Debt Collection Improvement Act.
RHS Multi-Family Housing prepayment litigation.	9,630	.10	6	OGC assisted several United States Attorneys in the defense of six prepayment lawsuits involving approximately 350 RHS projects. Litigation is proceeding and certiorari was granted by the United States Supreme Court in one of the cases.
FSA Horse Breeder and Emergency Loans.	6,741	.07	2	OGC reviewed regulations concerning FSA Horse Breeder Loans, Emergency Loans and mediation.

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RHS Farm Labor Housing class action litigation.	9,630	.10	1	A settlement was entered into on January 12, 2001. Since then OGC has been working with the Department of Justice and RHS in implementing the settlement agreement. Quarterly reports must be provided to plaintiffs as part of the settlement and OGC input is required in the preparation of these reports.
Business and Industry Guaranteed Loans and Rural Development Loan and Grant Program of the Rural Business-Cooperative Service	77,042	.80	15	OGC provided extensive assistance to RBS in evaluating loan applications for conformity with applicable statutes and regulations.
Indian Tribal Land Acquisition Loans (ITLAP) and farm loan program loans of the Farm Service Agency.	4,815	.05		OGC provided continuing advice to FSA on servicing ITLAP loans. Advice is ongoing.
Farm Security and Rural Investment Act of 2002.	38,521	.40		OGC provided extensive assistance to RBS, FSA, and RHS and Congressional staffs and committees in the development of the Farm Security and Rural Investment Act of 2002, and reviewing agency regulations and directives implementing this law.
Farm Service Agency Farm Loan Programs shared appreciation agreements.	19,261	.20		OGC provided advice and assistance to FSA, OGC field attorneys, United States Attorneys offices and the Department of Justice litigating various aspects of shared appreciation agreements. OGC assisted FSA in revising its shared appreciation agreement regulation and assisted FSA in enforcing these agreements.

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Farm Service Agency and FCIC civil rights issues.	48,151	.50		OGC, in coordination with the Civil Rights Division of OGC, provides extensive continuing advice to FSA on matters pertaining the implementation of the Pigford civil rights settlement agreement and the resolution of section 741 discrimination complaints and concerns raised by various minority farmer advocacy groups.
Rural Business-Cooperative Service.	9,630	.10	45	OGC provides ongoing advice to Rural Business-Cooperative Service in the implementation of several new programs, including reviews of many cooperative agreements arising under these programs.
Debt collection activities of the Rural Business-Cooperative Service under the Business and Industry Guaranteed Loan program.	28,891	.30		The RBS guaranteed loan program is experiencing high losses in large loans which require much forensic analytic effort by OGC to discover the reasons for the loss and to assist RBS in determining if and the extent to which the loan guarantee should be invalidated.
RHS Single Family Housing Loans.	9,630	.10		OGC reviewed regulations converning guaranteed and direct RHS single family housing loans and implementation of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 concerning the eligibility of qualified aliens for guaranteed single family housing loans.

Selected Examples of Recent Progress	Estimated Cost	Staff Years	Number Of Cases	Outcome of Assistance
Rural Housing Service Guaranteed Multi-Family Housing Loans.	9,630	.10		OGC has provided significant advice and counsel to RHS to fully implement its guaranteed rural rental housing loan program and investigate selling the loans on the private market.
Evaluation of crop insurance policies and plans of insurance submitted to FCIC.	9,630	.10		OGC continues to assist the FCIC Board of Directors in the evaluation of proposed crop insurance policies under procedures mandated by the Agriculture Risk Protection Act of 2000. The FCIC Board has been able to approve or disapprove products with OGC assistance based on whether the interests of producers were protected, the rates were actuarially appropriate, and program integrity was protected.
Assist the committees of the FCIC Board of directors.	2,889	.03		Assist in the drafting of charters and in providing advice to the Agencies and Audit and Finance Committees of the FCIC Board of Directors.
Homeland Security.	4,815	.05		OGC provided advice and assistance to FSA and RD on enforcing its emergency program responsibilities under Departmental Regulation 1800-1.
Implementation of the Agriculture Risk Protection Act of 2000.	9,630	.10		On an ongoing basis OGC provides extensive advice and counsel to the FCIC Board in developing and approving pilot programs in the development stage and for changes which are made to existing policies as a result of the Agriculture Risk Protection Act of 2000.

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FCIC fraud, waste, and abuse.	12,519	.13		OGC continues to work closely with FCIC Regional Compliance offices to resolve issues of fraud, waste, and abuse by insured and insurance companies. Some of these cases are referred to the Department of Justice and some are handled administratively by FCIC.
FOIA, Privacy Act, and Witness requests.	12,519	.13	35	OGC continues to advise FCIC, RHS, RBS, and FSA on legal issues involving the Privacy Act, Freedom of Information Act, and requests for agency personnel to appear as witnesses in litigation in which the Government is not a party.
Advise FCIC concerning Failure of American Growers Insurance Company.	14,445	.15		OGC provided advice to FCIC and the State of Nebraska Department of Insurance regarding the orderly dissolution of the crop insurance business, developed procedures to distribute policies, drafted memorandums of understanding and agreements.
FSA uniform security instruments.	4,815	.05	53	OGC drafted uniform mortgages and deeds of trust for use in FSA Farm Loan Programs.
Documented Rural Utilities Service (RUS) Electric Distribution Loans.	218,650	2.00	131	OGC reviewed and cleared executed loan documents; maintained an automated documents production system (ALPS) to produce standard notes, loan contracts and security instruments; implemented nationwide changes to Uniform Commercial Code.

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Documented RUS Telecommunications Loans.	131,190	1.20	34	OGC reviewed and cleared executed loan documents; maintained an automated documents production system (ALPS) to produce standard notes, loan contracts and security instruments; implemented nationwide changes to Uniform Commercial Code.
Assisted RUS in implementation of pilot program for broadband loans, and development of initial regulations.	81,994	.75	17	OGC reviewed and advised RUS on publication of Federal Register notice, drafted forms of agreements and other documents, and provided legal advice in connection with making loans aggregating approximately $80 million. $80 million is the BA for FY 2002 and FY 2003. The total mandatory funding is $100 million. The loan level for just the $80 million in BA is $1.5 billion.
Major revision of standard contract forms used by RUS Electric Program.	21,865	.20	1	OGC helped RUS update, consolidate and streamline standard forms of construction and equipment contracts; reviewed and advised RUS on publication of related Federal Register notices.
Debt collection.	54,662	.50	5	OGC provided legal advice to RUS in corporate and in debt settlement and restructuring of approximately $500 million in obligations to RUS owed by a generation and transmission corporation located in Kansas. Advised RUS on steps concerning audit and default and demand letter

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				for first loan and grant in Distance Learning and Telemedicine Program (DLT) to default. Provided legal advice and assistance to RUS as a creditor in bankruptcy of first DLT loan and grant recipient to enter bankruptcy. Advised RUS with respect to exercise of rights of approval of significant agreements entered into by borrowers whose debts had been restructured.
Advised and assisted RUS in considering loan applications for major power supply projects in Arizona, Colorado, Georgia, Iowa, Illinois, Kentucky, Missouri, North Dakota, Ohio, Texas, Virginia and Wisconsin aggregating approximately $2.86 Billion.	327,974	3.00	26	Advised RUS in analysis of legal issues presented by new power supply projects and contracts; participated in negotiations with borrowers, co-mortgagees and joint participants; reviewed legal documents; drafted loan documentation; reviewed and cleared executed loan and security instruments aggregating approximately $1.3 Billion.
Advised RUS on variety of 2002 Farm Bill implementation issues.	54,662	.50	5	Assisted RUS in development of initial proposed regulations for implementing Section 6101 of the Farm Bill authorizing guarantees for bonds and notes issued for electrification or telephone purposes and Section 6103 enhancing access to broadband service in rural areas; advised RUS in connection with the execution of agreements with the Delta Regional Authority concerning, among other things, grants under Section 6027 of the

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				Farm Bill; and reviewed and revised delegations of authority where necessary to implment provisions of the Farm Bill.
Advised RUS as participant in LOCAL TV Loan Guarantee Board.	21,865	.20	1	Assisted RUS in negotiation and development of initial organizational, procedural, and substantive regulations for the LOCAL TV Loan Guarantee Board.
Assist RUS in increasing its financial assistance for renewable energy power supply projects.	21,865	.20	3	Advised RUS in connection with revising policies and procedures thought to inhibit loans for renewable energy power supply projects. OGC also drafted, reviewed and cleared notes, loan contracts and security instruments for wind projects in North Dakota and South Dakota.
Advised RUS on acquisition and financing of electric utility serving Island of Kauai	21,865	.20	1	Reviewed organizational and commission proceedings establishing first electric cooperative in the State of Hawaii; drafted and cleared loan documents for RUS financing of acquisition of 100% of assets of former utility.
Advised Rural Telephone Bank (RTB) regarding privatization	21,865	.20	1	Provided general legal advice on an ongoing basis to the Governor of the Rural Telephone Bank in connection with the development and release of major study on privatization of the RTB.

Selected Examples of Recent Progress	Estimated Cost	Staff Years	Number Of Cases	Outcome of Assistance
Provision of legal assistance with respect to the National Environmental Policy Act (NEPA), the National Forest Management Act (NFMA), the Endangered Species Act (ESA), the Appeals Reform Act and other environmental laws.	885,347	9.00		Assistance provided at the pre-decisional and post-decisional (i.e., administrative appeal) stages with respect to projects and land and resource management plan revisions and amendments, and with respect to regulations and policies.
Provision of legal assistance in litigation involving the National Environmental Policy Act (NEPA), the National Forest Management Act (NFMA), the Endangered Species Act (ESA), the Appeals Reform Act and other environmental laws.	1,672,322	17.00	100 (any given time estimate)	Assistance provided in the defense of Forest Service actions in litigation: in calendar year 2001 the Government had 31 favorable court decisions, 16 unfavorable decisions, and 4 settled lawsuits involving NEPA, NFMA, ESA.
Provision of legal interpretation and litigation assistance related to application of Endangered Species Act and other environmental laws to NRCS natural resource conservation program.	147,558	1.50	2	Early direct involvement of OGC attorneys in agency deliberations when activities were challenged allowed agency activities to proceed or resume with less delay.
Provision of litigation support in defaulted timber sale contract and long term Alaska timber contract litigation.	196,744	2.00	27	Conducted five -week trial; filed post-trial briefs; engaged in settlement negotiations aimed at recovering default damages on more than 26 cases after two trials where court decided the Government was entitled to damages.

Selected Examples of Recent Progress	Estimated Cost	Staff Years	Number Of Cases	Outcome of Assistance
Provision of legal advice in connection with administration and termination of sustained yield units pursuant to the Sustained Yield Management Act of 1944, which established long-term agreements for the sustained yield of timber and forest products to provide community stability.	4,919	.05	2	Assistance to Forest Service in interpreting the Sustained Yield Act to determine whether proposed modifications to one unit established under the Act were appropriate and reviewing modifications to the sustained yield unit agreement; negotiated and drafted proposed terms for termination of another sustained yield unit, as well as assisted with related litigation and settlement discussions in district court and the Court of Federal claims.
Provision of legal assistance for dispersed recreation, wilderness, wild and scenic rivers national trails and Congressionally designated areas.	49,186	.50		Assisted on issues regarding management of wilderness areas, Wild and Scenic Rivers, National Trails, and Congressionally designated areas.
Provide legal assistance in major land acquisition initiatives.	49,186	.50		Provided legal assistance relating to legislated acquisitions authorized under the Land and Water Conservation Fund.
Provided legal assistance in the Forest service land purchases and exchange programs.	49,186	.50		Assistance provided in contracting, closing, and preparation of instruments of conveyance.
Provision of legal assistance for rights-of-way, access, RS 2477 and related easement issues.	49,186	.50		Defense of several ongoing lawsuits and administrative settlements.

Selected Examples of Recent Progress	Estimated Cost	Staff Years	Number Of Cases	Outcome of Assistance
Provide legal assistance for the resolution of land title claims, encroachments, land grants and Indian claims.	49,186	.50		Settlement and /or prosecution of civil claims over title to land, including claims by the Pueblos of San Ildefonso and Sandia.
Provision of litigation support for taking claims in the U.S. Court of Federal Claims.	19,674	.20		Defense of several ongoing cases alleging regulatory takings (e.g. Hage v. U.S.).
Provision of legal services regarding the development of mineral resources on National Forest System lands.	88,535	.90		Assisted in negotiating a settlement of a takings case and the successful implementation of the agreement avoiding a $100 million claim against the United States; advised on and provided drafting services for a proposed rule updating a quarter-century old, much challenged rule governing locatable mineral operations; and revised proposed legislation to provide the Forest Service authority to authorize the disposal of paleontological resources.
Provision of legal advice in connection with rapidly expanding recreation programs, including coordinating litigation pertaining to off-highway vehicle use, enforcement of the noncommercial group use rule, and enforcement of the Recreational Fee Demonstration Program, and addressing liability issues in the context of the special use program.	196,744	2.00	21	Assistance to Forest Service in defending litigation challenging management of off-highway vehicle use, in successfully defending constitutionality of noncommercial group use rule, in enforcing the Recreational Fee Demonstration Program, and in requiring states that hold special use authorizations to insure and indemnify the United States.

Selected Examples of Recent Progress	Estimated Cost	Staff Years	Number Of Cases	Outcome of Assistance
Provision of legal advice in connection with important legislation concerning the administration of the National Forest System.	172,151	1.75		Addressed legal issues relating to implementation of legislation stabilizing payments to states. Assisted in responding to Congressional document requests, including a request relating to the roadless area conservation rule. Assisted in preparing for, and following up to, numerous Congressional hearings. Drafted and reviewed legislation, including the Administration's Healthy Forest Initiative.
Handled administrative claims and suits filed pursuant to the Federal Tort Claims Act.	141,286	1.50	61 claims 159 suits	Claims were denied and allowed; assisted the Department of Justice (DOJ) litigating suits.
Provided legal services on Freedom of Information Act (FOIA) and Privacy Act (PA) requests and appeals and handled FOIA and PA suits.	235,476	2.50	214 FOIA and PA requests and appeals 43 FOIA and PA suits	Advice provided to agencies regarding FOIA and PA issues; released or withheld records; concurrence and non-concurrence on FOIA appeals provided; assistance provided to DOJ litigating suits.
Provided legal services in connection with homeland security policies and procedures, including departmental guidelines and regulations regarding "sensitive security information," a comprehensive directory of USDA Emergency Relief Authorities, obtaining original classification authority from the President, and participation in non-immigrant visa programs.	28,257	.30		Legal advice provided; Departmental Regulation concerning the control and protection of "sensitive security information" issued on January 30, 2003; original classification authority obtained; compilation of Department Emergency Relief authorities published.

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Provided legal services in areas such as conflicts of interest, fund-raising, acceptance of gifts, budget and fiscal matters, property management, advisory committee activities, delegations of authority, subpoenas, personnel, Whistleblower Protection Act; Paperwork Reduction Act, the Administrative Procedure Act, and similar matters.	183,671	1.95		Oral and written legal advice provided in all areas; numerous FACA committees established, renewed, and re-established; numerous subpoenas and requests for employee testimony reviewed, approved or denied under Touhy regulations. Drafted new Departmental Regulation on acceptance of gifts.
Handled cases filed under the Fair Labor Standards Act, the Federal Employees Pay Act, the Federal Advisory Committee Act, the Whistleblower Protection Act, and other Federal personnel laws.	47,095	.50	9	Litigated cases before the Merit Systems Protection Board; assisted the Department of Justice litigating cases.
Advised Research, Education, and Economics mission area agencies and the Office of Inspector General on matters regarding allowability of costs incurred by grant recipients, guidelines for Hatch Act multi-state and multi-State Smith Lever Act requirements, and Federal rights in property purchased in whole or in part with Federal financial assistance.	28,257	.30		Recommended repayment of grant funds by a university for contracting with a debarred contractor. Advised OIG on the proper calculation of multi-state Hatch and multi-state and integrated Smith-Lever funds for audit purposes.

Selected Examples of Recent Progress	Estimated Cost	Staff Years	Number Of Cases	Outcome of Assistance
Development of research and energy titles of the 2002 Farm Bill, and implementation of those and provisions of the rural development and miscellaneous titles of the Farm Bill, including the Biobased Products Program, and Farm Bill delegations of authority.	28,257	.30		Secretary's Memorandum delegating farm bill authorities. Advised on first draft of Biobased Poducts regulation.
Provided advice on procurement, property, and financial management issues and Departmentwide policies, including revision of the debt collection regulations, assisting in updating Departmentwide assistance regulations, and providing guidance related to the Federal Activities Inventory Reform Act and competitive sourcing under OMB Circular A-76.	65,933	.70		Drafted revision to Department debt collection regulations currently in clearance.
Directly represented USDA agencies in 38 procurement protests before the U.S. General Accounting Office and 10 contract claims before the Agriculture Board of Contract Appeals. Assisted agencies with 10 agency-level procurement protests.	141,286	1.50	58	Timely resolution of the 38 administrative procurement protests and 10 agency-level protests. Resolution or progress toward resolution of the 10 administrative contract claims. Specific legal products include memoranda of law, legal motions, and filings of and responses to discovery requests.
Served as agency counsel assisting DOJ in 5 procurement protests and 8 contract claims before the U.S. Court of Federal Claims.	20,722	.22	13	Compiled administrative records, provided all necessary factual information (including documents, statements, and affidavits), and assisted with legal research and theorizing for DOJ attorneys

Selected Examples of Recent Progress	Estimated Cost	Staff Years	Number Of Cases	Outcome of Assistance
				representing the Government before the Court of Federal Claims in these USDA procurement matters.
Served as agency counsel assisting DOJ in 2 qui tam actions in Federal courts, 6 bankruptcy suits, 2 class-action anti-trust suits and False Claims Act suits, 3 matters before the Federal Circuit Court of Appeals, and 1 nonprocurement lawsuit in United States District Court.	4,710	.05	14	Compiled administrative records, provided all necessary factual information, and served as liaison for DOJ attorneys to preserve and advocate USDA interests in these matters.
Reviewed 11 memoranda of understanding between various USDA agencies and non-Federal parties.	15,070	.16		Legal advice allowing USDA agencies to enter into and successfully administer numerous memoranda of understanding to further these important relationships.
Advised the National Appeals Division (NAD) on administrative and procedural issues, including providing litigation support to DOJ.	9,419	.10		Legal advice facilitating proper implementation of NAD regulations and procedures and the defense of such implementation in various litigation.
78 patent applications prepared on inventions for USDA employees with the objective of obtaining patent protection for the Government.	65,933	.70		57 patents were obtained, 8 applications were abandoned, and 17 cases otherwise were closed.
EEO individual formal and informal complaint proceedings before the Equal Employment Opportunity Commission and the Merit Systems Protection Board.	362,138	5.00	58	Representing USDA in the adjudication of individual formal and informal discrimination complaints before the Equal Employment Opportunity Commission and the Merit Systems Protection Board.

Selected Examples of Recent Progress	Estimated Cost	Staff Years	Number Of Cases	Outcome of Assistance
Individual program complaints processed under Section 741 before Administrative Law Judges.	144,855	2.00	20	Representing USDA in the adjudication of individual discrimination complaints processed under Section 741 before Administrative Law Judges.
EEO individual complaints pending in Federal Court.	181,070	2.50	28	Providing litigation assistance to the Department of Justice in EEO complaints, including, where appropriate, writing litigation reports; drafting answers, briefs, and motions; preparing witnesses; and negotiating settlements .
Individual program complaints pending in Federal Court.	108,642	1.50	14	Providing litigation assistance to the Department of Justice in program complaints, including, where appropriate, writing litigation reports; drafting answers, briefs, and motions; preparing witnesses; and negotiating settlements.
Basu v. Veneman, EEOC No. 100-A1-7863X	36,214	.50	1 class action	EEOC Office of Federal Operations provisionally certified class complaint alleging discrimination in the hiring and promotion of Asian Americans throughout USDA; currently, parties are preparing briefs on class certification issues.
Brionez v. Veneman, Civil Action No. 4:01-3969 CW (N.D. Cal.)	36,214	.50	1 class action	Negotiated settlement of a class complaint brought on behalf of all Hispanic employees of Region 5 of the Forest Service alleging a hostile work environment, reprisal,

Selected Examples of Recent Progress	Estimated Cost	Staff Years	Number Of Cases	Outcome of Assistance
				and discrimination in hiring and promotions based on race or national origin.
Childs v. Veneman, EEOC No. 370-A2-X2285	18,107	.25	1 class action	Successfully opposed certification of class complaint brought on behalf of employees of the Forest Service, Sequoia National Forest who have been subject to reprisal and a hostile work environment based on receipt of a reprimand letter.
Donnelly v. Veneman, Civil Action No. C 95-4389 (N.D.Cal.)	108,642	1.50	1 class action, 18 individual complaints in which a hearing was requested	Coordinating and implementing settlement of class action discrimination complaint filed in U.S. District Court on behalf of female employees in Region 5 (California) of the Forest Service who were subjected to a sexually hostile work environment; currently litigating individual complaints of class members; responding to issues raised by Monitoring Council established pursuant to settlement agreement.
Douglas v. Veneman, EEOC No. 110-A1-8345X	36,214	.50	1 class action	Prevailed before EEOC in opposing class certification of class action complaint filed on behalf of all African American employees of Region 8 of the Forest Service alleging race discrimination and/or reprisal for prior EEO activity; reached global settlement agreement with class agent that resulted in withdrawal of appeal filed with the Office of Federal Operations.

Selected Examples of Recent Progress	Estimated Cost	Staff Years	Number Of Cases	Outcome of Assistance
Epps v. Veneman, EEOC No. 270-96-9129X	72,428	1.00	1 class action	Litigating a certified class action complaint filed on behalf of African American employees of the National Finance Center alleging discrimination in promotions.
Herron v. Veneman, EEOC No. 100-98-7658X	108,642	1.50	1 class action	Prevailed on the merits in hearing before EEOC in a certified class action complaint filed on behalf of all African American employees of the Farm Service Agency who were denied promotion or the opportunity for promotion to the GS-13, GS-14 or GS-15 grade levels; case was remanded by the Office of Federal Operations for further proceedings.
Kirchoff v. Veneman, EEOC No. 260-A2-8034X	36,214	.50	1 class action	Successfully opposed certification of class complaint brought on behalf of Business & Community Program Loan Specialists employed by Rural Development alleging Equal Pay Act violations.
Linebager v. Veneman, EEOC No. 340-A1-3729X	18,107	.25	1 class action	Class complaint brought on behalf of African-American employees of the Forest Service alleging discrimination based on race and color in a variety of personnel actions; intend to oppose certification once an Administrative Judge is assigned.
O'Connor v. Veneman, EEOC No. 370-A2-X2168	18,017	.25	1 class action	Successfully opposed certification of class complaint brought on behalf of female employees of the Forest Service who have been subject to harassment and other discrimination based on gender and reprisal.

Selected Examples of Recent Progress	Estimated Cost	Staff Years	Number Of Cases	Outcome of Assistance
Rahman v. Veneman, EEOC No. 350-A2-8074X	18,107	.25	1 class action	Successfully opposed certification of class complaint brought on behalf of all minority employees of USDA who have been subject to discrimination in selections, upward mobility and processing of EEO complaints; class agent has filed appeal with Office of Federal Operations.
Russell v. Veneman, EEOC No. 370-A2-X2384	18,107	.25	1 class action	Successfully opposed certification of class brought on behalf of Forest Service, Region 5 employees who have experienced discrimination and have not received reasonable accommodation for a visual impairment disability.
Sedillo v. Veneman, EEOC No. 100-99-7226P	72,428	1.00	1 class action	Litigating class action complaint filed on behalf of all Hispanic employees of the Forest Service alleging a hostile work environment and discrimination in hiring, promotions, awards, training, and performance evaluations.
Spencer v. Veneman, EEOC No. 100-99-7910R	72,428	1.00	1 class action	Prevailed before EEOC in opposing class certification of class action complaint filed on behalf of all African American employees of USDA alleging a hostile work environment and discrimination in hiring, promotions, performance appraisals, awards, and training opportunities; the Office of Federal Operations has remanded the case for further proceedings.

Selected Examples of Recent Progress	Estimated Cost	Staff Years	Number Of Cases	Outcome of Assistance
Thrasher v. Veneman, EEOC No. 110-A1-8591X-AES	18,107	.25	1 class action	Successfully opposed certification of class complaint brought on behalf of female employees of Farm Service Agency who alleged discrimination on the bases of gender, marital status and reprisal in promotions and training opportunities and violations of the Equal Pay Act.
Williams v. Veneman, EEOC Case No. 260-A2-8063X	36,214	.50	1 class action	Successfully opposed certification of class complaint brought on behalf of African-American employees of the Forest Service, Eastern Region, who have been subject to discrimination in denial of promotions and awards, to reprisal, and to a hostile working environment on the basis of race; class agent filed appeal with the Office of Federal Operations.
Pigford v. Veneman, Civil Action No. 97-1978 (PLF) (D.D.C.)	144,855	2.00	1 class action; over 21,000 individual claims	Reviewing USDA responses submitted to the Adjudicator on Track A claims, reviewing adjudicator decisions and coordinating implementation of adjudicator Track A decisions, preparing appeals and reviewing responses to appeals of adjudicator decisions, assisting DOJ with Track B hearings, and performing other implementation duties other the Consent Decree.
Bell v. Veneman, Civil Action No. 02-415 (D.D.C.), Reedom v. Veneman, Civil Action No. 02-1031 (D.D.C.) (consolidated cases)	36,214	.50	1 class action	Successfully obtained dismissal of class complaint brought on behalf of African-American individuals and non-profit organizations alleging

Selected Examples of Recent Progress	Estimated Cost	Staff Years	Number Of Cases	Outcome of Assistance
				discrimination in loan and grant program operated by the Rural Business Service.
Keepseagle v. Veneman, Civil Action No. 1:99CV03119	144,855	2.00	1 class action	Providing litigation assistance to the Department of Justice in class action complaint filed in U.S. District Court on behalf of all Native Americans participants in farm programs who petitioned USDA at any time between January 1, 1981 through November 24, 1999, for relief from acts of racial discrimination visited on them as they tried to participate in the farm programs.
Chiang v. Veneman, Civil Action No. 2000/0004 (D.V.I.)	108,642	1.50	1 class action	Providing litigation assistance to the Department of Justice in class action filed in U.S. District Court on behalf of low income and very low income Black male and Black female citizens of the United States and/or qualified aliens of the United States who reside on the three territorial Islands of the U.S. Virgin Islands (St. Croix, St. John, St. Thomas) who applied or attempted to apply for credit, assistance, training, educational opportunities, housing, and/or home ownership and services from the Rural Development offices or its predecessors in these locations; class has been certified; request for appellate review of certification decision is pending.

Selected Examples of Recent Progress	Estimated Cost	Staff Years	Number Of Cases	Outcome of Assistance
Garcia v. Veneman, Civil Action No. 1:00CV02445 (D.D.C.)	144,855	2.00	1 class action	Providing litigation assistance to the Department of Justice in class action complaint filed in U.S. District Court on behalf of all Hispanic American participants in farm programs operated by the Farm Service Agency (FSA) who allege discrimination on the basis of race in denial of farm loans and benefits and in failure to process their discrimination complaints; class certification has been denied; parties are undertaking discovery after which the class will renew motion for certification.
Love v. Veneman, Civil Action No. 1:00CV02502 (D.D.C.)	144,855	2.00	1 class action	Providing litigation assistance to the Department of Justice in class action complaint filed in U.S. District Court on behalf of female participants in farm programs operated by the Farm Service Agency (FSA) who petitioned USDA at any time between January 1, 1981, through October 2000, for relief from acts of discrimination.
Wise v. Veneman, Civil Action No.1:00CV02508 (D.D.C.)	18,107	.25	1 class action	Providing litigation assistance to the Department of Justice in class action program complaint filed in Federal District Court on behalf of all African American and female family farmers alleging discrimination in the access to and participation in FSA farm credit or benefit programs.

Selected Examples of Recent Progress	Estimated Cost	Staff Years	Number Of Cases	Outcome of Assistance
Review for legal sufficiency proposed decisions by the Office of Civil Rights and agency civil rights staff with respect to discrimination claims in conducted programs (e.g., farm credit).	18,107	.25	5	Ensures that decisions are made in accordance with federal statutes, regulations, case law, and Department of Justice policy and opinions.
Review for legal sufficiency proposed decisions by the Office of Civil Rights and agency civil rights staff with respect to EEO complaints.	7,243	.10	2	Ensures that any payment of compensatory damages is made in accordance with federal statutes, regulations, case law, Equal Employment Opportunity Commission policy and opinions, and Department of Justice policy and opinions.
Review for legal sufficiency proposed attorney's fees decisions by the Office of Civil Rights and agency civil rights staff with respect to both EEO and program complaints.	36,214	.50	15	Ensures that any payment of attorney's fees is made in accordance with federal statutes, regulations, case law, Equal Employment Opportunity Commission policy and opinions, and Department of Justice policy and opinions.
Developing and reviewing internal Departmental Regulations and manuals on civil rights issues.	108,642	1.50		Clarified procedures and provided legal justifications and reviews for internal Departmental Regulations based on changes resulting from Executive Orders and Government-wide regulatory amendments.
Advising and assisting in the development of Civil Rights Data Collection Regulations for the Risk Management Agency, Farm Service Agency, Natural Resources Conservation Service, and Food and Nutrition Service	36,214	.50		Assisting in the development of and providing legal advice on civil rights data collection regulations and provided the legal justification for the collections for submission to the Office of Management and budget.

Selected Examples of Recent Progress	Estimated Cost	Staff Years	Number Of Cases	Outcome of Assistance
Reviewing and assisting in the development of Departmental Procedures for Reasonable Accommodations in accordance with Executive Order	18,107	.25		Reviewed and revised Departmental Procedures on Reasonable Accommodation in accordance with Executive Order.
Conducting training and producing training materials on civil rights issues for OGC field attorneys and client agencies	36,214	.50		Ensures that OGC attorneys and Agency clients are well-versed in current legal issues and procedures for both EEO and program civil rights.
Review for legal sufficiency proposed settlement agreements drafted by agency civil rights and human resources staff with respect to both EEO and program complaints	36,214	.50	20	Ensures that settlements are made in accordance with federal statutes, regulations, case law, Equal Employment Opportunity Commission policy and opinions, and Department of Justice policy and opinions.
Respond to executive correspondence, congressional inquiries, media inquiries and other matters on civil rights issues and/or litigation	36,214	.50		Provide accurate and complete information in response to inquiries from outside USDA regarding civil rights issues and litigation.

OGC PRIORITIES

Mr. Bonilla: Please provide the Committee with OGC's top priorities for fiscal years 2003 and 2004.

Response: OGC's top priorities for fiscal year 2003 and 2004 will include providing increased assistance in a number of areas. OGC will be substantially involved with the implementation of new provisions of law as a result of new farm legislation involving commodity, conservation, and export programs, as well as food and nutrition programs. In the Civil Rights area, OGC will continue to provide assistance to USDA agencies in response to EEO complaints and will consult with mission areas and agencies concerning allegations of discrimination in the conduct of USDA programs. The litigation responsibilities in civil rights are also expected to continue to increase in the upcoming year, because of an increase in complaints requiring hearings.

In the natural resources area, OGC will continue to provide assistance to the FS in implementing Departmental programs and provide preventive legal advice to reduce litigation, and provide litigation assistance to the Department of Justice in managing lawsuits involving the FS and NRCS.

OGC will continue to provide enhanced legal support to the department's food safety programs. OGC will provide a substantial level of resources to the Food Safety and Inspection Service to ensure continued effective implementation of the HACCP/Pathogen Reduction rules and performance standards, and to assist the agency in managing and implementing the most effective compliance and enforcement program attainable.

In the area of animal and plant health, biotechnology regulation, and wildlife management services, OGC will be required to augment the resources dedicated to these vital programs. Substantial legal resources are now being devoted and will continue to be required for the full range of APHIS programs that include animal disease eradication and control programs, a rigorous agency program to ensure effective and timely development and implementation of animal and plant import regulations, and continued improvements in the regulatory programs for a fast-evolving agricultural biotechnology sector of American agriculture.

In FY 2003 and 2004, OGC will continue to provide substantial legal services in the preparation and review of decisions in private party litigation arising out of the Hunts Point bribery investigation. In support of the Grain Inspection, Packers and Stockyards Administration, OGC will continue to provide substantial legal assistance to Packers and Stockyards Programs (P&SP) in the investigation and litigation of its complex trade practices and competition cases.

Emphasis will also be placed on implementation of crop insurance reform, matters related to the growing capital requirements of borrowers and the changing electric and telecommunications industries.

EEO COMMISSION

Mr. Bonilla: Please update the table in last year's record showing the number of cases OGC represented before the EEO Commission to include fiscal year 2002.

[The information follows:]

FY 1998 - 79
FY 1999 - 42
FY 2000 - 53
FY 2001 - 60
FY 2002 - 58

OBJECT CLASS BREAKOUT

Mr. Bonilla: Provide a detailed breakout of Object Class 25.2 for fiscal years 2002, 2003, and 2004.

[The information follows]

Other Services Object Class Breakout

Services	FY 2002	FY 2003	FY 2004
Telecommunications Services	$ 33,595	$ 40,320	$ 42,336
NFC Services	124,502	134,633	141,365
USDA Corporate Systems Development	15,876	16,700	17,504
Financial Information Systems	73,187	79,828	83,819
OPM Federal Employment and Administrative Law Judges Services	710	735	772
FEMA Emergency Preparedness	346	363	381
Government Wide Council Activities	2,005	2,055	2,158
FirstGov	604	615	646
GSA Blue Pages	1,271	1,283	1,347
Excess Property Operations	25,326	21,566	22,644
Rehab Furniture	9,022	9,235	9,473
Preauthorized Funding	883	900	945
Central Shipping and Receiving	4,184	17,628	18,509
Design Center & Teleconferencing Center	9,092	9,964	10,462
Executive Correspondence	15,664	28,712	30,148
Computer Services Network	1,055	1,085	1,139
Alteration Maintenance Space	28,000	28,000	29,400
Equipment Maintenance	93,184	97,845	102,737
Training	36,000	45,000	47,250
Nontravel Expenses on Travel Vouchers	13,514	13,855	14,548
National Archives Storage Costs	11,474	11,750	12,338
Health Unit Services	18,008	18,508	19,433
1890 Liaison	6,488	6,570	6,899
HACU	3,177	3,177	3,336
USDA Diversity Council	5,090	5,090	5,345
Target Center	3,096	3,150	3,308
Sign Language Services	2,041	2,200	2,310
Employee Express	1,059	1,065	1,118
Reimbursable Work Authorization	11,400	12,500	13,125
Bank/Court Reporter Fees	3,793	3,793	3,983
American Indian Higher Education Council	469	469	492
USDA Visitor Information Center	1,260	1,280	1,344
Employee Counseling	3,823	3,823	4,014
Civil Rights Reimb Agreement	19,000	19,000	19,950
Drug Testing	50	50	53
Honor Awards	452	500	525
EEO Settlement	11,000	5,000	5,000
Agreement/OCIO	5,000	62,453	130,546
Total, Other Services	$594,700	$710,700	$810,700

Mr. Bonilla: Please provide the Committee with an update on the implementation of section 215 of Division N of P.L. 108-7.

Response: In response to a continuing disease problem of considerable significance to APHIS and its efforts to eradicate bovine tuberculosis, APHIS proposed a comprehensive eradication plan for the El Paso area to eliminate this recurring disease risk. The plan involves the buyout of all susceptible dairy herds and related assets in the El Paso area. The plan also includes essential protective measures, including appropriate real estate easements, to ensure that no dairy herds or operations would occupy the affected lands for at least 20 years following removal. In aid of this plan, APHIS published a final rule invoking its authority to enter into the necessary indemnification and real estate agreements. When all of the required agreements have been reached and executed, APHIS will proceed forthwith to the implement indemnification obligations that will include the funds provided for in Section 215 of Division N of P.L. 108-7. The required agreements are near completion by APHIS and the affected parties.

Mr. Bonilla: Please provide the Committee with an update on the implementation of section 210 of Division N of P.L. 108-7.

Response: I will provide that information for the record. [The information follows:]

Section 210 of Division N. of P.L. 108-7 provided for the Secretary of Agriculture to use not more than $1,650,000 of funds of the Commodity Credit Corporation (CCC) to reimburse agricultural producers on farms located in the vicinity of Malaga, New Mexico, for losses incurred during calendar years 2002 and 2003 as the result of the application by the Federal Government of tebuthiuron on land on or near the farms of the producers during August 2002. Because of problems involving the timing of the application of the tebuthiuron, Congress made several technical amendments to Section 210 in Pub. L. 108-11, which was enacted on April 16, 2003. OGC has provided assistance with respect to the drafting of the amendments and will, as it has already with other provisions of the P.L. 108-7, provide timely assistance to the Farm Service Agency in the development of any rules that may be needed to implement this program.

Mr. Bonilla: Please provide the Committee with the General Counsel's interpretation of section 720 of P.L. 108-7, and how the USDA has complied with similar provisions in fiscal years 2001 and 2002, and how the USDA intends to comply with that provision in fiscal year 2003.

Response: Section 720 imposes a 15-day advance notification requirement on the Department to notify the Committees on Appropriations on reprogrammings of funds that in certain identified circumstances will create, or result in a change to, a program, project, or activity and also imposes an advance notification requirement before implementing any program or activity not carried out in the previous fiscal year unless specifically funded by an Act of Congress. The plain language of the section requires no further interpretation. In the past, this office has noted the applicability of this section when its advice is requested on proposals for a program or activity that falls within its ambit, and will continue to do so in FY 2003.

Mr. Bonilla: Please provide the Committee with the General Counsel's interpretation of section 723 of P.L. 108-7, and how the USDA has complied with similar provisions in fiscal years 2001 and 2002, and how the USDA intends to comply with that provision in fiscal year 2003.

Response: Section 723 prohibits use of appropriations to pay the salaries and expenses of personnel who prepare or submit appropriations language as part of the President's budget that assumes revenues or reductions from the prior fiscal year on the basis of user fee proposals not enacted into law prior to submission of the budget unless such Budget submission identifies where spending reductions should occur in the event the user fee proposals are not enacted before the fiscal year 2004 appropriations conference committee

convenes. The plain language of the section requires no further interpretation. This office and the Office of Budget and Program Analysis will work with USDA agencies to ensure full compliance with this program.

Mr. Bonilla: Is the 'Conservation Operations' account under the Natural Resources Conservation Service available to carry out conservation technical assistance for Farm Bill conservation programs?

Response: Prior to the passage of Public Law 108-7, it was the position of the Administration that the Conservation Operations account for the Natural Resources Conservation Service was available to pay for technical assistance that would be needed to implement the natural resources conservation programs listed in section 1241(a) of the Food Security Act of 1985, 16 U.S.C. 3841(a). Subsequent to adoption of that position, Public Law 108-7 was enacted to provide omnibus appropriations for fiscal year 2003. The appropriations language for the Conservation Operations account contained in that act expressly states that "none of the funds made available under this paragraph by this or any other appropriations Act may be used to provide technical assistance with respect to programs listed in section 1241(a) of the Food Security Act of 1985, 16 U.S.C. 3841(a)."

[Clerk's Note. — The President's budget request for fiscal year 2004 was submitted on February 3, 2003. This preceded final Congressional action of the fiscal year 2003 bill, which was completed in the House of Representatives on February 13, 2003. The President's fiscal year 2004 budget request (including the explanatory notes) compared the submission with the budget request for fiscal year 2003, NOT with the fiscal year 2003 enacted amounts. The following material covers portions of the fiscal year 2004 explanatory notes revised to reflect enactment of the fiscal year 2003 appropriations act.]

OFFICE OF THE GENERAL COUNSEL

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets)

Office of the General Counsel:

For necessary expenses of the Office of the General Counsel, [$35,017,000] $37,328,000. (7 U.S.C. 2201; 2202, 2214a.)

SALARIES AND EXPENSES - CURRENT LAW

Appropriations Act, 2003	$35,017,000
Budget Estimate, 2004	37,328,000
Increase in Appropriation	+2,311,000

Adjustments in 2003:		
Appropriations Act, 2003	$35,017,000	
Activities included in the DHS a/	-89,415	
Rescission under P.L. 108-7 b/	-228,000	
Adjusted base for 2003		34,699,585
Budget Estimate, Currant Law 2004		37,328,000
Increase over adjusted 2003		+2,628,415

a/ Pursuant to P.L. 107-296, The Homeland Security Act of 2002, net rescission pursuant to P.L. 108-7. Annual amount. Actual amount of transfer to be determined.

b/ The amount is rescinded pursuant to section 601 (a) of Division N, Title VI of P.L. 108-7.

SUMMARY OF INCREASES AND DECREASES–CURRENT LAW
(On basis of adjusted appropriation)

Item of Change	2003 Estimated	Pay Costs	Program Changes	2004 Estimated
Legal Services	$34,699,585	+$694,000	+$1,928,415	$37,322,000
FECA	--	--	6,000	6,000
Total Available	34,699,585	+694,000	+1,934,415	37,328,000

OFFICE OF THE GENERAL COUNSEL

Account: SALARIES AND EXPENSES

STRATEGIC GOAL 1: Provide effective legal services in a responsive manner to support USDA activities, consistent with the priorities established by the Secretary of Agriculture.

Project Statement
(On basis of appropriation)

	2002 Actual		2003 Estimated		Increase	2004 Estimated	
	Amount	Staff Years	Amount	Staff Years	or Decrease	Amount	Staff Years
Legal Services	$32,523,511	304	$34,699,585	337	+$2,622,415	$37,322,000	337
FECA	--	--	--	--	6,000	6,000	--
Unobligated Balance	103,489	--	--	--	--	--	--
Total Available or Estimate	32,627,000	304	34,699,585	337	+2,628,415	37,328,000	337
Transfer to Department	-15,000	--	--	--	+2,628,415	37,328,000	337
Rescission PL 107-206	-24,191	--	--	--			
Rescission	--	--	228,000	--			
Transfer to Dept. of Homeland Security	--	--	89,415	--			
Total Appropriation	32,587,809	304	35,017,000	337			

[Clerk's Note. – Following are the explanatory notes submitted as part of the President's fiscal year 2004 budget request prior to enactment of the fiscal year 2003 appropriations act.]

2004 Explanatory Notes
Office of the General Counsel

Table of Contents

	Page
Purpose Statement	5-1
Statement of Available Funds and Staff Years	5-3
Permanent Positions by Grade and Staff Year Summary	5-4
Classification by Objects	5-5
Salaries and Expenses	
Appropriations Language	5-6
Summary of Increases and Decreases	5-6
Project Statement	5-7
Justifications	5-8
Geographic Breakdown of Obligations and Staff Years	5-9
Status of Program	5g-1

5-1

OFFICE OF THE GENERAL COUNSEL

Purpose Statement

The Office of the General Counsel (OGC) is the law office of the Department of Agriculture (USDA). OGC determines legal policy and directs the performance of all legal work conducted by the United States Department of Agriculture. All legal services are centralized within OGC and the General Counsel reports directly to the Secretary.

The Office provides all necessary legal advice and services for the Department's ongoing programs. The headquarters legal staff is divided into six sections: (1) Regulatory and Marketing; (2) International Affairs, Commodity Programs and Food Assistance Programs; (3) Rural Development; (4) Natural Resources; (5) Legislation, Litigation, and General Law, and (6) Civil Rights.

Geographic Location. The work of this office is carried out in Washington, D.C., and five regions which include 18 offices as follows:

Southern Region:
Atlanta, Georgia
Montgomery, Alabama
Richmond, Virginia

Central Region:
Kansas City, Missouri
Little Rock, Arkansas
St. Paul, Minnesota
Temple, Texas

Northern Region:
Harrisburg, Pennsylvania
Chicago, Illinois
Columbus, Ohio

Mountain Region:
Denver, Colorado
Albuquerque, New Mexico
Milwaukee, Wisconsin
Missoula, Montana
Ogden, Utah

Pacific Region:
San Francisco, California
Juneau, Alaska
Portland, Oregon

As of September 30, 2002, the office had 315 employees of which 309 were permanent full-time employees and 6 were other than permanent full-time employees. There were 156 permanent full-time employees and 4 other than full-time employees located in Washington, D.C., and 153 permanent full-time employees and 2 other than full-time employees in the field.

The General Counsel is the chief law officer of USDA and is responsible for providing legal services for all programs, operations, and activities of USDA. The General Counsel is assisted by a Deputy General Counsel and six Associate General Counsels, each of whom is responsible for a portion of the legal work of USDA. The Law Library was transferred from the National Agricultural Library to OGC in 1982.

Legal Advice. OGC provides legal advice, both written and oral, to all agency officials of USDA. That advice takes the form of oral advice, written opinions, review of administrative rules and regulations for legal sufficiency, review of agency agreements and contracts and review and advice concerning any other agency activities which involve legal issues.

Legislation and Document Preparation. The Office also prepares legislation, patent applications arising out of inventions by USDA employees, contracts, agreements, mortgages, leases, deeds and any other legal documents required by USDA agencies.

Administrative Proceedings. USDA is represented by OGC in administrative proceedings for the promulgation of rules having the force and effect of law and in quasi-judicial hearings held in connection with the administration of various USDA programs.

Federal and State Court Litigation. OGC works with the Department of Justice (DOJ) in all Departmental civil litigation. The bulk of this litigation is defensive litigation. The Office serves as liaison with DOJ and assists in the preparation of all aspects of the government's case. OGC makes referrals of matters which indicate criminal violations of law have occurred and assists DOJ in preparation and prosecution of criminal cases. In some instances, OGC attorneys represent USDA as Special United States Attorneys, both in civil and criminal matters.

By delegation, the Associate General Counsel for Legislation, Litigation, and General Law represents the Department in certain classes of cases before the United States Courts of Appeals.

5-3

OFFICE OF THE GENERAL COUNSEL

Available Funds and Staff Years

2002 Actual and Estimated 2003 and 2004

Item	2002 Actual		2003 Estimated		2004 Estimated	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Salaries and Expenses	$32.627.000	304	$35.594.000	337	$37.328.000	337
Departmental Transfer	-15.000	--	--	--	--	--
Rescission	-24.191	--	--	--	--	--
Transfer to the Department of Homeland Security	--	--	-90.000	--	--	--
Allocation from:						
Hazardous Waste Management	1.330.460	11	1.635.000	14	1 .649.000	14
Obligations under other USDA appropriations:						
FS Subsistence Mgmt	82.625	1	--	0	--	0
FS Non-litigating Suprt	103.357	0	200.000	0	200.000	0
Details (FSA/FS)	86.793	1	85.000	1	85.000	1
AMS-User Fees	765.105	6	1.038.995	6	1.079.000	6
APHIS-User Fees	178.835	1	197.532	1	205.000	1
GIPSA-User Fees	9.107	0	8.023	0	8.300	0
FSA-User Fees	7.031	0	8.448	0	8.700	0
FSIS-User Fees	250	0	281	0	300	0
Total, Other USDA Appropriations	1.233.103	9	1.538.279	8	1.586 300	8
Total, Office of the General Counsel	35.151.372	324	38.677.279	359	40.563 300	359

5-4

OFFICE OF THE GENERAL COUNSEL
Permanent Positions by Grade and Staff-Year Summary
2002 Actual and Estimated 2003 and 2004

Grade	2002 Wash DC	2002 Field	2002 Total	2003 Wash DC	2003 Field	2003 Total	2004 Wash DC	2004 Field	2004 Total
Executive Level IV	1	--	1	1	--	1	1	--	1
ES-6	2	--	2	2	--	2	2	--	2
ES-5	1	--	1	1	--	1	1	--	1
ES-4	4	--	4	4	--	4	4	--	4
ES-3	4	3	7	4	3	7	5	3	8
ES-2	2	--	2	2	--	2	1	--	1
ES-1	--	--	--	2	1	3	2	1	3
GS-15	39	23	62	41	26	67	43	24	67
GS-14	56	69	125	58	71	129	60	70	130
GS-13	9	2	11	11	4	15	9	5	14
GS-12	12	4	16	9	8	17	8	9	17
GS-11	8	12	20	16	9	25	15	9	24
GS-10	1	--	1	1	--	1	1	--	1
GS- 9	7	13	20	8	12	20	8	14	22
GS- 8	12	20	32	12	23	35	12	21	33
GS- 7	6	12	18	8	12	20	8	12	20
GS- 6	4	2	6	4	3	7	4	4	8
GS- 5	1	2	3	2	1	3	2	1	3
Total Permanent Positions	169	162	331	186	173	359	186	173	359
Unfilled Positions end-of-year	9	7	16	--	--	--	--	--	--
Total Permanent Full-time Employment, end-of-year	160	155	315	186	173	359	186	173	359
Staff-Year Estimate	166	158	324	186	173	359	186	173	359

5-5

OFFICE OF THE GENERAL COUNSEL

CLASSIFICATION BY OBJECTS

2002 Actual and Estimated 2003 and 2004

	2002	2003	2004
Personnel Compensation:			
Washington, DC	$12,721,768	$13,933,990	$14,640,600
Field	11,475,251	12,351,463	12,983,173
11 Total personnel compensation	24,197,019	26,285,453	27,623,773
12 Personnel benefits	5,371,579	5,876,824	6,163,504
13 Benefits for former personnel	1,410	1,410	1,410
Total pers. comp. & benefits	29,570,008	32,163,687	33,788,687
Other Objects:			
21 Travel and Transportation of persons	232,400	232,400	232,400
22 Transportation of things	30,855	30,855	30,855
23.3 Communications, utilities and misc. charges	1,150,884	1,269,884	1,359,884
24 Printing and reproduction	104,463	104,463	104,463
25.2 Other services	594,700	710,700	810,700
26 Supplies and materials	434,278	493,279	493,279
31 Equipment	366,732	498,732	507,732
Total other objects	2,914,313	3,340,313	3,539,313
Total direct obligations	32,484,320	35,504,000	37,328,000
Position Data:			
Average Salary, ES positions	$136,176	$139,682	$143,945
Average Salary, GS positions	$72,207	$74,312	$77,359
Average Grade, GS positions	12.29	12.22	12.21

5-6

OFFICE OF THE GENERAL COUNSEL

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets)

Office of the General Counsel:

For necessary expenses of the Office of the General Counsel, $37,328,000. (7 U.S.C. 2201; 2202, 2214a.)

SALARIES AND EXPENSES - CURRENT LAW

President's Budget, 2003	$ 35,594,000
Budget Estimate, 2004	37,328,000
Increase in Appropriation	+ 1,734,000

Adjustments in 2003:		
President's Budget, 2003	$35,594,000	
Transfer to the Department of Homeland Security a/	-90,000	
Adjusted base for 2003		35,504,000
Budget Estimate, 2004		37,328,000
Increase over adjusted 2003		+1,824,000

a/ Estimates for the transfer to DHS are included in the budget as a one time shift of funds. On a comparable basis, the FY 2004 transfer to DHS is $90,000.

SUMMARY OF INCREASES AND DECREASES–CURRENT LAW
(On basis of appropriation)

Item of Change	2003 Estimated	Pay Costs	Program Changes	2004 Estimated
Legal Services	$35,498,000	+$694,000	+$ 1,130,000	$ 37,322,000
FECA	6,000	--	--	6,000
Total Available	35,504,000	+694,000	+1,130,000	37,328,000

OFFICE OF THE GENERAL COUNSEL

Account: SALARIES AND EXPENSES

STRATEGIC GOAL 1: Provide effective legal services in a responsive manner to support USDA activities, consistent with the priorities established by the Secretary of Agriculture.

Project Statement
(On basis of appropriation)

	2002 Actual		2003 Estimated		Increase	2004 Estimated	
	Amount	Staff Years	Amount	Staff Years	or Decrease	Amount	Staff Years
Legal Services	$32,523,511	304	$35,498,000	337	+$1,824,000	$37,322,000	337
FECA	—	—	6,000	—	—	6,000	—
Unobligated Balance	103,489	—	—	—	—	—	—
Total Available or Estimate	32,627,000	304	35,504,000	337	+1,824,000	37,328,000	337
Transfer to Department	-15,000	—	—	—	+1,824,000	37,328,000	337
Rescission PL 107-206	-24,191	—	—	—			
Transfer to Dept. of Homeland Security	—	—	90,000	—			
Total Appropriation	32,587,809	304	35,594,000	337			

Justification of Increases and Decreases

(1) An increase of $1,824,000 for the Office of the General Counsel (OGC) ($35,504,000 available in 2003) consisting of:

To help accomplish this performance goal, the agency is requesting:

(a) An increase of $1,625,000 consisting of $931,000 to maintain staff and $694,000 for pay costs which includes $210,000 for annualization of the fiscal year 2003 pay raise and $484,000 for the anticipated fiscal year 2004 pay raise.

This increase will enable OGC to meet its objective of providing effective legal services in a responsive manner to support USDA activities, 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 in delivering predecisional legal advice, training, appeal and litigation legal services to agencies. Approximately 91 percent of OGC's budget is in support of personnel compensation, which leaves no flexibility for absorbing attorney and support staff promotions, within-grade and pay cost increases. OGC cannot absorb these mandatory costs without reassessing its operating requirements for travel, maintenance of equipment, law library purchases and supplies.

Unlike large program agencies which have more flexibility concerning budget implementation, OGC can only absorb this increase by reducing staff. A staff reduction would result in backlogs and unavoidable delays in reviewing and clearing agency rulemakings and correspondence, and in providing legal advice within requested time frames. In addition, the Department's various enforcement and compliance programs would be adversely affected. OGC attorneys would be unable to be involved at the critical planning or predecisional stage of client agency initiatives when agency policy is being developed and key decisions are made.

To help accomplish this performance goal, the agency is requesting:

(c) An increase of $250,000 for office automation.

This increase is required for OGC to meet its workload demands in a timely and efficient manner. OGC has been installing a comprehensive office automation system nationwide. This funding will be used to upgrade Novell file servers in the field offices, install a cluster server for redundant processing in Headquarters ,and replace network laser printers. In addition, OGC has a requirement to increase the speed of current frame relay connections which would improve internal and external communications and information sharing. The increased speeds would also provide centralized management control of the Novel file servers in the field and provide a platform for enhancing OGC's Case Tracking System.

(d) A decrease of 51,000 for Information Technology.

Reduction for the savings associated with centralization and improvement of information technology. Savings are associated with consolidated buys for infrastructure and office automation, and consolidation of enterprise architecture projects within the Department. USDA continues to ensure that information technology investments utilize enterprise licenses for hardware and software where appropriate and reduce the information technology costs.

5-9

OFFICE OF THE GENERAL COUNSEL
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
2002 Actual and Estimated 2003 and 2004

	2002		2003		2004	
	Amount	Staff-Years	Amount	Staff Years	Amount	Staff Years
Alabama	$391 536	5	$428.945	5	$ 449.917	5
Alaska	467 115	5	511.745	5	536.766	5
Arkansas	874.310	10	957.845	10	1.004.667	10
California	1.677.145	16	1.837.386	16	1.927.221	16
Colorado	1.412.181	13	1.572.106	14	1.622.749	14
District of Columbia	18.297.095	154	20.039.124	184	21.206.290	184
Georgia	1.404.337	16	1.543.513	17	1.613.735	17
Illinois	677.143	6	741.840	6	778.111	6
Kansas	1.118.298	11	1.210.145	11	1.285.045	11
Minnesota	597.122	7	654.173	7	686.158	7
Montana	669.184	7	733.120	7	768.965	7
New Mexico	405.487	5	444.229	5	465.948	5
Ohio	320.482	3	376.102	4	381.269	4
Oregon	1.137.581	11	1.201.270	11	1.307.204	11
Pennsylvania	821.496	9	964.985	12	943.988	12
Texas	888.952	10	973.886	10	1.021.502	10
Utah	378.594	5	414.766	5	435.045	5
Virginia	168.772	3	47.046	0	0	0
Wisconsin	777.490	8	851.774	8	893.420	8
Subtotal. Available or Estimate	32.484.320	304	35.504.000	337	37.328.000	337
Unobligated balance	103.489					
Total. Available or Estimate	32.587.809	304	35.504.000	337	37.328.000	337

5g-1

OFFICE OF THE GENERAL COUNSEL

STATUS OF PROGRAM

Goal 1: OGC will provide effective legal services in a responsive manner to support USDA activities, consistent with the priorities established by the Secretary of Agriculture.

Current Activities: The Office of the General Counsel (OGC) serves as the legal advisor and counsel for the Secretary and provides legal services for all agencies of the Department. These services include, but are not limited to, the following:

- rendering opinions on legal questions;
- preparing or reviewing rules and regulations;
- preparing or interpreting contracts, mortgages, leases, deeds, and other documents;
- preparing briefs and representing the Department in judicial proceedings and litigation;
- representing departmental agencies in nonlitigation debt collection programs;
- processing applications for patents for inventions by the Department's employees;
- representing departmental agencies in state water rights adjudications;
- considering and determining claims by and against the United States arising out of the Department's activities;
- representing the Department in formal administrative proceedings;
- assisting the Department of Justice in the preparation and trial of cases involving the Department; and
- representing the Secretary of Agriculture and the Commodity Credit Corporation before the Federal Maritime Commission, and the International Trade Commission.

Highlights of OGC's Fiscal Year 2002 operations are described below:

Selected Examples of Recent Progress:

ADMINISTRATION AND RESOURCE MANAGEMENT

The Office of the General Counsel continues to focus on the configuration and development of shared resources for electronic data nationwide. In FY 2002, the Electronic Mail servers were replaced with newer technology which provided more disc storage and faster processing speeds. In addition, obsolete computers were replaced with Pentium IV technology and network lasers were upgraded nationwide.

REGULATORY AND MARKETING

Marketing Agreements and Orders: OGC attorneys reviewed over 130 dockets, as well as many other documents relating to marketing orders, and provided daily legal advice to client agencies in connection with a wide variety of matters arising under both the fruit and vegetable and the milk marketing order programs. Substantial legal services were devoted to both formal and informal rulemakings. Formal rulemaking proceedings presented complex and substantial amendments and revision to a number of marketing order programs. Significant legal services were provided in connection with enforcement and defense of these programs.

Research and Promotion Programs: Since the Supreme Court's decision in United Foods, which held that imposition of mandatory assessments to fund generic advertising violates the First Amendment, three district courts have issued rulings on the constitutionality of the beef and pork research and promotion programs. Regarding the beef program, one court held that the beef program violated the First

Amendment by requiring beef producers to fund generic advertising, while the other district court, in a subsequent decision, held that the First Amendment was not violated because the advertising constituted government speech. Regarding the pork program, a district court in Michigan held that the pork program was unconstitutional since it required pork producers to pay for programs that they did not support. The adverse decisions in the pork and beef cases are being appealed, respectively, to the Sixth Circuit and the Eighth Circuit Court of Appeals. Both Circuits issued stays allowing the programs to continue pending the appeals. There is also a challenge to the dairy promotion program pending in a district court in Pennsylvania.

Administrative challenges to the watermelon and honey programs are also pending. An administrative challenge to the fluid milk program was settled without a hearing. There is also an administrative challenge to the constitutionality of the advertising program conducted under the California tree fruit marketing order program. Challenges to the constitutionality of the beef program in the U.S. Court of International Trade were dismissed and the question of jurisdiction was certified to the Federal Circuit Court of Appeals.

OGC handled a variety of rulemaking for the various research and promotion programs including implementation of new lamb and avocado research and promotion programs.

Animal Welfare and Horse Protection Acts: OGC expended substantial resources in connection with the Animal Welfare and Horse Protection Act Programs. OGC attorneys serve as agency counsel in administrative enforcement actions brought under these two statutes, and in FY 2002, OGC initiated 33 enforcement cases, and 85 decisions were issued in ongoing cases in FY 2002. In addition, OGC reviewed and provided drafting assistance to the Animal and Plant Health Inspection Service (APHIS) in a number of rulemaking actions for publication in the Federal Register, and provided assistance to APHIS in developing policy guidance on the handling of exotic cats under the Animal Welfare Act. OGC also provided extensive litigation assistance in connection with the successful defense of APHIS's *2001-2003 Operating Plan* for the Horse Protection Act program in the case of *American Horse Protection Association, Inc. v. Ann Veneman, et al.*, Civil Action 01-00028 (HHK).

Grain Standards Act: OGC reviewed a variety of rulemaking and other documents in connection with this program. OGC continued to work with and advise the Grain Inspection, and Packers Stockyards Administration concerning program changes to better serve the grain industry in a more cost effective and efficient manner. OGC attorneys provided substantial advice and guidance in connection with a number of issues, including restructuring the basis upon which the agency charges and collects users fees and the establishment of a commodity process verification program.

Perishable Agricultural Commodities Act: OGC devoted substantial resources to providing legal services in connection with the Perishable Agricultural Commodities Act (PACA). OGC received new enforcement referrals and attorneys filed 31 new administrative enforcement cases. Also in FY 2002, attorneys closed 20 administrative enforcement cases. In addition, OGC collected approximately $350,000 in civil penalties levied in enforcement actions under the authority of the PACA, and settled one case when the Respondent agreed to pay $1.2 million in restitution to produce sellers. Three hearing cases included proceedings regarding the "responsibly connected" status of principals in a company that were the subject of enforcement action. OGC received requests for referral of five civil actions from PACA and referred four of the matters to the Department of Justice (DOJ), closing two DOJ referrals in FY 2002. In addition to the prosecution of violations of PACA in FY 2002, attorneys issued opinions in 86 disputes between private party litigants in the perishable agricultural commodities industry under PACA's reparations provisions, and reviewed an additional 144 decisions on the merits and 251 default decisions and 15 orders on reconsideration drafted by PACA specialists. The total amount of awards in these proceedings was $9,158, 215. In FY 2002, PACA referred its first disciplinary cases to OGC alleging violations by Hunts Point Terminal Market (the Bronx, N.Y.) produce companies whose employees were convicted of paying bribes to federal inspectors. OGC attorneys filed six of these disciplinary cases in FY 2002. Additionally, PACA continues to pursue complex investigations in which allegations of fraud or commercial bribery require legal advice and counsel regarding particular fact or evidentiary issues that may arise during the investigation and preparation of the case. OGC also again this fiscal year participated in training to prepare investigators for their role in administrative proceedings.

Packers and Stockyards Act: During FY 2002, OGC received 34 referrals from the Grain Inspection, Packers and Stockyards Administration (GIPSA), Packers and Stockyards Programs (P&S) for administrative action. These referrals seek the issuance of a complaint for the enforcement of the requirements of the Packers and Stockyards Act (P&SA). In FY 2002, 23 new enforcement actions were filed and 13 enforcement actions were closed. In addition, OGC collected approximately $156,000 in

payments to the United States arising from those actions. OGC provided substantial legal resources to P&S in the preparation of cases alleging anti-competitive practices or trade practices violations. A report by the General Accounting Office, released in September 2000, indicated that P&S could improve its investigations into alleged anti-competitive behavior by consulting with OGC early in the investigation, and P&S has begun to seek OGC counsel and participation very early in the investigation of a case. In 2002, OGC participated in the preparation and investigation of five of these complex cases. The Department continued actions in significant cases under section 202 of the Packer & Stockyards Act against two major livestock packers. In one case, the Department alleges that the packer altered its formula by which it calculated lean percent, (a significant factor affecting the price to be paid for hogs on a carcass merit basis) without informing the hog producers who were selling under the formula of the change. Attorneys in the Trade Practices Division prosecuted that case through an administrative hearing beginning in 2000, ending with several days of hearing in Wichita, Kansas in March 2001. The case was submitted to the Administrative Law Judge for decision, and early this fiscal year the ALJ issued a decision finding that the packer had violated the P&S Act, and issuing a cease and desist order, but failing to assess a civil penalty. Both parties appealed that decision to the Judicial Officer (JO) through legal briefs. The JO's decision is expected in the next few months.

The preparation of econometric or statistical evidence for the presentation of the Department's case at these hearings, and other cases based upon allegations of economic or competitive harm, requires extensive and resource intensive OGC involvement in the cases. In FY 2002, OGC attorneys spent significant amounts of time assisting in the review and, when requested, technical assistance in drafting, of legislation regarding livestock trade practices issues. Attorneys were "on call" as the Farm Bill provisions were drafted and re-drafted by Congressional staff and participated in mark ups and conference committee meetings on the legislation as part of the creation of the Farm Bill. In FY 2002, OGC provided legal services in the interpretation of the P&SA's statutory trust provisions and provided legal advice in 3 significant trust analyses. One of the P&SA trust matters involved claims for approximately $15,973,330 of unpaid livestock sales. That same packer held a bond and a trust fund agreement with claims of $7,388,967 and $9,452,921, respectively. OGC also provided legal services to P&S on issues involving the Clear Title Provision of the Food Security Act of 1985, reviewing submissions or providing legal opinions in two matters referred for interpretation of those provisions. Finally, OGC attorneys reviewed one rulemaking docket for the P&S Programs, the proposed rule for the swine contract library.

Concentration: Under a Memorandum of Understanding between the DOJ and the Federal Trade Commission (FTC), the agencies agree to cooperate and share information (within statutory confidentiality limitations) on issues related to competition in agriculture. In FY 2002 OGC attorneys in the Trade Practices Divison acted as liaison between DOJ, the FTC and various agencies of the Department coordinating the responses of the various agencies of the Department to information requests from DOJ related to a number of merger or acquisition reviews. In FY 2002, attorneys provided liaison assistance with all segments of USDA in response to several DOJ requests in this area.

Future Outlook: GIPSA is continuing its investigations of procurement practices of beef and hog slaughter facilities and its review of packer record keeping requirements and is increasing its investigation and enforcement efforts with regard to competition and unfair trade practices enforcement of section 202 of the P&S Act. The PACA program continues to investigate and pursue enforcement resulting from the Hunts Point bribery convictions and to engage in complex investigations and enforcement of trade practice violations such as fraud or bribery. These areas of the Department's work will require extensive use of OGC resources in providing legal counsel, investigation and litigation services. Moreover, the Department's cooperation with the FTC and DOJ on agricultural competition issues and the move of PACA and GIPSA into more complex trade practice enforcement will continue to require these significant legal resources.

Animal and Plant Health Laws and Wildlife Services: During FY 2002, OGC reviewed, assisted in drafting or revising, and cleared for legal sufficiency over 192 proposed rules, final rules or notices for publication in the Federal Register. Examples of significant notices and rulemakings include: proposed and final regulations to allow the importation of clementines from Spain into the United States; regulations to revise the cold treatment schedule for fruits and vegetables entering the United States; an interim rule establishing a list of biological agents and toxins to be regulated pursuant to the Agricultural Bioterrorism Protection Act of 2002; a proposal regarding compensation in the event of an outbreak of foot-and-mouth disease in the United States; interim rules regarding indemnity for low pathogenic avian influenza, infectious salmon anemia, and chronic wasting disease; and a final rule to allow the use of irradiation treatment of imported fruits and vegetables. OGC also assisted the Animal and Plant Health Inspection Service (APHIS) in connection with legislation to consolidate and update the animal quarantine laws, to establish a new

Department of Homeland Security and to regulate the possession, use and transfer of certain biological agents and toxins.

Numerous criminal, civil, and claims collection cases involving APHIS matters were referred for prosecution or otherwise handled during the fiscal year. OGC has also provided substantial assistance in several lawsuits challenging APHIS' animal and plant health programs and regulations as well as Wildlife Services activities. OGC assisted the Department of Justice in successfully defending APHIS' decision to suspend the importation of clementines from Spain after live medfly larvae were detected in commercial markets in North Carolina, Maryland, and Louisiana in December 2001. OGC is currently working with the DOJ in defending a lawsuit brought by importers of bigleaf mahogany from Brazil challenging APHIS' decision to hold sixteen shipments of mahogany under the Convention on International Trade in Endangered Species of Wild Fauna and Flora. OGC has also provided substantial assistance to the DOJ in defending a challenge to APHIS' regulations expanding the shipping season and number of states eligible to receive Haas avocados from approved orchards in Mexico.

Meat and Poultry Inspection Acts: Over 180 criminal, civil injunction, civil seizure, and claims collection cases were prepared and referred by OGC attorneys to the DOJ, or were otherwise handled and disposed of during FY 2002. In addition, 30 administrative proceedings involving the withdrawal, suspension or denial of Federal meat and poultry inspection or custom exemption were litigated.

OGC attorneys worked on an array of lawsuits brought against the Food Safety and Inspection Service (FSIS) during the fiscal year. In February 2002, Barnes Creative Holdings, Inc., d/b/a Gammons Brothers Poultry, a poultry processor in Kansas City, Missouri, filed an action for monetary damages and equitable relief in the United States District Court for the Western District of Missouri against the FSIS inspector assigned to its facility, the inspector's immediate supervisor, and the Secretary. Plaintiffs alleged that the FSIS employees discriminated against the company by subjecting it to higher standards of cleanliness than other similarly situated companies and the previous owner of Gammon Brothers Poultry. Plaintiffs sought monetary damages and also alleged violations of the Administrative Procedure Act. On October 17, 2002, the District Court granted USDA's motion to dismiss the case.

On November 8, 2001, Farm Sanctuary, Inc., and a Michael Bauer filed a complaint in the United States District Court for the Southern District of New York against USDA, seeking a declaratory judgment and injunctive relief regarding the slaughter of downer animals in federally-inspected establishments. Farm Sanctuary alleged that the Federal Food Drug and Cosmetic Act (FFDCA) precludes USDA from allowing the introduction into interstate commerce of any food product that is made from a diseased or downer animal. The plaintiffs petitioned FSIS to amend its regulations to require that all products derived from downers be labeled as adulterated and condemned pursuant to the FFDCA. USDA denied the petition asserting that USDA must apply the Federal Meat Inspection Act. The lawsuit followed. On July 29, 2002, the District Court granted USDA's motion to dismiss the case.

On September 26, 2002, three horse slaughtering facilities filed a complaint in the United States District Court for the Northern District of Texas, seeking declaratory and injunctive relief against two district attorneys in the State of Texas. FSIS provides inspection at the facilities, and USDA was named as an indispensable party to the lawsuit. The plaintiffs are attempting to prevent the district attorneys from initiating prosecution to enforce a Texas statute which prohibits the sale, possession or transportation of horse meat intended for human consumption. The Texas law has been in effect since 1945, but has not been enforced. The district attorneys indicated that they would prosecute. A hearing is scheduled in Federal District court in December 2002.

OGC attorneys reviewed, assisted in revising, and cleared for legal sufficiency over 100 FSIS rulemaking dockets, notices and directives during FY 2002. A number of the dockets were associated with the Department's pathogen reduction and HACCP system regulations. Examples of the more significant rulemaking dockets involved E.coli 0157:H7 contamination of beef products; record keeping and registration requirements; residue testing procedures; approval of a state inspection program in the State of Maine; food standards modernization; security guidelines for food processors; and a listeria directive for sampling ready-to-eat products.

INTERNATIONAL AFFAIRS, COMMODITY PROGRAMS AND FOOD ASSISTANCE PROGRAMS

Commodity Credit Corporation (CCC), Farm Service Agency (FSA), and Domestic Commodity-Related Program Activities: During FY 2002, OGC provided substantial assistance with respect to commodity loan, conservation, and producer income programs authorized under various acts, including the CCC Charter Act and the Federal Agriculture Improvement and Reform Act of 1996. In addition, substantial efforts were expended in working with Departmental officials and congressional staff members in the development of numerous proposals relating to the eventual trade, conservation, and commodity program provisions of the legislation that were enacted as part of the Farm Security and Rural Investment Act of 2002 (2002 Act). Similarly, extensive work was devoted to the development of the regulations and contracts needed to implement these provisions after enactment of the 2002 Act. OGC attorneys were instrumental in developing emergency livestock feed programs in response to the 2002 drought and in developing a program utilizing CCC-owned stocks of sugar to acquire certificates of quota eligibility to reduce the surplus supply of sugar in the United States. These attorneys also continued to provide assistance to the DOJ in major cases involving: the implementation of a sugar payment-in-kind program; the implementation of dairy market loss assistance programs; application of statutory cargo preference provisions to CCC humanitarian assistance programs; and admiralty cases involving cargo losses under the humanitarian assistance programs.

Foreign Agricultural Service (FAS) and CCC International Activities: During FY 2002, OGC supported the work of FAS in the implementation of a number of major international trade and foreign assistance initiatives. OGC attorneys continued to: review and draft documents in connection with World Trade Organization (WTO) cases involving U.S. agricultural commodities; assist Departmental personnel in negotiations involving trade disputes; and assist in the preparation for the next WTO round of trade negotiations. OGC attorneys participated in various WTO and North American Free Trade Agreement (NAFTA) activities including notifications, consultations, panel considerations, appeals, and arbitrations involving various trade disputes. These include: (1) initiation of a WTO case against Japan regarding market access for varieties of apples, nectarines, walnuts, cherries and other stonefruit; (2) a WTO case involving Canadian dairy export subsidies; (3) a WTO issue with Australia on market access for table grapes; and (4) a NAFTA issue with Canada on potato wort. OGC also assisted FAS in: (1) negotiations within the framework of the Organization for Economic Cooperation and Development regarding the establishment of disciplines for operation of export credit programs; and (2) efforts related to the establishment of the proposed Free Trade Area of the Americas. OGC continues to be actively involved in the daily operation of other FAS programs through the provision of legal advice for the export credit, supplier credit, and facilities guarantee programs. OGC also provides extensive legal advice and review for the International Cooperation and Development Division of FAS regarding their international agricultural cooperative efforts and arrangements. The 2002 Act significantly changed certain foreign assistance programs and added new authority for the McGovern-Dole International Food for Education and Child Nutrition Program necessitating major OGC involvement in implementing these changes and this new program through the development of regulations and agreements. In addition, during the past year OGC reviewed a large number of foreign assistance agreements which provided for the donation of agricultural commodities abroad under the Food for Progress Program, section 416(b) of the Agricultural Act of 1949, and title I of Pub. L. 83-480. These efforts included extensive review of draft agreements and advice related to commodity procurement, ocean transportation issues, and cargo loss and damage claims. OGC has also advised other Departmental agencies, such as the Agricultural Marketing Service, on WTO and international trade aspects of proposed legislation and regulations.

Food Assistance Programs: During the past year, OGC played a significant role in the development and drafting of several Administration legislative proposals. Included among these were proposals to amend the Food Stamp, Commodity Distribution, and Child Nutrition Program statutes enacted as part of the Farm Security and Rural Investment Act of 2002. OGC was also instrumental in developing continuing resolution language to provide funding for the Food Stamp Program and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) at a level recognizing the increasing participation levels in those programs. OGC attorneys also worked closely with the Food and Nutrition Service (FNS) to provide legal review of major interim Child and Adult Care Food Program (CACFP) regulatory amendments to implement provisions of the Agriculture Risk Protection Act of 2000. These statutory amendments restructured fundamental CACFP functions ranging from frequency of program reviews of day care providers to due process provided for sponsoring organizations.

OGC frequently assisted in furthering the program integrity objectives of the nutrition assistance programs. OGC prepared a legal opinion advising FNS that States may not establish separate sanctions for vendor violations already addressed in Federal regulations under WIC. OGC also approved procedures for the re-notification of over 1,250 participants who had been disqualified from the Food Stamp Program under previous notices which did not adequately inform them of their due process rights. In addition, OGC reviewed and provided legal advice regarding a homeland security proposal for a Rapid Food Response system under which USDA could provide food to a population of as many as 40,000 people in as little as eight hours in response to intentional acts of terrorism. After consultation with the DOJ and the Department of State, OGC played a significant role in the removal of the Holy Land Foundation for Relief and Development (Holy Land) from eligibility to receive USDA commodities under the Emergency Food Assistance Program. Holy Land, the largest Islamic charity in the United States, has links with HAMAS which is listed by the Department of State as a Designated Foreign Terrorist Organization. Because Holy Land became subject to sanctions under Executive Order 13224, the removal sanction was appropriate. Finally, OGC worked closely with Department officials engaged in evaluating and sanctioning States for their performance in administering the Food Stamp Program under that Program's quality control (QC) system. This effort resulted in the establishment of claims of over $134 million against 15 States. OGC is now extensively engaged in the defense of four State agency administrative appeals of these QC sanctions.

OGC provided formal and informal advice on a number of issues affecting the efficient administration of the food assistance programs. After consultation with the Office of Personnel Management (OPM) and the DOJ, OGC obtained formal concurrence from OPM in the conclusion that the Secretary of Agriculture retains authority to waive merit personnel standards applicable to Food Stamp Program State agency employees under the Intergovernmental Personnel Act of 1970 for purposes of demonstration projects to test methods of improving program efficiency. OGC also effectively reviewed a Commodity Supplemental Food Program proposed rule designed to improve clarity of existing rules and to improve program accountability and flexibility. OGC gave legal advice regarding a Memorandum of Understanding between the Food and Nutrition Service and the Veterans Administration which specifies collaborative efforts of the two agencies to encourage disabled and other veterans to participate in the domestic food assistance programs for which they are eligible.

Review of regulations and public notices was again a priority for OGC in FY 2002. OGC cleared for legal sufficiency a total of 32 separate Federal Register publications concerning the domestic food assistance programs. OGC reviewed a substantial rule proposing a variety of changes to the WIC program which, among other things, would streamline Federal requirements for financial and participation reporting for State agencies. OGC also reviewed rules which would revise the WIC Food Package, change Food Stamp Program rules applicable to anticipating income and reporting changes, and revise Food Stamp Program standards for approval and operation of food stamp electronic benefit transfer systems.

Litigation involving the Department with respect to the food assistance programs continued to be a significant element of work. Among other issues, litigation involved: (1) Maine Care Services, Inc. v. USDA, in which the Court upheld USDA's position that hearings provided for CACFP providers are informal rather than formal proceedings under the Administrative Procedure Act; (2) Ironbound Community Corporation v. USDA, involving a challenge to rules regarding timely filing of claims for reimbursement by CACFP sponsors; and (3) Solis v. Veneman, in which the Court granted the Secretary's motion to dismiss a class action which sought restored Food Stamp Program benefits for the period from the date a regulation became effective to the date the state agencies were required to implement the regulation. OGC also played a significant role in the settlement of a *qui tam* action, U.S. *ex rel.* Stucky v. Pacific Enrichment, Inc., under which misused CACFP funds were recovered. Finally, OGC was influential in the settlement of a class action suit against the State of New York which resulted in the efficient transfer of Food Stamp Program recipients who were being converted from public assistance to the Supplemental Security Income program.

RURAL DEVELOPMENT

Community Development Division: The Community Development Division provides legal advice to the Rural Housing Service (RHS), the Risk Management Agency, the Rural Business-Cooperative Service (RBS), the farm lending arm of the Farm Service Agency (FSA), and the National Sheep Industry Improvement Center in all their major areas of activity. Implementation of the Debt Collection Improvement Act of 1996 in conjunction with the Treasury Department affects all of the division's client agencies and involves significant time of several OGC attorneys. During FY 2002, this Division advised FSA and the agencies within the Rural Development (RD) mission area concerning implementation of the Farm Security and Rural Investment Act of 2002, including attending Congressional hearings, and

reviewing proposed legislation, internal directives, and Federal Register documents implementing the legislation.

Farm Loan Programs Farm Service Agency: The Community Development Division provided extensive assistance to the DOJ in connection with a putative class action challenging FSA's receipt of administrative offsets from the FSA Farm Program payments of nonborrower entities which contain participating FSA delinquent borrowers. Ongoing litigation continues to require assistance to DOJ in putative class actions by Mexican bracero laborers seeking substantial damages from the Government for return of their rural savings accounts earned for agricultural work in the U.S. between 1942-1946. The Division continues to provide DOJ with assistance on the borrowers' appeal of a favorable decision in a putative class action involving the collection of FSA's shared appreciation agreements at the end of their 10-year term. The Division provides ongoing assistance to the Civil Rights Division of OGC concerning FSA program issues arising in the context of several putative discrimination class actions by FSA borrowers. The Division was instrumental in assisting FSA to develop an FSA Action Plan to address discrimination concerns raised by the Black Farmers and Agriculturists Association. The action plan included many loan servicing, agency training, and outreach initiatives to benefit all minority and socially-disadvantaged farmers as well as Pigford class members.

Rural Housing Service (RHS): The Community Development Division worked extensively with RHS to substantially revise and update their environmental regulations. The Division researched and advised RHS concerning the operation of its housing programs in the Federated States of Micronesia. The Division also worked with the Department of State concerning the employment status of RHS personnel and the impact of renegotiation of the Compact of Free Association on the RHS program. The Division continues to be extensively involved with numerous Multiple-Family Housing loan prepayment cases filed across the nation. Two cases were argued this year before the U.S. Supreme Court. Additionally we are addressing a significant increase in Multi-Family Housing prepayment issues. The Division provided significant assistance to RHS on the consolidation of Community Facility (CF) servicing regulations. OGC attorneys were extensively involved in total rewrite of the CF direct loan program.

Rural Business-Cooperative Service (RBS): There has been a major increase in workload for RBS issues. Much of this is attributable to new initiatives, implementation of new programs authorized under the Farm Security and Rural Investment Act of 2002, and problem cases. RBS is involved in an increasing amount of litigation from problem loans and their startup cooperative stock purchase program. The Division has worked with RBS regarding the implementation of the Farm Security and Rural Investment Act of 2002, including negotiating an extensive Economy Act agreement with the Small Business Administration for the Rural Business Investment Program, reviewing RBS's implementation of other changes to existing programs, and helping RBS implement, among others, the following new programs: value added grants, national rural development partnership, and agriculture innovation centers. In addition, the Division has been involved in advising RBS on their proposed centralization of fiscal transfer agent functions in order to better facilitate a secondary market for the sale by lenders of RBS guaranteed loans.

Risk Management Agency and Federal Crop Insurance Corporation: The Community Development Division continues to be heavily involved in the implementation of the provisions of the Agricultural Risk Protection Act of 2000 (ARPA), including those provisions relating to compliance and new crop insurance coverages, rewriting of the crop insurance basic provisions, and preparation for the forthcoming renegotiation of the Standard Reinsurance Agreement. The Division continued to defend the Federal Crop Insurance Corporation (FCIC) in civil actions involving the sugar beet policy brought by the reinsured companies in Kansas and producers in Minnesota and the Crop Revenue Coverage durum wheat policy brought by producers in North Dakota. The Division also continued to expend considerable effort in defending the FCIC in a challenge to FCIC's implementation of prevented planting changes to various crop insurance policies effective for the 1996 crop year.

Rural Utilities Division/Rural Utilities Service (RUS) Electric, Telecommunications, and Water and Waste Programs: The Rural Utilities Division (RUD) provides legal services required in the administration of the electric, telecommunications, water and waste disposal programs of the Rural Utilities Service (RUS). Principal legal services include the drafting of loan documents, the negotiation of complex, transaction specific documents, the drafting and review of program regulations, and general advice and counseling on program implementation, environmental issues and loan servicing and collection activities.

RUS significantly increased demands for legal services from the RUD to implement and administer its electric, telecommunications, water, and waste disposal programs during FY 2002. The principal legal services included drafting of loan documents, negotiation of sophisticated transactions, drafting and review of program regulations, along with general legal counseling on program implementation, environmental

issues, and loan servicing and collection activities. The Division worked with RUS on electric program loans and guarantees totaling $4.1 billion during FY 2002, the highest lending level in decades and an increase of $1.5 billion over FY 2001. During the same period, the Division worked on RUS telecommunications program and the Rural Telephone Bank loans totaling $1.7 billion for telecommunications infrastructure. This represented an increase of more than $600 million over FY 2001 and the highest lending levels ever experienced in the telecommunications program. The activities of RUS were further complicated during this fiscal year by uncertainties associated with utility deregulation and growing risks in the energy sector.

Examples of specific legal services provided by the Rural Utilities Division:

- Advised RUS regarding the implementation of the Local TV Loan Guarantee Program providing for loan guarantees of up to $1.2 billion to bring local TV service to unserved and under served areas, including the establishment of an inter-agency oversight Board. The development of this program presented many legal challenges related to the creation of the Board and the statutorily mandated special loan security rules.

- Assisted RUS in conducting public meeting and drafting regulations to implement the Rural Broadband Access Loan Program--a new $400 million annual program promoting high speed internet access in rural areas by making loans to the broadband industry.

- Assisted RUS in developing program structure and regulations implementing section 313A added to the Rural Electrification Act by the Farm Security and Rural Investment Act of 2002. Under this authority, RUS has the potential to issue up to $4 billion of federal loan guarantees to private lenders to the rural electric and telecommunications industries.

- Advised RUS and prepared the legal documents necessary to fund a $210 million federal loan to the citizens of the Island of Kauai in the State of Hawaii, organized as Hawaii's first electric cooperative, to purchase substantially all of the assets of the former private electric utility serving all of Kauai.

NATURAL RESOURCES

The Natural Resources Division and OGC Field Offices provide legal services to the Forest Service and the Natural Resources Conservation Service in the natural resources legal area, and to all Department agencies in the Pollution Control area.

Forest Service (FS) Programs: OGC, through the Natural Resources Division and its field offices, provided advice to assure compliance with federal environmental and administrative laws for protecting public lands and assets while maintaining on-going federally permitted activities and contract programs.

In the forest management program area, OGC provided litigation support to the DOJ in collecting millions of dollars in damages owed the government by defaulting timber sale purchasers. OGC provided assistance to the DOJ in on-going settlement negotiations of more than twenty consolidated cases concerning the collection of tens of millions of dollars in principal damages plus interest owed the government pursuant to Orders issued in two of the representative consolidated cases, and assisted DOJ in briefing the cases on appeal to the U.S. Court of Appeals for the Federal Circuit which recently issued two decisions in favor of the government.

OGC provided legal assistance on the defense of approximately 35 lawsuits challenging timber sale suspensions, modifications and cancellations and alleging the right to takings compensation pursuant to the Fifth Amendment to the U.S. Constitution. Additionally, OGC provided legal assistance in drafting contract provisions to limit liability for contractual damages and developed and presented a three-day course on Advance Contract Law to train FS contracting officers on various aspects of contract law as it relates to their daily program activities.

The nationally controversial timber sale program in Alaska continues to require significant legal services. Attorneys both in the Washington and Juneau field office are assisting with litigation claims of $1.5 billion arising from denial of contract claims on the Alaska Pulp Corporation (APC) 50-year timber sale contract on the Tongass National Forest. APC's aggressive litigation stance required the commitment of significant OGC time and resources to defend against its $1.5 billion claim and the related massive discovery effort.

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OGC provided legal advice and assistance to the FS regarding implementation of stewardship contract pilot projects aimed at harvesting timber while simultaneously advancing forest resource management objectives, and presented information and materials concerning stewardship contracting to attorneys in the public sector during a training course sponsored by the American Law Institute of the American Bar Association. Under these stewardship contracts, timber is harvested and contractors provide services designed to achieve land management goals, including road & trail maintenance, watershed restoration and restoration of wildlife habitat. OGC also provided legal advice and assistance on the interpretation and implementation of a statute authorizing the collection and retention of fees associated with the harvest of special forest products.

OGC continues to advise the FS on forest plan revisions and amendments, and related administrative appeals. In addition, OGC is also advising the agency on the development of new National Forest Management Act planning rules, on the U.S. Fish and Wildlife Service effort to propose Migratory Bird Treaty Act rules applicable to federal agencies, and on efforts to improve the administrative appeals process and National Environmental Policy Act procedures. OGC has provided advice and legal assistance to the Department and Forest Service regarding efforts to implement the Healthy Forest Initiative announced by President Bush on August 22, 2002. OGC has also provided legal assistance in association with other program reviews such as the Process Predicament Report and the Regional Forester's Review of the Sierra Nevada Forest Plan Amendments.

Administrative appeals and litigation continue regarding Forest Service compliance with National Environmental Policy Act (NEPA), National Forest Management Act (NFMA), and the Endangered Species Act (ESA). OGC provides advice regarding appeals of projects as well as of forest plan amendments and revisions. Additionally, approximately 120 NEPA, NFMA and/or ESA lawsuits currently are pending against the FS, with the majority involving challenges to timber harvest, other vegetative or range management. Several lawsuits involve challenges to fire salvage and fire prevention projects, and we expect more of such cases as the FS makes more decisions under the National Fire Plan. OGC also advised the FS on litigation pending against the November 2000 NFMA Planning Rule, the January 2001 Roadless Area Conservation Rule, and National Forest System Roads Management rule and policy, and the Northwest Forest Plan Amendments.

In real property matters, OGC provides extensive legal assistance to the FS and the Natural Resources Conservation Service (NRCS). In FY 2002, $148 million was appropriated to USDA agencies for the acquisition of lands and interests in lands. These land transactions involve considerable legal work in contracting, title work and closing. Additionally, legal counsel is provided for the entire spectrum of real estate matters related to the National Forest System (NFS) including title claims, trespass, appraisal, survey, special use authorizations and similar issues. OGC also provides legal services regarding land title claims involving private parties, Indian tribes and pueblos, and state and local governments. These claims arise variously under treaties, Spanish land grants, and statutory grants by Congress.

OGC has provided an increasing amount of advice to the FS in its activities related to hydro power projects, in part due to the approximately 200 relicensing proceedings at Federal Energy Regulatory Commission (FERC) occurring in the next 10 years for projects located on NFS lands. OGC assistance includes representing the FS in settlement negotiations regarding new licensings and license surrender proceedings, filing motions with FERC, and counseling the FS on its authorities under the Federal Power Act. In addition, in response to the President's National Energy Plan to make the hydropower licensing process more efficient and streamlined, OGC and the FS have participated in an Interagency Hydropower Committee (IHC) process with FERC, and the Departments of the Interior, Commerce, and EPA. The IHC developed an alternative licensing process proposal that is under consideration, along with other proposals from industry, states, and environmental organizations, in a FERC rulemaking process that will culminate in new licensing regulations by July 2003.

In the minerals area, OGC provided extensive assistance to the Department of Justice in negotiating a settlement which has the potential to resolve a breach of contract claim seeking damages in excess of $50 million for the May 2000 denial of a geothermal energy development proposal in the State of California at no cost to the United States and which led to a reconsidered decision approving the geothermal power plant. OGC also significantly assisted the Department of Justice in settling, on very favorable terms, a long-standing lawsuit challenging a statutory provision which was held to take a mining claimants right to obtain patents for several mining claims. OGC provided extensive advice to the Forest Service on the disposal of paleontological resources on NFS lands. OGC also assisted in analyzing the extent of the governments authority to readjust the terms of mineral leases upon the conclusion of their primary terms.

OGC assisted the FS Legislative Affairs staff in reviewing numerous drafts of the Farm Bill, and in preparing for Congressional hearings and responding to questions following the hearings. OGC also provided substantial legal assistance in responding to Congressional document requests, including a request from Chairman Lieberman relating to the Department's Roadless Area Conservation Rule. OGC continued to provide assistance in addressing numerous legal issues encountered during implementation of the Secure Rural Schools and Community Self-Determination Act of 2000, an act stabilizing payments to 712 counties in 40 states (and through them to 712 counties) by decoupling them from forest receipts.

In the recreation area, OGC drafted permanent recreation fee legislation; analyzed liability issues associated with legislation proposed by the outfitter and guide industry and negotiated language with industry counsel that minimizes the liability of the United States; drafted a proposed rule to enhance the FS's authority to regulate special uses occurring on National Forest System roads and trails; and drafted a final rule implementing section 1307 of the Alaska National Interest Lands Conservation Act, which grants certain rights and preferences in the provision of visitor services on federal lands in Alaska.

OGC provided the FS considerable legal support in reviewing FS authorities to work in partnership with other governmental entities, non-profit organizations, industry, and others. The FS created a Partnership Authorities Workgroup in response to an invitation from Congressmen McInnis and Udall to propose legislative language to broaden FS partnership authorities. The Workgroup, with OGC assistance, developed recommendations for changes to agency policy and regulations, in addition to proposed legislation, that will expand FS authority to work cooperatively on public land management and natural resource conservation.

OGC also provided substantial legal assistance regarding other federal laws such as Native American treaty rights and religious freedom, and historic and archaeological resource protection. OGC provided counsel to the Forest Service Tribal Task Force on legislative language, policy, and FS directives that would authorize the FS to provide Indian tribes with greater access to and use of NFS lands for traditional and cultural purposes. OGC continues to provide legal advice to assure compliance with federal administrative laws such as the Administrative Procedure Act, the Paperwork Reduction Act, the Freedom of Information Act, the Privacy Act, the Federal Advisory Committee Act and executive orders and other authorities governing federal decision making and in implementation of the FS's multiple administrative appeal processes.

Natural Resources Conservation Service (NRCS) Programs: OGC provided legal advice and services to the NRCS regarding its programs for natural resource conservation on private or other non-Federal farm, range, pasture and nonindustrial forest lands, including programs authorized by the Farm Security and Rural Investment Act of 2002 and other statutory authorities. The 2002 Act provides for approximately $17 billion in conservation funding for the 2002-2007 period. In addition, NRCS received more than $1.02 billion for natural resource conservation programs in FY 2002, resulting in a continuing increase in program related legal services. OGC continues to provide extensive legal services to NRCS and the Secretary in implementing the applicable regulations and program procedures, as well as compliance with general legal requirements. In particular, OGC supplied legal counsel to the agency in developing the Department's position, and presenting that position, in deliberations on the 2002 Act, and in developing the regulations and internal guidance needed to implement the new or revised conservation program authorities provided by the Act.

The Agricultural Risk Protection Act of 2000, and subsequent related legislation, provided NRCS with several new program authorities and funding that required continuing legal services. OGC assisted the NRCS in developing and publishing regulations for providing grants under the Agricultural Management Assistance program and for the purchase of conservation easements under the Farm and Ranch Lands Protection Program.

OGC also provides legal counsel to NRCS in the enforcement of the highly erodible land and wetland conservation compliance provisions of the Food Security Act of 1985. OGC assists NRCS in determinations for enforcement and for granting statutorily-authorized variances. OGC defended the agency in several lawsuits challenging the implementation of the conservation provision of the Food Security Act, including administrative appeal and court challenge to the agency's wetland determinations. Significant legal services were provided to help NRCS respond to several lawsuits challenging the agency's determination of previous alterations and agricultural use of certain wetlands.

OGC continues to provide legal services in support of the Wetlands Reserve Program (WRP). To date, that program has acquired easements on 1,275,000 acres. Last year, approximately 200,000 acres were added to the program roles. OGC reviews titles for easement acquisitions as well as restoration contracts. Additionally, OGC provides legal assistance to NRCS with regard to its administration of WRP easements.

OGC also continued to assist the NRCS and the FS in reviewing the regulations promulgated by the Environmental Protection Agency (EPA) under the Clean Water Act for total maximum daily loads of pollutants and for confined animal feeding operations, and in discussions with the EPA and DOJ regarding litigation under the Clean Water Act and the ESA related to the use of pesticides.

Pollution Control: OGC provided substantial assistance to the Department on issues relating to the cleanup of hazardous substance sites and compliance with applicable pollution control laws. In particular, OGC assisted the USDA Hazardous Materials Policy Council and the USDA Hazardous Materials Management Group in implementing the hazardous materials management and federal facility pollution control compliance program. OGC also provided assistance to the Department and the FS on the cleanup of hazardous material sites on NFS lands and other property and facilities for which USDA acts as federal land manager. OGC brought responsible parties into negotiations to obtain early and substantial contributions to cleanup costs incurred in connection with NFS lands. OGC's CERCLA enforcement efforts secured environmental cleanup work or cost-recovery of $14.3 million from potentially responsible parties during FY 2002. OGC also provided legal advice on numerous hazardous substance cleanup and cost-recovery matters to other USDA agencies, including CCC, ARS, and APHIS. OGC also defended claims against the Department and provided advice on compliance with pollution control standards, and with advice on hazardous materials liability in real property transactions. OGC's efforts on behalf of USDA on pollution control matters include the following:

- OGC provided substantial assistance to the Department and the Forest Service on issues arising out of widespread selenium contamination resulting from historic and current phosphate mining in Southeastern Idaho. The sources of the contamination and the affected areas are located on NFS land, private property, and lands that are under the jurisdiction of the United States Department of the Interior, Bureau of Land Management (BLM), and the State of Idaho, Department of Environmental Quality (IDEQ). Cleanup costs could potentially exceed $200 million.

- The USDA Commodity Credit Corporation (CCC) has been conducting investigations concerning potential groundwater contamination by carbon tetrachloride (CT) used to fumigate grain at former CCC grain storage facilities in the Midwest, primarily Kansas and Nebraska. One of the sites, at Bruno, Nebraska, has been listed on the National Priorities List. OGC has been working with the Farm Service Agency (FSA) in negotiating a cooperative agreement with the State of Kansas concerning technical assistance to be provided to USDA by the Kansas Department of Health and the Environment. This cooperative approach to site assessments and response will serve as a model for working with other states.

- OGC was involved significantly in the review of Forest Service Region 10 due diligence assessments at former log transfer facilities (LTFs) used by long-term timber sale contract holders, the Ketchikan Pulp Company (KPC) and the Alaska Pulp Company (APC). The OGC negotiated a Memorandum of Understanding (MOU) between FS Region 10 and the Alaska Department of Environmental Conservation concerning the cleanup of petroleum and hazardous substance contaminated LTF sites in Alaska. OGC also negotiated a MOU, Procedures for Implementation, and a Cost Collection Agreement with APC for the screening of 87 sites and the cleanup of petroleum and hazardous substance contamination at these former APC LTF sites as necessary. OGC also provided continuing legal services to the Forest Service concerning the cleanup of former KPC LTF sites on the Tongass National Forest.

- OGC has also taken a leading role providing advice to the USDA Principal participant in the Interagency Military Land Use Coordination Committee to secure Department of Defense cleanup of over 200 formerly used defense sites now under the land management responsibilities of USDA.

LEGISLATION, LITIGATION, AND GENERAL LAW

Legislation: During FY 2002, OGC reviewed approximately 300 legislative reports on bills introduced in Congress or proposed by the Administration. OGC also cleared for legal sufficiency written testimony of approximately 450 witnesses appearing before Congressional committees on behalf of the Administration. The Division reviewed and coordinated the legal review for the Department in the clearance of legislation and ancillary legislative materials. The Division drafted and assisted in the preparation of bills and

amendments for the Secretary, members of Congress, Congressional committees, and agencies within the Department. OGC provided extensive assistance to Department policy officials in drafting and analyzing various legislative proposals, including proposals in connection with the Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act, 2002 (Pub. L. No. 107-76); the Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act, 2003 (H.R. 5263 and S. 2801); the Farm Security and Rural Investment Act of 2002 (Pub. L. No. 107-171); the Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (Pub. L. No. 107-188); and the Homeland Security Act of 2002 (Pub. L. No. 107-296). The Division also provided technical assistance to the Senate and House Offices of Legislative Counsel and to members of Congress and Congressional Committees.

Litigation: OGC is responsible for development and communication of the Department's position in cases on appeal. During FY 2002, Litigation Division attorneys were responsible for 61 appellate cases, of which they were assigned full responsibility for 12. Of these 12, four received favorable results. One case was decided against the government's position, and one case was settled before the court issued a decision. The other 6 appellate cases are awaiting briefing schedules, are fully briefed and argued, or are waiting to be scheduled for oral argument in the near future.

The Litigation Division briefed and argued Fred Hodgins, Janice Hodgins, and Hodgins Kennels, Inc. v. Department of Agriculture. On April 17, 2002, the United States Court of Appeals for the Sixth Circuit affirmed a decision of the Secretary which found that a dog dealer, regulated under the Animal Welfare Act, violated 13 regulatory and statutory requirements. The decision affirmed the imposition of a $325 penalty and a cease-and-desist order against the dealer. The Court held that the Animal Welfare Act authorizes the Secretary to remedy any violation, not only willful or particularly egregious violations. These violations, the court found, adequately support the fine imposed by the Secretary.

The Litigation Division prepared briefs in and argued William J. Reinhart v. United States Dep't of Agriculture. On July 10, 2002, the Court of Appeals for the Sixth Circuit dismissed the petition for review on the grounds that the petitioner filed it after the thirty-day time limit for filing such a petition. The period for filing appeal of a USDA order denying horse owner's petition for reconsideration in civil penalty proceedings for violations of Horse Protection Act was not subject to equitable tolling, and thus a clerical error by USDA that prevented the owner from receiving the Secretary's order until after appeals period had ended did not extend period for filing appeal. The dismissal of the petition allowed the Department to enforce a decision by the Secretary assessing a civil penalty and issuing a suspension order preventing the owner from showing horses in horse shows and exhibitions for a period of five years.

On August 22, 2002, the United States Court of Appeals for the Ninth Circuit affirmed the decision of the Secretary to revoke an animal exhibitor's license and to impose a civil penalty of $16,775 for violations of the AWA in Mitchell v. U.S. Department of Agriculture. The exhibitor failed to answer the Department's administrative complaint. As a result, the allegations of the complaint were deemed admitted, and the sanctions imposed by the Secretary were justified by the admitted violations.

Litigation Division attorneys also gave substantial assistance in the Department of Justice's preparations to present the Government's positions in lawsuits. For example:

The Litigation Division assisted the Office of the Solicitor General in writing an amicus brief opposing certiorari in Ponderosa Dairy, Inc. v. Lyons and Hillside Dairy v. Lyons, which involved dormant Commerce Clause challenges to the milk pricing and pooling provisions of the State of California. At issue was whether those provisions were insulated from Commerce Clause challenges by virtue of language contained in the 1996 Farm Bill.

In addition, OGC's appellate lawyers prepared the Department of Agriculture's 49 recommendations to the Solicitor General on whether to appeal adverse decisions of various trial courts, or to participate as amicus in appellate or Supreme Court cases, during FY 2002. For example, the Litigation Division recommended an appeal in the case of Livestock Marketing Association v. U.S Department of Agriculture. On June 21, 2002, the United States District Court for the District of South Dakota found the mandatory assessments paid by cattle growers under the Beef Research and Promotion Act of 1985 to be unconstitutional because the assessments infringed the First Amendment rights of cattle growers who disagreed with the program of generic beef advertising funded under that statute. If allowed to stand, the decision would eviscerate an $86 million per year program which has generated substantial positive returns for the beef industry.

Likewise, the Department recommended appeal in Michigan Pork Producers v. Campaign for Family Farms v. Veneman, which found the mandatory assessments under the Pork Promotion, Research, and Consumer

Information Act of 1985 to be similarly unconstitutional. The government appealed on the grounds that these statutorily-mandated programs are government speech, furthering important government interests in maintaining strong beef and pork production industries, and the programs therefore do not implicate the First Amendment rights of the producers who fund them.

In Amherst v. Altman, in the Second Circuit, Litigation Division attorneys assisted the Solicitor General's office in preparing an amicus brief to present the government position on pesticide law and its relation to the Clean Water Act.

General Law Division (GLD): This division is responsible for handling on behalf of all of the agencies and offices of the Department the legal work and litigation that arise under the many statutes and regulations that apply generally to all agencies of the Federal Government. These include, but are not limited to, the following: the Federal Tort Claims Act (FTCA); the Freedom of Information Act (FOIA); the Privacy Act (PA); the Federal Advisory Committee Act (FACA); the personnel laws and regulations; and the Federal Service Labor-Management Relations Act.

During FY 2002, GLD attorneys provided extensive services to client agencies under these statutes and regulations including:

- reviewing and deciding over 61 FTCA claims;
- reviewing over 214 FOIA and PA requests and appeals;
- litigating with Department of Justice attorneys 16 newly filed FOIA and PA lawsuits, in addition to the 27 pending FOIA and PA cases from previous years;
- litigating with Department of Justice attorneys 44 newly filed FTCA lawsuits, in addition to the 115 pending FTCA cases from previous years; and
- litigating other cases filed under the Fair Labor Standards Act, the Federal Employees Pay Act, the FACA, the Whistleblower Protection Act, and other Federal personnel laws.

During FY 2002, GLD provided significant legal resources in connection with the development of several homeland security policies and procedures. GLD has provided, and will continue to provide, advice regarding the drafting and implementation of departmental guidelines and regulations establishing a category of information deemed "sensitive security information." In addition, GLD has provided advice and guidance to USDA agencies regarding the protection and dissemination of sensitive security information. GLD developed a comprehensive directory of USDA Emergency Relief Authorities for the Homeland Security Staff. GLD has participated in the process of obtaining original classification authority from the President and expects to continue to play a role in advising agencies regarding the classification of information. With regard to USDA visa programs, GLD has provided legal advice with respect to USDA participation in several non-immigrant visa programs, such as the J-1 visa program, and will continue to advise agencies regarding participation in such programs following the implementation of greater oversight and security measures.

Additionally, GLD attorneys rendered advisory opinions and provided legal services in numerous areas including: conflicts of interest; fund-raising; the acceptance of gifts; budget and fiscal matters; property management; advisory committee activities; delegations of authority; subpoenas; personnel; Whistleblower Protection Act; Paperwork Reduction Act; and the Administrative Procedure Act.

In FY 2002, as program counsel for the Research, Education, and Economics (REE) mission area agencies, GLD provided extensive advice to REE agencies and the Office of Inspector General on matters regarding:

- allowability of costs incurred by grant recipients;
- guidelines for the Hatch Act multi-state research fund and multi-state Smith-Lever Act requirements; and
- Federal rights in property produced or purchased in whole or in part with Federal financial assistance.

GLD worked extensively during FY 2002 with REE agencies, the Office of the Chief Economist, Departmental Administration agencies, other USDA agencies, the USDA Graduate School, and congressional staff on the development of the research and energy titles of the 2002 Farm Bill, as well as various provisions of the rural development and miscellaneous titles of the 2002 Farm Bill. GLD also completed a Secretary's Memorandum delegating new authorities in the Farm Bill once enacted, and began to provide advice on implementation, especially with respect to the Office of the Chief Economist and the USDA Biobased Products Program.

GLD continued to provide guidance to the National Appeals Division (NAD) and OGC offices nationwide with respect to the interpretation of the NAD statute and procedures, principally in response to ongoing litigation.

As counsel for Department administrative agencies, GLD provided ongoing advice on procurement, property, and financial management issues as well as department-wide policy issues in these areas. Specific examples of FY 2002 activities include:

- Revising the Department debt collection regulations at 7 CFR part 3 on behalf of the Office of the Chief Financial Officer (OCFO);
- Assisting OCFO with a rulemaking action to revise and update department-wide regulations governing USDA assistance programs;
- Providing guidance to OCFO as well as other agencies in the interpretation and implementation of Federal Activities Inventory Reform Act (FAIR Act) and competitive sourcing under OMB Circular A-76, development of the commercial activities inventory, and setting up an appeals process.

GLD also represented USDA, or assisted Department of Justice representation, in:

- 38 procurement protests before the General Accounting Office;
- 10 contract claims before the Agriculture Board of Contract Appeals;
- 9 agency-level protests;
- 5 procurement protests before the United States Court of Federal Claims;
- 6 contract claims before the United States Court of Federal Claims;
- 2 qui tam lawsuits;
- 6 bankruptcy lawsuits;
- 1 nonprocurement lawsuit in United States District Court;
- 2 class-action anti-trust and False Claims Act lawsuits; and
- 3 matters before the Federal Circuit Court of Appeals.

In FY 2002, GLD reviewed 11 memoranda of understanding between various agencies and non-Federal parties.

It is expected that there will be a greater demand on GLD legal services with respect to providing assistance on the implementation of USDA initiatives regarding homeland security and contracting out commercial activities.

Under the direction of the Division, applications for patents were prepared on inventions by USDA employees with the objective of obtaining patent protection for the Government. Seventy eight patent applications were prepared and submitted to the U.S. Patent and Trademark Office during FY 2002 and fifty seven patents were obtained. Eight applications were abandoned, and seventeen cases were closed.

CIVIL RIGHTS

The Civil Rights Division (CRD) expends significant resources in the following areas: litigation of individual and class action cases; provision of training on civil rights law, policy and procedure; legal sufficiency review of draft decisions, settlements, regulations, guidance and other documents; and daily advice and counsel to USDA officials on civil rights matters.

In litigation matters, CRD defends USDA in cases filed under the equal employment opportunity laws, the Equal Credit Opportunity Act, Title VI of the Civil Rights Act of 1964, and other federal statutory and constitutional authorities. During FY 2002, CRD was responsible for providing legal services related to 17 employment and 8 program discrimination class action cases.

Since October 2001, the Equal Employment Opportunity Commission (EEOC) has denied class certification and/or dismissed the class action complaint in 7 employment class action cases for failure to meet the legal standards to maintain a class action. In addition, a class agent withdrew her appeal of the denial of class certification, resulting in a favorable outcome for USDA. Currently, CRD is actively litigating five administrative employment class action cases:

- Basu v. Veneman - EEOC's Office of Federal Operations (OFO) conditionally certified a class of Asian employees and persons who were denied promotions or not selected for positions with

USDA. CRD is engaged in vigorous discovery with the class agents and anticipates requesting the opportunity to re-brief the issue of class certification.

- Epps v. Veneman - The OFO certified a class of African American employees challenging the promotion practices of the NFC. The parties are completing discovery, and a hearing is scheduled for February 2003.

- Herron v. Veneman - The OFO remanded this case filed on behalf of African American employees of the FSA, following a decision by the Administrative Judge of no class-wide discrimination based on evidence presented during an extensive hearing. The remand decision required the consideration of additional statistical analysis, which CRD is currently preparing.

- Sedillo v. Veneman - A class was certified on behalf of Hispanic employees of the Forest Service, and CRD's appeal of the certification decision was unsuccessful.

- Spencer v. Veneman - The OFO remanded this case for consideration of additional evidence, which is currently being gathered. CRD anticipates preparing additional briefs to support its argument that a class action should not be certified in this case brought on behalf of African American employees USDA-wide.

In addition, CRD has devoted significant litigative efforts to individual claims filed under the settlement agreement entered in Donnelly v. Veneman, a class action case brought on behalf of female employees of the Forest Service, Region 5, who claim sexual harassment or reprisal.

CRD continues to coordinate the defense of USDA in a myriad of program class action cases brought by plaintiffs who allege discrimination in the delivery of USDA direct loan and other programs:

- Chiang v. Veneman - filed on behalf of Black, Hispanic, female and/or Virgin Islander residents of the Virgin Islands who allege denial of access to rural housing programs.

- Keepseagle v. Veneman - class has been certified on behalf of Native American farmers and ranchers who allege discrimination in USDA's farm programs.

- Love v. Veneman - seeking certification of a class of female farmers and ranchers who were denied participation in farm loan programs based on sex.

- Wise v. Veneman - filed on behalf of African American and female family farmers who were denied participation in farm loan and benefit programs.

USDA prevailed in three program class action cases during the past months that resulted in complete dismissal of two cases and denial of class certification in the third.

Implementation of the April 14, 1999, Consent Decree in Pigford/Brewington, the class action filed on behalf of African American farmers alleging race discrimination in farm loan and benefit programs, continued to require significant effort by CRD. As of December 2, 2002, 60.5 percent of the 21,597 Track A claims filed were decided in favor of the claimant. The Government has paid over $626.4 million to prevailing Track A claimants and provided approximately $14.3 million in debt relief. CRD continues to provide assistance in responding to claims and petitions for review by the Monitor, as well as a variety of other activities relating to implementation of the Consent Decree.

In addition to the class action cases, CRD litigates a substantial number of employment cases pending before the EEOC or federal district courts and individual program cases filed administratively or in court. The demand for representation by CRD continues to increase as CRD achieves favorable results in its litigation. Currently, CRD provides representation in complex and politically sensitive employment discrimination cases before the EEOC, as well as cases involving issues of first impression or disputes involving high-level positions or officials within USDA. CRD's involvement in employment litigation will increase as litigants choose federal district court as their venue as a result of changes in the law brought about by the "NO FEAR" Act. The individual program discrimination cases often involve novel issues of law and/or complex fact patterns, and thus are very labor-intensive. CRD is involved in all phases of the program discrimination litigation.

While litigation responsibilities continue to demand significant time and resources, CRD has expanded its role in providing training and giving advice and counsel. Recently, CRD hosted the first-ever OGC Civil

Rights and Personnel Law Conference for OGC attorneys who work in field offices throughout the country. The training was very well-received, and plans are under way to make the conference a regular event. In addition, CRD provides civil rights training to agency managers and officials, civil rights personnel, and human resources staff. Examples of the training provided by CRD during FY 2002 include:

- Training on limited English proficiency issues to civil rights staff of APHIS and managers of FSIS;
- Training on departmental reasonable accommodation procedures for agency managers and more general training on the reasonable accommodation obligation under disability law to NRCS's civil rights staff;
- Presentation on recent Supreme Court cases addressing disability law issues; and
- Various presentations on civil rights issues to agency civil rights staffs, employment relations specialists, managers, and ADR officials, including training on representation of the agency before the EEOC.

In its advice and counsel role, CRD conducts legal sufficiency reviews of a large variety of materials and provides legal opinions on a vast array of civil rights issues. For instance, CRD has reviewed training modules created by the Office of Civil Rights, final agency decisions in which a finding of discrimination is made, proposed settlements in employment and program actions, petitions for attorney's fees, civil rights brochures and posters, draft regulations, data collection procedures, and manuals on processing or addressing civil rights complaints. Legal opinions have been provided on reasonable accommodation and disability law issues, procedures for handling employment class action cases, applicability of Title VI to programs involving revolving loan funds, and a variety of procedural matters in cases pending before the EEOC.

REGIONAL OFFICES

OGC currently has five regional and thirteen branch offices which provide legal services to numerous USDA agencies with field organizations, such as the Agricultural Marketing Service, Farm Service Agency, Rural Housing Service, Forest Service, Food and Nutrition Service, Risk Management Agency and Natural Resources Conservation Service.

The OGC field offices provide legal advice and services on a wide range of legal matters. Generally, attorneys in the field locations advise USDA officials who have been charged with program implementation duties at the regional, state and local level. Field attorneys also provide a wide range of assistance to the United States Attorney concerning the conduct of litigation in which USDA agencies are involved. OGC field offices provide essential services in nationally significant litigation in coordination with the Washington OGC office and with the Department of Justice. Civil Rights issues, debt collection matters, natural resource litigation, Food Stamp Program violations and Farm Service Agency program matters form the core workload of the field attorneys.

Field attorneys provide legal services in connection with, and legal representation on, cases before administrative law judges of the Agriculture Board of Contract Appeals, the Interior Board of Land Appeals, the Federal Energy Regulatory Commission, the Equal Employment Opportunity Commission, the Merit System Protection Board, and the National Appeals Division. The types of cases include contract appeals, mining and patent contests, hydro-electric licensing procedures, Title VII employee complaints, appeals of adverse personnel actions, and appeals of farmers aggrieved by adverse decisions on certain farm programs.

Examples of types of litigation and other matters handled by the field include the following:

Pacific Region

National Fire Plan. Pacific Region attorneys advised the Forest Service on implementing the National Fire Plan. Some of this is related to advising and defending fire recovery projects, which have resulted from major wildfires. In one case, we prevailed at the district court level, and the purchaser was permitted to harvest the burned timber while the case is on appeal. We also assisted in issuing and defending forest closure orders necessitated by the extreme threat of wildfires, and worked on several multi-million dollar affirmative fire claims in order to make sure that an entity that caused a large, damaging fire is held accountable.

Sierra Nevada. Pacific Region attorneys advise the Forest Service on major efforts related to the Herger-Feinstein Quincy Library Group Act. This included an EIS on maintenance of defensive fuel profile zones, preparation of an Administrative Study EIS prompted by Sierra Nevada Forest Plan Amendment ROD, handling of litigation related to the implementation of the Herger-Feinstein Quincy Library Group Act, and advising the Regional Forester and a specially designated team tasked with exploring opportunities to amend and improve the Sierra Nevada Forest Plan Amendments, adopted in 2001.

Subsistence Activities. Pacific Region attorneys advised the Federal Subsistence Board, in close coordination with DOI Office of the Solicitor, on federal law issues. The Alaska State Legislature failed to adopt a subsistence amendment to the State Constitution in its sixth special session on the issue, and this work will continue to need to be done. Related to the subsistence work is the effort to defend in the U.S. Supreme Court federal ownership of submerged lands within the Tongass National Forest.

Civil Rights. In response to the requests of USDA agencies, the Pacific Region has increased its assistance in this area, and is presently handling three large class action cases, two of which have been resolved through settlement agreements. In another matter, Pacific Region attorneys advised and represented an agency in the termination of a potentially violent employee.

Contract Litigation. Pacific Region attorneys are assisting in several large contract matters, including the $1.5 billion APC v. United States litigation and several large lawsuits resulting from timber sale contracts cancelled or suspended for environmental reasons. Pacific Region attorneys have assisted the Forest Service in its efforts to revise the timber sale contract.

Bankruptcy proceedings. Pacific Region attorneys assist in a large number of bankruptcy actions, but efforts this year included a couple of significant bankruptcy proceedings (one proceeding involving the Gateway mill in Ketchikan and another involved the PG&E bankruptcy (with its extensive inholdings, easements and agreements with the FS), which including making sure the interests of the Forest Service, including a claim of $21 million, were protected.

Forest Plans. Pacific Region attorneys have assisted in the Forest Service in its efforts to comply with forest plans and various court orders, which has included challenges to timber sales, including lawsuits alleging violations of NEPA, NFMA, ESA, the Aquatic Conservation Strategy, and the survey and manage requirements of the Northwest Forest Plan.

Pollution Control. Pacific Region attorneys provide advice on all aspects of pollution control and environmental compliance. This has included assistance in negotiating an MOU in Alaska which will result in the clean-up of about 30 sites, advising the Forest Service on multiple real estate transactions which have involved hazardous materials issues, assisting the Forest Service in responding to efforts to require houseboats on Lake Shasta to comply with state water quality standards, and negotiating voluntary improvements to the plans of the largest silver mine in North America, which included an increase in its bonding from $1 million to $23 million.

Commercial activities. Pacific Region attorneys assisted Rural Development and Farm Service Agency on numerous loan and grant applications, but efforts this year included assisting in the development of the use of sealed bid auctions to sell USDA inventory property in Hawaii; defending lawsuits filed by producers who claim FSA subsidy benefits allegedly applied for with Elko FSA office, in which USDA employee embezzled over $800,000; successfully representing the RBCS in a NAD hearing in which appellant frozen food company sought a subsequent B&I Guaranteed Loan for $10,000,000, when appellant was delinquent on initial guaranteed loan for $7.9 million; drafting a motion for summary judgment for judicial foreclosure, which was granted by District Court and affirmed by 9th Circuit in a multi-million dollar farm loan account; and collecting over $600,000 in litigation involving shared appreciation agreement under deeds of trust.

Land, real estate and minerals activities. Pacific Region attorneys assistance in real property acquisitions by the Forest Service and the Natural Resources Conservation Service including advising on the initiation of acquisitions under the Forest Legacy Program in Hawaii and on the Pacific Crest Trail in California, assisting ARS in obtaining a lease for the $50 million ARS Pacific Basin Agricultural Research Center and the FS Institute for Pacific Island Forestry in Hilo, successfully concluding a settlement with a regional Alaska Native Corporation over its claims in Alaska, which was implemented with legislation, and assisting in non-recreation special use permit situations, including one that has been before the Ninth Circuit four times and involves claims against about twenty federal personally.

Off-Highway Vehicle Issues. Pacific Region attorneys advise on the numerous and increasing challenges to forest travel management. These frequently involve contentious issues between environmentalists and OHV users, which has included litigation over OHV use on the Eldorado and Angeles National Forests.

Special Assistance. Pacific Region attorneys assisted in a number of special activities, including one in which we helped coordinate multi-agency legal authorities to assist a community threatened by flooding from an advancing glacier on the Tongass National Forest.

Mountain Region

National Fire Plan. Mountain Region attorneys advise the Forest Service on implementing the National Fire Plan. Some of this is related to advising and defending fire recovery projects, resulting from major wildfires. In one case, after an adverse district court ruling, this involved two days of intensive mediation involving the Chief and Under Secretary, which produced a settlement that was the only way the project could be implemented in a timely manner. This also included providing assistance to the Department of Justice in the handling of litigation involving challenges to timber sales for, among other issues, not using the proper cumulative effects analysis, and inadequate MIS population monitoring. It also included reviewing and approving orders to close entire national forests in response to the threat of wildfires during the 2002 fire season, responding to subpoenas for Forest Service employees in civil and criminal matters, and in providing advice on a large number of civil tort claims resulting from individual fires.

Civil Rights. In response to the requests of USDA agencies, the Mountain Region has increase its assistance in this area. For example, after a five-day trial, we prevailed in a case that had been pending for 11 years. In another case, we prevailed at all levels in a case that involved multiple complaints before both the EEOC and the MSPB. In another case, a Mountain Region attorney helped obtain a successful result in a week-long trial in an individual case arising out of the Pigford litigation.

Forest Plans. Mountain Region attorneys are assisting the Forest Service in its efforts to amend or revise forest plans. This has included successfully defending litigation challenging several timber sales alleged a violation of NEPA based on the Forest Service's failure to revise its plan within the 15-year period specified in NFMA. Another example involves defending multiple lawsuits challenging projects alleging failure to protect management indicator species, and providing advice on how to successfully prepare a timber sale to overcome the legal hurdles.

Water Rights. Mountain Region attorneys are assisting the Forest Service in the area of water rights. For example, Mountain Region attorneys are representing the Forest Service in Montana Water Court in 120 active cases involving over 700 water claims in 11 river basins. Mountain Region attorneys are assisting DOJ in litigation, including mediation, of Forest Service reserved water rights claims for six Wild and Scenic designated rivers in Idaho, over claims over stockwater rights, and over claims involving groundwater appropriation.

Pollution Control. Mountain Region attorneys provide advice on all aspects of pollution control and environmental compliance. For example, in one case, Mountain Region attorneys helped collect millions of dollars in bonds to reclaim abandoned large mines following a bankruptcy. Another case involved negotiating an administrative order on consent with a responsible party to have a removal action conducted at the Graysill Mine Site. Mountain Region attorneys assist in air and water pollution matters, which included negotiating a settlement which resulted in a state withdrawing its notice of violation and claim for civil penalties under the Clean Air Act related to a prescribed burn.

Commercial activities. Mountain Region attorneys assist Rural Development and Farm Service Agency on numerous loan and grant applications, and provided detailed closing instructions a water and sewer loan worth several hundred thousand dollars to the Town of Crested Butte, Colorado. Mountain Region attorneys also help protect the interests of USDA through actions in bankruptcy proceedings and by collecting debts, initiating real estate foreclosures and handling bankruptcies on behalf of the Farm Service Agency and Rural Housing Service.

Lands activities. Mountain Region attorneys assist in real property acquisitions by the Forest Service and the Natural Resources Conservation Service, including one controversial land exchange involving 12,000 acres. Mountain Region attorneys also assist in defending title of the United States, including providing assistance in the defense of 53 quiet-title lawsuits related to the 1994 congressionally-legislated Mt. Sopris land exchange, and assist in defending against environmental challenges to the issuance of easements and rights-of-way for private lands and other developments.

Private Land Access. Mountain Region attorneys assist on issues involving claims of access to private lands, which included review of a demand by an in-holder to construct a road through designated wilderness areas, advising on claims of R.S. 2477 rights of way.

Off-Highway Vehicle Issues. Mountain Region attorneys advise on the numerous and increasing challenges to forest travel management. These frequently involve contentious issues between environmentalists and OHV users, which has included litigation over OHV use on the Clearwater National Forest, and extensive negotiation over such use on the Flathead and Lewis and Clark National Forests between environmental and OHV groups.

Legal Opinions. A Mountain Region attorney issued a legal opinion on indemnification which persuaded the state and resulted in a successful resolution of a longstanding state/federal conflict.

Central Region

The Temple Office provided research, drafting and transaction closing services for the implementation of the Texas National Forests Improvement Act of 2000, which provided for the sale of a FS work center to the Gulf Coast Trades Center, a sale unique in that it provided for the credit sale of land, a possible first for the FS.

In a case handled by the Temple Office before the Agriculture Board of Contract Appeals, and ultimately appealed to Federal District Court, the Court established in a case of first impression an APA standard of judicial review for Federal Crop Insurance cases to be heard before the Board of Contract Appeals.

The Temple Office, with the assistance of the National Office, OGC, developed a mechanism by which the Rural Development form of promissory note can be utilized as a debt instrument and pledge of revenue as an alternative method of school financing, eliminating the need for bond issues and their attendant expense.

The Temple Office assisted the DOJ in the successful defense of four lawsuits brought by FSA guaranteed lenders contesting denials or substantial reductions of guaranteed loss claims, saving the agency in excess of $658,000.

The Little Rock Office provided significant pre-litigation advice to NRCS relating to significant Wetland Reserve Program violations in Louisiana and Mississippi, making significant progress toward negotiated settlements favorable to the agency.

The St. Paul Office provided significant litigation assistance to FSA and RMA in defense of guaranteed lender and insuror claims before the National Appeals Division, USDA.

The Kansas City Office assisted the Department of Justice in obtaining summary judgments in two Title VII personnel actions in the Eastern District of Missouri against APHIS and Rural Development, increasing the likelihood of similar judgments being entered in an additional four cases of a similar nature still pending in that District.

The Kansas City Office responded to greatly increased requests for legal assistance from the Kansas City Commodity Office in reviewing procurement documents and contracts pursuant to the effort of Farm Service Agency to comport its contracting activities to the requirements of the Federal Acquisition Regulations.

The Kansas City Office assisted Rural Development in the drafting of specialized instruments for use in the Guaranteed Rental Rural Housing Program, to include unique subordination and reamortization agreements, and 3-party agreements for use in management of reserve deposit accounts.

The Kansas City Office provided significant briefing assistance to the DOJ in the securing of a favorable outcome in the Eighth Circuit Court of Appeals in United States v. Jacobsen, establishing that the Federal law provisions of 42 USC §1475(b) of the Housing Act prevail over state provisions as to substantive rights of housing borrowers.

The Kansas City Office provided Rural Development with a revised Design Build Institute of America Agreement and drafted significant modifications to the agency's contracting guide, which now serve as the standard recommended by the RD National Office for design-build projects.

The Kansas City Office provided assistance to the DOJ in the case of Kansas v. Nebraska, pending before a U.S. Supreme Court Special Master, involving determinations of the causes of depletion of water flows in the Republican River, the office's involvement ensuring proper representation of the Natural Resources Conservation Service, so as to properly determine the effect, if any, of the agency's conservation programs on Republican River basin runoff and stream flow.

Southern Region

The Atlanta Office received favorable judgments in a number of cases filed in the Northern and Middle Districts of Georgia seeking to quiet title in the Forest Service under the Georgia Dormant Minerals Act. Much of the acreage of the Chattahoochee-Oconee National Forest was acquired in the 1930's encumbered by reserved and outstanding minerals. The net effect of these judgments is to give control to the Forest Service to manage mineral exploration and development over the vast majority of the Forest. A similar action is being prepared for filing regarding North Carolina national forests under the North Carolina Ancient Minerals Act.

In an effort to reduce time-wasting litigation and enable the Forest Service to carry out its on-the-ground activities, Atlanta attorneys are working the with Forest Service's Appeals & Litigation staff to provide pre-decisional review of draft administrative decisions and draft NEPA documents.

Southern Region attorneys emphasized "front-end" training of agency personnel rather than "back end" litigation support. Training to agencies included the subjects of the Endangered Species Act, NEPA, timber sale contracts, bankruptcy, lands and real estate issues, easements, minerals issues, torts, personal liability, state court subpoenas, revised UCC Article 9, FOIA, and others.

In a major victory for the Kisatchie National Forest in Louisiana, the Atlanta Office was successful in Central Pines, L.L.C. v. United States, 274 F.3d 881 (5th Cir. 2001), in which the Fifth Circuit declined to apply Louisiana mineral laws retroactively to render reserved and outstanding mineral interests "imprescriptible" on lands owned by the United States. With the denial of certiorari by the Supreme Court, the United States now can claim ownership of oil and gas interests on thousands of acres of federal lands in Louisiana.

The offices of the Southern Region continue to provide significant assistance to client agencies in the defense of personnel actions, including such matters pending before the Equal Employment Opportunity Commission and cases filed under Title VII in various federal district courts.

The Milwaukee Office defended a wide variety of lawsuits challenging timber sales, road construction, Wild & Scenic Rivers Act and Wilderness Act management on national forests in Forest Service Region 9.

Hydroelectric re-licensing issues posed major challenges to the Milwaukee and Atlanta Offices. Major accomplishments for the Milwaukee Office were successful litigation in defense of 4(e) conditions in the Wisconsin Valley Improvement Corp. case, and development of settlement terms and negotiating agreements for re-licensing projects in both Michigan and Wisconsin. In Atlanta, attorneys coped with major re-licensing issues regarding the Queen's Creek Project in North Carolina.

The Milwaukee, Atlanta, and Montgomery Offices handled record numbers of lands and minerals issues, including review and approval of Forest Service lands acquisitions and exchanges involving tens of thousand of acres and millions of dollars.

A major accomplishment by the Milwaukee Office involved treaty interpretation and successful litigation of the Forest Service's authority to regulate Native American use of Forest Service land in the Lake States area.

Congressional abolition of the Peanut Quota Program and institution of the Quota Buyout Program generated a multitude of requests for advice and counsel from FSA offices served by the Atlanta Office.

The Atlanta, Montgomery and Richmond Offices coped with a wide variety of legal issues surrounding implementation of the Pigford class action consent decree, as the vast majority of claimants reside in states served by these offices. Problems were exacerbated by mis-communication and poor representation by claimants' counsel, resulting in frustrated farmers who claim to have been misled about their recovery prospects in the litigation.

Both the Montgomery and Atlanta Offices have been meeting agency demands for handling of complex cases before USDA's National Appeals Division. Many of these cases concern guaranteed loans made by the Rural Business-Cooperative Service and involve difficult legal issues and millions of dollars.

The Montgomery and Atlanta Offices encountered many requests for advice on issues involving 7 CFR 1926(b), which addresses protection of rural water system service areas. Privatization of rural water systems has been an emerging issue, as is the expansion of rural electric cooperatives into water system management.

Northern Region

In Israel v. U.S.D.A, 282 F.3d 521, a case out of Wisconsin handled by the Chicago office, the Seventh Circuit affirmed a district court decision that sustained an agency determination that the recapture provisions of FSA's Shared Appreciation Agreements are triggered by the expiration of those agreements. Appellants claimed that because the formula for calculating recapture in the agreements did not explicitly mention expiration as one of the triggering events, that the agreements were ambiguous and should be construed against FSA. The Seventh Circuit disagreed and found that the plain language of the agreements provided for recapture at the expiration date. The Court noted that the agency's determination was supported by the statute, 7 U.S.C. § 2001, and that Appellants' real estate mortgage stated that the SAA was entered into pursuant to the statute.

Like most regions, we have been involved in assisting in the defense of a number of employment discrimination claims that have been brought in federal court. The recent case of Santucci v. Veneman, 2002 WL 31255115 typifies many of these types of cases. Plaintiff is an agricultural commodity grader employed by the AMS at the Hunts Point Market in the Bronx, New York. He filed suit claiming that he suffered reprisal for his actions as a whistleblower with respect to an allegedly unfair "assignment/rotation system" related to a corrupt "bribery kickback scheme" at Hunts Point Market. He alleged he was improperly scheduled and subsequently charged him with being AWOL when he did not show up for work when scheduled. He then filed an EEO complaint about the AWOL charge and alleged unfairness with respect to schedules, assignments and training. He also alleged that his supervisor pushed his finger into his chest and pushed him during a meeting concerning his grievances over the rotation/assignment system. This prompted another EEO complaint. He brought suit in the Southern District of New York under Title VII of the Civil Rights Act of 1964 alleging that the agency's actions were in reprisal for his filing an EEO complaint. Among other things, he claimed that he was then placed on a Performance Improvement Plan and reassigned to Philadelphia in reprisal for his complaint concerning scheduling and assignments. He also claimed that he was harassed by his supervisors at work.

The Court sustained the Government's motion to dismiss. In a very well reasoned opinion, Judge Constance Baker Motley explained that Title VII actions have to be based on facts showing that the Plaintiff was engaged in a protected activity, i.e., an action taken to protest or oppose statutorily prohibited discrimination. The statute does not protect whistleblowers. The complaint did not allege that the Government had engaged in unlawful discrimination. Since it alleged that there was a system of payoffs underlying the rotation and assignment of inspectors, it did not state a claim under Title VII. The Court went on to state that the mere filing of an EEO complaint itself is not protected activity for the same reason. The alleged unlawful action must be based on discrimination forbidden by the statue. Finally, the court held that to prevail on a hostile work environment claim Plaintiff must show he is a member of a protected class, but the complaint was devoid of any allegations concerning his status.

The Harrisburg office saw two unusual transfer cases during the past year. One involved a transfer of a Rural Business Enterprise Grant (RBEG) to another entity, and the second involved a transfer of lenders with respect to a Business and Industry loan. The grant was to be used to set up a revolving loan fund to help small businesses. Only one such loan was made and the bulk of the grant had not been spent. The grantee wanted to transfer the grant to an existing Intermediary Relending Program borrower. The situation was interesting since there are no specific regulations governing RBEG transfers (as opposed to transfers of property acquired with grant funds), nor is there any distinct grant agreement. The grant agreement consists of a "scope of work" document proposed by the grantee at the time of application, Section B of Attachment 1 to RD Inst. 1942-G, and Form 1940-1 with the Letter of Conditions issued by the Agency. We put together a form of agreement whereby the grantee transferred the grant funds and the loan documents, i.e., the "grant property" and the transferee assumed the grantee's responsibility under the terms of the documents comprising the grant agreement. There is a regulation governing lender transfers - 7 CFR 4287.135, but we had to revise the proposed agreement submitted by the new Lender to include all of the specific consents and agreements imposed by the regulation.

Fiscal Year 2004 Hearing Questions

Office of Communications

PUBLIC AFFAIRS ACTIVITIES

Mr. Bonilla: Update the table showing, by agency, the staff levels and dollars devoted to public affairs activities to include fiscal year 2002 actuals and fiscal year 2003 estimates.

Response: (The information follows:)

RESOURCES AND STAFF LEVELS

Mr. Bonilla: Provide an update on the description, resources, and staff levels that appeared in previous hearing records.

Response: To address the changing needs of the Secretary and the Department's agencies with the advent of new technologies and the increased emphasis on fast and accurate information, the Office of Communications has just completed a reorganization of its staff. The new structure is described below:

Director's Office: Provides information and networking as an internal support unit to all of USDA Communications. Also in the Director' s Office is the Press Secretary, Assistant Director for Communications Operations, Deputy Press Secretary, Hispanic Liaison and the speech-writing unit.

Staff: 15
Budget: $1,503,984

Administrative and Information Services: Provides leadership for statutes, policies and processes regarding publications, periodicals, final review of manuscripts and coordinates development and production of Department-wide special information projects. Administrative and Information Services also serves as the Departmental authority for Freedom of Information Act policy and processing, provides centralized management for administrative support of Director's and Deputy Director's offices, as well as for Web Services & Distribution, Constituent Affairs, and Media Communications Coordinators, and develops policies and plans for crisis communications and continuity of operations.

Staff: 14
Budget: $1,363,990

Web Services & Distribution: Provides support to Office of Communications agencies and coordinators in publishing content to the usda.gov domain. Content includes but not limited to news releases, transcripts, speeches, and testimony. Web Services and Distribution also maintains and sends News Releases and associated items via a distribution list. This office provides media advisories and delivers news releases to in house reporters for USDA Office of Communications and agencies as needed.

United States Department of Agriculture
Public Affairs Activities
(Dollars in Thousands)

Agency	2002		2003		2004	
	Employment	Staff Years	Employment	Staff Years	Employment	Staff Years
Office of Communications:						
Professional	29	29	29	29	29	29
Clerical	0	0	0	0	0	0
Budget Authority	$2,275		$2,372		$2,419	
Location of Staff:						
Washington	29	29	29	29	29	29
Field	0	0	0	0	0	0
Office of the Chief Economist:						
Professional	1	1	1	1	1	1
Clerical	0	0	0	0	0	0
Budget Authority	$122		$126		$130	
Location of Staff:						
Washington	1	1	1	1	1	1
Field	0	0	0	0	0	0
ARS:						
Professional	43	41	43	41	43	41
Clerical	3	3	3	3	3	3
Budget Authority	$4,110		$4,199		$4,199	
Location of Staff:						
Washington	46	44	46	44	46	44
Field	0	0	0	0	0	0
CSREES:						
Professional	7	6.5	7	7	7	7
Clerical	1	0.5	1	0.5	1	0.5
Budget Authority	$615		$665		$675	
Location of Staff:						
Washington	8	7	8	7.5	8	7.5
Field	0	0	0	0	0	0
NASS:						
Professional	1	1	1	1	1	1
Clerical	0	0	0	0	0	0
Budget Authority	$50		$53		$56	
Location of Staff:						
Washington	1	1	1	1	1	1
Field	0	0	0	0	0	0
FAS:						
Professional	13	13	12	12	12	12
Clerical	3	3	3	3	3	3
Budget Authority	$1,298		$1,338		$1,373	
Location of Staff:						
Washington	16	16	15	15	15	15
Field	0	0	0	0	0	0
FSA:						
Professional	18	17.07	18	17.07	18	17.07
Clerical	0	0	0	0	0	0
Budget Authority	$1,466		$1,553		$1,625	
Location of Staff:						
Washington	18	17.07	18	17.07	18	17.07
Field	0	0	0	0	0	0
RMA:						
Professional	6	6	6	6	6	6
Clerical	4	4	4	4	4	4
Budget Authority	$750		$819		$796	
Location of Staff:						
Washington	9	9	9	9	9	9
Field	1	1	1	1	1	1
RD:						
Professional	11	10.75	11	10.75	11	10.75
Clerical	2	2	2	2	2	2
Budget Authority	$917		$1,023		$1,044	
Location of Staff:						
Washington	13	12.75	13	12.75	13	12.75
Field	0	0	0	0	0	0

Agency	2002		2003		2004	
	Employment	Staff Years	Employment	Staff Years	Employment	Staff Years
NRCS:						
Professional	144	140	140	140	140	140
Clerical	10	10	10	10	10	10
Budget Authority	$14,172		$14,164		$14,524	
Location of Staff:						
Washington	17	18	18	18	18	18
Field	137	132	132	132	132	132
APHIS:						
Professional	17	17	15	15	16	16
Clerical	3	3	2	2	2	2
Budget Authority	$1,495		$1,347		$1,407	
Location of Staff:						
Washington	16	16	13	13	14	14
Field	4	4	3	4	3	4
GIPSA:						
Professional	3	2.5	3	3	3	3
Clerical	1	0.1	1	0.1	1	0.1
Budget Authority	$203		$312		$318	
Location of Staff:						
Washington	4	2.6	4	3.1	4	3.1
Field	0	0	0	0	0	0
AMS:						
Professional	6	6	6	6	6	6
Clerical	1	1	1	1	1	1
Budget Authority	$589		$671		$671	
Location of Staff:						
Washington	7	7	7	7	7	7
Field	0	0	0	0	0	0
FSIS:						
Professional	12	12	12	12	12	12
Clerical	4	4	4	4	4	4
Budget Authority	$1,268		$1,304		$1,329	
Location of Staff:						
Washington	16	16	16	16	16	16
Field	0	0	0	0	0	0
FNS:						
Professional	44	40.65	44	40.65	44	40.65
Clerical	8	7.27	8	7.27	8	7.27
Budget Authority	$3,433		$3,651		$3,709	
Location of Staff:						
Washington	28	25.17	28	25.17	28	25.17
Field	24	22.75	24	22.75	24	22.75
TOTAL, Agriculture Bill:						
Professional	355	343.47	348	341.47	349	342.47
Clerical	40	37.87	39	36.87	39	36.87
Budget Authority	$32,763		$33,597		$34,275	
Location of Staff:						
Washington	229	221.59	226	218.59	227	219.59
Field	166	159.75	160	159.75	160	159.75

Staff: 9
Budget: $1,007,206

Constituent Affairs: Performs limited public liaison duties for the Office of Communications. The primary goal is to provide information about USDA' s seven mission areas to the public, media, constituent groups and USDA employees.

Staff: 4
Budget: $ 388,408

Media Communications Coordination: Coordinates public and media communications for the USDA general offices and mission areas, and develops policies and plans for effective execution of overall basic and operating policy for development and dissemination of public affairs information. The office includes six communications coordinators, working directly with Under Secretaries and top staff for media relations and press and public communications and strategic services.

Staff: 6
Budget: $ 865,950

Broadcast, Media and Technology Center: Produces informational videos, radio actualities, radio and TV public service announcements, national telecasts, satellite media interviews, video and audio conferences, and national radio press conferences, all of which are made available to the public via the Internet through web streaming. Topics covered include agricultural pests, food safety, homeland security, international trade, forestry and conservation programs, employee updates, administrative training and rural development issues.

Staff: 10
Budget: $1,056,132

Budget and Operations: Provides computer support to Office of Communications staff, budget support, Government Performance Review Act and A-76 support.

Staff: 7
Budget: $725,415

Visual Communications Center: The Visual Communications Center has Departmental authority for visual communication needs. It provides centralized design and production management through the use of design standards and various creative services to the Department. It provides design development and comprehensive production of communication plan products from print to exhibitry. It also provides market planning and media planning in support of agency initiatives. Some of these efforts are achieved through term contracts available to agencies of the Department through the Center. The Center operates on the least cost principle and provides savings through economies-of-scale to the Department. The Center provides a resource for agencies to lower or eliminate their overhead costs incurred from duplication expenses in

maintaining a similar staff with creative talent, advanced knowledge skill and equipment. To reflect close relationship among design, photography and printing, the Visual Communications Center includes a source for Photographic Services and Print Services. The Photographic Services staff maintains an extensive centralized USDA Photo Library of captioned black/white prints, color transparencies, and digital images. These images are the photo history of USDA's programs and activities. They cover all subjects relating to USDA programs. The staff also provides research services and distributes photographs to the news media and to the public, provides studio and field photography needs in film and digital formats for a variety of communication products. The Printing Services Office provides centralized printing procurement to the Department and policy guidance to the many field operations. The office also serves as the USDA central printing authority and is the liaison with the Government Printing Office, and the Joint Committee on Printing.

Staff: 25
Budget: $2,119,915

Total, Appropriated:
Staff: 90
Budget: $9,031,000

MEDIA SERVICES

Mr. Bonilla: Were there any new media services provided in fiscal years 2001 and 2002? Were any previous services deleted?

Response: Yes, The Visual Communications Center has established a web design team for graphic web needs at the end of FY 02. It' s services include graphic web design, a navigational study, 508 needs, templates and initial programming. It does not include site maintenance. While not a new service, the Broadcast, Media and Technology Center has seen the demand for it' s video and audio streaming services double in FY 01 and double again in FY 02. No services previously provided have been deleted.

PRESS RELEASES ISSUED

Mr. Bonilla: Update the table showing the number of press releases issued by your office

Response: (The Information follows:)

1987	1,615
1988	1,720
1989	1,688
1990	1,693
1991	1,442
1992	1,366
1993	1,068
1994	983

1995	880
1996	700
1997	458
1998	515
1999	515
2000	496
2001	300
2002	520

The number of "Departmental" or "National" press releases has decreased because more agency-specific or "regional" news releases are issued by the individual USDA agencies, and are not issued through the Office of Communications. Most of the agencies news releases are accessible via the agency Internet web sites, and linked to the USDA Home Page administered by the Office of Communications. Communications coordinators review and clear agency news releases when dealing with significant issues.

REIMBURSEMENTS FROM OTHER USDA AGENCIES

Mr. Bonilla: Update the table showing reimbursements from other USDA agencies to include fiscal year 2002 actuals.

Response: (The information follows:)

OFFICE OF COMMUNICATIONS BUDGET REQUEST

Mr. Bonilla: Please provide a detailed breakout of the Office of Communications budget request to the Secretary, Secretary's request to OMB and the OMB allowance:

(The information follows):

Description	FY 2004 President's Budget*
FY 2003 Current Estimate	$9,031
Increases:	
Pay Costs	214
Program Increases	839
Total	$10,084

*$ in thousands.

Agency and Department materials used in developing the FY 2004 President's budget are considered pre-decisional materials and therefore remain a matter of internal record.

REIMBURSEMENTS TO OC FROM OTHER USDA APPROPRIATIONS

	2002
Office of the Secretary	21,457
Agricultural Marketing Service	48,641
Animal and Plant Health Inspection Service	425,294
Agricultural Research Service	129,694
Office of Communications	366,975
Office of the General Counsel	6,828
Economic Research Service	2,568
National Agricultural Statistical Service	16,461
Cooperative State Research, Education, and Extension Service	286,208
Office of the Inspector General	9,184
Food and Nutrition Service	410,134
Grain Inspection, Packers and Stockyards Administration	9,370
Office of the Chief Financial Officer	53,486
Departmental Administration	178,772
Farm Service Agency	107,462
Executive Operations:	
Office of the Chief Economist	2,508
Office of Budget and Program Analysis	4,133
National Appeals Division	1,512
Office of the Chief Information Officer	21,991
Rural Housing Service	238,476
Risk Management Agency	535,850
Forest Service	873,155
Foreign Agricultural Service	121,100
Natural Resources Conservation Service	72,890
Food Safety Inspection Service	99,578
Other	527,898
Total* 1/	4,571,625

*Amounts reflect actual income. FY 2002 income amount shown here will not necessarily equal FY 2002 on other exhibits which reflect costs. Incidental profits or losses occur during execution in revolving funds such as the Working Capital Fund and are recorded in the Fund's operating reserves. Equipment charges are recovered from depreciation over the life of the asset.

OFFICE OF COMMUNICATIONS PROGRAM INCREASE

Mr. Bonilla: Explain the $497,000 requested increase in the Office of Communications?

Response: The $497,000 proposed net increase in the Office of Communications is explained as follows:

An increase of $300,000 for Media Facilities Upgrade.

Two functions that are central of the Office of Communications role within the Department are the ability to provide the Department, USDA agencies, and the media with access to high quality, low-cost video, radio, teleconferencing and design services and facilities eliminating the need for each agency to duplicate such services; and the dissemination of information to the public directly and through the local and national media. The development of mass media products is performed in two major facilities, the television center and the radio center. The television center has a sufficient amount of acceptable technology to perform its mission. The same is not true of the radio center. Much of the radio center's equipment is over 20 years old, and parts are no longer manufactured for many key elements of the center. This initiative will upgrade the center with state-of-the-art digital radio equipment, expanding the Department and the Secretary's ability to provide timely, accurate, and useful information to the public.

In addition to the television center and the radio center, the Department utilizes other facilities in order to disseminate information through the news media or in the conduct of public and other significant meetings. The media equipment support in these areas, especially in two key rooms is close to 20 years old and provides only minimal support to meeting organizers or to media organizations covering Departmental events. This initiative would upgrade these facilities to increase the quality of the events conducted in them and to reduce the requirements currently placed on media organizations covering the events. One central element of the proposed upgrade is the installation of a fiber optics transmission capability to eliminate the need for news organizations to use satellite dish trucks to air their coverage of departmental activities. The proposed upgrades would also allow for simultaneous utilization of facilities for different events, something that cannot be done presently because of a lack of equipment and unwanted noise due to the fact that the facilities are side-by-side. Under this proposal, the fact that certain facilities are co-located becomes a plus rather than a minus because one control can be created to serve multiple facilities.

Implementation of this initiative will enable the Office of Communications to meet its objective of ensuring that the public has the maximum exposure and access to information concerning USDA initiatives, policies, and programs by utilizing all available communications products, technology and techniques. This will maximize USDA's ability to reach all segments of the American public and for the public to access USDA information in the easiest, most cost-efficient manner.

An increase of $214,000 for pay costs which includes $54,000 for annualization of the fiscal year 2003 pay raise and $160,000 for the anticipated fiscal year 2004 pay raise.

Approximately 89 percent of the Office of Communications budget is needed to pay salaries, employee benefits and mandated central charges, leaving essentially no flexibility to cover additional pay costs. This increase is

needed to maintain the current level of staffing to ensure OC provides leadership, expertise, counsel, and coordination for the development of communications strategies, which are vital to the overall formation awareness and acceptance of USDA programs and policies. Without funds to cover the pay increase, OC would need to further reduce staffing, continuing the staffing decline of recent years. A further decline in staffing would limit the agency's ability to serve as the principal USDA contact point for dissemination of consistent, timely information.

A decrease of $17,000 to reflect savings from the centralization and improvement of information technology at USDA. Reduction for the savings associated with centralization and improvement of information technology. Savings are associated with consolidated buys for infrastructure and office automation, and consolidation of enterprise architecture projects within the Department. USDA continues to ensure that information technology investments utilize enterprise licenses for hardware and software where appropriate and reduce the information technology costs.

[Clerk's Note.— The President's budget request for fiscal year 2004 was submitted on February 3, 2003. This preceded final Congressional action of the fiscal year 2003 bill, which was completed in the House of Representatives on February 13, 2003. The President's fiscal year 2004 budget request (including the explanatory notes) compared the submission with the budget request for fiscal year 2003, NOT with the fiscal year 2003 enacted amounts. The following material covers portions of the fiscal year 2004 explanatory notes revised to reflect enactment of the fiscal year 2003 appropriations act.]

OFFICE OF COMMUNICATIONS

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Office of Communications

For necessary expenses to carry out services relating to the coordination of programs involving public affairs, for the dissemination of agricultural information, and the coordination of information, work, and programs authorized by Congress in the Department, [$9,140 000] $10,084,000, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 shall be available for employment under 5 U.S.C. 3109, and [*Provided*, That] not to exceed $2,000,000 may be used for farmers' bulletins.

The change in language reinstates appropriation language that was deleted in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of FY 2003. This language is necessary to allow the Office of Communications the flexibility to invoke the authority in event such a need arises.

OFFICE OF COMMUNICATIONS

Appropriations Act, 2003		$9,140,000
Budget Estimate 2004		10,084,000
Increase in appropriation		+ 944,000
Adjustments in 2003:		
Appropriations Act, 2003	$9,140,000	
Rescission under P. L. 108-7 a/	-59,000	
Activities included in the DHS b/	-49,675	
Adjusted base for 2003		9,031,325
Budget Estimate 2004		10,084,000
Increase over adjusted 2003		1,052,675

a/ The amount is rescinded pursuant to Section 601(a) of Division N, Title VI of P. L. 108-7.

b/ Pursuant to P. L. 107-296, The Homeland Security Act of 2002, net rescission. Annual amount. Actual amount of transfer to be determined.

SUMMARY OF INCREASES AND DECREASES
(On basis of appropriation)

Item of Change	2003 Budget	Pay Costs	Program Changes	2004 Estimated
Office of Communications	$9,031,325	+$214,000	+$838,675	$10,084,000

OFFICE OF COMMUNICATIONS

STRATEGIC GOAL 1: To provide maximum support to the Department in the development of its programs and creating awareness among the American public about USDA's major initiatives and services.

Project Statement
(On basis of adjusted appropriation)

	2002 Actual		2003 Budget		Increase or Decrease	2004 Estimated	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
Office of Communications	$8,860,902	74	$9,031,325	90	+$1,052,675	$10,084,000	90
Unobligated Balance	+26,396	--	--		--	--	--
Subtotal, Available or Estimate	8,887,298	74	9,031,325	90	+1,052,675 (1)	10,084,000	90
Rescission	+6,702		+59,000				
Transfer to Dept. of Homeland Security	--	--	+49,675	--			
Total Appropriation	8,894,000	74	9,140,000	90			

[Clerk's Note. – Following are the explanatory notes submitted as part of the President's fiscal year 2004 budget request prior to enactment of the fiscal year 2003 appropriations act.]

2004 Explanatory Notes
Office of Communications

Table of Contents

	Page
Purpose Statement	6-1
Statement of Available Funds and Staff Years	6-2
Permanent Positions by Grade and Staff Year Summary	6-3
Classification by Objects	6-4
Appropriations Language	6-4
Justifications	6-6
Geographic Breakdown of Obligations and Staff Years	6-7
Status of Program	6g-1

6-1

OFFICE OF COMMUNICATIONS

Purpose Statement

The Office of Communications (OC) traces its history back to June 7, 1913, when Agriculture Secretary David Houston established an Office of Information. The purpose of this Office was to act as a news service to communicate possible recommendations of USDA scientists and specialists to the widest audience possible. The most recent reorganization was approved November 13, 1995, designating the Office as the Office of Communications. Section 7 CFR Subtitle A delegates authority for public affairs activities from the Secretary to the Director of the Office. The activities of the Office have expanded as new technology has become available and additional segments of the public have become constituents. The basic purpose remains constant to communicate to the public the programs and policies of the Department.

The mission of the Office of Communications is to provide leadership, expertise, counsel, and coordination for the development of communication strategies, which are vital to the overall formation, awareness and acceptance of U. S. Department of Agriculture programs and policies. OC serves as the principal USDA contact point for dissemination of consistent, timely information.

The Office of Communications is located in Washington, D. C. As of September 30, 2002, there were 103 full time employees.

OC did not have any Office of the Inspector General or General Accounting Office evaluation reports during the past year.

6-2

OFFICE OF COMMUNICATIONS

Available Funds and Staff Years
2002 Actual and Estimated 2003 and 2004

Item	2002 Actual		2003 Estimated		2004 Estimated	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Direct Appropriation	$8,894,000	74	$9,637,000	90	$10,084,000	90
Rescission	-6,720	--	--	--	--	--
Transfer to Homeland Security	--	--	-50,000	--	--	--
Total, Office of Communications	8,887,280	74	9,587,000	90	10,084,000	90
Obligations under other USDA appropriations:						
Agency Photography Services	167,616	--	600,000	--	600,000	--
Subtotal, Appropriated and Reimbursement	4,741,824	74	10,187,000	90	10,684,000	90
Working Capital Fund a/:						
Video, Teleconference, & Visual Design	4,062,000	25	4,704,000	29	4,840,000	29
Capital Equipment	217,000	--	164,000	--	164,000	--
Subtotal, Working Capital Fund	4,279,000	25	4,868,000	29	5,004,000	29
Total, Agriculture Appropriations	13,333,896	99	15,055,000	119	15,688,000	119
Non-Federal Funds:						
Sale of Photos and Slides	6,872	--	8,000	--	9,000	--
Total, Office of Communications	13,340,768	99	15,063,000	119	15,697,000	119

a/ This section only includes WCF activities managed by OC. Please refer to the WCF Explanatory Notes for more details about the WCF.

6-3

OFFICE OF COMMUNICATIONS

Permanent Positions by Grade and Staff Year Summary
2002 Actual and Estimated 2003 and 2004

Grade	2002 Washington, DC	2003 Washington, DC	2004 Washington, DC
ES-4	1	1	1
ES-1	1	1	1
GS-15	20	20	20
GS-14	13	13	13
GS-13	10	10	10
GS-12	12	12	12
GS-11	8	8	8
GS-9	10	10	10
GS-8	1	1	1
GS-7	5	5	5
GS-5	2	2	2
GS-3	7	7	7
Total, Permanent Positions	90	90	90
Unfilled Positions end-of-year	-16	--	--
Total, Permanent Full-Time Employment, end-of year	74	90	90
Staff Year Estimate	74	90	90

* Positions shown are appropriated and reimbursed only. For WCF financed positions, refer to the WCF Explanatory Notes for more details.

6-4

OFFICE OF COMMUNICATIONS

Classification by Objects
2002 Actual and Estimated 2003 and 2004

	2002	2003	2004
Personnel Compensation:			
Washington, D.C.	$5,771,688	$6,882,000	$7,096,000
11 Total personnel compensation	$5,771,688	$6,882,000	$7,096,000
12 Personnel benefits	985,228	1,740,000	1,740,000
Total pers. comp. & benefits	6,756,916	8,622,000	8,836,000
Other Objects:			
13 Benefits for former personnel	18,463	--	--
21 Travel	23,576	18,000	18,000
22 Transportation of things	1,210	7,000	7,000
23.3 Communications, utilities, and misc. charges	539,669	315,000	326,000
24 Printing and reproduction	60,104	30,000	30,000
25.2 Other services	1,148,879	266,000	319,000
25.3 Purchase of Goods Service from Government Accounts	--	135,000	135,000
26 Supplies and materials	124,849	53,000	72,000
31 Equipment	186,322	141,000	341,000
43 Interest	896	--	--
Total other objects	2,103,968	965,000	1,248,000
Total direct obligations	8,860,884	9,587,000	10,084,000
Position Data:			
Average Salary, ES positions	$121,400	$125,163	$129,419
Average Salary, GS positions	$60,895	$59,707	$64,049
Average Grade, GS positions	11.94	11.55	11.55

OFFICE OF COMMUNICATIONS

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

For necessary expenses to carry on services relating to the coordination of programs involving public affairs, for the dissemination of agricultural information, and the coordination of information, work, and programs authorized by Congress in the Department, $10,084,000, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 shall be available for employment under 5 U.S.C. 3109, and not to exceed $2,000,000 may be used for farmers' bulletins.

OFFICE OF COMMUNICATIONS

President's Budget, 2003		$9,637,000
Budget Estimate 2004		10,084,000
Increase in appropriation		+447,000
Adjustments in 2003:		
President's Budget 2003	$9,637,000	
Transfer to the Department of Homeland Security a/	-50,000	
Adjusted base for 2003		9,587,000
Budget Estimate, 2004		10,084,000
Increase over adjusted 2003		+497,000

a/ Estimates for transfer to the new Department of Homeland Security are included as a one-time shift of funds. On a comparable basis the full annual cost is $50,000.

SUMMARY OF INCREASES AND DECREASES
(On basis of appropriation)

Item of Change	2003 Estimated	Pay Costs	Program Changes	2004 Estimated
Office of Communications	$9,587,000	+$214,000	+283,000	$10,084,000

OFFICE OF COMMUNICATIONS

STRATEGIC GOAL 1: To provide maximum support to the Department in the development of its programs and creating awareness among the American public about USDA's major initiatives and services.

Project Statement
(On basis of appropriation)

	2002 Actual		2003 Estimated			2004 Estimated	
	Amount	Staff Years	Amount	Staff Years	Increase or Decrease	Amount	Staff Years
Office of Communications	$8,860,902	74	$9,587,000	90	+497,000	$10,084,000	90
Unobligated Balance	+26,396	–	–	–	–	–	–
Subtotal, Available or Estimate	8,887,298	74	9,587,000	90	+497,000 (1)	10,084,000	90
Rescission	+6,702						
Transfer to Dept. of Homeland Security	–	–	+50,000	–			
Total Appropriation	8,894,000	74	9,637,000	90			

Performance Indicators

	FY 2002		FY 2003	FY2004
	Target	Actual		
Random surveys of selected communications initiatives reveal that intended audience received the materials or information distributed.	95%	95%	95%	95%

Justification of Increases and Decreases

1. A net increase of $497,000 for the Office of Communications consisting of:

To help accomplish performance goal 1, the office is requesting:

(a) An increase of $300,000 for Media Facilities Upgrade.

Two functions that are central of the Office of Communications' role within the Department are the ability to provide the Department, USDA agencies, and the media with access to high quality, low-cost video, radio, teleconferencing and design services and facilities eliminating the need for each agency to duplicate such services; and the dissemination of information to the public directly and through the local and national media. The development of mass media products is performed in two major facilities, the television center and the radio center. The television center has a sufficient amount of acceptable technology to perform its mission. The same is not true of the radio center. Much of the radio center's equipment is over twenty years old, and parts are no longer manufactured for many key elements of the center. This initiative will upgrade the center with state-of-the-art digital radio equipment, expanding the Department and the Secretary's ability to provide timely, accurate, and useful information to the public.

In addition to the television center and the radio center, the Department utilizes other facilities in order to disseminate information through the news media or in the conduct of public and other significant meetings. The media equipment support in these areas, especially in two key rooms is close to 20 years old and provides only minimal support to meeting organizers or to media organizations covering Departmental events. This initiative would upgrade these facilities to increase the quality of the events conducted in them and to reduce the requirements currently placed on media organizations covering the events. One central element of the proposed upgrade is the installation of a fiber optics transmission capability to eliminate the need for news organizations to use satellite dish trucks to air their coverage of departmental activities. The proposed upgrades would also allow for simultaneous utilization of facilities for different events, something that cannot be done presently because of a lack of equipment and unwanted noise due to the fact that the facilities are side-by-side. Under this proposal, the fact that certain facilities are co-located becomes a plus rather than a negative factor because one control can be created to serve multiple facilities.

Implementation of this initiative will enable the Office of Communications to meet its objective of ensuring that the public has the maximum exposure and access to information concerning USDA initiatives, policies, and programs by utilizing all available communications products, technology and techniques to maximize USDA's ability to reach all segments of the American public and for the public to access USDA information in the easiest, most cost-efficient manner.

(b) An increase of $214,000 for pay costs which includes $78,000 for annualization of the fiscal year 2003 pay raise and $136,000 for the anticipated fiscal year 2004 pay raise.

Approximately 89 percent of the OC's budget is needed to pay salaries, employee benefits and mandated central charges, leaving essentially no flexibility to cover additional pay costs. This increase is needed to maintain the current level of staffing to ensure OC provides leadership, expertise, counsel, and coordination for the development of communications strategies, which are vital to the overall formation awareness and acceptance of USDA programs and policies. Without funds to cover the pay increase, OC would need to further reduce staffing, continuing the staffing decline of recent years. A further decline in staffing would limit the agency's ability to serve as the principal USDA contact point for dissemination of consistent, timely information.

(c) A decrease of $17,000 to reflect savings from the centralization and improvement of information technology at USDA. Reduction for the savings associated with centralization and improvement of information technology. Savings are associated with consolidated buys for infrastructure and office automation, and consolidation of enterprise architecture projects within the Department. USDA continues to ensure that information technology investments utilize enterprise licenses for hardware and software where appropriate and reduce the information technology costs.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS
2002 Actual and Estimated 2003 and 2004

	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
District of Columbia	$8,860,884	74	$9,587,000	90	$10,084,000	90
Unobligated balance	26,396	–	–	–	–	–
Total Available or estimate	8,887,280	74	9,587,000	90	10,084,000	90

OFFICE OF COMMUNICATIONS

STATUS OF PROGRAM

The Office of Communications (OC) delivers information about U.S. Department of Agriculture (USDA) programs and policies to the American people. To achieve that objective, OC reports through various media and often directly to farmers, consumers, environmentalists, the business community, and other interest groups regarding the Department's programs, policies, and activities. The success of the Department's initiatives is aided by the effectiveness of communication and public education campaigns.

The following major program areas deliver the activities under this appropriation: Public and Media Outreach Center; Video, Teleconference, and Radio Center; Photography Center; Design Center; Printing Management Center; Coordination and Review Center; and Administration.

Goal: To support the Department in creating a full awareness among the American public about USDA's major initiatives and services, because complete knowledge by the general public (and specific publics, including USDA employees) about USDA initiatives, policies, and programs is essential to effective customer services and efficient program delivery and should result in more citizens--especially those in under served communities and geographic areas--availing themselves of USDA services and information that will help them in their everyday lives.

Current Activities:

COMMUNICATIONS, COORDINATION AND REVIEW CENTER (CCRC)

The Communications Coordination and Review Center coordinates public and media communications for the Office of the Secretary, USDA general offices and mission areas, and develops policies and plans for effective execution of overall basic and operating policy for development and dissemination of public affairs information.

The Communications Coordination and Review Center:

- Develops national and significant Departmental news releases, statements for the media, and other information materials released through a variety of media;
- Counsels and advises senior decision makers and agency information directors and their staff in serving the Department's many audiences;
- Processes governing policy and regulation for Office of Communications functions;
- Advises Departmental and agency officials on all aspects of publishing, including policies and plans for final review of manuscripts and for clearing and publishing publications and periodicals, whether in hard copy or electronically;
- Coordinates development, production, and dissemination of Department-wide communications, such as the Agricultural Fact Book, and responds to public requests for information through a variety of media; and
- Houses the Continuity of Operations Crisis Action Team for Communications, OC's Regulations Waiver contact, USDA's Webmaster, USDA's Freedom of Information Act Office, OC's Departmental Regulations policy, editorial review for all Departmental public information products and executive correspondence.

CCRC includes five communications coordinators serving as senior communications advisors to USDA's seven major mission areas, working directly with Under Secretaries and top staff, as well as servicing the Secretary's Office and Departmental staff offices for media relations and press and public communications and strategic services. In addition, the Director of CCRC assumed the role of communications coordinator for homeland security during this fiscal year,

responsible for coordinating information across all USDA's mission areas relating to homeland security issues and policies.

Each communications coordinator works directly with Under or Assistant Secretaries and their senior staff to coordinate public and internal communications, and providing leadership in the development of communication strategies that are vital to the formulation, awareness, and acceptance of U.S. Department of Agriculture programs and policies.

Another staff member serves as the Department's Worldwide Web home page "Webmaster," who coordinates development of Departmental website policy and conducts policy implementation with agency webmasters. To meet the need for Department-wide communication regarding website developments and techniques, the Webmaster conducts periodic meetings with agency web personnel. The Webmaster compiles and maintains the register of agency home pages and web managers. Response to e-mail inquiries received via Internet home page are coordinated by the office.

One additional public affairs specialist coordinates employee communications and edits the Department's monthly employee news periodical, distributed in both printed and electronic versions. The news summary editor provides daily agriculture news summaries and clips each morning to top USDA executives in electronic and hard copy formats.

The editorial review staff reviews and oversees the Department's information products, both printed and electronic, for editorial content, design, and quality. This staff works closely with the communications coordinators to ensure that the Department disseminates consistent and timely information to the public. Two public affairs specialists serve as project managers for Departmental communications in comprehensive areas such as civil rights and general public communications products. The office produces the Agriculture Fact Book that provides information about agriculture and the Department to a wide variety of audiences and stakeholders, offering statistics and agriculture facts describing American agriculture, trade, consumers and rural America. To meet the needs of diverse users, the book is released in paperback and Internet versions.

The information services staff assists members of the general public as well as other Federal agency officials and Members of Congress who request, via the telephone or by mail, publications and information about USDA programs. They provide online responses to questions about USDA programs and in-person assistance via Internet and the Secretary's hotline. USDA's Freedom of Information Officer provides Departmental policy and program management as well as coordination of responses under the Freedom of Information Act. The Communications Coordination and Review Center is responsible for developing and maintaining communications policy, and houses crisis communications operations management for USDA.

PUBLIC AND MEDIA OUTREACH CENTER (OPMO)

The Office of Public and Media Outreach (OPMO) performs limited public liaison duties for OC. The primary OPMO goal is to provide information about USDA's seven mission areas to the public, media, constituent groups and USDA employees.

The news distribution staff works closely with the communications coordinators and Press Secretary's office to ensure quick dissemination of news releases, public statements, and other current information through electronic and other means. The Web page group works with various organizations within OC to coordinate communication efforts for the Department and also works closely with the Department's Webmaster. To accomplish this, OPMO:

- Maintains a comprehensive database of constituent groups (radio, TV, newspapers, magazines, etc.).
- Reviews reports and modifies the database for an up-to-date and precise list of media contacts.
- Creates and maintain Web pages with current and up-to-date information.

On the public liaison side, OPMO staff develops interaction with farm, trade, consumer associations, natural resources

and environmental groups and with professional associations. OPMO plans and coordinates national policy and educational briefings in Washington, D.C. and across the country for varied constituencies.

In working with a diverse range of constituents, OPMO acts as a clearinghouse to keep USDA agencies apprised of issues and concerns voiced by stakeholders groups, many of which have never before participated in USDA programs.

VIDEO, TELECONFERENCE, AND RADIO CENTER (VTR)

The Video, Teleconference, and Radio (VTR) Center produces informational videos, TV public service announcements, national telecasts, satellite media interviews, videoconferences and distance learning events. Topics covered include Farm Bill implementation, food safety, and meat and poultry processing training, international trade, forestry and conservation programs, employee updates, administrative training and rural development issues.

VTR Center's radio service provides a daily news service and weekly feature service to stations throughout the country. Radio stations access these daily news stories via the Internet or by telephone calls to automatic playback machines. Stations record these stories for their broadcast use. An automatic counter tallies calls made to the playback machines. A weekly radio feature service including five consumer topics, five agricultural topics and a 5-minute documentary is sent to about 675 radio stations that have requested the service. A 15-minute weekly television news feature and actuality service is distributed via satellite to broadcast TV stations, and a TV tape service is provided to requesting stations.

PHOTOGRAPHY CENTER

The Center maintains an extensive centralized USDA Photo Library of captioned black/white prints and color transparencies. These images are the photographic history of USDA's programs and activities. They cover all subjects relating to USDA programs. The Photography Center provides photographic research services and distributes photographs to the news media and the public.

Photography Center photojournalists work with USDA agencies to develop photo stories for use in agency media campaigns and in agency and departmental publications.

The Photography Center has the latest technology for creation of photography materials and programs in digital and traditional photonegative and transparency formats. In order to support the increasing demand for digital images, the Center has converted the Central Photographic Library to Kodak Photo CD's. The new technology is more efficient for search and retrieval of images, and for electronic delivery to users of USDA photography. As new material is acquired, it is entered into the Center's database, which is keyword searchable. Digital images can be provided on-line over the Internet or via E-mail. The Photography Center has created, and maintains an Internet website with images on a number of USDA and general agricultural categories. New material is added as it becomes available. A new historical section is on-line featuring, among others, classic photos from the old Farm Security Agency "Dust Bowl Collection." All images on the website can be downloaded and are free to the public. Hi-Resolution images are available on all images in the library.

DESIGN CENTER

The Design Center provides centralized design management through the use of design standards and various creative services to the Department. It operates on the least cost principal and provides savings through economies of scale to the Department. Agencies only pay for services rendered at reduced and competitive rates. The Center provides a resource for agencies to lower or eliminate their overhead costs incurred from duplication expenses in maintaining a similar staff with equipment. This way, agencies are able to redirect their limited budgets directly into projects by placing their visual

requests through the Center.

The Design Center maintains a creative electronic graphics studio for print media, non-print electronic media and exhibit fabrication. It maintains an electronic archive storage site for departmental print and exhibit material. The facility offers complete services in the planning of print, interactive media, marketing, consultation in communication planning, language translations for print material, audience evaluation, production art, specialized contracting and exhibit fabrication services. Creative design services including logo development, illustrations, ad development, specialized copy writing, posters, brochures, web-sites, banners, trade-show exhibits, visitor centers, special media events, and coordination of information print campaigns shared by departmental initiatives are provided to the various mission areas. Services are also provided to international, national, regional, State and local USDA offices, and other Government agencies as requested.

PRINTING MANAGEMENT CENTER

The Printing Management Center provides centralized printing to the Department and policy guidance to the many field operations. The Printing Management Center is the central printing authority, and therefore is the liaison with the Government Printing Office and the Joint Committee on Printing.

ADMINISTRATION

The OC administrative area provides administrative services to the agency. Included in these services are: Budget planning, preparation, justification and execution, and the processing of all training, travel, and procurement requests.

Selected Examples of Recent Progress:

Coordination and Review. In fiscal year 2002, communications coordinators developed and cleared 497 national media releases, official remarks and background papers covering USDA's major issues. The office also covered issues and press events with other USDA communications resources including broadcast media, still photography, web streaming, internet posting, and design services, as appropriate. Since October 2001, coordinators responded to thousands of media calls from reporters seeking information about USDA programs and policies, the majority of them urgent or sensitive in nature. The coordinators also cleared more than a thousand agency media releases that covered routine program announcements.

Coordinators provided media guidance and overall communications strategies about USDA major programs, including the 2002 Farm Bill, Homeland Security, and Civil Rights. Coordinators also assisted in introducing and communicating issues like the new national organic standards, communicating animal and food safety issues (such as Foot and Mouth Disease, Bovine Spongiform Encephalopathy, Listeria, E. coli, etc.), communicating improvements in water quality, bridging the digital divide in rural America, explaining trade benefits to farmers, disseminating information on the World Summit for Sustainable Development. Coordinators also worked on press and public communications issues concerning the "Healthier U.S." Presidential Initiative, Healthy Forests Initiative, food stamp outreach, biotechnology, drought, energy, bioenergy programs, homeland security and community development projects.

OC's Crisis Action Team members provided staffing for homeland security needs on a continuous 24-7 schedule from October 2001 to February 2002 and coordinators served 24-7 duty for the newly emerging Department of Homeland Security in October 2002.

USDA's Webmaster produced and chaired four Department-wide meetings of agency web personnel, and provided guidance to the Office of the Chief Information Officer (OCIO) and agency webmasters on policy regarding linking to non-government websites and use of the USDA symbol on private sector websites. The Webmaster coordinated with the Office of General Counsel (OGC) on the development of an exception to Section 508 Accessibility for USDA Radio and

served as chair of the Spring FedWeb conference conducted at the National Institutes of Health for Federal and State webmasters.

An article published in October 2002 in a computer magazine offered the USDA Webmaster's forward-looking thoughts on selection of sensitive information for Internet access. He later conferred with agency webmasters, OCIO, OIG, the Deputy Secretary, Environmental Protection Agency and Navy web personnel regarding the requirement that sensitive information be removed from websites. The webmaster chaired the Web Presence committee and coordinated with OCIO regarding production of the business case for financing e-Government development, consulted with OCIO on development of the privacy policy, updating of the USDA search engine and selection of FirstGov for its search engine capabilities, and with an OCIO contractor on needs of USDA websites and the e-Government program.

USDA's Freedom of Information Act (FOIA) Officer coordinated the compilation of 22 USDA agency reports into one annual comprehensive report that went to Congress through the Department of Justice. The FOIA Officer processed approximately 250 FOIA requests and responded to 82 requests for Office of the Secretary or OC records, reviewing about 9,500 pages of documents for determination of release of the information. As the Department's expert on FOIA, the Officer provided technical assistance and expertise to mission area training sessions, responded to about 1,100 calls and e-mails for information and advice from the public regarding the USDA FOIA program, and coordinated quarterly meetings and training sessions with all of USDA's agency FOIA and Privacy Act coordinators.

The Agricultural Fact Book was revamped to include an overview of policy, principles priorities, and highlights of USDA program data covering a 2-year period in all seven mission areas. The 2001-2002 Agricultural Fact Book will be posted to the Internet as well as released in a limited number of hard copies early in 2003.

Public and Media Outreach Center. (OPMO) In fiscal year 2002, OPMO distributed 495 news releases, media advisories and related items developed and issued by communications coordinators and the press secretary's office for national distribution, primarily through electronic dissemination, Web pages and by facsimile to reach a broader audience with greater speed and accuracy. In addition, PMO held approximately 35 briefings for constituents during FY 2002.

Video, Teleconference, and Radio Center. (VTR) VTR Center's radio service provides a daily news service and a weekly feature service to the Voice of America and radio stations throughout the country. Radio stations access the daily news stories via telephone line to a cartridge tape machine. The stations then record the stories off that line. During FY 2002 the three radio center employees produced 2,095 news stories and actualities and 7,306 calls were placed to the radio news line. In addition, the number of hits are counted for the radio newsline that is found on USDA's home page. The total hits for the news line from 10/1/02 to 9/30/02 were 27,868. Stories featured on the radio news line included comprehensive coverage of biosecurity and food safety following the events of 9-11. In addition, radio covered the Farm Bill from beginning to passage. USDA radio also covered the World Food Summit on location in Rome, Italy. The U.S. Food Export Showcase was covered on location in Chicago. The worst wildfire season in the nation's recorded history was also given extensive coverage. On a monthly basis, USDA Radio Reporters cover the U.S. Crop Report and well as World Agricultural Supply and Demand reports.

The radio unit's feature cassette service is mailed to 675 subscribing stations weekly. It includes a documentary and ten features, five consumer related and five agriculture production and trade related. The three radio center employees produced a total of 520 short features of 2-3 minutes in length and 52 five-minute documentaries. Issues such as bio security, food safety, the Farm Bill, new trends in food products, Consumer Price Index, home gardening, Conservation Reserve Program, problems with West Nile Virus, and California water conflicts were covered. In addition, USDA Radio's feature service received 12,324 hits on the USDA Web site during fiscal year 2002.

The radio center conducted and covered telephone news conferences from USDA studios with the Secretary of

Agriculture. Excerpts from those news conferences were posted on the news line and feature services. In addition, one USDA radio reporter/producer received a 10-day fellowship from the California Agricultural Leadership Program and spent that time learning about farming, environmental, and migrant worker issues on farms and ranches in California's central Valley. Numerous news stories, features and documentaries were produced due to that trip.

Television news producers in the VTR Center produced 130 stories in FY 2002, up from 106 in FY 2001. Of those, the Secretary's Office accounted for 40, NRCS 35, ARS 13, FSIS 10, FSA 9, APHIS 7, FNS 3, CSREES 2, and RMA 1. The stories covered mission messages on Farm Bill implementation, trade, biotechnology, rural development, research, water quality, nutrition, food aid, national forests, conservation, cooperative extension, small farms, marketing and food aid among other topics. They were aired on two nationally syndicated programs specifically targeted to rural areas and farmers. These video news releases and selected sound bites are also made available to the public as "streaming media" files with direct links from the USDA Home Page on the Internet.

The VTR Center won a total of five awards in four separate television and video industry competitions: a Gold Screen award from the National Association of Government Communicators; one Telly award honoring outstanding non-network TV programming; two prestigious Communicator Awards of Excellence, which are presented to entrants whose ability to communicate elevates them among the best in the field; and one Aegis award honoring outstanding professional video productions and TV commercials.

Audio and Video Streaming: The VTR Center coordinated and produced audio and video streaming through USDA's Web site providing desktop coverage of several press conferences by the Secretary and on such topics as Trade and Farm Bill Implementation. This service offered immediate Internet access by the public for events as they happened, and all of these events continue to be available through the USDA Web site.

Audio Conferencing: A total of 4,600 audio conferences on a variety of agricultural, nutritional and rural development related topics were produced. A total of 5,512 hours of audio conferencing was used for the 4,600 conferences. This service volume has kept rates for audio conferences steady while helping USDA agencies communicate with field staffs about ongoing and emerging issues.

Photography Center. The Center's Internet site continues to grow and now approaches 2,000 photographs. It is searchable by topic and provides dozens of topics and sub-topics. The site is designed to assist photo users in their research and to answer the increasing demand for digital photography with a decreasing staff. In FY 2002 nearly 50 per cent of the images the Photography Center supplied to users were digital rather than traditional film or paper format. This does not take into account the thousands of images which have been downloaded directly from the website.

Design Center. In fiscal year 2002, the Center had more than 2,000 requests for visual services from USDA agencies. The majority of work has continued in the area of print media with Internet services steadily continuing to increase since the availability of service. Agencies continue to increase education and program marketing with outreach efforts to disadvantaged customers.

The various outreach education campaigns included such products as ads, posters, publications, presentation materials, magazines, fact sheets, interactive graphic computer programs, books, trade show exhibits, information centers and unique specialty items.

The Design Center continues to provide product-making support to its agencies and other Federal Departments. Increased activity was most evident in education, marketing activities, Visitor Centers, as well as Internet-related services (e.g., web page design).

The USDA printing standards and a larger than usual request for agency visual information design standards and logos have been requested, are in the process of being developed, or have been developed. These identities are to have

integration ability with the USDA standards to ensure a cohesive reflection of the Department.

Major Design of Printing Standards:

- APHIS Identity
- USDA Visual Information Standards
- 4-H Identity
- RMA Identity
- FSIS Identity
- FAS Identity

Major Marketing/Campaign Projects:

- USDA Farm Policy Guide
- Risk Management Education and Outreach for Underserved States in the Nation. The Office developed media strategies and initial brand development and print development to reach underserved farmers in the Northeast and West.
- Food Stamp retailer instructional products, and posters in multiple languages. The Office also provided kit books, specialty designed kit folders, transparencies, black and white reproducible handouts, video labels and CDS for the Offer vs. Serve education program for the Food and Nutrition Service.
- Food and Nutrition Service Power of Choice, Purple Panther material of 100 + pages in 3 ring binders, and CD duplications in full and 2 color.
- Multi Agency Homeland Security program print products, web products, posters, flyers, banners, and brochures.

Major Designed and Fabricated Visitor Centers:

- Army Corps of Engineers Visitor Center for the J. Strom Thurmond Dam & Lake Power Plant, Clarks Hill, SC
- Army Corps of Engineers Information Center for the Jacksonville, Florida regional office
- Forest Service, Wayne National Forest Visitor Center
- Bureau of Printing and Engraving, U. S. Treasury, Fort Worth, Texas Visitor Center
- USDA Children's Gallery, Washington DC
- USDA Visitor Center, Washington DC

Major Design and Development of Web Sites:

- USDA Farm Bill
- New USDA Website
- USDA Children's Website on Leaders for Tomorrow
- RMA Educational access site

Printing Management Center. During fiscal year 2002, the Division managed 23 printing contracts written by the Government Printing Office (GPO). The contracts allow the Division to deal directly with the contractor, meet critical deadlines and regular schedules, print in various sizes, multiple colors, on several paper stocks. These contracts utilize camera copy, CD-ROM, tapes, and/or disk, for state-of-the-art output to pre-press and/or press operations.

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Publications and Forms Printed	F.Y. 2001	F.Y. 2002
Printing through the GPO and/or on contract	4,701	4,385
Amount billed to USDA by GPO	$21,786,788	$19,130,628
Printing through USDA Duplicating Facility (OO) Includes miscellaneous orders reviewed, cleared and processed by OC	3,389	3,472
Total Printing Orders	8,090	7,857

Fiscal Year 2004 Hearing Questions

Office of the Chief Economist

USDA ACTIVITIES ASSOCIATED WITH SUSTAINABLE AGRICULTURE

Mr. Bonilla: Please provide the committee with a status report on USDA activities associated with sustainable agriculture.

Response: The Director of Sustainable Development is the focal point for sustainable development activities within USDA and for coordination of relevant activities with the White House, other Federal Departments, international organizations, and constituent groups. The Director, often through the USDA Council on Sustainable Development which also is chaired by the Director, assists in developing and implementing a coordinated, cross-agency response and direction for USDA. In FY 2002, these activities included:

- Identifying and coordinating partnership approaches that deliver specific, on-the-ground actions and programs to implement sustainable agriculture, sustainable forest management and sustainable rural community development between government and non-government entities;
- Identifying and using indicators to show progress in sustainable development, especially environmental management, for the Council on Environmental Quality and EPA;
- Participating on a variety of departmental advisory groups, such as the biotechnology coordinating committee, the NRCS sponsored Resource Conservation and Development Council's Policy Advisory Board, the Food Security Advisory Committee, and the Sustainable Agriculture Research and Education --SARE--Operating Committee;
- Assisting in developing solutions and capacity building across all Department mission areas to improve USDA's support for farmers and forest land owners wanting to enhance the sustainability of their production systems, including research, outreach, economics, marketing and cultural issues;
- Providing technical and policy expertise on international sustainable development and environment issues, including representing USDA with State Department in meetings and negotiations, such as the United Nations Commission on Sustainable Development -- UNCSD--, the United Nations Forum on Forests, the Convention on Biological Diversity, various entities of the Food and Agriculture Organization --FAO-- of the United Nations, the Organization of Economic Cooperation and Development --OECD--, and various bilateral discussions on sustainable development;
- Hosting and participating in numerous stakeholder briefings and consultations for international meetings including UNCSD, WSSD, the UN Forum on Forests, and the Convention on Biological Diversity; and,
- Through the USDA Council on Sustainable Development, integrating "Green Infrastructure" in local/regional communities through partnerships with The Conservation Fund and the International City/County Management Association, The National Agroforestry Center and the City of Topeka.

The highlight of the year, and the activity that demanded the most time and attention, was the World Summit on Sustainable Development --WSSD-- held in Johannesburg, South Africa, August 26 – September 4, 2002. Beginning with the first Preparatory Committee meeting -- PrepCom-- at the United Nations in New York in May 2001, and throughout the Summit, OCE and the Director of Sustainable Development served as the focal point for USDA preparation for and participation in the WSSD. Highlights of WSSD activities included:

- Participating in U.S. and United Nations Preparatory Committee meetings as lead advisor to State Department negotiators on sustainable agriculture, natural resources, and related issues;
- Participating or leading interagency working groups preparing for the Summit, including energy, water, forests, oceans, health, education, and sustainable agriculture and rural development;
- Hosting stakeholder briefings and consultations on domestic activities and international issues, in particular on issues relating to sustainable agriculture and rural development and sustainable forest management;
- Developing a "Success Stories" database to highlight examples of successful implementation of sustainable agriculture, sustainable forest management, and sustainable rural development, in partnership with the National Association of Resource Conservation and Development Councils;
- Hosting a monthly seminar series to raise awareness and understanding about topics/issues related to sustainable agriculture, sustainable forest management, and sustainable community development;
- Coordinating USDA input to the U.S. Country Profile Report on sustainable development that describes U.S. progress in sustainable development, by the 40 chapters of Agenda 21. USDA wrote, or contributed to, 15 chapters;
- Developing U.S. policy positions and negotiating and advising State Department negotiators on issues relating to agriculture, forests, natural resources management, water and watershed management, minerals, decertification, food security, governance, poverty eradication, eco-tourism, biodiversity, indicators, and sustainable mountain development;
- Staffing USDA Deputy Secretary James Moseley for his participation at high level government preparations meetings, the 4th PrepCom in Indonesia, and at the WSSD;
- Designing and coordinating USDA participation in the joint U.S. exhibit at WSSD, including a special exhibit on integrated watershed management with EPA, the Smithsonian and NOAA;
- Coordinating USDA involvement in WSSD partnerships including, for example: Water for the Poor, Clean Energy, Cutting Hunger in Africa, and the Congo Basin Forest Partnership, White Water to Blue Water --Carribean-based watershed and marine management-, Geographic Information for Sustainable Development, My Community, Our Earth --MyCOE-- Geographic Learning for Sustainable Development, Community Indicators for Sustainable Forest Management.

RISK ASSESSMENT RULE MAKING

Mr. Bonilla: Please provide the Committee with examples of how risk assessment has improved rule making at USDA and update the information on the Office of Risk Assessment and Cost Benefit Analysis –ORACBA– activities from last year's hearing record.

Response: ORACBA has been involved in activities that improve pest and disease risk assessment as well as ecological risk assessment and risk management for farmlands. Further, ORACBA has applied risk assessment to homeland security concerns about production agriculture and the food supply.

ORACBA has worked closely with the Animal and Plant Health Inspection Service – APHIS– in developing risk assessments for non-indigenous organisms which may be brought to the United States in solid wood packing material –SWPM– pallets, packing crates, and dunnage entering the United States from any where in the world. A strong risk assessment was produced and received excellent external review. That risk assessment was influential in establishing proposed new international standards under the International Plant Protection Convention –IPPC–ORACBA analyses were used to evaluate alternative risk management approaches for SWPM. USDA now has a proposed rule in clearance to require SWPM entering the U.S. comply with IPPC standards. When implemented, this rule will significantly reduce the risk of damaging pests entering the United States.

ORACBA assisted APHIS in conducting the risk assessment supporting the decision to remove the prohibition on imports of clementine oranges from Spain. The new rule imposes additional risk-reducing conditions on the imports of clementines that protect U.S. agriculture from potentially devastating Mediterranean fruit flies. ORACBA's involvement led to changes in the required cold temperature treatment requirements. Thus, providing greater certainty that any fruit fly larvae if undetected at the exports points in Spain, would not be viable upon reaching the United States.

ORACBA's continuing cooperation with rule-making agencies within USDA has resulted in closer contacts between the agencies and ORACBA. Agencies such as APHIS, the Food Safety and Inspection Service –FSIS–, and the Natural Resources Conservation Service –NRCS– are requesting early support in the development of analyses which lead to rule making. During the last year, NRCS requested help with risks assessments for regulations that would assist in the timely implementation of new conservation programs contained in the 2002 Farm Bill.

ORACBA worked with NRCS to apply risk assessment to develop rules for the Environmental Quality Incentives Program –EQIP- which reduce the environmental risks from agriculture. One key contribution of risk assessment was the explicit recognition that practices which reduce risk to one resource may increase risks to another. Thus, the rule envisions systems of practices to avoid introducing new risks. Similarly, the risk assessment emphasized that selecting appropriate EQIP practices can simultaneously reduce risks to multiple resources. The EQIP rule specifically notes selection of practices as a means to obtain the program's objective of maximizing environmental benefits.

FSIS and FDA prepared a risk analysis for *Listeria monocytogenes*, a pathogen responsible for several outbreaks of listeriosis. FSIS used this risk assessment to develop a

proposed regulation to respond to this potentially lethal pathogen in ready-to-eat meat and poultry products. ORACBA's reviews of the risk assessment identified a number of areas where additional empirical data on consumers' food handling practices could greatly increase confidence in the risk assessment findings and identify with more certainty the relative risk of ready-to-eat foods. FSIS is now developing a final rule that draws on additional risk models to identify effective in-plant interventions to reduce the risk of *Listeria* contamination of ready-to-eat products.

To encourage risk-based thinking and improve utilization of analytic resources, ORACBA has encouraged USDA agencies to use qualitative screening risk evaluations for small and non-controversial rules. APHIS used qualitative risk assessment techniques to select a group of plant pest organisms of greatest concern in SWPM used to transport imported commodities. The screening risk assessment identified high risk organisms which were then examined more carefully using other qualitative and quantitative methods.

Both the Food Safety and Inspection Service --FSIS-- and the Food and Drug Administration --FDA-- worked on the *Salmonella* Enteritidis --SE-- risk assessment, released in June 1998. This was the first major risk assessment of microbial pathogen which looked at the entire farm to table the food chain. Both agencies are using the results to develop better regulations to ensure safer eggs and egg products. ORACBA participated in an advisory role in the assessments.

RISK ASSESSMENT STAFF TIME

Mr. Bonilla: How much staff time has been devoted to risk assessment by your office and by the agencies that performed the risk assessment?

Response: The Director and technical staff of ORACBA spend virtually 100 percent of their time on risk analysis activities: planning, organizing, coordinating, advising, reviewing, and training others or improving our own skills. ORACBA leverages its human resources through cooperative agreements with universities that have complementary expertise in risk assessment and cost-benefit analysis.

USDA agencies are devoting more staff time to meet the requirements to perform risk assessments for major rules. Further, both APHIS and FSIS have contracted for additional expertise in risk assessment. ORACBA recognizes the value of outside experts who can complement agency skills and who provide independent review and validation of risk assessment models. FSIS's Office of Public Health and Science has added a Scientific Advisor for Risk Assessment. Both FSIS and APHIS have sponsored special training programs for their staff to increase their competency in risk assessment. The Forest Service also has staff conducting risk assessments as part of its land management decision process.

IMPACTS OF WELFARE REFORM ON FARM LABOR

Mr. Bonilla: Has OCE identified any impacts of welfare reform on the availability of farm labor since your response in last year's hearing record?

Response: OCE has not identified any impacts of welfare reform on the availability of farm labor. The availability of authorized workers continues to be very tight. However, there are likely many unauthorized workers with counterfeit documents in the agricultural labor force. Unauthorized aliens are not eligible for public assistance, including food stamps, and, thus, are not affected by welfare reform.

MARKET FOR U.S. EXPORTS TO ASIA AND LATIN AMERICA

Mr. Bonilla: What is OCE's assessment of the market for American agricultural exports to Asia and Latin America for the next two years?

Response: USDA makes official export projections for one year out. The most recent projections for fiscal year 2002, released on February 20, show total U.S. agricultural exports increasing to $57 billion, a 7-percent increase over the previous fiscal year. Exports to the Asia region are projected to increase 8 percent over fiscal 2002, and exports to Latin America -- excluding Mexico-- are expected to increase 7 percent. Export sales to Mexico are forecast to grow even faster. Pockets of economic distress remain in countries such Japan, Argentina, and Turkey, dampening demand for U.S. products. The U.S. dollar continues to be strong, although it has recently depreciated against the euro and the yen, which could enhance U.S. export competitiveness. The U.S. and the world economy continue to be plagued by uncertainty, which will affect economic growth, oil prices, exchange rates, and U.S. agricultural export prospects.

U.S. agricultural exports to Asian markets have been sluggish for several years, but are forecast to reach $21 billion in fiscal 2003. Japan remains mired in recession and has slipped behind Canada as our second largest country market. Nevertheless, U.S. exports are forecast to increase 7 percent, mainly due to higher prices for key commodities. China continues to experience strong economic growth and U.S. exports are projected to grow a healthy $1.5 billion this fiscal year. With rising incomes, many strong economies, and nearly a 40-percent share, the Asia region will remain a key market for U.S. products.

U.S. exports to Latin America have suffered from the economic problems in that region but are forecast to rise modestly in fiscal 2003, mainly on the strength of stronger sales to Central America and the Caribbean. Exports to Mexico are projected at a record $7.9 billion and continue to benefit from the NAFTA. Mexico is likely to soon overtake Japan as our second largest market.

ACTIVITIES IN STONEVILLE, MISSISSIPPI

Mr. Bonilla: What are the main activities of the OCE office in Stoneville, Mississippi?

Response: The OCE office in Stoneville, Mississippi is co-located with the Mississippi State Delta Research and Extension Center --DREC-- and the USDA/ARS Mid-South Area Jamie Whitten Delta States Research Center. This office was established, with the support of Congress, as part of an ongoing OCE program to build a National Agricultural Weather Observing Network --NAWON. A goal of NAWON is to access and link existing agricultural weather data collection networks that currently do not submit data to the National Weather Service --NWS-- network. The Stoneville Data Center is linked to OCE Washington, D.C. and

USDA's National Information Technology Center in Kansas City. The Kansas City link provides Stoneville with direct access to timely weather data provided by the NWS. Thus, weather information can be forwarded to farmers, agribusinesses, and researchers free of charge. Timely weather data enables producers to make improved management decisions. With this information producers can mitigate the effects of adverse weather on crop production, lower production costs, and minimize the use of pesticides. The Stoneville office has a regional focus, through existing partnerships with other state, public, and government institutions engaged in agricultural weather activities and climate services.

Activities at the Stoneville office include: (1) In partnership with DREC and ARS, the Stoneville office collects and assures the quality of automated weather data from sites throughout the 19-county area in the Delta. In addition, the Stoneville staff deploys and monitors sophisticated meteorological sensors and instrumentation for applied research; (2) Delta weather observations are archived, quality controlled, and summarized and published in the USDA *Weekly Weather and Crop Bulletin*; (3) Public outreach, education, and customer support activities are facilitated through weekly weather briefings delivered by e-mail, radio, and TV interviews, and exchanging information with Mississippi State University in Starkville, Mississippi; (4) Numerous products and services are provided to researchers, producers, county extension agents, and agricultural industries in the Delta. These products and services include: weather and climate data, geographic queries, crop progress information, products developed using Geographic Information Systems, and weekly weather briefings; and, (5) Development and maintenance of a web page to facilitate the delivery of weather information to the Delta community.

Accomplishments of the Stoneville office in FY 2002 include: (1) In cooperation with USDA's Natural Resources Conservation Service, one new Soil Climate Analysis --SCAN-- weather observing site was installed in the Delta, and two existing automated sites were upgraded to SCAN technology. This increased the total number of SCAN automated weather stations in the Delta to six; (2) Installed Advanced Weather Interactive Processing System --AWIPS-- technology in the Stoneville Office which provided the Delta community with timely weather information for irrigation scheduling and application of plant protectants.

USDA FOOD SAFETY INITIATIVE FUNDS BUDGETED

Mr. Bonilla: For fiscal years 2003 and 2004, has the Department budgeted any USDA Food Safety Initiative funds for ORACBA activities and, if so, how much has been budgeted?

Response: For FY 2003, OCE budgeted $436,000 for food safety risk assessment and directly related activities. This will maintain the same level of funding as budgeted with appropriated fiscal 2002 funds. For FY 2004, OCE has again allocated $436,000 for food safety.

POTENTIAL INCREASES IN PRICES AND FARM INCOME FROM BIOMASS

Mr. Bonilla: Can you quantify the increases in farm and forest product prices and farm income generated by the proposed increase for biomass activities?

Response: Yes, a forthcoming Department of Agriculture --USDA-- study, *The Economic Impacts of Bioenergy Crop Production on U.S. Agriculture*, addresses the effects of increased biomass production on farm prices and farm income. For the biomass industry to expand, a variety of feedstocks will need to be utilized. Large-scale production of bioenergy crops could have significant effects on the U.S. agricultural sector in terms of quantities, prices, and production location of traditional crops as well as farm income. The analysis indicates that, at $30 per dry ton for switchgrass, $31.74 per dry for willow, and $32.90 for poplar, an estimated 19.4 million acres of cropland --8.2 million from Conservation Reserve Program --CRP-- could be used to produce 96 million dry tons of bioenergy crops annually at a profit greater than the profit created by existing uses for the land. With respect to the Conservation Reserve Program acres, geographic limitations reduce the number of acres from the enrolled 29.8 million acres --as of October 1, 1998 --to 24.1 million acres. These areas are further restricted to remove from consideration for bioenergy production the most environmentally sensitive areas: (1) acres enrolled in buffer strips to protect water quality; (2) acres classified as wetlands; (3) acres critical to watershed management; and (4) critical habitat acres in Wildlife Conservation Priority Areas. These restrictions remove an additional 7.2 million CRP acres. Thus, for analysis, 16.9 million CRP acres are identified as being potentially available for bioenergy crop production. In this scenario, traditional crop prices increase from 3 to 9 percent --depending on crop-- and net farm income increases by $2.8 billion from the 1999 baseline to 2008. At $40 per dry ton of switchgrass, $42.32 per dry ton for willow, and $43.87 per dry ton for poplar, an estimated 41.9 million acres --12.9 million from CRP-- could be used to produce 188 million dry tons of biomass annually. Under this scenario, traditional crop prices increase by 8 to 14 percent and net farm income increases by $6 billion annually from the 1999 baseline to 2008. Given current conversion efficiencies, biomass production could displace 16 percent of petroleum imports or 7.3 percent of the electricity currently produced in the United States.

Another recently released study from USDA, *Biomass from Crop Residues: Cost and Supply Estimates*, states that biomass supply from crop residues can increase producer profits while maintaining soil quality, provided that reduced tillage and partial residue harvest are used appropriately. Corn Belt, Great Plains, and West Coast participation is possible with judicious selection of crops and management practices.

Biomass from crop residues have the potential to displace an additional 12.5 percent of petroleum imports or 5 percent of electricity consumption in today's markets. Residues also have growth potential from improving crop productivity and declining livestock demands for forage. Therefore, when residue supplies are included with some other agricultural sources, biomass supply from crop agriculture could account for an important share of our energy consumption, displacing up to 30 percent of petroleum imports. However, further development of processing technology is still needed.

FOOD AND AGRICULTURAL RESEARCH POLICY INSTITUTE

Mr. Bonilla: Please describe the contribution of the Food and Agricultural Policy Research Institute –FAPRI-- to OCE's mission.

Response: OCE has a very useful relationship with FAPRI. FAPRI conducts long-term projections for U.S. agriculture and undertakes assessments of policy and program options. OCE coordinates the development of the Department's long-term baseline projections, which are used to estimate the current services budget baseline and the President's budget. OCE also conducts program and policy analyses for the Secretary, often using baseline results. USDA and FAPRI operate independently, use different assumptions regarding U.S. and foreign programs and the global economy, and may have different analytical results. This diversity enhances each of us in our work. Both USDA and FAPRI exchange information and analyses, and that serves as a check and strengthens each analysis. FAPRI and USDA are the only two entities conducting comprehensive long-term commodity market analysis on a recurring basis, and it is helpful for the public and market participants to have more than one view of how markets may unfold, given current information. FAPRI also responds to USDA requests for analysis and conducts several seminars each year at USDA where they present their long-term projections and results of specific policy analyses. FAPRI's most recent seminar at USDA, arranged through OCE, took place on March 6, 2003.

[Clerk's Note. — The President's budget request for fiscal year 2004 was submitted on February 3, 2003. This preceded final Congressional action of the fiscal year 2003 bill, which was completed in the House of Representatives on February 13, 2003. The President's fiscal year 2004 budget request (including the explanatory notes) compared the submission with the budget request for fiscal year 2003, NOT with the fiscal year 2003 enacted amounts. The following material covers portions of the fiscal year 2004 explanatory notes revised to reflect enactment of the fiscal year 2003 appropriations act.]

Appropriation Language and
Explanation of Changes in Language

OFFICE OF THE CHIEF ECONOMIST

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Chief Economist:

For necessary expenses of the Chief Economist, including economic analysis, risk assessment, cost-benefit analysis, energy and new uses, and the functions of the World Agricultural Outlook Board, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1622g), [$8,566,000] and including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $5,000 is for employment under 5 U.S.C. 3109, $12,264,00.

The change in language reinstates appropriation language that was deleted in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of FY 2003. This language is necessary to allow the Office of the Chief Economist the flexibility to invoke the authority in event such a need arises.

EXECUTIVE OPERATIONS

OFFICE OF THE CHIEF ECONOMIST

Appropriations Act, 2003		$8,566,000
Budget Estimate, 2004		12,264,000
Increase in Appropriation		+3,698,000
Adjustments in 2003:		
Appropriations Act, 2003	$8,566,000	
Rescission under P.L. 108-7 a/	-56,000	
Adjusted base for 2003		8,510,000
Budget Estimate, Current Law, 2004		12,264,000
Increase over adjusted 2003		+3,754,000

a/ The amount is rescinded pursuant to Section 601 (a) of Division N, Title VI of P.L. 108-7.

Summary of Increases and Decreases

(On basis of adjusted appropriation)

Item of Change	2003 Estimated	Pay Costs	Program Change	Other	2004 Estimated
Office of the Chief Economist	$8,510,000	+$206,000	+$3,557,000	-$9,000	$12,264,000

Project Statement

(On basis of appropriation)

STRATEGIC GOAL 1: Assure the Secretary of Agriculture receives timely, independent and objective economic advice and analysis on critical Departmental program and policy issues.

STRATEGIC GOAL 2: Improve the U.S. agricultural economy by facilitating efficient price discovery in agricultural markets by coordinating the release of comprehensive, consistent, reliable, timely and objective USDA estimates, forecasts, and projections of commodity supply, demand, and prices.

STRATEGIC GOAL 3: Ensure regulations affecting the public are based on sound, objective and appropriate risk assessments and economic analyses.

Project Statement
(On basis of appropriation)

	2002 Actual		2003 Estimated		Increase or Decrease	2004 Estimated	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
Goal 1: Provide timely, independent and objective economic advice and analysis on program and policy issues	$3,352,221	19	$3,156,000	19	+$774,000	$3,930,000	19
Goal 2: Facilitate efficient price discovery in agricultural markets	4,032,424	34	4,069,000	36	+2,336,000	6,405,000	36
Goal 3: Provide objective and appropriate risk assessments and economic analyses	1,283,330	12	1,285,000	12	+644,000	1,929,000	12
Unobligated Balance	30,559	--	--	--	--	--	--
Total Available or Estimate	8,698,534	65	8,510,000	67	+3,754,000(1)	12,264,000	67
Rescission	+5,466	--	+56,000	--			
Total, Appropriation	8,704,000	65	8,566,000	67			

2004 Explanatory Notes

Table of Contents

Office of the Chief Economist

	Page
Purpose Statement	7-1
Statement of Available Funds and Staff Years	7-2
Permanent Positions by Grade and Staff Year Summary	7-3
Classification by Objects	7-4
Justifications	7-7
Geographic Breakdown of Obligations and Staff Years	7-8
Status of Program	7g-1-8

[Clerk's Note. – Following are the explanatory notes submitted as part of the President's fiscal year 2004 budget request prior to enactment of the fiscal year 2003 appropriations act.]

7-1

EXECUTIVE OPERATIONS

OFFICE OF THE CHIEF ECONOMIST

Purpose Statement

The Office of the Chief Economist (OCE) was created by the Secretary of Agriculture on October 20, 1994, under the authority of the Department of Agriculture Reorganization Act of 1994, Public Law 103-354.

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

Activities include: policy and program analysis; regulatory reviews; information dissemination; market surveillance; coordination of assessments of international and domestic agricultural developments; improvement of forecasting techniques; coordination of weather, climate and remote sensing activities; coordination of sustainable development activities; energy policy analysis; and development and implementation of regulations affecting agricultural labor.

OCE uses, on a daily, weekly and monthly basis, regularly scheduled information releases to advise the Secretary and the public on developments affecting agricultural markets and the rural economy. The office coordinates interagency development of forecasts and projections by drawing together a variety of experts to assure objective and sound analysis. The office uses memos and briefings to advise the Secretary of the consequences of market developments, program changes, and legislative proposals. The office provides economic analysis of Department policy positions to the Congress and the public. The office participates in the development of reviews, and clears all regulatory impact and risk analyses of Departmental significant, economically significant, and major rules to ensure they are based on objective, appropriate, and sound economic and risk analyses.

OCE Headquarters is located in Washington, D.C. OCE has one field unit located in Stoneville, Mississipi for weather data collection and analysis. As of September 30, 2002, there were 49 full-time permanent employees. These employees were assigned as follows:

Location	Full-time Permanent
Washington, D.C.	47
Field Unit	2
Total	49

OCE did not have any Office of the Inspector General or General Accounting Office evaluation reports during the past year.

7-2

EXECUTIVE OPERATIONS

OFFICE OF THE CHIEF ECONOMIST

Available Funds and Staff Years

2002 Actual and Estimated 2003 and 2004

Item	2002 Actual		2003 Estimated		2004 Estimated	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Direct Appropriation	$8,704,000	49	$12,016,000	75	$12,264,000	75
Rescission	-5,466	--	--	--	--	--
Subtotal	8,698,534	49	12,016,000	75	12,264,000	75
Obligations under other USDA appropriations:						
Global Climate Change Program	526,577	4	600,000	4	600,000	4
Annual Outlook Forum	325,545	--	328,000	--	328,000	--
Total, Other USDA Appropriations	852,122	--	928,000	4	928,000	4
Total, Agriculture Appropriations	9,550,656	53	12,944,000	79	13,192,000	79

7-3

EXECUTIVE OPERATIONS

OFFICE OF THE CHIEF ECONOMIST

Permanent Positions By Grade and Staff Year Summary

2002 Actual and Estimated 2003 and 2004

Grade	2002			2003			2004		
	Wash DC	Field	Total	Wash DC	Field	Total	Wash DC	Field	Total
ES-6	1	--	1	1	--	1	1	--	1
ES-5	1	--	1	1	--	1	1	--	1
ES-3	1	--	1	1	--	1	1	--	1
ES-2	1	--	1	1	--	1	1	--	1
SL	2	--	2	2	--	2	2	--	2
GS-15	16	--	16	17	--	17	17	--	17
GS-14	9	--	9	14	--	14	14	--	14
GS-13	11	--	11	12	--	12	12	--	12
GS-12	2	--	2	8	--	8	8	--	8
GS-11	3	--	3	1	--	1	1	--	1
GS-10	1	--	1	1	--	1	1	--	1
GS-9	5	1	6	8	1	9	8	1	9
GS-8	2	--	2	2	--	2	2	--	2
GS-7	2	1	3	2	1	3	2	1	3
GS-6	1	--	1	1	--	1	1	--	1
GS-5	2	--	2	2	--	2	2	--	2
GS-4	2	--	2	2	--	2	2	--	2
GS-3	1	--	1	1	--	1	1	--	1
Total Permanent Positions	63	2	65	77	2	79	77	2	79
Unfilled Positions end-of-year	-16	--	-16	--	--	--	--	--	--
Total, Permanent Full-Time Employment, end-of-year	47	2	49	77	2	79	77	2	79
Staff Year Estimate	51	2	53	77	2	79	77	2	79

7-4

EXECUTIVE OPERATIONS

OFFICE OF THE CHIEF ECONOMIST

Classification By Objects
2002 Actual and Estimated 2003 and 2004

	2002	2003	2004
Personnel Compensation:			
Washington, D.C	$4,257,760	$5,905,000	$6,111,000
Field	79,109	81,000	84,000
11 Total personnel compensation	4,336,869	5,986,000	6,195,000
12 Personnel benefits	911,940	1,306,000	1,354,000
Total pers. comp. & benefits	5,248,809	7,292,000	7,549,000
Other Objects:			
21 Travel	177,608	428,000	428,000
22 Transportation of things	8,352	2,000	2,000
23.3 Communications, utilities, and misc. charges	149,513	198,000	198,000
24.0 Printing and reproduction	70,066	349,000	349,000
25.2 Other services	960,122	874,000	874,000
25.3 Purchases of goods and services from Government Accounts	609,153	428,000	428,000
25.5 Agreements	1,135,048	1,459,000	1,459,000
26 Supplies and materials	210,679	144,000	144,000
31 Equipment	104,091	842,000	833,000
Total other objects	3,424,632	4,724,000	4,715,000
Total direct obligations	8,673,441	12,016,000	12,264,000
Position Data:			
Average Salary, ES positions	$136,546	$140,096	$143,738
Average Salary, GS positions	$59,717	$70,661	$73,324
Average Grade, GS positions	11.82	11.90	11.90

For necessary expenses of the Chief Economist, including economic analysis, risk assessment, cost-benefit analysis, energy and new uses, and the functions of the World Agricultural Outlook Board, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1622g), and including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $5,000 is for employment under 5 U.S.C. 3109, $12,264,000.

7-5

EXECUTIVE OPERATIONS

OFFICE OF THE CHIEF ECONOMIST

President's Budget, 2003	$12,016,000
Budget Estimate, 2004	12,264,000
Increase in Appropriation	+248,000

Summary of Increases and Decreases

(On basis of appropriation)

Item of Change	2003 Estimated	Pay Costs	Program Change	Other	2004 Estimated
Office of the Chief Economist	$12,016,000	+$206,000	+$51,000	-$9,000	$12,264,000

Project Statement

(On basis of appropriation)

STRATEGIC GOAL 1: Assure the Secretary of Agriculture receives timely, independent and objective economic a and analysis on critical Departmental program and policy issues.

STRATEGIC GOAL 2: Improve the U.S. agricultural economy by facilitating efficient price discovery in agricultural markets by coordinating the release of comprehensive, consistent, reliable, timely and objective USDA estimates, forecasts, and projections of commodity supply, demand, and prices.

STRATEGIC GOAL 3: Ensure regulations affecting the public are based on sound, objective and appropriate risk assessments and economic analyses.

Project Statement
(On basis of appropriation)

	2002 Actual		2003 Estimated		Increase or Decrease	2004 Estimated	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
Goal 1: Provide timely, independent and objective economic advice and analysis on program and policy issues	$3,352,221	19	$3,872,000	21	+$58,000	$3,930,000	21
Goal 2: Facilitate efficient price discovery in agricultural markets	4,032,424	34	6,272,000	46	+133,000	6,405,000	46
Goal 3: Provide objective and appropriate risk assessments and economic analyses	1,283,330	12	1,872,000	12	+57,000	1,929,000	12
Unobligated Balance	30,559	--	--	--	--	--	--
Total Available or Estimate	8,698,534	65	12,016,000	79	+248,000(1)	12,264,000	79
Rescission	+5,466	--	--	--			
Total, Appropriation	8,704,000	65	12,016,000	75			

Performance Goals and Indicators

	FY 2002 Target	FY 2002 Actual	FY 2003	FY 2004
World Agricultural Supply and Demand Estimates Reports Issued	12	12	12	12
Weekly Weather and Crop Bulletin Issued	52	52	52	52

7-7

EXECUTIVE OPERATIONS
OFFICE OF THE CHIEF ECONOMIST

Summary of Appropriated Funds for FY 2004 by Strategic Goals

Program	Strategic Goal 1	Strategic Goal 2	Strategic Goal 3	Total Estimate	Total Staff Years
Provide timely, independent and objective economic advice	$3,930,000	--	--	$3,930,000	21
Facilitate efficient price discovery in agricultural markets	--	6,405,000	--	6,405,000	46
Provide objective and appropriate risk assessments and economic analyses	--	--	1,929,000	1,929,000	12
Total, Office of the Chief Economist	3,930,000	6,405,000	1,929,000	12,264,000	79

Justification of Increases and Decreases

(1) A net increase of $248,000 for the Office of the Chief Economist (OCE):

(a) An increase of $51,000 for salary adjustments.

Over 75 percent of OCE's obligations is for salaries and benefits. This leaves little flexibility for absorbing additional costs such as with-in grades and reclassification.

(b) An increase of $206,000 for pay costs which includes $75,000 for annualization of the fiscal year 2003 pay raise and $131,000 for the anticipated fiscal year 2004 pay raise.

This increase is needed to maintain the current level of staffing to ensure that OCE can carry out its full range of responsibilities and agency goals. OCE is a small office with three-quarters of its total FY 2004 budget used for salaries and benefits. OCE does not have the flexibility to reduce nonsalary expenses, and without pay costs, OCE would not be able to fill vacancies expected to occur. OCE is already strained to meet the many policy analyses, regulatory reviews and market forecasts and projections that are required, usually on tight, prescribed schedules. Pay costs are urgently needed to ensure these high priority activities are completed in a timely and competent way.

(c) A decrease of $9,000 for Information Technology Procurement Savings.

Reduction for the savings associated with centralization and improvement of information technology. Savings are associated with consolidated buys for infrastructure and office automation, and consolidation of enterprise architecture projects within the Department. USDA continues to ensure that information technology investments utilize enterprise licenses for hardware and software where appropriate and reduce the information technology costs.

7-8

Geographic Breakdown of Obligations and Staff Years
2002 Actual and Estimated 2003 and 2004

	2002		2003		2004	
	Years	Staff Amount	Years	Staff Amount	Years	Staff Amount
District of Columbia.....	$8,588,866	63	$11,935,000	77	$12,180,000	77
Stoneville, Mississippi..	79,109	2	81,000	2	84,000	2
Subtotal, Available or Estimate.....	8,667,975	65	12,016,000	79	12,264,000	79
Unobligated balance...	30,559	—	—	—	—	—
Total, Available or Estimate.....	8,698,534	65	12,016,000	79	12,264,000	79

7g-1

EXECUTIVE OPERATIONS

OFFICE OF THE CHIEF ECONOMIST

STATUS OF PROGRAM

The Office of the Chief Economist (OCE) advises the Secretary of Agriculture on the economic implications of Department policies, programs and proposed legislation. It serves as the focal point for: the Nation's agricultural economic intelligence and projections related to agricultural commodity markets; risk analysis and cost-benefit analysis related to international food and agriculture; sustainable development; energy issues related to agriculture; agricultural labor; and global climate change. OCE is responsible for coordination, review and clearance of commodity and aggregate agricultural and food-related data used to develop outlook and situation material within the Department.

Current activities, progress, and current programs under the OCE's strategic goals are outlined below:

Goal 1: Assure the Secretary of Agriculture receives timely, independent and objective economic advice and analysis on critical Departmental programs and policy issues.

Current Activities:

OCE provides policy and program analyses and advice for the Secretary on major issues affecting agriculture and rural America. The Immediate Office (IO) is addressing issues on: trade agreements and disputes; developments in agricultural commodity markets such as recent reduced market income for major crop producers; milk marketing orders; Karnal bunt compensation; crop insurance improvements; sustainable development in agriculture and rural communities; global change and agriculture; market concentration; conservation programs; agricultural labor; and regulatory review to ensure cost-effective, less burdensome regulations.

Selected Examples of Recent Progress:

World Trade Organization (WTO) Negotiations. OCE staff participated in the inter-agency process chaired by the U.S. Trade Representative for the next round of multilateral trade negotiations, formally initiated in November 2001 at the Ministerial in Doha, Qatar. IO analyzed Farm Bill proposals to assess their compatibility and compliance with U.S. obligations in the WTO and briefed Congressional staff on WTO implications of domestic policy changes. IO participated in several inter-agency groups to assess the implications of different negotiating proposals, especially in the areas of domestic support, export competition, and biotechnology. IO assisted in developing Administration positions regarding WTO challenge by Brazil to the U.S. cotton program and the U.S. WTO challenge of the Canadian Wheat Board.

Crop Insurance. The Chief Economist has served as Chairman of the Board of Directors of the Federal Crop Insurance Cooperation since January 2001 and presided over 9 public meetings of the Board during FY 2002. IO provided the Board with analyses of numerous insurance products that were brought to the Board by private companies for approval during FY 2002. IO provided analysis to the Risk Management Agency on a variety of topics, including reinsurance, premium rates, the effects of insurance on production and determining price election levels.

Domestic Farm Policy. OCE made numerous contributions to improving the effectiveness of U.S. farm policy during FY 2002. The Chief Economist co-chaired USDA's Farm Bill Implementation Working Group. IO analyzed a variety of farm bill proposals, including the House and Senate passed farm bills and the final conference bill. IO provided analysis for Congress and the Administration on Farm Bill options, dairy legislation, disaster legislation and WTO/domestic support compliance issues.

Global Climate Change. OCE's Global Change Program Office (GCPO) coordinates global change activities for the Department. GCPO facilitates USDA cross-cutting research and represents the Department on issues related to global change to other agencies and the public. GCPO continued to provide guidance to the Department on its Global Change Program. The year was highlighted by major Administration initiatives on climate change. Specifically GCPO coordinated USDA's response to two Presidential directives. These directives were to develop new accounting rules and guidelines for greenhouse gas offsets in the agriculture and forestry sectors and to identify targeted incentives for carbon sequestration. The GCPO chairs the Department's Global Change Task Force and coordinates the Department's $56 million global change research program.

New Accounting Rules and Guidelines for Greenhouse Gas Offsets. A cornerstone of the President's climate change strategy is a challenge to the private sector to reduce greenhouse gas emissions. The Department of Energy is developing a greenhouse gas reporting system to allow companies to report and receive credit for their actions. USDA was directed to develop the specific accounting procedures for forest and agriculture actions. In FY 2002, GCPO developed the Department's plan for implementing this directive and supported Secretary Veneman in providing an initial response to the President. The new guidelines will be developed by the Forest Service and Natural Resources Conservation Service.

International Climate Change Activities. The GCPO supported the Department of State in bi-lateral and multi-lateral discussions and negotiations on climate change, including developing bilateral agreements with Australia, Canada, and Mexico. GCPO also participated in two overseas meetings of the Conference of the Parties to the Framework Convention on Climate Change. GCPO coordinated USDA contributions to the Intergovernmental Panel on Climate Change (IPCC) Good Practice Standards for Greenhouse Gas Inventory Reports for Forests and Land Users.

Title IX of the Farm Security and Rural Investment Act of 2002: The Office of Energy Policy and New Uses (OEPNU) played a major role in the development and implementation of Title IX of the Farm Security and Rural Investment Act of 2002. OEPNU advised the Secretary and Senate and House staff in support of the President's National Energy Policy and on ways to augment the authorities of USDA to promote bio-based products and bioenergy. OEPNU has the lead in implementation of three Title IX sections and is participating in implementation of several others. The fiscal year mandatory funding for 2002 of $1 million for bio-based products testing was implemented through a cooperative agreement with Iowa State University. Funds will be transferred to Iowa State, the National Institute of Standards and Technology, and other testing entities. The entire Federal bio-based product preference program is scheduled to be up and running in two years.

National Energy Policy Development (NEPD) and Securing America's Future Energy Act of 2002 (SAFE). OEPNU coordinated within USDA and helped develop departmental positions on all sections of the proposed legislation related to the USDA mission. A Web site was created by OEPNU for the USDA homepage to document the Department's progress in meeting the President's National Energy Plan Goals. OEPNU created an Ag Energy weekly newsletter to keep USDA policymakers informed on energy current events. OEPNU analyzed proposed renewable energy tax plans and renewable fuels and electricity mandates on agricultural and rural America. OEPNU also provided analysis on the effects of the Renewable Fuels Standard (RFS) contained in SAFE on commodity markets, farm income, and employment. OEPNU also provided analyses on issues related to SAFE such as flexibility in the RFS proposal in case of an ethanol shortage, Corporate Average Fuel Economy standards, and the effect of a MTBE ban delay in California on ethanol prices and production. OEPNU initiated several short, timely briefing papers on the status of electricity restructuring and financial challenges facing electric power firms.

Ethanol and Bioenergy Analysis. Assessing ethanol's role in the transportation fuel markets has been a key focus of OEPNU's work. OEPNU addressed the controversy over whether the energy balance of ethanol is positive, issuing a report indicating that there is over one-third more energy in a gallon of ethanol than it takes to produce the gallon over its life cycle. OEPNU instituted and published the first ethanol cost of production benchmark survey to better understand the progress and further research needs of the ethanol industry. USDA will publish the survey every two years. A publication underway with Iowa State examines the economic feasibility of agricultural residues as a feedstock for ethanol and bioenergy. Residues hold promise as a major feedstock opportunity for the

development of a biomass energy and bio-based products industry. Another publication underway with the University of Tennessee and Oak Ridge National Laboratories examines the economic feasibility of energy crops as a feedstock for ethanol and biopower. OEPNU is also working with Southern Illinois University and Iowa State University on several studies: *The Emerging Technologies in the Ethanol Industry; Biomass Research Base in the United States; and Value-Added Processing in Agriculture: Comparing the Effects of Conventional Business Cooperatives, and Producer-Owned Firms.* Other studies describing the economic feasibility of replacing MTBE with ethanol in partnership with Iowa State have been completed.

Bio-based Products and Bioenergy Coordinating Council. OEPNU helped develop the departmental regulation signed by the Secretary to create a USDA cross-cutting Bio-based Products and Bioenergy Coordinating Council. This Council serves as the working group for coordinating USDA energy activities and for supporting implementation of energy related legislation affecting USDA. Through this Council, OEPNU has supported the efforts of the Biomass Research and Development Interagency Board and Federal Advisory Committee by addressing their information requests.

Sustainable Development Activities. The Director of Sustainable Development in OCE leads the USDA preparations for the World Summit on Sustainable Development (WSSD), the 10th anniversary of the 1992 United Nations Conference on Environment and Development (UNCED-"Earth Summit") in South Africa. Preparations include leading and participating in interagency processes to develop U.S. positions and identify collaborative partnerships on sustainable agriculture, forests, rural development, and land issues with other Federal Departments; representing USDA at international preparatory meetings; attending the ministerial prepatory meeting in Bali, Indonesia; with the Deputy Secretary; assisting in developing U.S. negotiating strategy and tactics; and leading activities of the USDA Council on Sustainable Development in conjunction with the Foreign Agricultural Service, for the Summit and its aftermath.

Goal 2: Improve the U.S. agricultural economy by facilitating efficient price discovery in agricultural markets by coordinating the release of comprehensive, consistent, reliable, timely and objective USDA estimates, forecasts, and projections of commodity supply, demand, and prices.

Current Activities:

OCE's World Agricultural Outlook Board (WAOB) coordinates and reviews for clearance all commodity and aggregate agricultural and food related data used to develop outlook material within USDA. Prior to the creation of WAOB, agricultural outlook data were collected, analyzed, and reported by several agencies in USDA. The Board also ensures that essential information quickly reaches policymakers and the public, especially U.S. farmers. WAOB functions include: coordinating USDA forecasts of domestic and international agriculture; providing economic analysis; monitoring markets and agricultural weather; coordinating weather, climate, and remote sensing activities; and disseminating information.

Selected Examples of Recent Progress:

Supply and Demand Monitoring and Reporting. As a part of USDA's ongoing economic information program, WAOB published the monthly *World Agricultural Supply and Demand Estimates* (WASDE) report, which provides projections of world and U.S. supply and utilization estimates and forecasts for grains, soybeans, and cotton; and U.S. estimates and forecasts for sugar, red meat, poultry, eggs, and milk. The report also includes forecast reliability tables for selected commodities. WAOB cleared all USDA economic outlook reports released in FY 2002. In addition, daily market highlights and weekly briefing reports were prepared for the Secretary and top staff, weekly weather and economics briefings were presented to the Under Secretary for Farm and Foreign Agricultural Services, and international weather highlights were published in the *Weekly Weather and Crop Bulletin*. WAOB also contributed to the weekly U.S. Drought Monitor, produced by USDA, the National Weather Service, and the Drought Mitigation Center.

Continuity of Operations Plan (COOP). In the wake of September 11, WAOB acted to protect the Department's ability to produce the *WASDE* report and perform other essential functions following a terrorist attack or other catastrophic event. As a market-sensitive report used by global commodity markets, the *WASDE* report is identified as a required report in the Department's COOP. WAOB and NASS share the same physical space where the *WASDE* report is prepared, signed by the Secretary, and released to the public. Because NASS controls lockup security, WAOB is working with NASS to develop a joint COOP. Planning has involved locating a backup site and providing for physical security and accommodations at a NASS site, and designating an appropriate information technology infrastructure, including telecommunications, network security, and connectivity. WAOB also has strengthened its firewall, encryption, and other security elements for daily operations at the USDA South Building. Hardware needed for the WAOB contingency activities was purchased with FY 2002 funds. A conclusion of the GSA lease for the backup site is pending.

WAOB maintains an archive of daily backup tapes that can be retrieved within 24 hours. WAOB has advised the Foreign Agricultural Service (FAS) on maintaining an offsite mirror image of FAS's international production, supply, and demand database, thereby enabling WAOB access to the current international commodity supply and demand data needed to prepare and release the *WASDE* report from the offsite location.

By early 2003, WAOB and the NASS Crop Reporting Board will move to newly renovated offices in the fourth wing of the USDA South Building. The new quarters will incorporate many additional security features to protect the integrity of the WASDE report including locked entry doors to the WAOB wing; video cameras with intercoms at each end of the corridor for visitors seeking entry; card readers and terminals interconnected with central building security to monitor traffic; card readers which monitor entry and exit to and from all controlled areas including private offices, servers, and the boardroom; encrypted phone devices; instrumentation to detect wireless devices in the lockup area; a dedicated backup diesel generator to protect against power loss; and, encrypted video teleconferencing and audio conferencing equipment.

U.S. and World Crop Developments. WAOB briefed government officials and news media frequently on changing U.S. and world crop conditions, which were marked by wide fluctuations related in part to the El Nino phenomenon. The most notable foreign crop alerts were early warnings of droughts and their impact on grains and oilseeds in Canada and Australia, and cotton, rice, and oilseeds in India. In the United States, special assessments included the Deep South cold outbreak; the drought in the Eastern U.S. and from the High Plains westward; periodic freezes in the Southeast; the April freeze in the Great Lakes states; and the impact of heavy rains from Tropical Storm Isidore on Delta crops.

Dialog with China on Agricultural Statistics. The China's National Bureau of Statistics requested the WAOB Chairperson lead a U.S. delegation to Beijing to critique China's agricultural statistics program. The delegation emphasized China's reporting obligations in view of World Trade Organization membership. In four days of discussions with Chinese counterparts, USDA delegates cited deficiencies and made recommendations which, if adopted, would provide the world with improved Chinese agricultural statistics. As a result of this and previous meetings, there is clear evidence that China is liberalizing its statistical reporting.

WAOB Staffwork in Support of Federal Decisionmaking. WAOB contributed to an "Assessment of Drought and Water Availability for Crop Production in the Rio Grande Basin," submitted to the House and Senate Committees on Appropriations. Conference Report 107-275 which mandated the Secretary of Agriculture to assess the impact of a persistent water deficit in the region, and address USDA's authorities and plans to provide relief to U.S. producers. Conferees raised concerns about Mexico's failure to meet its water obligations under a 1944 Water Treaty. This analysis was shared with International Boundaries Water Commission.

WAOB livestock analysts analyzed the potential impact of ConAgra's recall of 50 million pounds of beef. The analysis compared that recall to the Hudson Foods recall in 1997. Other significant livestock assessments concerned the impact of the U.S. and Canadian drought on cattle and hog production and shipments in North America and the impact of Russia's ban on U.S. poultry and possible repercussions on livestock markets in the aftermath of the September 11 terrorist attack.

WAOB supported the Farm Service Agency implementation of the peanut program authorized in the Farm Security and Rural Investment Act of 2002, developing extensive analytical data and projections. WAOB also analyzed the possible impacts of setting loans rates separately for each minor oilseed.

WAOB chairs an Interagency Commodity Estimates Committee (ICEC) for each significant commodity. A new ICEC was formed for dried peas, lentils, and chickpeas to coordinate USDA economic information about these minor pulses, which became program crops under the Farm Security and Rural Investment Act of 2002. The ICEC established a preliminary baseline to help estimate program costs.

WAOB's sugar specialist provided analysis to facilitate Commodity Credit Corporation sugar inventory reduction, to anticipate the impacts of granting Mexico additional sugar access to the U.S. market, and to develop the Overall Allotment Quantity authorized in the Farm Security and Rural Investment Act of 2002.

USDA Commodity Forecasting Process Strengthened. WAOB continued activities to improve the interagency process used to make supply and demand forecasts. These actions are supported by a departmental memorandum and agency memoranda of understanding defining responsibilities of agencies that contribute to the interagency commodity forecasting process.

A second annual review for interagency commodity estimates committees, held in March 2002, was attended by 125 USDA analysts and invites including guests from the private sector and universities. FAS contributions to the ICEC process were highlighted; FAS agricultural counselors from Argentina, Mexico, and the EU presented their views on reporting from abroad relative to the ICEC process. The Forum provided the basis for a new set of interagency priorities designed to assure that users of USDA's situation and outlook reports continue to receive high quality information in a timely manner using the most efficient information sharing, knowledge management, and communication techniques available.

Monthly teleconferences were held between USDA and university extension personnel relating to the grains and hog sectors. Ensuing dialogue and critiques have broadened the analytical perspective of participants.

A committee including analysts from WAOB, ERS, and FAS reconciled trade data discrepancies and implemented a single U.S. agricultural trade database for online dissemination. Policies were set for incorporating transshipments data and adopting Census corrections. Users downloaded 160,000 reports during January through September, 2002.

The FY 2003 Budget Request includes an initiative to develop a commodity market information system web portal. The website would provide users of commodity market information with a one-stop source of data, forecasts, and information now available separately from Agricultural Marketing Service, Economic Research Service, Farm Service Agency, Foreign Agricultural Service, NASS and the WAOB. The websit would reflect what we know is technologically feasible in terms of queries, searches, and presentation of information. It would also assure users access to the most up-to-date and official USDA commodity market information. WAOB is developing a definitive select-phase business case for the website. As the case is prepared, WAOB will seek information from internal and external stakeholders with an interest in the system.

Support for Interim National Drought Policy Council and Weekly Drought Monitor. WAOB further developed its alliance with the National Drought Mitigation Center at the University of Nebraska, providing monetary and staff support to assure quality and timely dissemination of the weekly U.S. Drought Monitor. The value of monitoring the severity of drought conditions related to water deficiencies for agriculture, forestry, or hydrology, was underscored in 2002 by widespread drought conditions in the Eastern and Western regions of the United States. In addition, WAOB collaborated with staff from U.S., Mexican and Canadian weather agencies to expand coverage of the drought monitor product to encompass North America.

WAOB and the National Weather Service operate a Joint Agricultural Weather Facility (JAWF) that uses combined skills in agriculture and meteorology to monitor weather impacts on crops. JAWF has provided timely information on the developing drought and other adverse weather events to the public, media, Congress, and government decisionmakers.

JAWF continued its support and participation in the Interim National Drought Council, a Federal and State partnership. As Federal co-chair of a working group for monitoring and prediction, the JAWF representative provided recommendations to the Council for establishing a national-level weather information delivery system.

The ability of JAWF to perform its primary mission of accurate U.S. and global crop-weather monitoring was strengthened this previous year. JAWF incorporated into its Oracle analytical database historical NASS crop progress and crop condition data. This allows fast analytical display of the latest NASS crop progress and condition reports using a geographical information system. JAWF receives thousands of global weather observations from its National Oceanic and Atmospheric Administration (NOAAPORT) system in Kansas City. These are now incorporated automatically into the Oracle database, enhancing JAWF's ability to analyze crop and weather developments in near-real time.

Weather Observation Network in Delta Expands. WAOB maintains an Agricultural Weather Data Center in Stoneville, Mississippi, collecting data from soil and climate stations installed in key growing areas of Missouri and Mississippi. In cooperation with Mississippi State Delta Research and Extension Center, three new Soil Climate Analysis Network weather stations were installed in the Delta, increasing the total number of stations in the Delta to six. State of the art technology and software was installed at the JAWF Stoneville office to provide timely weather information for irrigation scheduling, fieldwork availability, and field applications of plant protectants. A new Web page was developed for better delivery of weather information to the Delta community.

Action Preserves Agricultural Weather and Satellite Coverage. The USDA Chief Meteorologist successfully works with the National Weather Service (NWS) to maintain the Cooperative Observer stations in the U.S. network, especially in agricultural areas. In addition, the Chief Meteorologist established an informal arrangement with the Mexican National Meteorological Service to gain access to agricultural weather information from Mexico in return for assisting the government of Mexico to develop a report comparable to the *Weekly Weather and Crop Bulletin*.

Leadership in the World Meteorological Organization (WMO). USDA's Chief Meteorologist continued to serve as president of the Commission for Agricultural Meteorology of the WMO.

An Expert Group Meeting convened in Washington, D.C. in May 2002, with scientists from all WMO regions, developed a strategy for a web-based server to host national agricultural weather bulletins from around the world. Plans were made for a centralized server to be established in Washington, D.C., with minor servers to be added in Florence, Italy, and Seoul, South Korea. A second Expert Group Meeting in Barbados in October 2001 reviewed methodologies and techniques for improving national agricultural weather bulletins. The meeting resulted in guidelines that member nations are using to standardize these reports.

A CD-ROM of analytical software that can be readily used for operational applications in the field of agricultural meteorology was developed and distributed to 150 member countries.

The Chief Meteorologist developed and received WMO approval for a restructuring plan for the Commission for Agricultural Meteorology. This is the first in its 52 year existence. This reorganization strengthens the Commission's role in the WMO by enabling the Commission to become more proactive, flexible, and accountable in response to rapidly changing needs.

The Chief Meteorologist arranged participation of Columbia University's International Research Institute (IRI) in the USDA Agricultural Outlook Forum. IRI presented a session focusing on international climate prediction and analytical tools used to monitor El Nino events.

Remote Sensing Activities. The USDA remote sensing coordinator organized USDA's contribution to NASA's *Aeronautics and Space Report of the President* which summarizes the Department satellite and aerial imaging activities. The NASA administrator requests the Secretary of Agriculture to provide this information annually. The coordinator chaired the USDA Remote Sensing Coordination Committee to facilitate the sharing of data and technology among USDA agencies.

Internet Access to Economic Forecast and Climatic Data Grows. WAOB continued its longstanding partnership with ERS, NASS, and Cornell University to provide a major public website for USDA economic forecasts and data bases. Use of this website continued to grow. The WASDE report is one of the most popular free electronic subscriptions offered by the website.

The archive of reports available at the Cornell site includes current and past issues of the *Weekly Weather and Crop Bulletin* published by WAOB. The *Bulletin*, which includes weather maps and weather data tables, is posted in Adobe Acrobat format. Scanning of all *Bulletins* back to January 1971, about 1,500 issues, was completed in fiscal year 2002.

USDA Agricultural Outlook Forum Held. USDA's seventy-eighth Outlook Forum attracted a record attendance, just six months after September 11, an indication of the relevance and timeliness. This annual event is organized by OCE. Especially timely were sessions related to biotechnology, bio-security, animal diseases, and food safety. The plenary session, highlighting divergent attitudes on biotechnology between Europe and developing countries, presaged recent initiatives to assist developing countries to make better use of biotechnology to fight hunger and poverty. About 50 press members covered the conference.

Goal 3: Ensure regulations affecting the public are based on sound, objective and appropriate risk assessments and economic analyses.

Current Activities:

OCE's Office of Risk Assessment and Cost-Benefit Analysis (ORACBA) reviews and approves statutorily required risk assessments for all major USDA regulations. The Office serves as a focal point for Departmental Activities related to risk analysis, including interdepartmental activities, risk communication, education on risk analysis methods, and the integration of economic analysis and risk assessment.

Selected Examples of Recent Process:

Risk Analysis Leadership and Consultation. ORACBA has undertaken cooperative research with North Carolina State University, New Mexico State University, University of Maryland (Joint Institute for Food Safety and Nutrition), and Michigan State University to develop risk assessment methods and apply risk assessment to critical issues of food safety, invasive species, and animal health. ORACBA provided guidance to USDA agencies developing risk assessments related to natural resource conservation programs, imported citrus, nutrition, and foodborne pathogens. ORACBA's acting Director serves on the Advisory Committee for the Harvard Center for Risk Analysis. ORACBA joined with other USDA agencies and the Food and Drug Administration (FDA) in sponsoring a study by the National Academes of Science of dioxin in the food and agriculture sector. As part of the interagency Risk Assessment Consortium ORACBA sponsored an international conference on advances in microbial risk assessment for food safety. ORACBA staff provided substantive consultations to the Environmental Protection Agency (EPA) on numerous science policy documents and on cumulative and aggregate risk assessment methods for organophosphate pesticides under the Food Quality Protection Act. In the area of homeland security, ORACBA is applying risk analysis to challenges of protecting the food supply and critical infrastructure.

Risk Communication and Outreach. ORACBA continues to improve risk communication among USDA analysts concerning developments in risk assessment and economic analysis. ORACBA continues to fund the addition of risk assessment studies to USDA's National Agricultural Library collection making these risk assessments available to analysts world wide. ORACBA conducted numerous seminars, workshops, and consultations on risk analysis or government groups and land-grant universities. ORACBA staff presented risk assessment results and regulatory analyses at professional meetings for government, industry, and university scientists and economists. The products of ORACBA's cooperative agreements and ORACBA staff papers are posted on USDA's website. In addition, proceedings from ORACBA's workshop on sensitivity analysis were published as a special supplement to the leading professional risk assessment journal. ORACBA disseminates an electronic newsletter informing over 600 subscribers of developments in risk assessment and training opportunities.

Regulatory Review. ORACBA reviewed or coordinated interagency reviews of risk assessments that support significant regulatory actions and reports. These reviews included work on Listeria in ready to eat meat and poultry products, bovine tuberculosis, Mediterranean fruit flies in imported citrus, and risks to natural resources from agriculture.

Risk Assessment Education and Training. ORACBA worked closely with the USDA Graduate School to promote both basic and advanced courses in risk assessment methods. ORACBA staff assisted in the development of training programs at the Joint Institute for Food Safety and Applied Nutrition. ORACBA's outreach efforts informed the risk assessment community of training and professional development opportunities. ORACBA continued to support the American Association for Science Risk Policy Fellowship program which brings talented scientists to USDA and enhances their risk assessment skills. ORACBA's Risk Forums featured nationally prominent speakers on risk assessment in the fields of microbial risks to food safety, invasive species risks, animal disease risks, and resource risks such as forest fires.

Fiscal Year 2004 Hearing Questions

National Appeals Division

ACTIVE APPEALS

Mr. Bonilla: How many active appeals and active Director reviews do you currently have ongoing?

Response: As of April 17, 2003, there were 555 cases pending before Hearing Officers at the National Appeals Division. There were also 112 pending cases before the Director.

DIRECTOR APPEALS

Mr. Bonilla: Of the total decisions issued in fiscal year 2002, how many were appealed with the Director?

Response: In fiscal year 2002, NAD Hearing Officers issued 1,733 determinations on the merits of cases. Of those determinations, 759 were appealed to the Director.

PERFORMANCE GOAL AND INDICATORS

Mr. Bonilla: Please update the performance goal and indicator table that appears in last year's hearing record to include fiscal year 2002 actuals and fiscal year 2003 and 2004 targets.

[The information follows:]

Performance Goal: Conduct hearings and issue determinations within applicable time frames.

PERFORMANCE INDICATORS

PERFORMANCE INDICATORS	FY 2002 Actual	FY 2003 Target	FY 2004 Target
Percent of hearings conducted within 45 calendar days.	100%	100%	100%
Percent of appeal determinations issued within 30 calendar days.	82%	80%	80%
Percent of review determinations issued within 30 calendar days.	92%	85%	85%

VACANT POSITIONS

Mr. Bonilla: At the end of 2002, the National Appeals Division had thirteen of its positions vacant. Did this adversely affect the Division operations? Please describe any unfinished work.

Response: Yes, it did affect the Division operations. Despite several vacancies, NAD was able to meet statutory time mandates in hearing and deciding appeals through effective use of existing personnel resources. However, non-time-sensitive activities continue to be delayed in favor of immediate case processing. In addition, timely processing of Director reviews has been adversely affected. To remedy this situation, NAD is currently reviewing applications filed in response to a vacancy announcement that closed in April 14, 2003, and may hire a number of review officers from that pool of applicants.

VACANT POSITIONS

Mr. Bonilla: What type of positions are vacant? What is the status of your efforts to fill these vacancies?

Response: As of February 1, 2003, 13 positions (GS-8 through GS-13) in NAD were vacant. Last year we reported that the Director position was vacant. In June 2002 Secretary Veneman appointed a new Director, and in November 2002 a new Deputy Director was selected. The need to fill vacant positions is under review. As noted above, review officer vacancies are anticipated to be filled shortly. Other vacancies will be filled as needed on a case-by-case basis.

EXPLANATORY NOTES-SIGNIFICANT DECREASES

Mr. Bonilla: Your explanatory notes indicate the Division will have significant decreases in expenditures from 2002 in the areas of communications and utilities charges, advisory and assistance services, and supplies and materials. Please explain why these expenditures were high in 2002 or what is changing that will result in these decreases.

Response: In FY 2002, NAD had several non-GSA leases that were changed to GSA leases, resulting in decreases in rent in subsequent years. During the same year, significant modifications were required for NAD's case tracking software system (NADTrack), which entailed a one-time charge.

EXPLANATORY NOTES-INCREASES

Mr. Bonilla: Your explanatory notes also indicate significant increases in expenditures for travel, purchases of goods from government accounts, and equipment. Please explain your plan that supports this increase in expenditures.

Response: Under NAD's enabling statute, appellants have a right to a hearing in their State of residence. While NAD's Hearing Officers are located throughout the country, travel costs fluctuate with the number of appellants who request face-to-face hearings. Many of those Hearing Officers work out of their homes. Some have moved into offices, and the increased budget for purchases of goods from government accounts reflects additional space lease costs. The increase in equipment reflects replacement of certain out-dated office machines and the cost associated with equipment needed to upgrade data communications capabilities at NAD's field locations.

[Clerk's Note. — The President's budget request for fiscal year 2004 was submitted on February 3, 2003. This preceded final Congressional action of the fiscal year 2003 bill, which was completed in the House of Representatives on February 13, 2003. The President's fiscal year 2004 budget request (including the explanatory notes) compared the submission with the budget request for fiscal year 2003, NOT with the fiscal year 2003 enacted amounts. The following material covers portions of the fiscal year 2004 explanatory notes revised to reflect enactment of the fiscal year 2003 appropriations act.]

Appropriation Language and
Explanation of Changes in Language

NATIONAL APPEALS DIVISION

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

National Appeals Division:

For necessary expenses of the National Appeals Division, [$13,759,000] including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $25,000 is for employment under 5 U.S.C. 3109, $14,242,000.

The change in language reinstates appropriation language that was deleted in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of FY 2003. This language is necessary to allow the National Appeals Division the flexibility to invoke the authority in event such a need arises.

EXECUTIVE OPERATIONS

NATIONAL APPEALS DIVISION

Appropriations Act, 2003	$13,759,000
Budget Estimate, 2004	14,242,000
Increase in Appropriation	+483,000

Adjustments in 2003:		
Appropriations Act, 2003	$13,759,000	
Rescission under P.L. 108-7 a/	-89,000	
Adjusted base for 2003		13,670,000
Budget Estimate, Current Law, 2004		14,242,000
Increase over adjusted 2003		572,000

a/ The amount is rescinded pursuant to Section 601 (a) of Division N, Title VI of P.L. 108-7.

Summary of Increases and Decreases
(On basis of adjusted appropriation)

tem of Change	2003 Estimated	Pay Costs	Program Change	2004 Estimated
National Appeals Division	$13,670,000	+$345,000	+227,000	$14,242,000

Project Statement
(On basis of appropriation)

TRATEGIC GOAL: To conduct timely hearings and issue timely and well reasoned determinations which correctly nterpret and apply applicable regulations.

	2002 Actual		2003 Estimated		Increase or Decrease	2004 Estimated	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
Conduct hearings and issue determinations	$12,712,262	120	$13,670,000	133	+$572,000	$14,242,000	133
Unobligated Balance	87,061	--	--	--	--	--	--
Total Available or Estimate	12,799,323	120	13,670,000	133	+572,000(1)	14,242,000	133
Rescission	+9,677	--	+89,000	--			
Transfer Working Capital Fund	+60,000	--	--	--			
Total, Appropriation	12,869,000	120	13,759,000	133			

[Clerk's Note. – Following are the explanatory notes submitted as part of the President's fiscal year 2004 budget request prior to enactment of the fiscal year 2003 appropriations act.]

2004 Explanatory Notes

Table of Contents

National Appeals Division

	Page
Purpose Statement	7-9
Statement of Available Funds and Staff Years	7-10
Permanent Positions by Grade and Staff Year	7-10
Classification by Objects	7-11
Justifications	7-13
Geographic Breakdown of Obligations and Staff Years	7-14
Status of Program	7g-9

7-9

EXECUTIVE OPERATIONS

NATIONAL APPEALS DIVISION

Purpose Statement

The National Appeals Division (NAD) was established by the Secretary of Agriculture on October 20, 1994, by Secretary's Memorandum 1010-1, pursuant to the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, Public Law No. 103-354. The Act consolidated the appellate functions and staffs of several USDA agencies to provide for independent hearings and reviews of adverse agency decisions.

NAD has a single mission to conduct evidentiary administrative appeal hearings and reviews arising from program operations of assigned agencies -- the Rural Development mission area, the Farm Service Agency, the Risk Management Agency, and the Natural Resources Conservation Service.

Headquarters for NAD is located in Alexandria, Virginia. NAD administers its appeals system through three regional offices located in Memphis, Tennessee; Indianapolis, Indiana; and Lakewood, Colorado. The hearing officers are located in 69 field locations throughout the United States, and operate out of leased office space or home offices. As of September 30, 2002, there were 120 full-time employees. These employees were assigned as follows:

Location	Full-time Permanent
Washington, D.C.	28
Field Units	92
Total	120

The National Appeals Division did not have any Office of the Inspector General or General Accounting Office evaluation reports during the past year.

7-10

EXECUTIVE OPERATIONS
NATIONAL APPEALS DIVISION

Available Funds and Staff Years
2002 Actual and Estimated 2003 and 2004

Item	2002 Actual		2003 Estimated		2004 Estimated	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Direct Appropriation	$12,869,000	122	$13,759,000	133	$14,242,000	133
Rescission	-9,677	--	--	--	--	--
Total, Agriculture Appropriations	12,859,323	122	13,759,000	133	14,242,000	133

Permanent Positions by Grade and Staff Year Summary
2002 Actual and Estimated 2003 and 2004

Grade	2002			2003			2004		
	Wash DC	Field	Total	Wash DC	Field	Total	Wash DC	Field	Total
SL-00	1	--	1	1	--	1	1	--	1
GS-15	2	3	5	2	3	5	2	3	5
GS-14	5	6	11	5	6	11	5	6	11
GS-13	14	75	89	14	75	89	14	75	89
GS-12	2	--	2	2	--	2	2	--	2
GS-11	2	3	5	2	3	5	2	3	5
GS-10	1	--	1	1	--	1	1	--	1
GS-9	1	1	2	1	1	2	1	1	2
GS-8	3	1	4	3	1	4	3	1	4
GS-7	--	1	1	--	1	1	--	1	1
GS-6	1	5	6	1	5	6	1	5	6
GS-5	--	3	3	--	3	3	--	3	3
GS-4	--	3	3	--	3	3	--	3	3
Total Permanent Positions	32	101	133	32	101	133	32	101	133
Unfilled Positions end-of-year	-4	-9	-13	--	--	--	--	--	--
Total, Permanent Full-Time Employment, end-of-year	28	92	120	32	101	133	32	101	133
Staff Year Estimate	28	92	120	32	101	133	32	101	133

7-11

EXECUTIVE OPERATIONS

NATIONAL APPEALS DIVISION

Classification By Objects

2002 Actual and Estimated 2003 and 2004

	2002	2003	2004
Personnel Compensation:			
Washington, D.C	$3,053,043	$3,192,000	$2,562,000
Field	5,730,729	6,588,000	7,619,000
11 Total personnel compensation	8,783,772	9,780,000	10,181,000
12 Personnel benefits	1,734,316	2,445,000	2,545,000
Total pers. comp. & benefits	10,518,088	12,225,000	12,726,000
Other Objects:			
21 Travel and transportation of persons	461,928	329,000	329,000
22 Transportation of things	94,389	60,000	60,000
23.2 Rental payments to others	25,000	35,000	35,000
23.3 Communications, utilities, and misc. charges	390,471	226,000	226,000
24 Printing and reproduction	3,399	5,000	5,000
25.1 Advisory and assistance services	803,797	412,000	412,000
25.2 Other services	217,560	197,000	197,000
25.3 Purchases of goods and services from Government Accounts	16,565	65,000	65,000
26 Supplies and materials	112,422	60,000	60,000
31 Equipment	68,643	145,000	127,000
Total other objects	2,194,174	1,534,000	1,516,000
Total direct obligations	12,712,262	13,759,000	14,242,000
Position Data:			
Average Salary, GS positions	$65,493	$73,078	$76,116
Average Grade, GS positions	12.09	12.10	12.10

NATIONAL APPEALS DIVISION

Appropriation Language and Explanation of Changes in Language

The estimates include appropriation language for this item as follows:

For necessary expenses of the National Appeals Division, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $25,000 is for employment under 5 U.S.C. 3109, $14,242,000.

EXECUTIVE OPERATIONS

NATIONAL APPEALS DIVISION

President's Budget, 2003	$13,759,000
Budget Estimate, 2004	14,242,000
Increase in Appropriation	+483,000

Summary of Increases and Decreases
(On basis of appropriation)

Item of Change	2003 Estimated	Pay Costs	Program Change	2004 Estimated
National Appeals Division	$13,759,000	+$345,000	+138,000	$14,242,000

Project Statement
(On basis of appropriation)

STRATEGIC GOAL: To conduct timely hearings and issue timely and well reasoned determinations which correctly interpret and apply applicable regulations.

	2002 Actual		2003 Estimated			2004 Estimated	
	Amount	Staff Years	Amount	Staff Years	Increase or Decrease	Amount	Staff Years
Conduct hearings and issue determinations	$12,712,262	120	$13,759,000	133	+$483,000	$14,242,000	133
Unobligated Balance	87,061	--	--	--	--	--	--
Total Available or Estimate	12,799,323	120	13,759,000	133	+483,000(1)	14,242,000	133
Rescission	+9,677	--	--	--			
Transfer Working Capital Fund	+60,000	--	--	--			
Total, Appropriation	12,869,000	120	13,759,000	133			

Performance Goal and Indicator

	FY 2002		FY 2003	FY 2004
	Target	Actual		
Conduct annually Regional or National Training	1	1	1	1

7-13

EXECUTIVE OPERATIONS

NATIONAL APPEALS DIVISION

Justification of Increases and Decreases

(1) A net increase of $483,000 for the National Appeals Division (NAD):

(a) An increase of $156,000 for salary adjustments.

Three-quarters of NAD's obligations is for salaries and benefits. This leaves little flexibility for absorbing additional costs such as with-in grades and reclassification.

(b) An increase of $345,000 for pay costs which includes $125,000 for annualization of the fiscal year 2003 pay raise and $220,000 for the anticipated fiscal year 2004 pay raise.

This increase is needed to maintain the current level of staffing to ensure that NAD can carry out its full range of responsibilities and agency goal. NAD would be adversely impacted in its ability to execute its mission without the increase for pay costs. Currently, there are no vacant positions and additional pay cost absorption would reflect the quality of service delivery to the public. NAD is an office with three-quarters of its total FY 2003 budget used for salaries and benefits. NAD does not have the flexibility to reduce nonsalary expenses.

(c) A decrease of $18,000 for Information Technology Procurement Savings.

Reduction for the savings associated with centralization and improvement of information technology. Savings are associated with consolidated buys for infrastructure and office automation, and consolidation of enterprise architecture projects within the Department. USDA continues to ensure that information technology investments utilize enterprise licenses for hardware and software where appropriate and reduce the information technology costs.

7-14

NATIONAL APPEALS DIVISION

Geographic Breakdown of Obligations and Staff Years

2002 Actual and Estimated 2003 and 2004

	2002		2003		2004	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Alabama	$6,690	3	$6,891	3	$7,097	3
Arizona	1,522	1	1,568	1	1,615	1
Arkansas	10,961	3	11,290	3	11,629	3
California	7,995	1	8,235	1	8,482	1
Colorado	125,835	9	129,610	11	133,498	11
Connecticut	3,354	1	3,455	1	3,558	1
Delaware	3,144	1	3,238	1	3,335	1
Florida	9,208	3	9,484	3	9,769	3
Georgia	4,400	3	4,532	3	4,668	3
Idaho	5,612	1	5,780	1	5,954	1
Illinois	4,274	1	4,402	1	4,534	1
Indiana	137,663	12	141,793	12	146,047	12
Iowa	6,128	2	6,312	2	6,501	2
Kentucky	8,466	2	8,720	2	8,982	2
Louisiana	2,270	2	2,338	2	2,408	2
Massachusetts	14,536	1	14,972	1	15,421	1
Michigan	6,928	2	7,136	2	7,350	2
Minnesota	16,888	3	17,395	3	17,916	3
Mississippi	5,452	3	5,616	4	5,784	4
Missouri	9,938	2	10,236	2	10,543	2
Montana	5,642	1	5,811	1	5,986	1
Nebraska	9,999	2	10,299	2	10,608	2
North Carolina	9,687	2	9,978	4	10,277	4
North Dakota	20,240	3	20,847	3	21,473	3
Ohio	7,990	2	8,230	2	8,477	2
Oklahoma	9,450	2	9,734	2	10,026	2
Pennsylvania	6,774	2	6,975	2	7,185	2
South Carolina	5,473	1	5,637	1	5,806	1
South Dakota	8,006	1	8,246	1	8,494	1
Tennessee	199,740	12	205,732	12	211,904	12
Texas	23,280	4	23,978	4	24,698	4
Vermont	6,022	1	6,203	1	6,389	1
Virginia	12,358	2	12,729	2	13,110	2
Washington	14,451	1	14,885	1	15,331	1
West Virginia	4,459	1	4,593	1	4,731	1
Wisconsin	3,796	1	3,910	1	4,027	1
National Office	11,973,631	26	12,998,210	34	13,458,387	34
Subtotal, Available or Estimate	12,712,262	120	13,759,000	133	14,242,000	133
Unobligated balance	87,061					
Total, Available or Estimate	12,799,323	120	13,759,000	133	14,242,000	133

7g-9

EXECUTIVE OPERATIONS

NATIONAL APPEALS DIVISION

STATUS OF PROGRAM

The National Appeals Division (NAD) is responsible for conducting fair and impartial administrative appeals of adverse decisions issued by certain agencies within the Department of Agriculture.

Goal: Conduct timely hearings and issue timely and well reasoned determinations that correctly interpret applicable regulations.

Current Activities:

Appealability Determinations. When an Agency determines that an administrative decision is not appealable, a participant may request the NAD Director to review the determination. The Director's decision is administratively final.

Pre-Hearing Conferences. NAD holds pre-hearing teleconferences that have proven effective in: 1) defining/narrowing the issues; 2) ensuring the parties understand their role in the hearing process; 3) facilitating hearings that are impartial and objective; and 4) facilitating the settlement of disputes. These conferences increased the efficiency of hearings but required additional time and procedure.

Hearings and Reviews. NAD hearing officers conduct administrative hearings on appeals of adverse program decisions made by the Rural Development mission area, Farm Service Agency, Natural Resources Conservation Service, Risk Management Agency and other programs as may be assigned by the Secretary of Agriculture. Evidentiary hearings are held in an appellant's State of residence or at a location otherwise convenient to the appellant, agency and Division. At the request of the appellant, some of our hearings are held telephonically. Also, instead of a hearing an appellant may request a record review. After the hearing officer's determination is issued, the appellant and the affected agency may request a Director Review. Final NAD determinations are subject to judicial review.

Selected Examples of Recent Progress:

- Conducted a quality control customer survey that benchmarked customer satisfaction with the appeals process and hearing officers. Results of these surveys were integrated into training at the annual conference.
- Conducted NAD-wide training conference tailored to meet assessed training needs of all NAD hearing and review officers. Special emphasis was placed on peer review training designed to improve individual writing skills.
- Modernized Nadtrack database as the first step to becoming web enabled for public access.
- Negotiated and implemented new collective bargaining agreement.

[Clerk's Note. — The President's budget request for fiscal year 2004 was submitted on February 3, 2003. This preceded final Congressional action of the fiscal year 2003 bill, which was completed in the House of Representatives on February 13, 2003. The President's fiscal year 2004 budget request (including the explanatory notes) compared the submission with the budget request for fiscal year 2003, NOT with the fiscal year 2003 enacted amounts. The following material covers portions of the fiscal year 2004 explanatory notes revised to reflect enactment of the fiscal year 2003 appropriations act.]

Fiscal Year 2004 Hearing Questions

Office of Budget and Program Analysis

BREAKOUT OF RESOURCES FOR OBPA'S RESPONSIBILITY

Mr. Bonilla: Please update the table that appears in last year's hearing record showing a breakout of resources for the areas of OBPA responsibility to include fiscal year 2002 actuals and fiscal year 2003 estimates.

[The information follows:]

U. S. DEPARTMENT OF AGRICULTURE--OFFICE OF BUDGET AND PROGRAM ANALYSIS
(Dollars in Thousands)

Key Areas	SY	FY 2002	SY	FY 2003	SY	FY 2004
Program review/policy analysis	26	$2,685	26	$2,778	26	$3,111
Budget preparation, presentation and execution	24	2,478	24	2,632	24	2,873
Legislative reporting and regulatory analysis	7	827	7	949	7	958
Administrative management	4	482	6	512	6	559
Automated systems	4	414	4	439	4	479
Total	65	$6,886	67	$7,310	67	$7,980

LEGISLATIVE PROPOSALS

Mr. Bonilla: How many legislative proposals were sent to Congress in fiscal years 2002 and 2003? How many were enacted into law?

Response: Five legislative proposals were sent to the Congress in fiscal year 2002 and none of them were enacted into law. The Department has not forwarded any legislative proposals to the Congress for fiscal year 2003 to date.

CODE OF FEDERAL REGULATIONS

Mr. Bonilla: What is the status of your work on the Code of Federal Regulations?

Response: The Department completed a thorough review of all its regulatory holdings several years ago. The Department regulatory review and revision effort is a continuing process. Our goal is to make the Department's regulatory program more effective in achieving regulatory objectives and less burdensome on the public.

USDA BUDGET SUMMARY

Mr. Bonilla: What is the cost to print and distribute the USDA Budget Summary document?

Response: The cost to print and distribute the 2004 USDA Budget Summary was $4,680.

BUDGET RELATED LEGISLATIVE PROPOSALS

Mr. Bonilla: Please list all the legislative proposals to be submitted in support of the fiscal year 2004 budget. Please indicate the costs of each and whether that cost is derived from mandatory or discretionary funding or from user fees.

[The information follows:]

AGENCY	PROPOSAL	BUDGET AUTHORITY (MILLIONS OF DOLLARS)	FUNDING
Animal and Plant Health Inspection Service	Animal Welfare User Fees	-8	User Fees
Grain Inspection, Packers and Stockyards Administration	A Fee for Grain Standards and a Packers and Stockyard license fee	-29	User Fees
Food Safety and Inspection Service	Meat and Poultry Inspection User Fees	-122	User Fees
Natural Resources Conservation Service	Conservation Security Program	0	Mandatory

USDA BUDGET SUMMARY

Mr. Bonilla: OBPA makes the annual Budget Summary available through the Internet. Does OBPA or any other agency intend to make testimony or Explanatory Notes available through the Internet? Please provide the website address.

Response: The 2004 Budget Summary, as well as a variety of budget charts and fact sheets, is available at www.usda.gov/news/budget. Testimony for the Secretary and some of the agencies is available at www.usda.gov/news/special/congress. There are currently no plans to publish the Explanatory Notes on the Internet.

INCREASE FOR INFORMATION TECHNOLOGY

Mr. Bonilla: Please explain the requested increase for Information Technology.

Response: An increase is needed to begin the purchase of new computer workstations, servers and network components to replace those purchased in 1999 as part of the agency's Y2K compliance project. In FY 2004, these systems will have reached the end of their five-year life cycle as well as their extended warranty period. New developments in computer technology and software upgrades require that computer systems be replaced periodically in order for OBPA work products to remain compatible with the rest of the Department and Government. These funds may also be used to purchase other components, including printers, network devices, and software license renewals.

[Clerk's Note. — The President's budget request for fiscal year 2004 was submitted on February 3, 2003. This preceded final Congressional action of the fiscal year 2003 bill, which was completed in the House of Representatives on February 13, 2003. The President's fiscal year 2004 budget request (including the explanatory notes) compared the submission with the budget request for fiscal year 2003, NOT with the fiscal year 2003 enacted amounts. The following material covers portions of the fiscal year 2004 explanatory notes revised to reflect enactment of the fiscal year 2003 appropriations act.]

Appropriation Language and
Explanation of Changes in Language

OFFICE OF BUDGET AND PROGRAM ANALYSIS

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Office of Budget and Program Analysis:

For necessary expenses of the Office of Budget and Program Analysis, [$7,358,000] including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $5,000 for employment under 5 U.S.C. 3109; $7,980,000. (7 U.S.C. 2201, 2202; 42 U.S.C. 2000d).

The change in language reinstates appropriation language that was deleted in the Agriculture, Rural Development, Food and Drug Administration , and Related Agencies Appropriations Act of FY 2003. This language is necessary to allow the Office of Budget and Program Analysis the flexibility to invoke the authority in event such a need arises.

EXECUTIVE OPERATIONS

OFFICE OF BUDGET AND PROGRAM ANALYSIS

Appropriations Act, 2003		$7,358,000
Budget Estimate, 2004		7,980,000
Increase in Appropriation		+622,000
Adjustments in 2003:		
Appropriations Act, 2003	$7,358,000	
Rescission under P.L. 108-7 a/	-48,000	
Activities Included in the DHS b/	-40,000	
Adjusted base for 2003		7,270,000
Budget Estimate, 2004		7,980,000
Increase over adjusted 2003		+710,000

a/ The amount is rescinded pursuant to Section 601 (a) of Division N, Title VI of P.L. 108-7.

b/ Pursuant to P.L. 107-296, The Homeland Security Act of 2002. Annual Amount. Actual amount of transfer to be determined.

Summary of Increases and Decreases
(On basis of adjusted appropriation)

Item of Change	2003 Estimated	Pay Costs	Program Changes	Other	2004 Estimated
Budget and Program Analysis	$7,270,000	+$190,000	+$529,000	-$9,000	$7,980,000

Project Statement
(On basis of adjusted appropriation)

STRATEGIC GOAL 1: Assist the Office of the Secretary and other policy officials in decisionmaking and policy implementation by providing objective information and analyses regarding the Department's programs and policies.

STRATEGIC GOAL 2: Ensure the Department's Budget is consistent with Administration policy and that resources are allocated to agencies consistent with priorities and applicable laws.

STRATEGIC GOAL 3: Ensure the Department's legislative proposals and regulatory actions are analytically adequate and consistent with Departmental and Administration policy.

Project Statement
(On basis of adjusted appropriation)

	2002 Actual		2003 Estimated		Increase or Decrease	2004 Estimated	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
Goal 1: Provide decisionmaking and policy implementation	$2,220,320	21	$2,282,000	21	+$233,000	$2,515,000	21
Goal 2: Ensure the Department's Budget is consistent with Administration policy	2,702,192	23	2,780,000	26	+288,000	3,068,000	26
Goal 3: Ensure the Department's legislative proposals and regulatory actions are analytically adequate and consistent	1,963,854	20	2,208,000	20	+189,000	2,397,000	20
Unobligated Balance	148,946	--	--	--	--	--	--
Total Available or Estimate	7,035,312	64	7,270,000	67	+710,000(1)	7,980,000	67
Rescission	+5,688	--	+48,000	--			
Transfer to Dept. of Homeland Security	--	--	+40,000	--			
Total, Appropriation	7,041,000	64	7,358,000	67			

[Clerk's Note. – Following are the explanatory notes submitted as part of the President's fiscal year 2004 budget request prior to enactment of the fiscal year 2003 appropriations act.]

2004 Explanatory Notes

Table of Contents

Office of Budget and Program Analysis

	Page
Purpose Statement	7-20
Statement of Available Funds and Staff Years	7-21
Permanent Positions by Grade and Staff Year Summary	7-21
Classification by Objects	7-22
Justifications	7-25-26
Geographic Breakdown of Obligations and Staff Years	7-26
Status of Program	7g-10-14

7-20

EXECUTIVE OPERATIONS

OFFICE OF BUDGET AND PROGRAM ANALYSIS

Purpose Statement

The Office of Budget and Program Analysis (OBPA) was established in June 1981. Its predecessor organization was established on July 8, 1922 (Secretary's Memorandum No. 389), under the provisions of the Budget and Accounting Act of 1921, which designated that a Budget Officer was to have charge of the preparation of estimates and other appropriations for the Department.

The mission of OBPA is to provide analyses and information to the Office of the Secretary and other policy officials to support informed decisionmaking regarding the Department's programs and policies, budget, legislative, and regulatory actions.

The Office of Budget and Program Analysis is located in Washington, D.C. As of September 30, 2002, there were 64 full-time permanent employees.

The Office of Budget and Program Analysis did not have any Office of the Inspector General or General Accounting Office evaluation reports during fiscal year 2002.

7-21

EXECUTIVE OPERATIONS

OFFICE OF BUDGET AND PROGRAM ANALYSIS

Available Funds and Staff Years

2002 Actual and Estimated 2003 and 2004

Item	2002 Actual		2003 Estimated		2004 Estimated	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Direct Appropriation	$7,041,000	64	$7,358,000	67	$7,980,000	67
Rescission	-5,688	--	--	--	--	--
Total, Agriculture Appropriations	7,035,312	64	7,358,000	67	7,980,000	67

Permanent Positions by Grade and Staff Year Summary

2002 Actual and Estimated 2003 and 2004

Grade	2002 Washington, D.C.	2003 Washington, D.C.	2004 Washington, D.C.
ES-6	3	3	4
ES-5	1	1	--
ES-4	--	--	1
ES-3	--	1	--
ES-2	1	--	--
GS-15	12	13	14
GS-14	13	13	12
GS-13	12	14	15
GS-12	3	1	6
GS-11	6	11	8
GS-10	--	2	1
GS-9	8	3	1
GS-8	4	3	3
GS-7	4	2	2
Total Permanent Positions	67	67	67
Unfilled Positions end-of-year	-3	--	--
Total, Permanent Full - Time Employment, end-of-year	64	--	--
Staff Year Estimate	64	67	67

7-22

EXECUTIVE OPERATIONS

OFFICE OF BUDGET AND PROGRAM ANALYSIS

Classification By Objects

2002 Actual and Estimated 2003 and 2004

	2002	2003	2004
Personnel Compensation:			
Washington, D.C.	$5,331,632	$5,478,000	$5,922,000
11 Total personnel compensation	5,331,632	5,478,000	5,922,000
12 Personnel benefits	1,003,006	1,201,000	1,328,000
Total pers. comp. & benefits	6,334,638	6,679,000	7,250,000
Other Objects:			
21 Travel	11,202	6,000	6,000
23.3 Communications, utilities, and misc. charges	115,851	111,000	111,000
24 Printing and reproduction	115,188	153,000	153,000
25.2 Other services	41,426	72,000	72,000
25.3 Purchases of goods and services from Government Accounts	117,384	70,000	70,000
26 Supplies and materials	129,547	157,000	257,000
31 Equipment	21,130	70,000	61,000
Total other objects	551,728	639,000	730,000
Total direct obligations	6,886,366	7,318,000	7,980,000
Position Data:			
Average Salary, ES positions	$136,936	$141,201	$144,590
Average Salary, GS positions	$74,826	$76,968	$83,856
Average Grade, GS positions	11.87	11.92	11.97

For necessary expenses of the Office of Budget and Program Analysis, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $5,000 is for employment under 5 U.S.C. 3109, $7,980,000 (7 U.S.C. 2201, 2202; 42 U.S.C. 2000d).

EXECUTIVE OPERATIONS

OFFICE OF BUDGET AND PROGRAM ANALYSIS

President's Budget, 2003		$7,358,000
Budget Estimate, 2004		7,980,000
Increase in Appropriation		+622,000
Adjustments in 2003:		
President's Budget, 2003	$7,358,000	
Transfer to Department of Homeland Security a/	-40,000	
Adjusted base for 2003		7,318,000
Budget Estimate, 2004		7,980,000
Increase over adjusted 2003		+662,000

a/Estimates for the new Department of Homeland Security are included in the budget as a one-time shift of funds. On a comparable basis, the FY 2004 transfer to the Department of Homeland Security is $40,000.

Summary of Increases and Decreases
(On basis of adjusted appropriation)

Item of Change	2003 Estimated	Pay Costs	Program Changes	Other	2004 Estimated
Budget and Program Analysis	$7,318,000	+$190,000	+$481,000	-$9,000	$7,980,000

Project Statement
(On basis of adjusted appropriation)

STRATEGIC GOAL 1: Assist the Office of the Secretary and other policy officials in decisionmaking and policy implementation by providing objective information and analyses regarding the Department's programs and policies.

STRATEGIC GOAL 2: Ensure the Department's Budget is consistent with Administration policy and that resources are allocated to agencies consistent with priorities and applicable laws.

STRATEGIC GOAL 3: Ensure the Department's legislative proposals and regulatory actions are analytically adequate and consistent with Departmental and Administration policy.

7-24

Project Statement
(On basis of adjusted appropriation)

	2002Actual		2003 Estimated		Increase or	2004 Estimated	
	Amount	Staff Years	Amount	Staff Years	Decrease	Amount	Staff Years
Goal 1: Provide decisionmaking and policy implementation	$2,220,320	21	$2,281,760	21	+$233,027	$2,514,787	21
Goal 2: Ensure the Department's Budget is consistent with Administration policy	2,702,192	23	2,828,340	26	+239,951	3,068,291	26
Goal 3: Ensure the Department's legislative proposals and regulatory actions are analytically adequate and consistent	1,963,854	20	2,207,900	20	+189,022	2,396,922	20
Unobligated Balance	148,946	--	--	--	--	--	--
Total Available or Estimate	7,035,312	64	7,318,000	67	+662,000(1)	7,980,000	67
Rescission	+5,688	--	--	--			
Transfer to Dept. of Homeland Security	--	--	+40,000	--			
Total, Appropriation	7,041,000	64	7,358,000	67			

EXECUTIVE OPERATIONS
OFFICE OF BUDGET AND PROGRAM ANALYSIS

Performance Goals and Indicators

	FY 2002 Target	FY 2002 Actual	FY 2003 Estimated	FY 2004 Estimated
Percentage of agency/mission area documents that are analyzed for accuracy and consistency with current policy	100%	100%	100%	100%
Percentage of Budget Summary documents, coordinated with OMB and USDA policy officials, that are produced to coincide with the submission of the President's Budget	100%	100%	100%	100%
Percentage of USDA legislative reports and proposals which are devoted and supported by adequate analyses and consistent with Departmental policy, and which are submitted to OMB	100%	100%	100%	100%

Justification of Increases and Decreases

(1) A net increase of $662,000 for the Office of Budget and Program Analysis:

(a) A net increase of $91,000 for Information Technology made up of an increase of $100,000 and a decrease of $9,000.

An increase of $100,000 is needed to begin the purchase of new computer workstations to replace those purchased in 1999 as part of the agency's Y2K compliance project. In FY 2004 these workstations will have reached the end of their five-year life cycle as well as their extended warranty period. New developments in computer technology and software upgrades require that workstations be replaced periodically in order for OBPA work products to remain compatible with the rest of the Department and government. These funds may also be used to purchase other components, including printers, network devices, and software license renewals.

A $9,000 reduction for the savings associated with centralization and improvement of information technology. Savings are associated with consolidated buys for infrastructure and office automation, and consolidation of enterprise architecture projects within the Department. USDA continues to ensure that information technology investments utilize enterprise licenses for hardware and software where appropriate and reduce the information technology costs.

(b) An increase of $381,000 for salaries and benefits, which includes $288,000 for salary adjustments and $93,000 for benefits.

Over 91 percent of OBPA's obligations is for salaries and benefits, leaving less than 10 percent for fixed costs such as Working Capital Fund and Green book fees. This leaves little flexibility for absorbing additional costs such as within grades and reclassification. As more FERS employees are hired to replace retiring CSRS employees, benefit costs sharply increase. Benefits range from slightly under 10 percent for CSRS employees up to almost 24 percent for FERS employees.

(c) An increase of $190,000 for pay costs which includes $69,000 for annualization of the fiscal year 2003 pay raise and $121,000 for the anticipated fiscal year 2004 pay raise.

This increase is needed to maintain the current level of staffing to ensure OBPA provides analyses and information to policy officials to support informed decisionmaking regarding the Department's programs and policies, budget, legislative, and regulatory actions. Over 91 percent of OBPA funds are needed to cover salary and benefit costs. The proposed funding level is needed to cover pay and benefit cost increases for existing staff. Without funds to cover the pay increase, the quality of service delivery will be adversely affected.

Geographic Breakdown of Obligations and Staff Years

2002 Actual and Estimated 2003 and 2004

	2002		2003		2004	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Washington, D.C.	$6,886,366	64	$7,318,000	67	$7,980,000	67
Unobligated balance	148,946					
Total, Available or Estimate	7,035,312	64	7,318,000	67	7,980,000	67

7g-10

EXECUTIVE OPERATIONS

OFFICE OF BUDGET AND PROGRAM ANALYSIS

STATUS OF PROGRAM

The Office of Budget and Program Analysis (OBPA) coordinates the preparation of Departmental budget estimates and legislative reports; administers systems for the allotment and apportionment of funds; provides policy, program and budgetary analyses of the United States Department of Agriculture (USDA) programs and proposals; and provides staff assistance to USDA agencies in meeting their responsibilities for the development and review of regulations.

In carrying out these responsibilities, OBPA assists the Secretary, Deputy Secretary, and other policy officials of the Department in the development, presentation, execution, and monitoring of the Department's budget. OBPA provides general oversight, review, and analysis related to alternative policies and resource levels. OBPA represents the Department at meetings and hearings with Congressional Committees, the Congressional Budget Office (CBO), the Office of Management and Budget (OMB), the General Accounting Office, the Department of Treasury, and others on matters related to the Department's budget, legislative, and regulatory programs.

The following activities are discussed in terms of their contribution towards fulfillment of OBPA's performance goals. These activities typically involve coordination across OBPA's program analysis staff, and the budget, legislative/regulatory and administrative units.

Goal 1: Assist the Office of the Secretary and other policy officials in decision-making and policy implementation by providing objective information and analyses regarding the Department's programs and policies.

Current Activities:

Review and Analysis of Programs and Policies

- Conduct reviews of current programs, proposed programs, organizational plans, and reorganization proposals.

- Conduct reviews of problem areas perceived to be impacting management efficiency or implementation of Administration policy.

- Develop reports, briefing papers, and issue statements for action by decision-making officials setting forth findings and recommendations.

- Ensure agency-developed material requiring action by the Office of the Secretary is analytically sound and consistent with Administration policy and budget requirements.

- Monitor ongoing studies with significant program or policy implications to advise the Office of the Secretary of developing issues.

- Provide analytical support for major Departmental program and management initiatives, including those that result in legislation and regulations.

Current Activities (continued):

Review and Analysis of Programs and Policies

- Monitor the Department's progress on the President's Management Agenda and other management issues and provide regular updates to policy officials.

- Develop analyses of, and coordinate, selected issues that cross mission area lines.

- Assist in the preparation of the Department-wide Strategic and Performance Plan and Report.

- Review, in a timely manner, correspondence prepared for Secretarial or sub-cabinet signature for accuracy and consistency with Departmental policy.

Selected Examples of Recent Progress:

Integrating Budget and Performance. OBPA worked with the Office of the Chief Financial Officer to implement the Government Performance and Results (GPRA) and integrate planning and budgeting in the Department. OBPA assisted in the development of a revised strategic plan. OBPA developed a budget and performance integration plan and implemented new budget presentations to help policy officials understand how budget proposals impact performance goals and measures.

Significant Regulations and High Priority Issues. OBPA worked with policy officials, the Office of the Management and Budget, and agency staff to complete complex and economic analyses of proposed regulations that have significant benefits and costs to the economy or the environment. The wide range of issues covered included biotechnology, food safety, invasive species, animal health, plant protection, food and nutrition, crop insurance, commodity programs, rural development, and conservation. OBPA also worked in cooperation with other Federal departments and agencies on several important crosscutting documents. OBPA assisted with coordination and development of joint program justifications on food safety, anti-bioterrorism activities, the Biobased Products and Bioenergy Initiative, and various 2002 Farm Bill provisions.

Homeland Security. The Department established a Homeland Security Council in response to the terrorist attacks of September 11, 2001, and Congress provided $328 million through an Emergency Supplemental to combat terrorism. OBPA prepared decision papers for the Secretary based on analysis of the Agency proposals for developing a Departmental strategy to maximize performance to combat terrorism. OBPA also coordinated analyses of various legislative proposals to combat bioterrorism and establish a Department of Homeland Security.

Implementation of the Farm Security and Rural Investment Act of 2002 (2002 Farm Bill). OBPA provided key support and participated with policy officials in department-wide efforts to plan and coordinate implementation of the 2002 Farm Bill. OPBA developed and operates a Farm Bill Implementation Tracking System to monitor progress of the nearly 500 regulatory and other actions required to implement the Farm Bill.

Goal 2: Ensure the Department's Budget is consistent with policy decisions and that resources are allocated to agencies consistent with priorities and applicable laws.

Current Activities:

Development, Presentation, Execution, and Monitoring of the USDA Budget and Performance Information.

- Work with the Office of the Chief Financial Officer to lead and implement the President's Management Agenda initiative to improve the integration of budget and performance.

- Maintain the USDA Budget Manual, providing instructions and guidance for budget formulation, presentation and execution.

- Provide comprehensive analyses of annual budget proposals, emergency appropriations proposals, and agency estimates.

- Develop alternatives and supporting data for use by policy officials in making budget decisions including reprogramming and reallocation of funding.

- Develop analysis of, and coordinate, selected issues that cross agency and mission area lines.

- Serve as liaison with the Executive Office of the President to explain, justify and defend USDA's budget request.

- Prepare materials, including the USDA Budget Summary, for presentation of the budget to the Congress, news media, interest groups, and the public.

- Coordinate and prepare supporting justifications for budget requests to be presented to the House and Senate Appropriations Committees.

- Serve as liaison with the Appropriations Committees and their staffs for the purpose of scheduling hearings, reviewing transcripts, and answering questions.

- Provide direction and oversight of the apportionment, allocation and use of funds and staff years.

Selected Examples of Recent Progress:

Press Briefings. OBPA prepared and presented a series of technical, non-policy budget briefings for Congressional staff, the news media, special interest groups, and the general public when the Administration issued its fiscal year 2003 budget proposals. These briefings were attended by over 100 Congressional staff and members of the media.

Budget Summary and Related Information. OBPA compiled detailed program and financial data in support of the budget, including the fiscal year 2003 Budget Summary and a set of historical displays of budget authority, outlays and funding research and development activities. These materials were made available through the USDA website at www.usda.gov/agency/obpa.

Farm Bill Implementation. A number of new programs were authorized, and existing programs extended, through Public Law 107-171, the 2002 Farm Bill. OBPA established a system to track budget documents required for these programs to ensure all funding documents were completed in a timely manner.

Homeland Security. USDA received supplemental funding to address high priority homeland security needs. OBPA assisted policy officials during the process of identifying and prioritizing needs for these funds and has maintained a regular report on the status of projects funded through the supplemental.

Crosscutting Budget Initiatives. OBPA developed budget briefing materials on specific high priority issues that cross agency and mission area lines, such as the Biobased Products and Bioenergy Initiative, the Invasive Species Budget Initiative, and the Biotechnology Related Programs of the Department. In preparing these materials, OBPA worked with agency budget and program staff, policy officials, and other appropriate staff. These presentations were provided to groups such as Congressional staff, representatives of the Executive Office of the President, advisory committees providing advice to the Secretary, and internal working groups charged with coordinating USDA agency involvement in these areas.

Goal 3: Ensure the Department's legislative proposals and regulatory actions are analytically sound and consistent with Departmental and Administration policy.

Current Activities:

Coordination of Legislative Proposals and Reports

- Develop and maintain Departmental guidance (DM 1260-1) governing the preparation, review, and clearance of the annual legislative program and legislative reports.

- Provide comprehensive analyses of the potential costs and policy aspects/implications of proposed legislation to assist in the formulation of the Department's views.

- Advise policy officials of the results of analysis and the status of preparation and review of legislative proposals and reports.

- Coordinate the clearance of legislative proposals and reports through the Department and OMB, including responding to inquiries from the Congress, OMB and other interested Federal agencies; maintaining clearance records and notifying agencies of USDA policy-level decisions and OMB action.

- Prepare the Department's Legislative Program providing a summary of each legislative item proposed for introduction during the next session of Congress and estimate the budget impact when applicable.

Coordination of Regulatory Decisions

- Provide a uniform system of guidance and assistance for preparing analyses as required under E.O. 12866, Regulation Planning and Review, and other relevant E.O.'s and statutes.

- Develop and maintain the Departmental guidance, Regulatory Decision Making Requirements (DR1512-1), governing the preparation, review and clearance of regulatory actions.

- Advise policy officials on contemplated regulatory actions through the review of work plans.

- Coordinate and provide appropriate assistance in the preparation of the USDA portion of OMB's Regulatory Plan and the Semi-Annual Regulatory Agenda.

- Serve as USDA Government-wide contact on all regulatory and Federal Register matters.

- Review regulatory actions for consistency with regulatory requirements and Executive Orders and prepare analytical and explanatory information for policy officials to facilitate clearance of documents.

- Coordinate the clearance of regulations through USDA policy officials and OMB, including responding to inquiries, maintaining transmittal and clearance records, and notifying agencies of policy decisions and OMB action.

Selected Examples of Recent Progress:

Legislative Reports Tracking System. The Legislative Reports Tracking System continues to be a key element in OBPA's efforts to coordinate, monitor and provide information on the large volume of legislative reports, proposals, bills, and resolutions received by the Department. During fiscal year 2002, OBPA assisted in the preparation of 434 legislative reports. These reports were reviewed to ensure that they were consistent with the program, policy and budgetary objectives of the Administration; based on adequate analysis; and were programmatically sound.

Major Legislation. OBPA assisted in the analysis of numerous provisions on pending legislation to authorize new Farm Bill programs to replace the 1996 Farm Bill statutes. In addition, OBPA provided analysis and other assistance during the review of homeland security and anti-bioterrorism related issues. OBPA also prepared budget impact analyses and issue and background papers that are used by both the Executive Branch and Congress.

Regulatory Tracking. OBPA was actively involved in the review and clearance of 362 Department regulations including, among others, high priority 2002 Farm Bill regulations, income and disaster assistance for farmers and ranchers, food safety, crop insurance, and food assistance program regulations. These regulations were reviewed for consistency with USDA statutory, policy and budgetary objectives and to assure conformance with substantive and procedural requirements of law, applicable Executive Orders and other regulations that govern the rule-making process.

HOMELAND SECURITY STAFF

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Homeland Security Staff

For necessary expenses of the Homeland Security Staff, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), $1,479,000.

The language change is necessary to provide continued funding for the Homeland Security Staff within Executive Operations. The staff is currently funded by the Department of Defense Appropriations Act of 2002 (P.L. 107-117) through the Office of the Secretary account.

President's Budget, 2003	0
Budget Estimate, 2004	$1,479,000
Increase in Appropriation	+1,479,000

SUMMARY OF INCREASES AND DECREASES
(On basis of adjusted appropriation)

Item of Change	2003 Estimated	Pay Costs	Program Changes	2004 Estimated
Homeland Security Staff	- a/	--	+$1,479,000	$1,479,000

a/ Funding from Homeland Security Supplemental, P.L. 107-117. Estimated obligations for fiscal year 2003 are $2,643,287. These obligations were included in the Office of the Secretary account.

Project Statement
(On basis of appropriation)

	2002 Actual		2003 Estimated			2004 Estimated	
	Amount	Staff Years	Amount	Staff Years	Increase or Decrease	Amount	Staff Years
Homeland Security Staff	- a/	1	- a/	6	+$1,479,000	$1,479,000	6

a/ Funding from Homeland Security Supplemental, P.L. 107-117. Actual obligations for fiscal year 2002 were $156,713 and estimated obligations for fiscal year 2003 are $2,643,287. These obligations were included in the Office of the Secretary account.

[Clerk's Note. – Following are the explanatory notes submitted as part of the President's fiscal year 2004 budget request prior to enactment of the fiscal year 2003 appropriations act.]

2004 Explanatory Notes
Homeland Security Staff

Table of Contents

	Page
Purpose Statement	7-15
Statement of Available Funds and Staff Years	7-15
Permanent Positions by Grade and Staff Year Summary	7-16
Classification by Objects	7-17
Appropriations Language	7-17
Justifications	7-18
Geographic Breakdown of Obligations and Staff Years	7-19

7-15

HOMELAND SECURITY STAFF

Purpose Statement

The Homeland Security Staff provides overall leadership and coordination of programs to plan for and respond to major natural and terrorist emergencies and threats. This involves coordination with mission areas/agencies of policy formulation, response plans, reporting and action assignments to meet acute and major threats to the food and agriculture system and to key USDA assets. It also involves activation of the USDA incident management system and the Federal Response Plan responsibilities in the event of a major incident, oversight of USDA nationwide policies and procedures related to homeland security, and coordination with the Department of Homeland Security and other Federal agencies, public and private organizations.

The general authority of the Homeland Security Staff for managing all activities relating to homeland security is contained in Executive Order 13228 and the Homeland Security Presidential Directive-1.

Available Funds and Staff Years
2002 Actual and Estimated 2003 and 2004

Item	2002 Actual		2003 Estimated		2004 Estimated	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Homeland Security Staff.....	$156,713 a/	1	$2,643,287 a/	6	$1,479,000	6

a/ Funding from Homeland Security Supplemental, P.L. 107-117 and recorded in the Office of the Secretary account.

7-16

HOMELAND SECURITY STAFF

Permanent Positions by Grade and Staff Year Summary
2002 Actual and Estimated 2003 and 2004

	2002	2003	2004
Grade	Washington, DC	Washington, DC	Washington, DC
ES-4	1	1	1
GS-15	--	3	3
GS-12	--	1	1
GS-9	--	1	1
Ungraded Positions	--	--	--
Total, Permanent Positions	1	6	6
Unfilled Positions end-of-year	--	--	--
Total, Permanent Full-Time Employment, end-of-year	1	6	6
Staff Year Ceiling	1	6	6

7-17

HOMELAND SECURITY STAFF

Classification by Objects
2002 Actual and Estimated 2003 and 2004

	2002 a/	2003 a/	2004
Personnel Compensation:			
Washington, D.C.	--	--	$633,000
11 Total personnel compensation	--	--	633,000
12 Personnel benefits	--	--	158,000
Total pers. comp. & benefits	--	--	791,000
Other Objects:			
21 Travel	--	--	12,000
23.3 Communications, utilities, and misc. charges	--	--	18,000
24 Printing and reproduction	--	--	6,000
25.2 Other services	--	--	569,000
25.3 Purchases of goods and services from Government Accounts	--	--	59,000
26 Supplies and materials	--	--	6,000
31 Equipment	--	--	18,000
Total other objects	--	--	688,000
Total direct obligations	--	--	1,479,000
Position Data:			
Average Salary, ES positions	--	--	$145,920
Average Salary, GS positions	--	--	$80,791
Average Grade, GS positions	--	--	13.2

a/ Funding from Homeland Security Supplemental, P.L. 107-117. Actual obligations for fiscal year 2002 were $156,713 and estimated obligations for fiscal year 2003 are $2,643,287. These obligations were included in the Office of the Secretary account.

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Homeland Security Staff

For necessary expenses of the Homeland Security Staff including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), $1,479,000.

HOMELAND SECURITY STAFF

President's Budget, 2003	0
Budget Estimate, 2004	$1,479,000
Increase in Appropriation	+1,479,000

SUMMARY OF INCREASES AND DECREASES
(On basis of adjusted appropriation)

Item of Change	2003 Estimated	Pay Costs	Program Changes	2004 Estimated
Homeland Security Staff	-- a/	--	+$1,479,000	$1,479,000

a/ Funding from Homeland Security Supplemental, P.L. 107-117. Estimated obligations for fiscal year 2003 are $2,643,287. These obligations were included in the Office of the Secretary account.

Project Statement
(On basis of appropriation)

	2002 Actual		2003 Estimated		Increase or	2004 Estimated	
	Amount	Staff Years	Amount	Staff Years	Decrease	Amount	Staff Years
Homeland Security Staff	-- a/	1	-- a/	6	+$1,479,000	$1,479,000	6

a/ Funding from Homeland Security Supplemental, P.L. 107-117. Actual obligations for fiscal year 2002 were $156,713 and estimated obligations for fiscal year 2003 are $2,643,287. These obligations were included in the Office of the Secretary account.

Justification of Increases and Decreases

An increase of $1,479,000 for the Homeland Security Staff.

These funds will continue support of activities initially funded by the fiscal year 2002 emergency supplemental for counterterrorism and homeland security. The staff will formulate emergency preparedness policies and objectives and direct and coordinate all of the Department's program activities that support USDA emergency programs and liaison functions with the Congress, the new Department Homeland Security, as well as with other Federal departments and agencies to coordinate homeland security, natural disaster, other emergencies, and agriculture-related international civil emergency planning and related activities.

Geographic Breakdown of Obligations and Staff Years
2002 Actual and Estimated 2003 and 2004

	2002		2003		2004	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
District of Columbia.....	– a/	1	– a/	6	$1,479,000	6

a/ Funding from Homeland Security Supplemental, P.L. 107-117. Actual obligations for fiscal year 2002 were $156,713 and estimated obligations for fiscal year 2003 are $2,643,287. These obligations were included in the Office of the Secretary account.

27-1

GENERAL PROVISIONS

The estimates include General Provisions language as follows (new language underscored; deleted matter enclosed in brackets):

SECTION 701: Provides authority for the purchase, replacement, and hire of passenger motor vehicles.

SEC. 701. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department of Agriculture for fiscal year 2004 under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed 398 passenger motor vehicles, of which 396 shall be for replacement only, and for the hire of such vehicles.

SECTION 702: Provides that funds available to the Department of Agriculture shall be available for uniforms or uniform allowances.

SEC. 702. Funds in this Act available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by law (5 U.S.C. 5901-5902).

SECTION 703: Provides authority for the Secretary of Agriculture to transfer available unobligated funds appropriated by this Act or other unobligated balances to the Working Capital fund for the purpose of acquiring plant and capital equipment necessary for the delivery of financial, administrative, and information technology services with the approval of the Agency Administrator and the Appropriations Committees of both Houses of Congress.

SEC. 703. The Secretary of Agriculture may transfer unobligated balances of discretionary funds appropriated by this Act or other available unobligated discretionary balances of the Department of Agriculture to the Working Capital Fund for the acquisition of plant and capital equipment necessary for the delivery of financial, administrative, and information technology services of primary benefit to the agencies of the Department of Agriculture: Provided, That none of the funds made available by this Act or any other Act shall be transferred to the Working Capital Fund without the prior approval of the agency administrator: Provided further, That none of the funds transferred to the Working Capital Fund pursuant to this section shall be available for obligation without advance notice transmitted to the Committees on Appropriations of both Houses of Congress.

SECTION 704: Provides that certain funds are to remain available until expended.

SEC. 704. New obligational authority provided for the following appropriation items in this Act shall remain available until expended: Animal and Plant Health Inspection Service, the contingency fund to meet emergency conditions, 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; Food Safety and Inspection Service, field automation and information management project; Cooperative State Research, Education, and Extension Service, funds for competitive research grants (7 U.S.C. 450i(b)), funds for the Research, Education and Economics Information System (REEIS), and funds for the Native American Institutions Endowment Fund; Farm Service Agency, salaries and expenses funds made available to county committees; Foreign Agricultural Service, middle-income country training program and up to $2,000,000 of the Foreign Agricultural Service appropriation solely for the purpose of offsetting fluctuations in international currency exchange rates, subject to documentation by the Foreign Agricultural Service.

SECTION 705: Provides that no part of any appropriation in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 705. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SECTION 706: Provides a limitation on the amount of funds available to provide orientation and language training for families of officers and employees of the Department in anticipation of an assignment abroad of such officers and employees or while abroad.

SEC. 706. Not to exceed $50,000 of the appropriations available to the Department of Agriculture in this Act shall be available to provide appropriate orientation and language training pursuant to section 606C of the Act of August 28, 1954 (7 U.S.C. 1766b).

SECTION 707: Limits the negotiated indirect cost rates on cooperative agreements between the Department and nonprofit institutions to 10 percent of the value of the agreement.

SEC. 707. No funds appropriated by this Act may be used to pay negotiated indirect cost rates on cooperative agreements or similar arrangements between the United States Department of Agriculture and nonprofit institutions in excess of 10 percent of the total direct cost of the agreement when the purpose of such cooperative arrangements is to carry out programs of mutual interest between the two parties. This does not preclude appropriate payment of indirect costs on grants and contracts with such institutions when such indirect costs are computed on a similar basis for all agencies for which appropriations are provided in this Act.

SECTION 708: No funds are to be available to restrict the Commodity Credit Corporation from leasing space for its own use or to lease space for others when the space will be jointly occupied.

SEC. 708. None of the funds in this Act shall be available to restrict the authority of the Commodity Credit Corporation to lease space for its own use or to lease space on behalf of other agencies of the Department of Agriculture when such space will be jointly occupied.

SECTION 709: Places a prohibition on the use of funds to pay indirect costs on research grants awarded competitively by the Cooperative State Research, Education and Extension Service that exceed a specified level of direct costs.

SEC. 709. None of the funds in this Act shall be available to pay indirect costs charged against competitive agricultural research, education, or extension grant awards issued by the Cooperative State Research, Education, and Extension Service that exceed 19 percent of total Federal funds provided under each award: Provided, That notwithstanding section 1462 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3310), funds provided by this Act for grants awarded competitively by the Cooperative State Research, Education, and Extension Service shall be available to pay full allowable indirect costs for each grant awarded under section 9 of the Small Business Act (15 U.S.C. 638).

SECTION 710: Provides all loan levels shall be considered estimates, not limitations.

SEC. 710. Notwithstanding any other provision of this Act, all loan levels provided in this Act shall be considered estimates, not limitations.

SECTION 711: Provides that subsidy authority for certain loan programs remain available until expended to cover obligations.

SEC. 711. Appropriations to the Department of Agriculture for the cost of direct and guaranteed loans made available in fiscal year 2004 shall remain available until expended to cover obligations made in fiscal year 2004 for the following accounts: the Rural Development Loan Fund program account; the Rural Telephone Bank program account; the Rural Electrification and Telecommunications Loans program account; the Rural Housing Insurance Fund program account; and the Rural Economic Development Loans program account.

SECTION 712: Authorizes the use of 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, and the Food Safety and Inspection Service and a State or Cooperator to carry out the agricultural marketing programs, to carry out programs to protect the Nation's animal and plant resources, or to carry educational programs or special studies to improve the safety of the Nation's food supply.

SEC. 712. Notwithstanding chapter 63 of title 31, United States Code, marketing services of the Agricultural Marketing Service; the 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.

SECTION 713: Prohibits the use of fiscal year 2004 funds to establish a Safe Meat and Poultry Inspection Panel.

SEC. 713. None of the funds appropriated by this Act may be used to carry out section 410 of the Federal Meat Inspection Act (21U.S.C. 679a) or section 30 of the Poultry Products Inspection Act (21 U.S.C. 471).

SECTION 714: Prohibits the use of funds to acquire new information technology systems or significant upgrades, as determined by the Office of the Chief Information Officer (OCIO), without approval of the Chief Information Officer and the concurrence of the Executive Technology Investment Review Board and Committees on Appropriations of both Houses of Congress.

SEC. 714. None of the funds made available to the Department of Agriculture by this Act may be used to acquire new information technology systems or significant upgrades, as determined by the Office of the Chief Information Officer, without the approval of the Chief Information Officer and the concurrence of the Executive Information Technology Investment Review Board: Provided, That notwithstanding any other provision of law, none of the funds appropriated or otherwise made available by this Act may be transferred to the Office of the Chief Information Officer without the prior notification of the Committees on Appropriations of both Houses of Congress.

SECTION 715: Prohibits the use of funds to carry out programs under Section 401 of Public Law 105-185 (Initiative for Future Agriculture and Food Systems) except for funds needed to administer and conduct oversight of grants awarded and obligations incurred prior to November 28, 2001.

SEC. 715. With the exception of funds needed to administer and conduct oversight of grants awarded and obligations incurred prior to November 28, 2001, none of the funds appropriated or otherwise made

available by this or any other Act may be used to pay the salaries and expenses of personnel to carry out the provisions of 7 U.S.C. 7621. Funds under such section for fiscal year 2004 are hereby cancelled.

SECTION 716: Allows the Department to use P.L. 480 Title III account balances for Title II programs.

SEC716. Notwithstanding section 412 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736f) any balances available to carry out title III of such Act as of the date of enactment of this Act, and any recoveries and reimbursements that become available to carry out title III of such Act, may be used to carry out title II of such Act.

SECTION 717: Prohibits the availability of funds appropriated, or otherwise made available by this Act, to any person or entity that has been convicted of violating the "Buy American Act."

SEC. 717. No funds appropriated or otherwise made available under this Act shall be made available to any person or entity that has been convicted of violating the Act of March 3, 1933 (41 U.S.C. 10a-10c; popularly known as the "Buy American Act").

SECTION 718: Amends Section 442 of the Agriculture Risk Protection Act of 2000 (P.L. 106-224) by adding the following new subsections.

SEC. 718. Section 442 of Public Law 106-224 is amended by adding the following new subsections at the end:

"(c) Preconditions for a Transfer Availability.—Funds may be transferred to combat emergencies only for infestations that were not funded in the previous fiscal year."

"(d) Definitions.—For purposes of this sections, an 'emergency' is an unanticipated event that requires a necessary expenditure that is sudden, urgent, and unforeseen.".

SECTION 719: Amends Section 10417 of the Farm Security and Rural Investment Act of 2002 (2002 Farm Bill), P.L. 107-171, by adding the following new subsections.

SEC. 719. Section 10417 of Public Law 107-171 is amended by adding the following new subsections at the end:

"(d) Preconditions for a Transfer Availability.—Funds may be transferred to combat emergencies only for infestations that were not funded in the previous fiscal year."

"(e) Definitions.—For purposes of this section, an 'emergency' is an unanticipated event that requires a necessary expenditure that is sudden, urgent, and unforeseen.".

This section prohibits the Secretary from transferring funds for emergencies, in which a plant pest or noxious weed threatens any segment of the agricultural production of the U.S., that were funded in the previous fiscal year. Funding needed to continue ongoing programs is included in the 2004 APHIS budget request.

Also, defines the term "emergency" for the purpose of transferring funds. To provide for unanticipated emergencies, the budget includes a general provision to amend the Agriculture Risk Protection Act of 2000, which describes the criteria for transfers.

SECTION 720: Allows the Administrator of the Agricultural Research Service (ARS) to make available outlease agreements, under certain circumstances, for any agency real and related personal property that is not otherwise required to be reported as excess under the Federal Property and Administrative Services Act of 1949, as amended, and to be able to retain the proceeds from such agreements for carrying out programs.

SEC. 720. The Administrator of the Agricultural Research Service may make available by outlease agreements with other Federal agencies or non-Federal public or private entities any unused or underused portion or interest of or interest in any agency real or related personal property, and may retain and use the proceeds of such agreements in carrying out the programs of the agency. Property proposed for outlease must not be property otherwise required to be reported excess under the Federal Property and Administrative Services Act of 1949, as amended. Outleases shall be made competitively, and be based on the fair market value of the property.

SECTION 721: Reduces the amount of funds available to carry out certain mandatory conservation programs that receive funding from the Commodity Credit Corporation (CCC) and certain mandatory energy programs provided under the 2002 Farm Bill.

SEC. 721. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel to carry out the following:

(a) an environmental quality incentives program authorized by 16 U.S.C. 3839aa, et seq. in excess of $850,000,000;
(b) a ground and surface water conservation program authorized by 16 U.S.C. 3839aa-9 in excess of $51,000,000;
(c) a water conservation program in the Klamath Basin authorized by 16 U.S.C. 3839aa-9 in excess of $8,118,000;
(d) a farmland protection program authorized by 16 U.S.C. 3838h-i in excess of $112,044,000;
(e) a wildlife habitat incentives program authorized by 16 U.S.C. 3839bb et seq. in excess of $42,000,000;
(f) a conservation security program authorized by 16 U.S.C. 3838-3838c in excess of $19,379,000;
(g) a small watershed rehabilitation program authorized by 16 U.S.C. 1012(h)(1);
(h) section 9006 of Public Law 107-171, the Farm Security and Rural Investment Act of 2002;
(i) section 9010 of Public Law 107-171, the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1424) in excess of $100,000,000.

This section would place limitations on available funding for: (a) a number of mandatory conservation programs that receive funding from CCC. The Department of Justice has determined that the amount of funding allowable for technical assistance, when provided by government employees, is covered by a cap on the amount of CCC funding that can be spent on federal salaries and expenses; and (b) mandatory energy programs provided under the 2002 Farm Bill for renewable energy systems and energy efficiency improvements and the continuation of the bioenergy program. A portion of the offset amounts will allow for an increase in discretionary appropriations to pay for the technical assistance needed to implement conservation programs authorized by the 2002 Farm Bill.

SECTION 722: Prohibits the use of funds for certain Rural Development programs.

SEC. 722. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to carry out the following:

(a) section 601(j)(1)(A) of the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.). Funds under such section for fiscal year 2004 are hereby cancelled;
(b) section 6401 of Public Law 107-171, the Farm Security and Rural Investment Act of 2002. Funds under such section for fiscal year 2004 are hereby cancelled;
(c) section 6405 of Public Law 107-171, the Farm Security and Rural Investment Act of 2002. Funds under such section for fiscal year 2004 are hereby cancelled.

This section precludes the use of funding provided under the 2002 Farm Bill in the amount of: (a) $20 million for enhancement of access to broadband service in rural areas; (b) $40 million for value-added agricultural product market development grants; and (c) $10 million for the rural firefighters and emergency personnel grant program.

SECTION 723: Amends Section 508(k)(4)(A) of the Federal Crop Insurance Act (7 U.S.C. 1508 *et seq.*)

SEC. 723. Section 508(k)(4)(A) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(4)(A)) is amended—

(1) in clause (i), by striking "and";

(2) in clause (ii)—

(A) by striking "and subsequent reinsurance years" and inserting "through the 2003 reinsurance years"; and

(B) by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(iii) for each of the 2004 and subsequent reinsurance years 20 percent of premium used to define loss ratio.".

This section caps the amount of delivery expense reimbursement that companies may receive at 20 percent for each of the 2004 and subsequent reinsurance years which is a decrease from the existing cap of 24.5 percent.

27-7

Appropriations Not Authorized by Law and Expiring Authorizations
(in Thousands)

Programs and last year of authorization	Authorization Level	Appropriations in last year of authorization	2004 Appropriations request
Authorization of Appropriations Expiring on or Before September 30,2003			
P.L. 105-336 William F. Goodling Child Nutrition Reauthorization of 1998			
Food and Nutrition Service:			
National School Lunch and Related Programs			
FY 2003	Indefinite	not available	$6,683,741
School Breakfast Programs			
FY 2003	Indefinite	not available	1,797,923
Summer Food Service Program			
FY 2003	Indefinite	not available	308,653
Child & Adult Care Food and Related Programs			
FY 2003	Indefinite	not available	2,019,045
WIC Program			
FY 2003	Indefinite	not available	4,769,232
Special Milk Program			
FY 2003	Indefinite	not available	15,270
Commodity Distribution Program			
FY 2003	Indefinite	not available	421,936
Information Clearing House			
FY 2003	166	166	166
Programs Funded in FY 2003 With Expired Authorizations of Appropriations			
P.L. 103-129 Rural Electrification Loan and Restructuring Act of 1993			
Rural Development:			
Electric Hardship Loans			
FY 1998	138,937	125,000	240,000
Electric Municipal Rate Loans			
FY 1998	666,898	500,000	100,000
Telephone Hardship Loans			
FY 1998	138,937	75,000	145,042
Telephone Cost-of-Money Loans			
FY 1998	220,976	300,000	250,000

WEDNESDAY, FEBRUARY 26, 2003.

OFFICE OF INSPECTOR GENERAL

WITNESSES

PHYLLIS K. FONG, INSPECTOR GENERAL, OFFICE OF INSPECTOR GENERAL

JOYCE N. FLEISCHMAN, DEPUTY INSPECTOR GENERAL, OFFICE OF INSPECTOR GENERAL

RICHARD D. LONG, ASSISTANT INSPECTOR GENERAL FOR AUDIT, OFFICE OF INSPECTOR GENERAL

JON E. NOVAK, ACTING ASSISTANT INSPECTOR GENERAL FOR INVESTIGATIONS, OFFICE OF INSPECTOR GENERAL

DELMAS R. THORNSBURY, DIRECTOR, RESOURCES MANAGEMENT DIVISION, OFFICE OF INSPECTOR GENERAL

STEPHEN B. DEWHURST, BUDGET OFFICER, UNITED STATES DEPARTMENT OF AGRICULTURE

OPENING REMARKS

Mr. BONILLA. The subcommittee will come to order. Good morning to all and welcome to our first hearing for the fiscal year 2004 budget. I am delighted that we are going to start today with our Inspector General. We have before us the new Inspector General for the Department of Agriculture, Phyllis Fong. Ms. Fong was confirmed as IG in December of last year and was previously the IG for the Small Business Administration. We are glad to have you with us this morning.

We also welcome everyone who has accompanied her this morning. Some are very familiar faces to us. As we know, Mr. Dewhurst. In particular we would like to recognize Joyce Fleischman and to thank her for ably serving the Department as acting Inspector General for 14 months before Ms. Fong's confirmation. We appreciate the hard work that you have done.

From time to time, we would like to remind people that this subcommittee had some part in creating the office that you now hold. This was done some years ago when there were problems involving fraud and other illegalities in some of the Department's programs. The subcommittee suggested to the Secretary that there should be an office that was independent and not of the Secretary, but independent of individual agency of the Department.

In fact, 2003 marks the 25th anniversary of the establishment of the Office of Inspector General. And speaking for all of us on this subcommittee, we congratulate you and each of your employees on this milestone.

This is certainly a very challenging and exciting time to be in the IG's office, and we hope that the next 25 years are just as productive as the first 25 have been.

We appreciate the work you do to make sure that USDA programs operate well and appreciate your success in catching a lot of the bad guys, because as we all know, there is a history of that, and when you have programs out there, a lot of folks unfortunately choose to take advantage of the good will that all of us are here to provide the people of this country.

We look forward to your testimony, Ms. Fong, but before we begin, I am going to yield to Ms. Kaptur for any opening comments that she might have.

Ms. KAPTUR. Thank you, Mr. Chairman, and I think we should all congratulate ourselves for getting here this morning. I particularly want to welcome you, Ms. Fong, and to congratulate you on your appointment and achievement as a member of our senior executive service. I know to move from the Small Business Administration to the USDA is a major leap in terms of responsibility and jurisdiction, and I am someone who has great respect for the Inspector General's Office and for all of your colleagues who are with you here today, for the tremendous work that you do.

And personally, if I could give you more dollars to recover more dollars, I would do it, and, in fact, I am one of the members of this committee that has long believed that the dollars you recover should go into your budget, not the general treasury, or at least a larger share of it, because I think it would incentivize and provide for more inspectors and for more attorneys and more auditors. With the amounts of money that this Congress has appropriated to the U.S. Department of Agriculture and all of its programs over the last several years, my feeling is that there is probably a great deal of fraud occurring that we are not finding, simply because we don't have the inspectors.

We don't have the auditors out there in the field to the extent that we should, including some of our main line farm programs, because of the amount of increase, if one just looks at them, is staggering.

So I look forward to your testimony, and we will have questions during the normal rounds. Thank you so very much.

Mr. BONILLA. Ms. Fong, we will ask you to present your testimony in just a moment. We have received your detailed statement in writing, and it will appear in the record in its entirety, and I would also just like to state, before we begin, that this subcommittee, I am very proud of the way it has worked in the last couple of years, efficiently and in a timely manner, and I think everyone at USDA will find that we are going to proceed that way again this year, and will appreciate that.

This subcommittee did its work on time last year and was ready to go. And due to forces beyond our control, we became part of the omnibus in the end, which none of us is pleased about. But I appreciate, Ms. Kaptur, all of the cooperation that we have on both sides of the aisle on this subcommittee, and we are very proud of the work that we have done. And we were very proud frankly that we have had strong bipartisan support for our final product the last couple of years. We do try to work with everyone and make them part of this team on the subcommittee as well as all of you at USDA. So we appreciate that very much.

I also would like to say that I will recognize members, as I have in the past. If everyone is here on time when the gavel goes down, then we will recognize them in order of seniority. If not, then we will go by order of those who arrive—in order of arrival, but also taking into consideration that we are going to alternate back and forth.

Ms. KAPTUR. Thank you, Mr. Chairman. I am very thankful for that.

Mr. BONILLA. And we also want to remind members that we do have a 5-minute rule, and we have had very good cooperation on that in the past so that we can have second and third rounds of questioning if we need, and we always try to allow as much time as possible, as many rounds as possible for every member.

I would also like to ask everyone, we have had very good cooperation with cell phones and beepers. We would like to ask that that continue once again this year. Ms. Fong, you may proceed.

OPENING STATEMENT

Ms. FONG. Thank you, Mr. Chairman, and Ms. Kaptur. I appreciate your warm welcome and the opportunity to appear before you today. I am delighted to be here on behalf of the Office of Inspector General and its dedicated professional staff, and I want to convey to both of you our appreciation for this committee's ongoing support over the years. You have truly been friends to our office, and we appreciate that.

INTRODUCTION OF WITNESSES

Before I begin my remarks, I would like to introduce the colleagues who are with me here today from my staff: Joyce Fleischman, as you mentioned, who is the Deputy Inspector General; Dick Long, the assistant Inspector General for Audit; Jon Novak, our Acting Assistant Inspector General for Investigations; and Del Thornsbury, who is the Director of our Resources Management Division.

And I anticipate that I will be turning to them quite a bit today to help respond to some of your questions on some of the more detailed and complex subjects that you may raise.

While this is my first appearance before your committee as Inspector General at USDA, as you mentioned, I have been in the IG community for over 20 years and served as the IG at SBA. Since I have been at USDA, I have been reviewing the Office's activities and accomplishments, and I believe we have a very, very strong and effective organization. There are tremendous depths of professional knowledge in our audit and investigative staff, and I am very excited to be working with them.

I am also looking forward to working with you. You are among our key clients in the Congress, and we look forward to providing you with professional oversight of the Department's programs. And we look forward to addressing the issues that are of concern to you. I hope to open the lines of communication with you and your staff so that we are fully aware of the issues that are of concern to you.

Today I want to briefly address three areas where the IG's office has focused its efforts and where I believe we have made a very

significant impact on USDA programs. Those three areas are homeland security, food safety, and financial management. And then I would like to end with a brief statement about our fiscal year 2004 budget request.

HOMELAND SECURITY

Homeland Security has been one of the most significant issues facing the Department, as you know, and our office has taken the lead to address this issue in a number of areas, including border security, controls over biological agents, USDA labs, and security over incendiary devices. One area that I think is of great importance, where we have spent a lot of resources and we have accomplished a lot is the area of security at USDA-operated and -funded laboratories.

As you know, the Department operates approximately 330 laboratories throughout the country, while most of them may store or use moderate to low-risk agents, some store or use a number of high-risk agents. We became very concerned about this issue after the events of September 11th and initiated a number of audit reviews to look at how the Department was controlling these situations. We issued an audit report in March 2002 and recommended to the Department that it undertake a number of actions to strengthen security at the laboratories with high risk agents, and we also recommended that the Department immediately implement Department-wide policies to deal with four significant issues: Materials accountability, physical security, personal security, and incident reporting.

I am pleased to report that the Secretary assigned a task force to deal with these issues and to develop some policies and procedures. Our office provided technical and expert assistance during that process, and, in August 2002, the Department did issue new security policies applicable to its BSL–3 facilities. I would like to mention that the USDA deserves credit for doing this. To the best of our knowledge, it is the first Federal department to issue department-wide guidance in the area of biosecurity, and so we would like to recognize that accomplishment.

Another area in Homeland Security that we have been spending a lot of our time on is border security. We have recently completed a review of the Animal and Plant Health Inspection Service's, APHIS's, policies and procedures for identifying risk among the types of goods that enter the country to prevent the entry of exotic pests and diseases and APHIS's activities in conducting inspections at ports of entry.

We concluded that APHIS needs a more effective systematic assessment of the risks involved. We also concluded that inspection operations and staffing allocations at ports of arrival were not always based on risk assessment. APHIS has agreed with our recommendations, and we are working with them to implement corrective action.

Our Investigations staff has also been active in Homeland Security work. Some of you may know that our agents are involved with various joint terrorism task forces throughout the country. We had an example recently where our investigators worked with the U.S. attorney for the district of Oregon, as well as the Bureau of Alco-

hol, Tobacco, Firearms, and Explosives to follow up on a search warrant situation that ATF had served on the residence of a Palestinian man from Lebanon, and we had information that indicated he trained with Palestinian guerilla groups. He made references to a terrorist group, and there were other indications that he might be involved in terrorist activity.

He also became the target of investigations by several law enforcement agencies, and this is all detailed in my written statement. As a result of our investigation, we found that there was a loss to the Government of approximately $65,000, including $18,000 in the Food Stamp Program and the Special Supplemental Nutrition Program for Women, Infants and Children. So there was a direct tie to USDA programs. As a result of this, the subject was convicted and sentenced, and his naturalized citizenship has been revoked. Our investigative staff has been very involved in significant Homeland Security investigative efforts.

FOOD SAFETY

The next issue that I would like to address concerns IG activities to ensure the safety of our Nation's food supply. We believe that threats to public health and safety are among the most significant issues that we handle. As you all know, some of the largest recalls of meat products in the history of the industry occurred during 2002 due to the discovery that these products contained E.coli or Listeria. The Centers for Disease Control reported more than 20 deaths and over 60 illnesses originating from these situations.

Although many of the recalls occurred with the cooperation of the industry, many of these contaminations occurred because of unsanitary production methods which were neglected by the food processors. We currently have work underway to review FSIS's recall operations where meat or poultry products were found to be adulterated. We have been focusing primarily on the plant in Greeley, Colorado, where 19 million pounds of ground beef were recalled because of E.coli, and the plant in Pennsylvania where 27 million pounds of ready-to-eat poultry product were recalled because of Listeria.

To address these threats to public safety, we are also pursuing joint investigative activities with other Federal, State, and local agencies to share intelligence where warranted and to pursue whatever criminal prosecutions need to be pursued.

FINANCIAL MANAGEMENT

On a happier note, in the area of financial management, I am very proud to report that, for the first time since 1990, the Department and all of its standalone agencies received unqualified audit opinions on their fiscal year 2002 financial statements. This achievement of an unqualified opinion is a major accomplishment. We attribute that to the Secretary's leadership and the commitment and hard work of the Department's Chief Financial Officer and the standalone agencies' CFOs. There is still work to be done, however. Continued enhancements and improvements to the financial systems are needed so that Department managers have access to timely information on a daily basis, and so that they can make informed decisions in a businesslike manner.

The Department recognizes this need. The Secretary has emphasized to all of us that USDA will continue to work on financial management, and we will be working with the Department to improve its financial management accountability.

2004 BUDGET REQUEST

Finally, I would like to comment on the 2004 budget request for the Office of Inspector General. As Ms. Fleischman testified last year before this committee, the IG's office initiated a business process reengineering project to improve IG operations and to enhance our own effectiveness and efficiency. This has resulted in a strategic plan for the office that focuses on equipping and training our employees for the future, primarily with an emphasis on state-of-the-art Information Technology as the key.

The President's 2004 budget request for the Office supports our strategic plan to obtain this critical IT equipment. It provides for an increase of $1.7 million for pay costs and $2.3 million for essential IT equipment and software. I want to note here that my understanding of the strategic plan for IT investments is that it is a multi-year initiative. We had originally requested funding in 2003 of approximately $3 million. This request for 2004 would represent a continuing effort to fund our initiatives to fully equip and train our personnel. We anticipate that we will be coming before you every year to testify about the progress we have made and about the resources that we need to continue our efforts.

So I ask your support. I appreciate your support in the past, and I ask for your support in the coming year for this request, because I strongly believe that our audits and investigations save money for taxpayers. They ensure the integrity of USDA programs and they promote Homeland Security and the safety of the food supply.

This concludes my statement. Mr. Chairman, I appreciate the opportunity to appear, and I am happy to take questions.

Mr. BONILLA. Thank you, Ms. Fong.

[The prepared statement of Phyllis K. Fong follows:]

STATEMENT
Of
PHYLLIS K. FONG
INSPECTOR GENERAL
OFFICE OF INSPECTOR GENERAL
U.S. DEPARTMENT OF AGRICULTURE
before the
HOUSE APPROPRIATIONS SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES

February 26, 2003

INTRODUCTION AND OVERVIEW

Good morning, Mr. Chairman and members of the Committee. I appreciate the opportunity to testify before you today to discuss the activities of the Office of Inspector General (OIG) and to provide you information on our audits and investigations of the programs and operations of the U.S. Department of Agriculture (USDA).

Before I begin, I would like to introduce the members of my staff who are here with me today: Joyce Fleischman, Deputy Inspector General; Richard Long, Assistant Inspector General for Audit; Jon Novak, Acting Assistant Inspector General for Investigations; and Delmas Thornsbury, Director of our Resources Management Division.

While this is my first appearance before the Committee as Inspector General (IG) for the Department of Agriculture, I have been in the Inspector General community for over 20 years and am very familiar with the IG world and its operations. Before being sworn in as IG at USDA on December 2, 2002, I served as the IG at the Small Business Administration for over 3½ years.

I am excited by the new challenges I face at Agriculture. Since my appointment as IG in December, I have been reviewing our activities and accomplishments. I believe we have a strong, effective organization and ambitious audit and investigative programs. You, the Congress, are key OIG clients, and we provide the program oversight of the Department for you and the Secretary. I look forward to working with each of you to address your areas of interest and concern. Our audit staff will continue to work closely with agency officials to address key issues. We will also continue our proactive posture on investigative activities to broaden the impact of our work, especially when it involves our cooperation with other Federal, State, and local law enforcement agencies.

In my testimony today, I will address some of the most significant management challenges facing USDA, other critical issues facing the Department's programs and operations, and the work OIG is doing to support and assist in these mission areas. Homeland Security is one of the most significant issues facing the Department and one of the major challenges to effective program operations. Security on our borders, controls over biological agents, chemical and radioactive materials at USDA and USDA-funded research facilities, and security over incendiary devices are all concerns we have looked at in this area. The safety of our Nation's food supply is another crucial area for the

Department. I will be discussing each of these in more detail today, as well as OIG work on other important issues facing the Department.

HOMELAND SECURITY

Since September 11, 2001, OIG's highest priority has been to maintain the integrity of USDA's programs and help the Department strengthen its defenses against activities that might threaten Government facilities, production agriculture, and the Nation's food supply. The events of September 11 and the subsequent anthrax attacks not only gave a new urgency to these security issues for USDA, but also forced this office and the Department to dramatically shift our approaches to resolving or coping with them. In keeping with this assessment, we reported Homeland Security as one of the major management challenges facing USDA. This new environment requires integrated and coordinated efforts and procedures throughout USDA and across the Government if corrective actions are to be effective. This new environment also requires new skills and technology for the OIG staff. With the Homeland Security supplemental funds provided by Congress in December 2001, OIG has been was able to acquire essential personal protective equipment and supplies for our staff, provide additional training to better address these new challenges, and obtain needed security clearances for OIG investigators and auditors to allow them critical access to secure data and intelligence.

We have also continued our outreach efforts, meeting with Federal, State, and local officials, and nongovernment groups, to highlight the need for coordination among all these sectors to protect the Nation's borders and food supply.

Security at USDA-Operated and -Funded Facilities

The Department operates approximately 330 laboratories throughout the country. While most of them store or use moderate- to low-risk biological agents, some use or store a number of high-risk agents. Before September 11, 2001, biosecurity was not a major concern at the laboratories. The Department's emphasis had been on ensuring that laboratory personnel were protected against biological agents, rather than on ensuring that such agents were not accessible to unauthorized individuals. Consequently, the Department had issued no policies or procedures for its agencies to implement to manage security at these facilities.

In March 2002, OIG issued a report on "Oversight and Security of Biological Agents at Laboratories Operated by the U.S. Department of Agriculture," an audit which we had begun in the spring of 2001. The relevance and necessity of our ongoing review was suddenly highlighted by the events of September 11. In our report, we recommended that the Department implement actions to strengthen security at a number of laboratories with high-risk agents. We also recommended that the Department immediately implement departmentwide policies and procedures in four areas – materials accountability, physical security, personnel security, and incident reporting.

Recognizing the need for greater biosecurity in the wake of the September 11 attacks, the Secretary assigned a task force to develop policies and procedures for biosecurity issues within the Department. Our staff worked closely with that task force, providing feedback and comments as drafts were developed. On August 30, 2002, the Department issued new security policies and procedures applicable to its Biosafety Level 3 (BL 3) facilities. USDA deserves credit for being the first Department, to the best of our knowledge, in the Federal Government to issue such departmentwide biosecurity policies and procedures for laboratories. It is also our understanding that the Department will be issuing security policies and procedures applicable to its other (non-BL 3) laboratories and facilities shortly.

Last summer, we began reviewing security in laboratories funded by USDA agencies. Our objective was to review the effectiveness of controls in the handling, storage, and disposal of biological agents, chemicals, and radioactive materials at universities, colleges, and private laboratories or facilities that receive departmental financial assistance. We conducted fieldwork at 11 institutions. The institutions agree that security at their laboratories is a concern and have been very cooperative during our visits. We are continuing our work in this important area and will be issuing a report in the near future.

The news media reported that a highly virulent strain of Actinobacillus pleuropneumoniae (APP), which causes swine pneumonia, had been stolen from a laboratory at Michigan State University. The potential economic impact on pork producers could be devastating if such a swine pneumonia outbreak were to occur.

Michigan State University had received $750,000 in grant monies from the Department to develop vaccines against the APP bacteria. An investigation by OIG, the Federal Bureau of Investigation (FBI), and university police found that no theft had actually occurred as had been reported by the researcher. In December 2002, after extensive consultation with OIG, the Michigan Department of Agriculture distributed a statewide notification to swine veterinary practitioners. The notification advised that the attempted development of a vaccine for APP by a researcher at the Michigan State University was fraudulent. The researcher is currently facing prosecution by the U.S. attorney's office.

In January 2002, the President signed the Defense Appropriations Act for Fiscal Year (FY) 2002 providing supplemental funds totaling $328 million to bolster the Department's counterterrorism and Homeland Security efforts. We recently began an audit of the Department's use of these funds. Our objectives on this review are to (1) determine the status of the Department's use of these supplemental funds and (2) evaluate whether the funds were obligated and expended for Homeland Security authorized purposes. We have just begun fieldwork on this review and will provide the results as soon as they are available.

Border Security

Among other things, the Animal and Plant Health Inspection Service (APHIS) carries out inspections at U.S. ports-of-entry to prevent the introduction of foreign plant and animal pests and diseases, which would be harmful to our country's agriculture. The importance of APHIS's mission and challenges has been highlighted over the past few years as the

Asian longhorn beetle, citrus canker, and Karnal bunt found their way into the United States, and Foot and Mouth Disease broke out in the United Kingdom. The events of September 11, 2001, have highlighted the need for increased and more effective vigilance by APHIS to protect U.S. agriculture.

OIG has completed a review of APHIS's policies and procedures for (1) identifying and assessing risk among the various types of imported goods to prevent the entry of exotic pests and diseases; (2) conducting inspections at airports, seaports, and land-border crossings; (3) providing inspection coverage at all major ports-of-arrival of cargo and passengers, particularly during times of high-volume traffic; and (4) ensuring that sealed transportation and exportation shipments entering the United States exit the country under seal as required. We concluded that APHIS needs a more effective systematic assessment of the risks involved with various pests and pathways by which they can enter the country. We also concluded that inspection operations and staffing allocations at ports-of-arrival were not always based on risk assessments. APHIS agreed with our recommendations.

APHIS's Plant Protection and Quarantine, and Veterinary Services divisions each has separate permit systems for the importation and domestic transfer of specified plant and animal pathogens and other restricted material. We have an ongoing review focusing on the controls over permits issued to colleges, universities, public and private laboratories, and other users.

We will brief the new Department of Homeland Security, as well as USDA officials, on our findings from these reviews related to those APHIS functions to be transferred from USDA to that office.

Counterterrorism Efforts

On our investigative side, special agents have been assigned to various Joint Terrorism Task Forces (JTTF) throughout the country to assist in securing the safety of our Nation. For example, as part of one JTTF directed by the U.S. Attorney for the District of Oregon, we worked with the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) to follow up on a search warrant that ATF had previously served on the residence of a Palestinian man from Lebanon. This individual stated that he had trained with Palestinian guerilla groups, made references to the terrorist group Hamas, and had prominently circled September 11, 2001, on his calendar. Our investigation showed that, while on public assistance and claiming to be unemployed, the man made five overseas trips in 18 months, including trips to Denmark, Italy, and Lebanon. He became the target of investigations by several other law enforcement agencies as other crimes were detected. We determined a loss to the Government of approximately $65,000, including $18,000 in food stamp and Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) benefits. The subject was convicted on 10 counts of fraud against various Federal programs in addition to the weapons charges. He was sentenced to 30 months in prison, ordered to make restitution of almost $42,000, and his naturalized citizenship was revoked.

FOOD SAFETY

We continue to place a high priority on food safety and consumer protection issues. Threats to public health and safety are the most important matters investigated by OIG. One of the primary challenges facing USDA, and a management challenge that OIG has identified and reported, is ensuring a safe, wholesome, and properly labeled meat and poultry supply, whether it is domestically produced or imported. The recent large recalls of meat and poultry contaminated with *E. coli* and *Listeria monocytogenes*, have further highlighted the vulnerabilities and challenges USDA and the meat and poultry industry face.

Some of the largest recalls of meat product in the history of the industry – more than 50 million pounds – occurred during 2002 due to the discovery that these products contained *E. coli* or *Listeria*. The Centers for Disease Control reported more than 20 deaths and over 60 illnesses originating from *E. coli* and *Listeria*. Although many of the recalls occurred with the cooperation of industry officials, many of these contaminations occurred from unsanitary production methods neglected by the processor.

We currently have work underway reviewing the Food Safety and Inspection Service's (FSIS) recall operations where meat or poultry products are found to be adulterated. Our initial focus has been on the plant in Greeley, Colorado, where 19 million pounds of ground beef were recalled because of adulteration with an *E. coli* strain, and a plant in Pennsylvania where 27.4 million pounds of ready-to-eat poultry product were recalled because of adulteration with a *Listeria* strain.

To address these serious threats and illegal acts against the public's well-being, we are also pursuing joint investigative activities with other Federal, State, and local agencies to share intelligence and conduct investigations where warranted. Profit-motivated criminal activity that threatens the food industry can cause economic disruption while victimizing innocent members of the industry. Likewise, threats from outside the food industry of criminal adulteration and biological contamination of food products victimize and disrupt the food production or distribution systems until these threats are resolved through a law enforcement and health and safety response.

Immediate response to emergency situations impacting USDA programs and operations and regulated industries requires the specific, unique law enforcement expertise of USDA OIG. OIG's rapid response and deployment of considerable staff resources has helped to protect the health and safety of consumers this past year, and we will continue to do so in the future.

In January 2002, the U.S. Attorney for Boston, Massachusetts, announced the indictment of seven individuals for their participation in a $3.3 million fraudulent meat repackaging operation. The indictment charged that the defendants, over a 4-year period, purchased tractor trailer loads of partially defatted fatty beef tissue and caused the loads to be delivered to their business after hours, when USDA inspectors were not available to scrutinize their activities. They repackaged the product with a false label identifying it as defatted chopped beef and sold it to the unwitting public for huge profits. Five individuals have now pled guilty; prosecution is pending for the other two.

On February 12, 2003, agents from OIG and FBI arrested a former meat cutter from a Byron Center, Michigan food store. The arrest followed an indictment by a Federal Grand Jury on charges that he poisoned meat with insecticide, and poisoned meat to seriously injure a business. Black Leaf 40, the insecticide used to contaminate about 250 pounds of ground beef at the store where the man used to work, has a high level of nicotine. About 40 people reported illnesses from the meat, and one person was hospitalized.

FARM PROGRAMS

2002 Farm Bill

On May 13, 2002, the Farm Security and Rural Investment Act of 2002 was signed into law authorizing a variety of farm programs for FYs 2002 through 2007. The Act expands to new crops many of the provisions of the 1996 Farm Bill, provides for new counter-cyclical payments on commodities when prices fall below established targets, expands conservation land retirement programs, emphasizes on-farm environmental practices, and terminates the marketing quota program for peanuts by compensating peanut quota holders for loss of quota asset value.

In addition to identifying the implementation of the 2002 Farm Bill as a management challenge facing USDA, we participated with the Farm Service Agency (FSA) in early discussions on implementation of the new programs and provisions. We have also begun

preliminary reviews of FSA's calculations of counter-cyclical payment rates and adjustments to commodity loan rates for differences in grade, type, quality, location, and other factors. Following our review of the rates calculated by FSA, we plan to assess application of the rates in the field, where our examinations will include reviews of the direct and counter-cyclical programs, including crop bases and yields. In addition, we have underway a survey of the Peanut Quota Buyout Program to determine whether those payments are being issued to eligible quota holders.

For FY 2003, we also plan a review of conservation activity which will include an evaluation of the implementation of the newly mandated Conservation Security Program and its highly erodible land provisions and conservation compliance procedures.

Farm and Foreign Agricultural Services

Historically, some of our major concerns in FSA programs have been the unauthorized disposition of property mortgaged to the Government, fraud by warehouse operators, false statements by commodities producers and exporters, and false statements by borrowers in order to obtain more or greater dollar value loans or debt write-downs than those to which they are actually entitled. These continued to be concerns during FY 2002, when we issued 77 investigation reports regarding FSA programs and operations. Our FSA investigations resulted in 38 convictions and monetary recoveries totaling over $19 million.

As a result of one investigation in Oklahoma, a former manager of a cooperative association was convicted of embezzling co-op funds that included proceeds from the unauthorized sale of Commodity Credit Corporation (CCC)-owned grain. The former manager created a fictitious vendor and issued more than $2 million in co-op checks to this entity between 1997 and 1999. He was recently sentenced to 70 months in Federal prison and ordered to pay restitution of $2.1 million.

In an investigation in North Dakota, the subject was a farmer and insurance agent who was setting up sham farming operations, which resulted in the collection of over $8 million in various program payments from FSA and the Risk Management Agency (RMA). The farmer and two farming entities were recently found guilty, and the jury ordered $5.9 million in criminal forfeiture.

INFORMATION TECHNOLOGY

One of the most significant dangers USDA faces is an attack on its information technology (IT) systems, whether by terrorists seeking to access unique databases or by criminals seeking economic gain. The Department has numerous information assets that include market-sensitive data on the agricultural economy and commodities, signup and participation data for programs, personal information on USDA's customers and employees, and accounting data. The IT and related systems face unprecedented levels of risk from both intentional and accidental disruption, disclosure, damage, and manipulation. Public confidence in the security and confidentiality of the Department's

IT systems is essential. For these reasons, we have identified IT as a major management challenge facing USDA.

OIG has been involved in strengthening the Department's security over information and communication technology for several years. We initiated a multiyear program prior to the new millennium and intensified our efforts subsequent to the September 11, 2001, terrorist attacks. We have completed reviews of the security of IT resources of nine agencies and are currently reviewing the security of IT resources at eight additional agencies. The Department, through the work of the Office of Chief Information Officer (OCIO), has put a departmentwide security plan in place and has begun improving security over its IT resources. While work still remains to be done, we are working closely with OCIO to find solutions and implement controls to prevent security weaknesses in the Department's IT infrastructure and ensure compliance with the requirements of the new Federal Information Security Management Act.

FINANCIAL INTEGRITY

For the first time since Congress passed the Chief Financial Officer's Act of 1990 and the Government Management Reform Act of 1994, the Department and all of its standalone agencies – FS, the Commodity Credit Corporation, RMA, the Rural Development (RD) Mission Area, and the Rural Telephone Bank – received unqualified audit opinions on their FY 2002 financial statements. An unqualified opinion means the financial statements fairly present an entity's financial position. In FY 2001, and in prior fiscal

years, we issued a disclaimer of opinion due to weaknesses in the Department's and some of the standalone agencies' financial systems and the Department's inability to provide auditable financial statements within timeframes established by the Office of Management and Budget.

The achievement of an unqualified opinion is a major accomplishment reflecting the Secretary's leadership and the commitment and hard work of the Chief Financial Officers of the Department and all its agencies. There is still work to be done, however, because that achievement did not entirely result from improvements in underlying financial management systems. Enhancements and improvements to USDA's financial systems are needed so that Department managers have access to timely financial information to allow them to make better management decisions. The Department recognizes this continuing need and the Secretary, in the news release announcing the unqualified opinion has emphasized that USDA will continue its work to improve financial management accountability in the Department.

MARKETING AND INSPECTION PROGRAMS

OIG is continuing its investigative work involving the smuggling of agricultural products into the United States. We are working closely with foreign customs and agricultural inspections officials, the U.S. Customs Service, APHIS, and State and local agricultural inspection personnel to locate illegal agricultural products and identify the manner in which they are brought into and moved around the country. These ongoing investigations

have uncovered sophisticated smuggling conspiracies that are bringing large quantities of agricultural products, as well as illegal narcotics, into the United States. In one recent case, during the execution of search warrants at the warehouse and retail establishment of a man still on probation for a prior felony smuggling conviction, we seized 65 pounds of Witchweed (Striga asiatica). Witchweed is a parasitic noxious weed that infests the roots of its hosts, such as corn, sorghum, sugarcane, or other grass crops, and deprives them of food and water. If dispersed, Witchweed would have devastated agriculture in the Western United States. The smuggler pled guilt in August 2002 to conspiracy to commit a variety of offenses, including smuggling and violating probation and was sentenced to 4 months in prison, 6 months monitoring, 3 years probation, and ordered to pay a $10,000 fine. We worked this case as part of our ongoing involvement in the Interagency Import Task Force directed by the U.S. Attorney for the Northern District of California.

In another case, FSIS and OIG found that an importing corporation was selling a Korean pork product mislabeled as Korean vegetable dumplings. It is illegal to import Korean pork into this country because of possible Foot and Mouth Disease contamination and poor sanitary conditions in Korean meat plants. In addition to the current case, from 1988 to 1996, the same corporation was caught five times by USDA regulatory agencies for illegally importing meat products. These prior instances resulted in product destruction and small fines. As a result of the current case, the corporation pled guilty and was sentenced to probation and fined $100,000. A part of the court sentence in this case included the requirement that the company follow only strict USDA standards for future product imports.

Although the FS's operations are not funded through this Committee, they are a major program activity within USDA. Our FS investigations have typically focused on embezzlement and theft of Government funds and property, as well as cases involving FS contracts for goods and services and FS employees. During FY 2002, OIG investigators have also been involved in investigations relating to potential arson in forest fires. Recently enacted legislation (P.L. 107-203) requires USDA OIG to perform an independent investigation of any FS firefighter deaths that are caused by wildfire entrapment or burnover. We have organized a team of agents who will receive specialized training and equipment to perform these investigations.

I also want to highlight an OIG investigation, conducted jointly with FS, which disclosed that an FS forestry technician was responsible for setting the largest forest fire in Colorado history. Before it was contained, the fire – known as the Hayman fire – covered 137,000 acres, an area greater than the Denver metropolitan area. This fire is estimated to have cost the Government more than $23 million in timber losses. To date, private property damage and losses totaling over $13.7 million have been identified for victims residing in the affected counties. The total losses for the victims are estimated at over $20 million. The employee was arrested by OIG and removed from her FS employment. The employee has pled guilty to both Federal and State charges and was sentenced to 6 years in prison on Federal charges. Sentencing on the State charges is pending.

RURAL DEVELOPMENT

Rural Business–Cooperative Service (RBS)

The Business and Industry (B&I) Guaranteed Loan Program is intended to create and maintain employment and improve the economic climate in rural communities. Assistance under the B&I Guaranteed Loan Program is available to any legally organized entity, including cooperatives, corporations, partnerships, trusts, or other profit or nonprofit entities.

OIG has committed a considerable amount of time and resources to combating fraud in the Guaranteed Loan Program. As the result of one significant B&I investigation, a Federal grand jury returned a 31-count indictment against a Georgia businessman for his role in a fraudulent scheme to obtain a $5 million USDA B&I Guaranteed Loan for a catfish processing plant in a poverty-stricken rural Georgia county. He was given the loan after he fraudulently claimed to have purchased almost $3 million in processing equipment for collateral for the loan. He and an equipment broker signed affidavits falsely certifying that he had given the money to the broker when, in fact, no money had exchanged hands and no equipment had been purchased. The businessman used about half of the $5 million loan to have the plant built and kept the other half for his personal use. Both the businessman and equipment broker entered guilty pleas to conspiracy charges. The broker was sentenced to 32 months in prison, 3 years supervised release, and ordered to pay $7,500 in restitution. The businessman was recently sentenced to 60 months in Federal prison and ordered to pay $11 million in restitution.

Rural Housing Service (RHS)

RHS programs are intended to help finance new or improved housing for moderate- or low-income families. When RHS program funds are diverted, some families do not receive decent, safe, and affordable housing as intended by the program. During FY 2002, OIG initiated 15 new investigations of Single Family Housing Program fraud.

In one of our RHS investigations, a Long Island, New York, attorney was sentenced to 2 years 9 months in Federal prison and ordered to pay $864,500 in restitution for wire fraud. An RD loan applicant had retained the attorney to close a Single Family Housing loan in Riverhead, New York. When the purchase of the property did not occur as scheduled, RD instructed the attorney to return the $147,050 that had been transferred to his escrow account. The attorney, instead, transferred the USDA funds overseas via wire to a fraudulent investment scheme operating out of Lagos, Nigeria, along with $717,450 in funds he had stolen from the estates of several clients and obtained from victims he convinced to participate.

FOOD, NUTRITION, AND CONSUMER SERVICES

Food and Nutrition Service (FNS)

Combating fraud in food assistance programs, such as food stamps; Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); and commodity distribution

programs, is a major activity for OIG. Corrupt individuals develop methods to illegally circumvent these programs for their personal benefit. During this past fiscal year, our criminal investigations into these and other programs regulated and administered by FNS resulted in 341 indictments, 323 convictions, and total monetary results of over $22 million.

Food Stamp Program (FSP)

As of October 2002, 46 States, the District of Columbia, and Puerto Rico have online food stamp electronic benefit transfer (EBT) systems with 45 being statewide. Two other States, Ohio and Wyoming, use an offline EBT system. In FY 2001, the latest confirmed data period, over $15.5 billion in FSP benefits were issued, and approximately 82 percent of these benefits were delivered through an EBT system.

Our investigative work has uncovered significant food stamp trafficking activity throughout the past several years. Recently, one of our investigations -- conducted jointly with nine other Federal, State, and local agencies -- found that a group of individuals in Cleveland, Ohio, had committed an estimated $15 million in food stamp and WIC fraud since 1995. This investigation was initiated based on data analysis indicating that the stores involved were redeeming food stamps at a disproportionately higher rate than comparable stores nearby. Thus far, one individual has been sentenced to prison for 3 years 5 months and his wife to 3 years probation after they pled guilty to their involvement in the scheme. A third participant has been sentenced to 41 months imprisonment. They have also forfeited over $2.5 million in assets. Two other

individuals have been indicted; one was recently arrested, and the other is presently a fugitive.

Through another investigation, we found that the husband and wife owners of a grocery store in New York City were trafficking in food stamps. The couple was ordered to pay $4 million in restitution to USDA following their guilty pleas to charges of making illegal food stamp redemptions and committing theft of public funds. They reported to State and Federal agencies that their grocery store had revenues of between $500,000 and $600,000 in 1995 and 1996 when they actually redeemed well over $2 million in food stamps during that period. The couple also trafficked food stamps during undercover operations. The husband was recently sentenced to 13 months in prison and the wife to 3 years probation.

Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

The WIC program is an assistance program designed to provide funds for certain foods to families with small children who are at nutritional risk. OIG continues to take measures to curtail fraud within this program through our investigative activities. In one such criminal investigation, OIG discovered that subjects of the investigation manufactured counterfeit discount coupons for the type of infant formula used in Ohio's WIC program. We found that over $400,000 worth of coupons was redeemed. The husband and wife involved in this scheme both pled guilty to WIC conspiracy, with the husband also pleading guilty to counterfeiting, tax violations, and failing to file Currency and Monetary Instrument Reports.

Commodity Distribution Programs

The commodity distribution programs provide supplemental foods to various individuals in need, e.g., low-income pregnant, postpartum, and breastfeeding women, infants, children up to age 6, and the elderly. The foods provided are designed with the specific nutritional needs of these individuals in mind and are purchased by USDA. OIG's efforts to ensure the integrity of these programs consist of weeding out those distribution centers that are committing criminal violations.

In one such investigation conducted jointly with the U.S. Postal Inspection Service, we found that the executive director of a soup kitchen – which served both as a food distribution center for the underprivileged and as a branch of a ministry in Detroit, Michigan – conspired with a food vendor to defraud the program. Specifically, the investigation found that the soup kitchen employee requested the vendor to supply false and inflated invoices for food he delivered daily to the ministry. The vendor agreed to "kick-back" cash to the employee when he was paid for the invoices. In October 2001, the soup kitchen employee pled guilty to program fraud and was sentenced to 14 months in prison and ordered to pay restitution of over $828,000. Additionally, the vendor pled guilty to the same charge in January 2002 and was sentenced to 24 months in prison and ordered to pay restitution jointly and severally with the co-conspirator.

EMPLOYEE INTEGRITY

Investigating criminal activity involving USDA employees is another high priority for OIG. During FY 2002, we issued 59 reports of investigation concerning allegations of criminal conduct by USDA employees. Our investigations resulted in 17 convictions of current and former employees and 66 personnel actions, including removals, suspensions, resignations, and reprimands.

One example of where our investigative work can lead is a case we opened on the alleged accidental shooting of an on-duty APHIS maintenance employee in Utah. We found that he had shot himself and that he had also stolen about $50,000 worth of Government property. Through our coordination with the Sheriff's Department during the investigation, the employee became a suspect in the disappearance of a 15-year-old girl. Continued investigation by OIG and the Sheriff's Department found that he had murdered the girl, dismembered her, and buried her remains on the APHIS grounds. The investigation further revealed he had sexually assaulted at least 35 females over a 15-year period, including several on APHIS property. The employee was sentenced to serve 10 years in prison, fined, and ordered to pay almost $50,000 in restitution after he pled guilty to theft of Government property and unlawful sexual activity with a minor. He recently pled guilty to a charge of murder in the first degree and is awaiting sentencing on that charge.

We continue to conduct a wide variety of other types of employee integrity investigations, including cases involving theft of Government property and illegal drug activity. For example, two of our investigations this past year involved employees who

had each embezzled a quarter of a million dollars from USDA. Both were sentenced to prison and ordered to make full restitution. In two other cases, former employees have recently been sentenced for their roles in illegal drug schemes using Government property or in connection with their official duties. While the number of USDA employees engaged in criminal activity is small, we take seriously our responsibility to bring those few to justice.

FY 2004 BUDGET REQUEST

We are very proud of the accomplishments of OIG and pleased to report that, in FY 2002, we continued to more than pay our own way. In the Investigations arena, our special agents completed 432 investigations, obtained 468 indictments and 458 convictions, and made 656 arrests. These actions resulted in nearly $54.5 million in fines, restitutions, other recoveries, and penalties during the year.

In the audit arena, we issued 89 audit reports and obtained management's agreement on 655 recommendations. Our audits resulted in questioned costs of $123 million. Of this, management agreed to recover $29.8 million. In addition, management agreed to put another $166 million to better use. Equally as important, implementation of our recommendations by USDA managers will result in more efficient and effective operations of USDA programs.

At OIG, we are constantly seeking to improve our own operations and increase our positive effect on the Department's programs and operations. As the Acting Inspector General testified before this Committee last year, OIG initiated a Business Process Reengineering project. This has resulted in a strategic plan to equip and train our employees for the future, with streamlined processes and state-of-the-art IT as the key. The President's FY 2004 request of $81.9 million for OIG provides for an increase of $1.7 million for pay costs and $2.3 million for additional funding for essential IT equipment and software. This additional IT funding was to provide for the second phase of our IT needs outlined in our strategic plan. However, since that initial request was unfunded in the final FY 2003 omnibus appropriation, our request will only cover the initial IT needs identified in that request.

I recognize there is fierce competition for the Government's limited resources. However, I believe adequate funding for our OIG activities makes good sense. OIG audits and investigations save money for the taxpayers, ensure the integrity of USDA programs, and promote Homeland Security and the safety of our food supply. As such, I support the President's budget request for OIG.

This concludes my statement, Mr. Chairman. I appreciate the opportunity to appear before you today and would be pleased to respond to any questions you and the Committee may have at this time.

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Phyllis K. Fong
Inspector General
U.S. Department of Agriculture

Phyllis K. Fong was sworn in as Inspector General for the U.S. Department of Agriculture (USDA) on December 2, 2002.

As Inspector General, Ms. Fong is the senior official responsible for conducting and supervising audits and evaluations, as well as investigations and law enforcement efforts, relating to USDA's programs and operations. The Office of Inspector General (OIG) provides leadership in promoting economy, efficiency, and effectiveness in USDA programs and addressing fraud, waste, and abuse.

Prior to her appointment at USDA, Ms. Fong had been the Inspector General of the U.S. Small Business Administration (SBA) since April 1999. A career member of the Senior Executive Service, she had also held several positions at SBA OIG including Assistant Inspector General for Management and Legal Counsel (1994-1999) and Assistant Inspector General for Management and Policy (1988-1994). She also served as Assistant General Counsel for the Legal Services Corporation (1981-1983) and as an attorney with the U.S. Commission on Civil Rights (1978-1981).

Ms. Fong was born in Philadelphia, Pennsylvania, and raised in Honolulu, Hawaii. She graduated from Pomona College with a B.A. degree in Asian studies and earned her J.D. degree from Vanderbilt University School of Law. Ms. Fong is a member of the Tennessee and District of Columbia bars. She and her husband, Paul Tellier, have two children.

INFORMATION TECHNOLOGY FUNDING

Mr. BONILLA. I would like to start by making a statement just to clarify something relating to fiscal year 2003 and the appropriation for this Office for the IG's information technology office. In reviewing the opening statement of the witness on page 25, there is reference to IT funding in fiscal year 2003, which I find to be misleading.

Let me just state that the appropriated resources for the IG's office for the current year include funding for pay costs and funding for the requested IT increase. I should note that we did offset several USDA program increase requests for audit funding with corresponding decreases for the IG office. The IG's office had been paying for those audit contracts in the past. Basically we transferred a function and the money to perform that function. We support the efficiencies and advances that information technology can bring to the Office of the IG, so I wanted to state for the record that Congress funded the Office of Inspector General's information technology request in 2003. No need for you to respond to that. We just wanted to make that statement for the record.

RISK ASSESSMENT AND INSPECTIONS

The first question I have this morning involves the risk assessment and inspection operations. According to your statement, the Office of Inspector General concluded that APHIS needs a more effective systematic assessment of the risks involved with various pests and pathways by which they can enter the country and that inspection operations and staffing allocations were not always based on risk assessments.

How are you working with APHIS to implement an effective systematic risk assessment system, and how does an effective systematic assessment of the risks differ from what is in place now?

Ms. FONG. Well, as you mentioned, we have recently issued an audit report on this topic, and our audit report made numerous and very specific recommendations to APHIS as to how it could improve its systems. We are working with APHIS on this. This issue will be complicated by the fact that this particular piece of APHIS will transfer over to the Department of Homeland Security in March. We will be working very closely with Homeland Security and the IG's office there, as well as with APHIS, to make sure that there is a smooth transition and that our recommendations are clearly understood by the IG's office and program staff over at Homeland Security. We will keep our hands in this to the extent that we can. This is obviously a new area for all of us as the Department of Homeland Security ramps up, and we will have to work very cooperatively with that department for a period of time here to make sure the transition is smooth.

In terms of how an effective risk assessment differs from what is in place now, my understanding is that the current system that was put into place by APHIS to evaluate risk assessments has not been very effective, and so we had recommendations to improve them. And in addition, it did not specifically address certain issues, it was not statistically based, there was not a consistent methodology for collecting and analyzing data, and there were not ade-

quate records. We have made recommendations in this area to APHIS for corrective action.

Mr. BONILLA. Thank you, Ms. Fong.

Before I yield to Ms. Kaptur, I would like to thank her for a product she has given us all this morning, and I thought it was a product that she was most proud of. But it is not. It is the lid. Is that correct, Ms. Kaptur?

Ms. KAPTUR. It is both, Mr. Chairman. Although I said as an Italian dip from Ohio, it probably doesn't have all the jalapeno robustness that a gentleman from Texas would require, but that can be added to the mix.

Mr. BONILLA. Thank you, Ms. Kaptur.

BUDGETARY RESOURCES

Ms. KAPTUR. Thank you. Ms. Fong, thank you very much for your testimony. I am trying to read the numbers here. The administration is requesting $84.2 million for this coming fiscal year, counting both the information technology and the regular appropriations you are seeking. Is that correct?

Ms. FONG. That is correct.

RECOVERIES

Ms. KAPTUR. Let me ask you, not having been part of those that drafted the laws to create the IG—I just voted for them. I didn't draft them—what is the logic not to permit any part of the dollars recovered by USDA to go directly to your budget? What is the legal theory behind that?

Ms. FONG. Well, that is a very good question. My understanding on this—and I am not sure that the committee specifically addressed it when it was drafting the legislation—is that in many instances when our audits and investigations results in recoveries there may be punitive fines assessed, but there may also be restitutions for the recoveries of costs that have been expended.

In many cases, to make the government whole, the recoveries would appropriately go to the program areas that had initially put forth the expenditure or had lost the money, so to speak. This would, in effect, make the program budgets available to provide assistance to those who truly deserve or are eligible for Federal assistance.

Ms. KAPTUR. These are programs outside USDA?

Ms. FONG. They would be true Governmentwide in every department's programs.

Ms. KAPTUR. Well, I am reading from the testimony notes that in 2002, the IG's actions at USDA produced $54 million in fines. I am trying to compare what you are asking for in the budget versus what you actually produced last year in terms of fines and recoveries. There is $54 million in fines. There were decisions to recover another $30 million. So that almost equals what you are asking for in appropriated dollars. And then there were decisions to redirect the use of $166 million. I don't quite understand what that means in a budgetary sense, but, fundamentally based on what you recover and the—you could fund yourself based on your own activities.

Ms. FONG. Well, it does appear to be a one to one ratio.

Ms. KAPTUR. I just think that there should be an incentive. I say to my colleagues on the committee: There ought to be some, even if it is a small one, 25 percent of the total amount that they receive in fines that goes back into their budget. Right now that money goes to the Treasury Department, I think, and I have served on the Treasury Subcommittee here, too, and I know they are happy to have the money. But these individuals are the ones doing the work, and we are always scrounging for a million here and there in this committee, so I think this is something we really should look at as we move forward here. So that was one point I wanted to make.

FOOD RECALLS

And then the other one I wanted to ask, Ms. Fong, on the food recalls you mentioned Listeria and E.coli, and a couple of plants like Greeley, Colorado. What percent of the recall tonnage was actually recovered? By any statistic you want to use for a given plant or overall if you look at the millions and millions of tons that were in the last year. I am very troubled by the language. I have said this several years now. We talk about recall, which gives the impression to the public that, oh, it has all come back. Well, no it hasn't. Most of it is not recovered.

Ms. FONG. I think you have a very good point there. As you know, we are doing some audit work on these two situations, and I understand from my staff that, with respect to the ConAgra situation, approximately 3 million pounds were returned, which is about 16 percent. In the Pilgrim's Pride situation, approximately 27.4 million pounds were returned, which is about 15 percent.

Ms. KAPTUR. What happens to what isn't recovered?

Ms. FONG. I imagine it is either in people's freezers or people have consumed it. There is just no way to tell what has happened.

Ms. KAPTUR. Could the IG make some recommendations to us about what we do about that? Do we impose additional fines on these companies? I mean, what do we do to make this system seamless and get the bad stuff off the market? It shouldn't be there in the first place, so I think that clean plants and inspections are very important, but it really troubles me. I see these press reports all the time. Is there a different type of labeling we could do? Is your intention to make those recommendations to us?

Ms. FONG. Yes. We are drawing to a close on our audit work. The report is in the draft stages, and I know that there will be some very specific recommendations as to what we found where the breakdowns may have occurred and what we believe could be done to address this issue.

Ms. KAPTUR. I thank you. I know my time is expired, and I just would ask as just one member of this subcommittee, when you make your report, give us the language, give us the linguistics of talking about this in a way that is understandable to the public so we don't tell them we have recalled and in their mind they think, oh, it is all back somewhere safe, when it really isn't. The words are wrong. We are not using the right words on this, and so I think that help us with the language here to improve our system. Thank you.

Ms. FONG. Thank you.

Mr. BONILLA. Thank you, Ms. Kaptur.

Mr. Latham.

Mr. LATHAM. Thank you, Mr. Chairman. I look forward to a very productive year here on the committee. I want to thank Ms. Kaptur for the Italian dip. We look forward to that. And some late evenings around here. So thank you.

LABORATORY SECURITY

Last year at the hearing, the Inspector General spoke of an interim report to the Department that pointed out the need for Agriculture to inventory and strengthen security controls on biohazardous materials around the country. When was your last review on the subject of security controls on biohazardous materials around the country, and what remains to be done?

Ms. FONG. We have a number of initiatives going on with respect to the labs that USDA either owns or operates. We recently issued a report in the spring of 2002 on those labs. We have a few more reports that are coming out, and we have a number also that are in progress.

Mr. Long, would you like to elaborate on the specific work that we are doing?

Mr. LONG. Some of the initial work that we have done since our first report has been to look at the issue of USDA-funded research laboratories, at universities and at other institutions, following the same logic that we used on the previous review i.e., what were their controls and whether they maintained an inventory. We currently have a draft report under review by the Department, and will be meeting with Department officials next week on it. In this report, we make specific recommendations to the Department on getting information out to the land grant institutions and the colleges and universities that receive funding—and also to other grantees who receive funding for research—and they have been very receptive. We have had some interim issues with them as we perform that work, and they have taken immediate action on individual instances that we brought to their attention.

The Department has also issued their overall policy for BSL–3 laboratories. They also are about to issue their policy for BSL–2s or below. For all laboratories, these are the types of things that you need to do in relation to security, biosecurity issues, and the Department has pushed this through. These two documents can be a guide for the land grant institutions and for other grantees. The problem is that a lot of these grantees and institutions do work for other departments, and there is a need for a government-wide policy on this type of research out there.

We also have additional work in progress. We are doing a follow-up review on our March report. We have made unannounced visits at some of these laboratories to see whether or not they have taken corrective action as directed by the Secretary's office, and we are in process of analyzing all of that information. There have been improvements. They have made change by shifting from a biosafety to a biosecurity level. So we do see a lot of improvement being made in the area of laboratories.

INTERAGENCY COMMUNICATION

Mr. LATHAM. I realize it is going to be very difficult to integrate and to bring agencies in from outside to put in one Homeland Security Department, but I just wonder about information sharing about and what kind of progress we are making in that arena, particularly with respect to APHIS and FSIS.

Mr. LONG. This has been an area of concern that we have raised to APHIS and FSIS. We raised this issue even between the two of them on the foot-and-mouth issue that we issued a report on last year about how they communicate with each other and the U.S. Customs Service. It continues to be an area of concern that we have in that APHIS report that we talked about earlier. It is an issue of how they relate to Customs regarding borders. How they relate to the Food Safety and Inspection Service at the ports is going to be a concern also. The ports may be an even bigger concern, because the Department of Agriculture is going to be responsible for identifying pests and other things that should not be brought in. They will need to communicate with the inspectors that are now going to be at DHS. Also, those same inspectors are going to deal with the FSIS inspectors at port areas regarding meat importation issues.

So I think it is a concern of ours, and we are informing the program staff of the Department of Homeland Security and also the IG at the Department of Homeland Security, that these are issues that our Department is working on now. We just met with APHIS the other day and they informed us that these are issues that they are trying to work out through Memoranda of Understanding with DHS. The Department is really going to have to be on top of this and push to protect the interest of U.S. agriculture.

Mr. LATHAM. Is there much institutional resistance? That seems to be the biggest problem.

Mr. LONG. I think in the past there has been some resistance, but I think now we see more communication between them.

Mr. LATHAM. Thank you, Mr. Chairman.

Mr. BONILLA. Thank you, Mr. Latham.

Mr. Nethercutt.

EMERSON TRUST RESERVE WHEAT RELEASE

Mr. NETHERCUTT. Thank you, Mr. Chairman. Ms. Fong, welcome. Glad to have you here, and welcome to the rest of your team as well. I want to compliment Ms. Fleischman for her work in—on an interim basis prior to your being formally appointed, and so I appreciate your attention to the issues involving agriculture.

I want to raise a question today, and you may have suspected I might, with respect to the Emerson Trust reserve wheat release that occurred in July of 2002. Are you familiar with this issue?

Ms. FONG. I have been briefed on it.

Mr. NETHERCUTT. Okay. You know how serious I am about this, then, and my concern that what USDA has done has impacted my constituents and other small elevator operators around the country. And I am concerned not with the right to deal with the wheat stocks, but the procedures that occurred at USDA, and I know there is an ongoing investigation. So I don't expect necessarily for

you to be fully responsive today under the circumstances, but I want to impress upon you how negative the impact has been on my farmers, my local economies in eastern Washington because of the procedures that were, in my opinion, not historically followed, and perhaps there is a lack of procedure that USDA followed. In other words, there was no sensitivity to the standards that had theretofore been set with respect to dealing with wheat releases.

The catalog process had been used since the 1980s to announce CCC releases for sale. There was a reason for this and an expectation that this was the proper approach, because it wouldn't allow the system to be skewed and big operators to take advantage of small operators.

I fear, and I fully believe as I sit here, that that is what has happened in this latest go-round from July of last year until now, and I think there has been an incredible insensitivity at the USDA level with respect to the consequences of its action, especially as it relates to soft white wheat. With the action by the Federal Government, our own USDA, soft white wheat prices have dropped 40 cents in a matter of days, at a time when they were ascending to the point where people in farm country were sort of able to make a little money, and that now has—the price has hovered about $3.80 a bushel for months. I think it is directly related to what USDA did or didn't do in connection with the Emerson Trust.

So, you know, at the risk of being sort of hypersensitive about this, I will take the risk, I really am. It really, really bothers me the way this all unfolded. So I hope that you will be aggressive in your investigation and leave no stone unturned with respect to finding out the whys and wherefores of what happened. Because if you don't, I am going to, and I am really serious about this. There is legislative action at our State Legislature that has taken steps with respect to this whole issue, and it has really hurt people in farm country, especially as we look at the consequences of CRP on the negative side for production agriculture.

Positive side for conservation, negative side for production agriculture. It takes land out of production, and that hits the local economies dramatically. You know, the implement store and the feed guy and the seed person, they don't get to make any money, because there is no production going on. So I will give you in, I guess my last minute of my time, I would appreciate having some response and some assurance that you are going to be vigorous and aggressive with respect to this issue.

Ms. FONG. We understand your concern. We have been working on this in response to your request last summer. We have conducted a preliminary review, as you know, and came up with some initial conclusions which we shared with the Department's program office. After that, we decided that a more full-scale inquiry was warranted so we have initiated field work. We are currently in the field talking to a number of affected people, and we are working very diligently on our audit plan to make sure that we do address the issues that arise. I think that we will have some results in the next few months, and we will certainly share them with the Department and with you.

Mr. NETHERCUTT. Well, I appreciate that very much, and I have been aggressive with respect to Ms. Fleischman and others, and it

is out of no disrespect for you. It is out of my concern for what is good for American agriculture. So I appreciate the work that you all have done, and I thank you for your response.

Mr. BONILLA. Thank you, Mr. Nethercutt.

Mr. Goode.

PESTICIDES ON IMPORTED PRODUCE

Mr. GOODE. Yes, Ms. Fong, I, like Mr. Nethercutt, appreciate your being here.

Let me ask you this with regard to APHIS. Items that come into this country, what are we doing to determine if they have used DDT on foreign produce?

Ms. FONG. I think we may have to get back to you on that. We don't have a response right now.

Mr. GOODE. The reason I am asking, my wife went to—and got some tomatoes last week, and it had a sticker on them that said, please wash for pesticides. And somebody at the store told her that they might have DDT on them because they came from another country.

Ms. FONG. Was there a country of origin label on it?

Mr. GOODE. No.

Ms. FONG. All right. We will look into that and see if we can provide a response to you.

[The information follows:]

USDA's Animal and Plant Health Inspection Service does not handle residue testing on imported produce. The Environmental Protection Agency establishes standards for pesticides on imported produce and the Food and Drug Administration is responsible for conducting spot checks and random testing of incoming shipments of produce.

Mr. GOODE. All right. That is my one question, Mr. Chairman.

Mr. BONILLA. Thank you, Mr. Goode.

Mrs. Emerson.

THREATS AGAINST GOVERNMENT EMPLOYEES

Mrs. EMERSON. Hi. Welcome. Thank y'all for being here today. I have a question that might be a little bit out of the ordinary, but it does concern a specific investigation that your office conducted in my region involving a man who assaulted a Forest Service law enforcement personnel during a drug investigation.

Basically this is what happened. Forest Service agents and some of our county enforcement people were conducting surveillance on a methamphetamine lab operation in the Mark Twain National Forest, and they were fired upon by one of the suspects. And the suspects were subsequently apprehended and charged, but this particular instance does bring to light another more serious matter, and that is, at least in my region of the country, meth production and distribution is really nearing crisis levels. And our local law enforcement officials and the Federal agents who routinely work together to stop this problem, they are all very concerned about their own safety, as well as the safety of people in and around the Forest Service.

I don't know if you are familiar, Ms. Fong, with the specific case I am referring to, but can you just take a moment to address this sort of situation and how your office may respond to such an event?

Mr. NOVAK. Yes. Actually, we assisted in that investigation. One of our agents, along with Forest Service and local law enforcement, conducted the investigation. I think he got 18 months in prison. Any time there is an incident of workplace violence in the Department, our office gets called, regardless of what agency it is. Ms. Fong's testimony mentions various assaults and other incidents. We have even had an employee convicted of murder. Our agency will respond to workplace violence regardless of what it is. If somebody makes a threat, if it is a specific threat, if it is an assault, our agency will get involved. Now, as far as issues on drug protection and investigations in Federal forests, I am not in a position to respond to that.

Mrs. EMERSON. Well, that is not generally your jurisdiction, but we appreciate the fact that you came in and helped with that investigation, but this is becoming more of a problem as opposed to less, and we are lucky that we have some Forest Service employees who actually have helped our local law enforcement people try to get a handle on this. But, you know, it is going to happen more.

Mr. NOVAK. We are certainly noticing more violence in all of our programs. At this point, we have talked to the employees, some things that they can do to prevent workplace violence, we respond to complaints about workplace violence, and the employees know that as well. I mean, all the employees in the Department know that if there is an issue, if there is a threat, if there is an actual physical assault, they will see Office of Inspector General agents involved with the investigation. Some cases we work with the local police. Sometimes we work the cases alone.

Mrs. EMERSON. Well, I appreciate that. I wish we could—didn't have this problem at all, but we do appreciate your response and hope that you will continue to monitor the situation. That is all I have got, Mr. Chairman.

Mr. BONILLA. Thank you, Mrs. Emerson.

HOMELAND SECURITY FUNDING

Ms. Fong, related to the Homeland Security funds that have been appropriated thus far, there have been a little over $300 million. Tell us about the time line for auditing these funds, what you have planned ongoing in this area and what you did with the $4 million that we put in the supplemental for you on Homeland Security.

Ms. FONG. Absolutely. We have initiated a review of the Department's use of the $328 million in supplemental funding. We had an entrance conference a week ago or so. We have started to collect documents from the Office of Planning and Budget that would document where the money is going and what it is being used for. Our review will focus on the basic issue of verifying the amount of expenditures that the Department has been incurring and determining whether the funds were obligated and expended for authorized purposes. We anticipate it will take us several months to finish the analysis and the field work on this. Assuming that there are no complications, we anticipate a report in midsummer of 2003.

Mr. BONILLA. And that is also included in the expenses that you are using for that, is that what you are saying, what the supplemental was for as well?

Ms. FONG. That is correct. We will be verifying the uses of the funds to make sure that they were used for authorized purposes, for Homeland Security purposes. I understand that those funds were appropriated for a 2-year period, so they are available to the Department in 2002 and 2003.

With respect to the portion of the money that was made available to the IG's office—$3.9 million—I have a detailed schedule that I will be happy to submit for the record. Very briefly, we have used these funds for secured communications devices, radios for investigative and law enforcement purposes, security clearances for our staff so that they can access classified and sensitive information, and personal protective equipment gear, such as helmets.

Mr. BONILLA. Ms. Kaptur.

WASTE, FRAUD AND ABUSE

Ms. KAPTUR. Yes, Mr. Chairman. I wanted to ask, Ms. Fong, as you look at your job and the budget of USDA, billions and billions and billions, $50 billion, $60 billion a year, and you think about fraud and crime and deception, what percent of the dollars expended by USDA do you think may be being diverted and improperly spent through criminal activity?

Ms. FONG. I am not sure that there is really any way to predict or project that. Whenever there is a Government program that offers benefits or funding or insurance or some other kind of assistance, there will be people looking to take advantage of that, people who are unscrupulous. There will always be a certain level of fraud. I saw that at SBA, and I am sure that is true of every department and agency around town.

My guess is that certain programs may be more vulnerable to fraud than others. Programs that have large amounts of money where program controls are not as effective as they could be will probably be more susceptible to fraud.

Ms. KAPTUR. You recover about $200 million a year, right, with fines and restitutions and so forth?

Ms. FONG. Yes.

Ms. KAPTUR. Out of $60 billion. I just would say that that is a very meager amount, and I hope that the funding that we will provide this year and your new energy will help to ferret out more wrongdoing, because the rate of growth of programs, if one looks at the expenditure and different accounts, is an absolute indicator that there is probably lots of bad stuff going on out there, and I don't see the dollars recovered commensurate with the increase in spending. So something isn't—I would hypothetically propose, that a lot more could be done.

Ms. FONG. Well, we certainly appreciate your support and your interest in our activities. The IG staff is working very hard. People put in many hours on these investigations and audits, and there is much more work than any one office can handle.

FOOD PRODUCT RECALLS

Ms. KAPTUR. I wanted to ask you in the area of food safety, you mentioned the large recalls in 2002, and to be precise, 56 million pounds of products were recalled. That doesn't mean recovered. More than 2½ times the amount in prior years. And I guess one

could say if you are at least trying to recall that much more, the system isn't working. What do you think?

Ms. FONG. Well, that is exactly the issue that one of our audits is focused on—those two situations in 2002. What we are looking at is the system itself, what could have gone wrong, was there something in FSIS's oversight that could be tightened up? Is there a situation in the plants themselves? How effective is the Hazard Analysis and Critical Control Points process? That is precisely what we are trying to pinpoint in our review: what went wrong, what could be done about it, how we can prevent this in the future, and what systemic measures we can take to fix this.

Ms. KAPTUR. With respect to the recall at the Wampler plant in Pennsylvania, I am very concerned about news reports that appear to indicate that a USDA official has publicly disparaged a Federal inspector at that particular plant who filed numerous reports about unsanitary conditions. Are you looking at this situation, and what is your view of USDA officials attacking a whistleblower in the press?

Ms. FONG. I am not familiar with that particular news report. I haven't seen it. I haven't heard about it. We are pursuing allegations that have come to us. I believe we do have a complaint from a whistleblower that has been referred to us, and FSIS has been cooperating with us in that investigation. We take whistleblower complaints very, very seriously, and we want to protect whistleblowers to the full extent of the law.

FOOD SAFETY

Ms. KAPTUR. What is the single most important action you think this subcommittee could take to help USDA improve its dismal performance on food safety issues?

Ms. FONG. We have issued a number of audit reports in this area. We have another one coming out on ConAgra and Pilgrim's Pride. The simple answer would be for the Department to take corrective action on our recommendations.

Ms. KAPTUR. You say in your testimony that many of the contaminations occurred from unsanitary production methods neglected by the processor. That really is an incredible statement. Why do you think this is happening, and what should USDA and your office be doing about it besides issuing reports?

Mr. LONG. This is a very important area that we have been working with FSIS, and particularly Dr. McKee, the new administrator of FSIS, on attacking these particular issues. The General Accounting Office had a report that dealt with the issue of how processors respond to these unsanitary conditions that are noted in plants and why corrective action isn't taken. We recommended in our 2000 audit report that APHIS establish an internal review group to visit the plants unannounced and perform spot-check and see what was going on.

FSIS has recently started the process of having teams go out and look at why these conditions haven't been cleaned up, FSIS has an automated system to track compliance efforts. When an inspector issues what they call noncompliance reports, they are supposed to be entered into the automated system so they can be cleared out. And why aren't they? We found a bunch of them at ConAgra and

a bunch of them at Wampler. In some instances, the inspectors may not even be putting them into the system. They may just be discussing the problems with producers instead of entering them in the system to establish a trail to track to see, what has been done to clean up the situation.

I see some movement on the part of FSIS in this area. They have started these teams, and recently FSIS has also issued some notices of their intent in this area. So I do see movement in that area, but it is a very key that immediate action is taken the in-plant inspectors should take immediate action.

Ms. FLEISCHMAN. If I could add to that, please. You have asked a number of questions, actually, about the quantity of recall——

Ms. KAPTUR. Yes.

Ms. FLEISCHMAN [continuing]. And what comes back. The key to this issue that you raise is early intervention by FSIS. Our auditors have repeatedly recommended to FSIS that FSIS have some mechanism by which it can review patterns of activity, patterns of noncompliance notices filed in individual plants by the inspectors there, to look at this on a regular basis. If FSIS sees an early pattern developing, such as a particular sanitation problem, if you will, whether it is on the line, in the drains, wherever—then FSIS could go to early intervention with that particular plant.

Early intervention would hopefully prevent being 6 months down the road and having a 19 million-pound recall, as at ConAgra in Greeley, or 27 million pounds at Pilgrim's Pride, the Wampler plant in Pennsylvania. If there was early intervention, you would have smaller recalls or, hopefully, no recalls at all, because you would correct the problem quickly.

As Mr. Long stated, in response to the latest recommendation that the auditors made in that regard in our 2000 report on FSIS's implementation of HACCP, FSIS has begun a process to do that. As part of our audit work that is directed at the ConAgra situation in Greeley, Colorado, and at the Pilgrim's Pride situation in Pennsylvania, we are looking at how those two situations occurred, following up on the previous audit recommendation to determine whether or not FSIS's efforts so far are bearing fruit. If they are, that will be great. That is one of the things that we are looking at. The answer to those questions is that the recommendations that we may make to FSIS will go a long way towards responding to the issues that you have raised with respect to recalls, quantity returned—as well as to prevent this sort of situation from occurring in the first place.

Ms. KAPTUR. Thank you. Mr. Chairman, thank you for your indulgence, because, I kind of am bowled over by the fact that if people are reporting to FSIS, you would think that there would be some type of collation of this information and an immediate dispatch of personnel or whatever it is. Does it go into a black hole? How disorganized is this system? You know, we have all sorts of professional people that come up here and testify before us, and they have all these titles. Well, what is going on? What is happening inside the bureaucracy that prevents the information from being registered and responded to? When you talk about preventive action, where do those reports go? I mean, do they just go into a drawer?

Mr. BONILLA. We can save that for the third round if we need. We have a couple other members, Ms. Kaptur, who would like to proceed.

Ms. KAPTUR. All right, Mr. Chairman. Thank you very much.

Mr. BONILLA. Mr. Latham.

FOOD STAMP FRAUD

Mr. LATHAM. Thank you, Mr. Chairman. You have uncovered various Food Stamp and other frauds in which the monies from the frauds were transferred to accounts benefiting or suspected of benefiting terrorist operatives, and I would just like to know how you assess your efforts in Food Stamp fraud investigations, in particular as far as funding of terrorism is concerned.

Ms. FONG. Let me just make a few remarks, and then Mr. Novak might want to say a few words. We have had a number of cases on that, and I think Mr. Novak can address the details of them better than I can.

We do have a certain level of resources invested in Food Stamp fraud on our Investigations side. It is a program that is very important to the Department and to us. We know that there are attempts to use that program for improper purposes, and so we do have a number of very significant investigative efforts going on. I believe that we will continue to do so. That will be a priority for our office.

Clearly, any time there is an allegation that department monies are being funneled to terrorist organizations, that that is a very serious allegation. We must look into it. Mr. Novak, do you want to address some of the specifics?

Mr. NOVAK. Yes. As was stated earlier, we have several agents assigned to Joint Terrorism Task Forces. If we receive any allegations regarding funds from fraud in our programs that appear to be going over to the Middle East or Pakistan, then we set those cases up, and we work them. We work them with the Joint Terrorism Task Forces and if they have connections overseas, we may consult with the Central Intelligence Agency. We have met with them to discuss cases where we have had funds going overseas.

I don't know whether I can talk in an open hearing regarding cases where we have a connection, where we believe funds are actually going to associates of terrorists, but those are few. There are few cases.

We can get back on the specifics and the numbers of cases, where those funds are actually going, where we have traced them overseas, and in those cases where we believe the funds have been used.

Mr. LATHAM. Maybe we can visit sometime outside of a public forum.

I guess my concern is whether or not you are getting substantive cooperation and assistance from other agencies.

Mr. NOVAK. All indications are we are getting full cooperation from the intelligence agencies where we ask for information. The Department is in the process of setting access, so we are one part of the intelligence network involving the CIA and others. The members of the Joint Terrorism Task Forces began to share information as soon as we got security clearances. That is what some of the

Supplemental Homeland Security funding was used for. They share the information that we need to get.

Mr. LATHAM. So communication and cooperation have not been a problem?

Mr. NOVAK. No.

Mr. LATHAM. Thank you.

Ms. FLEISCHMAN. An interesting aspect of this is that the Joint Terrorism Task Forces have come to us and asked specifically for OIG Special Agent participation and work.

The Joint Terrorism Task Forces cover a lot of territory. We would be happy to talk to you privately because much of this information is sensitive, obviously, and some of it is classified.

I think overall the level of cooperation amongst the law enforcement agencies, as well as the agencies within USDA whose programs might be involved—the cooperation both within USDA and without—has been quite good. Communication is going as well as it can go given the restrictions on information sharing.

Mr. LATHAM. That is good to hear. I appreciate that very much. Thank you, Mr. Chairman.

Mr. BONILLA. Thank you, Mr. Latham.

Mr. Goode.

Mr. GOODE. Thank you, Mr. Chairman.

Mr. Latham, in a previous question touched on this topic. You recovered last year $200 million. Out of that $200 million, what portion of it was related to food stamp fraud?

Ms. FONG. That is a good question.

Mr. NOVAK. I have a figure on the Food and Nutrition Service fraud which includes food stamp as well as child care, and the total figure for fiscal year 2002 was $22,970,000.

Mr. GOODE. What was the biggest area of fraud?

Mr. NOVAK. Generally, it is food stamp trafficking.

Mr. GOODE. Out of the recovery, in the entire USDA, is food stamp the biggest area for fraud?

Mr. NOVAK. Yes, it is just ahead of the Farm Service Agency FSA, farm programs. Farm programs is $19 million.

Mr. GOODE. Well, more is spent on food stamps than FSA, so is it the same percentage of fraud that you recover?

Mr. NOVAK. Are you talking about what we recover or the actual spending in the entire program?

Mr. GOODE. Right, the entire program.

Mr. NOVAK. I don't know what the entire spending of the program is.

Mr. GOODE. On food stamps, you recover about 1 percent of the total amount spent on food stamps?

Ms. FLEISCHMAN. That is correct.

Mr. GOODE. And FSA, that is 1 percent, too?

Ms. FLEISCHMAN. It may be, but right now I don't think either Mr. Novak or I have the total dollar value for farm programs in mind.

The answer to your question would be more accurate from us if we could submit that for the record, because off the top of my head I don't know what the total value is for farm programs. We would have to supply that.

[The information follows:]

The Farm Service Agency had $2.713 billion in total outlays for the farm programs in fiscal year 2002, excluding outlays for the commodity programs and most of the outlays for the Conservation Reserve Program which are funded through the Commodity Credit Corporation. The $19 million in recoveries for 2002 equates to approximately 0.7 percent of that year's program.

Mr. GOODE. Utilizing the card instead of food stamps, has that decreased fraud? Just a ball-park, how much do you think that has decreased fraud?

Mr. NOVAK. I don't think that we can give you a value, but we can certainly state that the amount of criminal activity has decreased, because we do not have substantial street trafficking, and that is the buying and selling of food stamps for drugs or whatever else. Now the trafficking takes place in the stores. Certainly the number of people involved in criminal activity has decreased substantially.

Mr. GOODE. What do they do, buy something with the card that is valid and trade it for cigarettes or beer?

Mr. NOVAK. Our folks get involved in criminal aspects where they are looking for prosecution, but we do have instances where they will take their benefits, go into the store, and use the funds to purchase drugs.

Mr. GOODE. But you cannot take the card and get cash on the card?

Mr. NOVAK. That is the criminal activity that we investigate. It is a criminal violation. That is what we investigate.

Mr. GOODE. You cannot cash out the card, can you?

Mr. NOVAK. Not legally.

Mr. GOODE. That is what I meant, legally.

Ms. FLEISCHMAN. The pattern of crime has changed somewhat. Typically, we do not see as much street trafficking, the exchange, literally, of the stamps for a discounted value on the stamps in cash.

Now what we see is—for example, somebody will have a card and they may sell the card to the owner of the store. The owner will pick a time in the late night because the machines run 24/7, will pick a time in the late night, and you will see swipe after swipe on the card and the total amount of money maybe is $400. Each transaction is worth $50. You automatically know something is peculiar here, and it is occurring at 2 a.m. It is highly unlikely that somebody is buying $50 increments of groceries up to $400 at 2:00 in the morning.

We have computer programs that watch for these sorts of patterns of activity in the overall computer system. When we see these types of patterns, we open the case and we start to look at that store's pattern of activity and its records. Then we start to look at how much in the way of actual groceries, for lack of a better term, does the store have, and what is its total volume of traffic. Frequently, what we will find is the actual amount of inventory of groceries is significantly less than the amount of transactions on Electronic Benefit Transfer cards in that location. What we have then is essentially a conspiracy to commit fraud.

It is a much bigger operation in the sense of criminal activity, but it all occurs in the stores, it does not occur in the streets. What we have done is essentially make it a little bit harder for individuals to commit the crime, to traffic in food stamps.

Mr. GOODE. For the individual recipient of the card, the easiest way for them is to sell the card at a discount?

Ms. FLEISCHMAN. They can do that or allow the card to be used for money.

Mr. GOODE. There is no requirement that the store owner have a photo, because if they are crooked, it will not matter anyway.

Ms. FLEISCHMAN. I don't believe it is a requirement now.

Mr. GOODE. How effective would that be? My time has expired, but in the area of underage purchase of alcohol, it slows it some. I don't know whether that would slow the fraud.

Ms. FLEISCHMAN. Some years ago, as EBT was being brought online, and the food stamp program was the first of the EBT type of transaction for Federal benefits, one of the things that this Office of Inspector General did was to try to put security measures in the program, particularly for identification of users of cards, such as photographs; that are embedded in the cards as a security feature. The one measure that we actually got was a PIN number, but, of course, people can circumvent the PIN number.

But you have raised a very good way to make sure that when the transaction occurs, there is a matchup of a photograph that is embedded on that chip in the card by the person and the machine that are recording the transaction. That is a safety control measure which has not been adopted yet.

Mr. GOODE. Thank you, Mr. Chairman.

Mr. BONILLA. Mr. Boyd.

Mr. BOYD. Mr. Chairman, I apologize for being late today.

And also apologize to Ms. Fong for being late; I would like to congratulate you on your new appointment. Many of the veterans at your table have heard me sing this song before, and some of the committee members have, but I am sure you have not heard it, so you are going to be forced to listen to my bad tune.

INVASIVE SPECIES

I specifically want to address your written testimony and remarks on the APHIS section. I want you to help me understand, with the organizational changes, exactly where APHIS is and what your responsibility is as it relates to it. My concern is the citrus canker issue in Florida which you may not be aware of.

In the 1990s, we had a citrus tree brought into the Miami airport by a tourist, and it was infected with a canker, and it has cost this Government tens of millions of dollars to fight that citrus canker outbreak. It slipped by our APHIS inspection controls. It has also cost taxpayers in the State of Florida a considerable amount of money in addition to what it has cost the industry and it is threatening the very viability of our $9 billion citrus industry in Florida.

I notice that you spoke to APHIS in your remarks and you talked about APHIS needing a more effective, systematic assessment of the various pests and pathways by which they can enter the country. You also concluded that the inspection operations and staffing allocations at ports of arrival were not always based on risk assessment.

My question is, can you tell me what steps you recommend for the service to prevent things like the citrus canker issue from hap-

pening; and because of the transfer, your assessment of how these techniques are being implemented?

Ms. FONG. I understand we did some work on the citrus canker issue, and I will ask Mr. Long to address that specifically.

In terms of the transfer of the functions to the Department of Homeland Security, the border inspection function of APHIS is supposed to go over in March. We do not know specifically how that is going to work. We are in constant communication with the IG's office at the Department of Homeland Security, and we have been providing them copies of reports that we have issued on the functions of Agriculture that are going to go over there, as well as the investigative and audit work that we have ongoing.

I believe there will be a fairly smooth transition in the oversight of that APHIS function between our office and the Department of Homeland Security and its IG office, and we will continue to work with Homeland Security to make sure that they understand our concerns and the kinds of problems we've identified are.

In response to your specific question regarding citrus canker . . . do you have any comments, Mr. Long?

Mr. LONG. The audit that we issued on citrus canker dealt more with how APHIS was dealing with the State of Florida and the flow-of-funds issue. Your particular question dealt with how they might have caught that or how they might have shown that as a particular risk that they should be looking for.

We are addressing some of those issues in the report that we are going to release, in how they target the pathways and how they identify the pathways through which invasive species can come into the country, and how they target those.

We found some major problems with how APHIS goes about identifying the risk assessment. They tend to only target the traditional pathways, such as the large airports, the large terminals and large border crossings, instead of perhaps rail facilities and things of that nature.

How they collect the data is also a major problem with the system. They have a system in place, but it was not working. Some port areas were not even entering data into the system, so we could not determine if we have the right people and the right numbers at the right place.

That is what we are recommending, and APHIS agreed that the current system was not working, and that they needed to do more in identifying all pathways through which invasive species come into this country. Now that the APHIS function it is going to Homeland Security, it will still be incumbent upon APHIS to work with Homeland Security at that level to ensure that these things are being identified to prevent them from coming into this country.

Mr. BOYD. So you do not have a good handle on how they may be addressing these recommendations that you made, because of the transfer?

Mr. LONG. They have basically agreed with the recommendations. We met with them earlier this week, and we are waiting for their written response to the report. They need to address our recommendations.

What we would be looking for is how they are going to be working with the Department of Homeland Security on those areas to

make those improvements. Also, even though that inspections functions going to be taken over by DHS, it is still up to the Department of Agriculture as to what can and can't come into this country.

There is going to have to be a relationship there between Agriculture and DHS. They say they are addressing this process through MOUs as to how they anticipate that will work.

Mr. BOYD. Mr. Chairman, our border States continue to be extremely vulnerable. I guess we are more susceptible because of our location.

Mr. BONILLA. Mr. Boyd, we have had a second round of questioning already. Did you have an additional round?

Mr. BOYD. Not at this time, Mr. Chairman.

Mr. BONILLA. Thank you, Mr. Boyd.

FOOD AND NUTRITION SERVICE

Relating to what Mr. Goode brought up, in the last current budget year, FNS has received funding increases for program integrity studies and a WIC vendor study.

My question is, how, if at all, is your office working with FNS to be sure that these studies are thorough and appropriate; and has FNS consulted with your office on the design or implementation of any of these integrity studies?

Ms. FONG. My understanding—and Mr. Long can certainly jump in if I am wrong—is that, historically, we have done a number of audits in the Food Stamp arena, and we have come up with a number of recommendations. I believe our staff is in continual consultation with FNS on these issues.

Is there anything specific you want to add to that?

Mr. LONG. WIC has been the program monitored, and we have had a number of audit reports on that in the past, and FNS is doing these additional studies. They consulted with us during the implementation of those studies and we will be looking at the results.

They got some money from Congress also to look at school lunches and eligibility for free or reduced-price lunches. We have been working with them on some pilot projects and how they have designed them, and we have given specific recommendations on a particular one where we felt it was not focused or collecting the right type of information.

Mr. BONILLA. I want to make sure that we do not discover in the future that we have two different types of operations that are not consulting with each other.

I am glad that they are consulting with your office.

Ms. Kaptur.

RECOVERIES FROM FOREIGN NATIONALS

Ms. KAPTUR. I asked several questions about APHIS last year, and particularly the international architecture that prevents the United States of America from recovering losses incurred as a result of the illegal or otherwise import of invasive species. When we are dealing with countries that do not have tort systems, and insects or fungus or whatever comes in here, we find what has been happening—and I have spoken with several Secretaries of Agri-

culture now about this problem—the people that end up paying for the damage that Mr. Boyd referenced are the taxpayers of the United States. I am fed up with it.

On the citrus canker issue alone, we have spent close to a billion dollars, Federal, the State of Florida, the farmers that have been harmed. It is a phenomenal figure.

In my part of the country, we have the issue of the Asian longhorn beetle. We have maple sugar growers in Ohio that are just waiting for that thing to crawl across the State lines. We know that did not come from the United States. We actually know what country it came from; we know how it got in here. And yet I am being asked, as a Member of Congress, to appropriate dollars to pay for the remediation of something that was not caused by the people of my community or this country.

My question to you is, in the report, the APHIS report that you are going to complete, what recommendations do you have for us from a legal standpoint of how, under the World Trade Organization, we recover, we can basically take to court these countries that are sending in this stuff, in spite of the fact that we have no tort system to relate to in those respective nations?

We have all these attorneys at USDA. Can't you tell us what we can do in order to place the responsibility where it belongs in paying for the remediation of this?

Ms. FONG. I am not familiar with this issue in great detail. I share your concern. It sounds like it is a tremendous burden on the American taxpayer.

Ms. KAPTUR. The dollars are going up, and we have to take funding out of programs important to the American people to pay for damages that are not our fault. There is something seriously wrong with the international legal systems that permit this to happen, and we cannot recover.

My question is, can you or any of your colleagues suggest to us, or in the report you are going to give us, how do we recover internationally? I asked the Secretary to inquire about this at a WTO conference she went to. I didn't get a report back on that.

Ms. FONG. I do not know that our report addresses that. It strikes me as potentially a treaty issue or a question of international law. We can talk to the Office of General Counsel and see if there is anything that they can do to further the discussion and flesh it out.

Ms. KAPTUR. West Nile virus came in in tires at a port. We know the origin. We know it was not domestic, and yet we cannot get at it. We need to have a forum for that, and it strikes me, there must be a set of people over there at USDA that can take the burden off the Government and the American taxpayer. There is no forum that exists right now that I am aware of. I would be appreciative of recommendations along that line.

FOOD STAMP PROGRAM

I wanted to make a comment about food stamps. I support all of the rooting out of fraud not just in food stamps, but wherever you can find it; and I know that you are just scratching the surface.

On food stamps, as a result of welfare reform, is it true that our food stamp usage has gone down considerably as a country?

Ms. FONG. Yes.

Ms. KAPTUR. Do you have any ongoing studies of the numbers of Americans who are eligible for food stamps and are not applying because law, the laws which have been passed, make it much more difficult?

Some States have 14-page application forms. In Ohio, the food bank lines are longer than we have ever seen. In fact, we have been talking about an exchange from northern to southern Ohio because the numbers of people coming to food banks is phenomenal.

If you do not have such a study ongoing, how can we get it, so we can get a sense of how many people are eligible that are not being caught in the safety net?

Ms. FONG. It sounds like your concern is whether the application process is acting as a deterrent to people participating?

Ms. KAPTUR. That could be a problem. I do not know what all the problems are. I know, as a Member of Congress, I have been asked to participate in food bank programs to encourage our community to donate more. My home county is not the fastest growing in Ohio, Mr. Strickland's is, and it is vast. So there is something wrong.

For those people who are hungry, why are they not on the rolls?

Ms. FONG. FNS may have some studies under way which we can look into and provide information if that is the case. We would be very happy to talk with your staff about this issue to make sure that we understand your concerns.

Ms. KAPTUR. I would like to make Ohio a test case of what is wrong. Why are these lines so long. I know a lot of these people qualify, but they are not on the program. So what has gone wrong?

I am over my time. Thank you.

Mr. BONILLA. Mr. Boyd.

PIGFORD V. GLICKMAN

Mr. BOYD. Briefly, and I don't know if this has been covered. The consent decree in Pigford v. Glickman, which is the African American farmer lawsuit. There were audits run from 1997 to 2000, and 2000 is the last audit. That last audit showed some serious problems, maybe 50 or 60 problems, which you specifically identified.

I notice we have not had an audit since then. What is the plan on that? Are we going to bring that in for a good landing?

Mr. LONG. Even though we have not issued any new audits, we have continued to work with the Department on resolving the prior seven reports which we issued. We meet with the Office of Civil Rights quarterly, and we are continuing to try to seek resolution of some of the recommendations and implementation of those recommendations.

I can provide you a status report on the status of those recommendations and where we are. The Department has appointed an Assistant Secretary for Civil Rights, but I don't think he has been confirmed yet.

Mr. BOYD. Do you routinely monitor the case backlog?

Mr. LONG. Yes.

Mr. BOYD. If we can get an update, maybe that would answer the question.

[The information follows:]

OIG has issued eight reports and a confidential memorandum with a total of 94 recommendations (see chart below). We have reached management decision on 86 recommendations. We are aware of Civil Rights completing corrective actions on 55 of the 86 recommendations as we did not accept management decision until Civil Rights had provided evidence that the corrective actions had been completed.

Summary of the Status of Recommendations in OIG Civil Rights Reports
(as of March 5, 2003)

	Recommendations	Management Decision	Final Action
Phase I	11	11	9
Phase II	-		
Memo	9	9	7
Phase III	-		
Phase IV	-		
Phase V	27	25	15
Phase VI	8	7	3
Phase VII			
EEO	21	20	10
Program	18	14	11
TOTALS	94	86	55

We obtained the following information from Civil Rights on the caseload of current employment complaints as of February 13, 2003.

Pending Acceptance/Dismissal	446
Investigation Process	234
Pending Election of Hearing or FAD (Final Agency Decision)	55
Pending Agency Decision	684
Complaints Pending Status Determination	56*
Pending Administrative Judge Hearing (at EEOC)	561
TOTAL	2036

*Error made in entering data into the system, status currently unknown

We obtained the following information from CR on the caseload of current program complaints as of March 3, 2003.

Intake	456
Investigations	328
Adjudication	54
TOTAL	695*

* Total does not include 143 inquiries that are included in the 456 Intakes above. For the inquiries, Civil Rights has not determined if they have jurisdiction yet or there may not be sufficient information to determine if it is a real complaint.

BUDGETARY RESOURCES

Secondly—Mr. Chairman, this is a budget question. It has to do with your own budget. I notice that $2.3 million is being requested for new computer equipment. Reviewing the budget information submitted by USDA, it appears that $2 million of that amount is coming out of the office's equipment budget. That does not leave anything for any other equipment needs for the fiscal year. That just leaves a few thousand dollars.

How many people do you have, 400 or 500?

Ms. FONG. We have over 600. I belive we are asking for $2.7 million for a new initiative to address our IT equipment needs right now. The $2 million is just for normal replacement. So this is an additional request.

Mr. THORNSBURY. In the overall equipment budget under object class 31 for equipment, the agency has not spent a lot of money, and we do not have a lot of extra money. Most of the funding you see in the object class breakout is primarily for the new increase.

Mr. BOYD. Just a couple hundred thousand dollars is left for all other things?

Mr. THORNSBURY. Unless we make some savings in some other areas, then we will make some adjustments.

Mr. BOYD. So you do have a budget problem?

Mr. THORNSBURY. We have a tight budget; that is correct.

Mr. BONILLA. Thank you, Mr. Boyd.

I yield to Ms. Kaptur. Also, we had a couple members who had to go to other hearings, and they are submitting questions for the record.

HOMELAND SECURITY

Ms. KAPTUR. Mr. Chairman, I would make a request at some point, when it is convenient. I would appreciate a private briefing and update on the USDA programs and diversion of funds and terrorism. I have not had one of those in about a year, and it would be very interesting to hear additional information.

Ms. FONG. We would be happy to do that.

Ms. KAPTUR. Thank you.

On the issue of homeland security, several press reports indicate that USDA's performance on two different homeland security exercises held a few months ago was very dismal. My sense, from your testimony, is that this is not an issue that concerns you as the IG; and I am just wondering whether these issues that relate to homeland security and various exercises of the USDA, if you see a role for the IG in tightening up what the Department is doing?

Ms. FONG. I believe you are referring to the Crimson series of exercises dealing with APHIS and FSIS. We have participated in those exercises because there is a role for the IG's office in these kinds of situations where there is a possibility that there may be a bioterrorist incident occurring. Our role would be to provide the law enforcement expertise to address the causes and, if there are bioterrorists functioning, to detect and find them and prosecute them. We are interested and involved, and we participate in the Department's Homeland Security Council.

I was not there for the first two exercises, but I have been advised that they have been tremendous learning experiences for everybody at USDA. This is a new area as we attempt to prepare ourselves for that kind of situation.

I participated in one exercise recently, and learned a tremendous amount. As the process moves on, we would hope to see the Department getting more comfortable and better at responding to these kinds of situations.

Ms. KAPTUR. Wasn't there something stolen from one of the Michigan labs?

Ms. FONG. There is an allegation that there was a swine virus that was stolen. Mr. Novak's staff ran the investigation on that.

Mr. NOVAK. We are expecting a plea soon on the case, so I can only give you limited information. It was reported in the media that at Michigan State University there was a break-in and an altered swine flu virus, which had been created at Michigan State, was stolen. So the Michigan State University police and the FBI initially got involved.

What I can tell you at this point is that there was no theft. There was no genetically engineered virus, so the case turned into a USDA grant fraud investigation, and that is what the prosecution of the case is going to involve. There was no break-in and no theft of anything at all.

There had been falsified research. We had funded $700,000 in research to Michigan State University for what we thought was going to be a vaccine for the influenza. However, we found out that the research had not been conducted and this was a cover-up for the fact that there was no research.

Ms. KAPTUR. Thank you for that clarification.

I wanted to ask, on a related note, the New York Times reported last November that a worker hired by USDA to replace striking workers at Plum Island had an arrest record. He also reported that he failed to show up for work for several days, and took a laptop computer with him that contained information on the computer system at Plum Island.

Would you comment on this episode and what it says about USDA's personnel security?

Mr. NOVAK. I can address the information on the laptop.

As soon as we heard about this, both the FBI and our office responded, and we talked to the security personnel at the site. This individual was a computer person, and the information on the computer was the work that he was working on for Plum Island. It did not involve security at the facility. There was nothing criminal. We were concerned that we had someone stealing computer information, and that is not what it appeared to be.

Ms. KAPTUR. Did he take a laptop off premises?

Mr. NOVAK. I will have to get back to you on that specific issue. It may have been his own computer, but I will have to get back to you on that specifically.

[The information follows:]

The contractor was in possession of a Government-issued laptop computer when he was terminated from his employment at Plum Island due to prolonged unexcused absence from work. During his tenure at Plum Island, the contractor was considered to be a good employee, and his possession of the laptop was not a security risk. The laptop did not contain any secret or specialized information. After his departure, the

contractor was contacted by Plum Island officials about the return of the laptop computer, which was handled immediately and without any difficulty or incident.

Ms. KAPTUR. My general question relates to security at USDA and any of the facilities that USDA owns. Or what about labs that receive funds from USDA that are not under your jurisdiction and are not Federally owned? Do you see a role for the IG in this new world in which we are living to ensure that the research that goes on there may be of a lesser nature than that which may occur within USDA-owned facilities? Are you taking a look at what is out there, and do you see a role for the IG in this?

Ms. FONG. Absolutely. The security at USDA-funded labs had not been a priority until September 11, when we began to realize that perhaps there are some vulnerabilities. That had never been the focus before.

We have an audit that looks at the physical security of those labs, and who can gain entry and has access to the samples.

Ms. KAPTUR. I remember when I visited Ames, Iowa, and I was in a lab shortly before 9/11 and after 9/11, and the story hit about anthrax. I remember how confusing the press reports were. If I go to the Ames lab today, compared to 2 years ago, what would the difference be?

Mr. LONG. You should see a difference today based upon the reviews of the Department. We have been to Ames twice as part of our work. Sandia also looked at Ames. There have been recommendations and improvements made. I think you would see something very different than before.

Ms. KAPTUR. The anthrax reports, purportedly it might have come from Ames, and then they denied that. Nothing came from Ames, correct?

Mr. LONG. Nothing has come to our attention that would indicate anything came from Ames.

Ms. FLEISCHMAN. Based upon what we know about the form of the anthrax that was used in the letters in the attack in October/November of 2001, as far as we can tell—and it is one of the things that we have looked at when we visited Ames and other laboratories in the USDA system—as far as we can tell, there is no quantity of anthrax in any of those laboratories or facilities that would be in the same physical form as those anthrax spores used in the attacks in 2001.

It is a totally different type or form. It could not be used. The samples that the Department has could not be used in a similar sort of attack. It seems it is highly unlikely that the anthrax used in those attacks came from USDA labs.

Ms. KAPTUR. I just wanted to reinforce, I think my own personal interest in these security issues at USDA, and if there is anything that you can do to tighten up consciousness and regimen, I think the American people would want that.

EMPLOYEE MISCONDUCT

Moving to one other line of questioning, this relates to some political activities that USDA may be engaged in by political appointees. I am curious whether the IG ever reviews political activities by administration appointments to ensure that they are within

the law and that the Department is properly reimbursed for any expenses incurred?

Ms. FONG. I don't believe we have any allegations of that pending right now.

My sense is that the Department's ethics officials would play the front-line defense there in terms of providing advice, appropriate advice, as to the guidelines political appointees should follow.

Now, if there is a situation where someone believes that something may have been done improperly, certainly we would be happy to look at that and to evaluate that. But, as far as I know, we have not received any complaints or allegations at this point.

Ms. KAPTUR. Do you think it is appropriate for the Department to hold official events close to Election Day with only members of the political party of the President, such as the event on September 19 with Representative John Thune, who was running for the Senate, and that event was kept on the Web site of USDA through the election? Do you believe that is appropriate for the Department?

Ms. FONG. I am not familiar with that situation. That was before I came to USDA, and I would be happy to look into that.

Ms. KAPTUR. Thank you.

[The information follows:]

OIG will look into the allegation of inappropriate political activity by the Department. The Agency will aim to have preliminary results of its investigation regarding whether or not wrongdoing occurred by the early part of September 2003.

Ms. KAPTUR. Will the IG be reviewing the rewarding of any bonuses to political appointees, which White House Chief of Staff Card recently authorized?

Ms. FONG. It is not the normal policy or procedure for the Department to run the bonus decisions through our office. Again, if there is a particular concern that someone has or an allegation that something may have been improper, we would be happy to evaluate that.

Ms. KAPTUR. Thank you.

COMMODITY CREDIT CORPORATION

Ms. KAPTUR. My final request is one for information. If I were interested, going back to the 1980s, in the activities of the Commodity Credit Corporation and transactions that it had undertaken relative to Iraq, could you help prepare that information?

Ms. FONG. My staff tells me we would be happy to render whatever assistance we can.

Ms. KAPTUR. I will submit a formal request.

Mr. Chairman, thank you.

Mr. BONILLA. I would like to thank all of you for being here today.

I would like to make an announcement that we have the Secretary scheduled for tomorrow at the same time, and we do expect to proceed on schedule in spite of the weather. I hope we can all make appropriate plans to leave earlier in order to attend the hearing.

With that, the subcommittee stands adjourned until tomorrow morning.

Fiscal Year 2004 Hearing Questions

Office of the Inspector General

FOOD STAMP PROGRAM

Mr. Bonilla: Please update the table that appears on page 1105 of last year's hearing record, which shows how much of your budget is spent on monitoring the food stamp program, to reflect fiscal year 2002 actuals and fiscal year 2003 and 2004 estimates.

Response: I will provide the information for the record.

[The information follows:]

Budget Spent on Monitoring the Food Stamp Program

(Dollars in Thousands)

Fiscal Year	Amount
1992	12,839
1993	13,775
1994	18,600
1995	19,743
1996	17,952
1997	16,914
1998	16,684
1999	15,503
2000	14,286
2001	12,212
2002	12,017
2003	17,000 *
2004	17,000 *

* Estimated

Mr. Bonilla: Provide a table similar to the one that appears on page 1105 of last year's hearing record showing the number of food stamp cases that were issued, the number referred to the Department of Justice, and the number accepted by the Department of Justice, for fiscal year 2003.

Response: I will provide the information for the record.

[The information follows:]

U.S. DEPARTMENT OF AGRICULTURE - OFFICE OF INSPECTOR GENERAL
FOOD STAMP PROGRAM REFERRALS - FY 2002

State	Cases Issued	Referred To DOJ	Accepted By DOJ	Pending At DOJ	Declined By DOJ
Alabama	2	1	1	0	0
Arizona	5	2	1	1	0
California	12	3	0	1	2
Colorado	1	0	0	0	0
Connecticut	7	8	0	0	8
Delaware	2	0	0	0	0
Florida	0	1	1	0	0
Georgia	3	2	1	0	1
Hawaii	2	1	0	1	0
Illinois	6	4	0	3	1
Indiana	3	0	0	0	0

Kentucky	1	0	0	0	0
Louisiana	4	0	0	0	0
Maryland	5	2	0	1	1
Massachusetts	2	1	0	0	1
Michigan	4	1	0	0	1
Minnesota	0	1	0	0	1
Mississippi	5	0	0	0	0
Missouri	2	2	1	0	1
New Hampshire	1	0	0	0	0
New Jersey	1	17	0	0	17
New Mexico	1	1	0	0	1
New York	11	43	0	1	42
North Carolina	2	1	1	0	0
Ohio	14	3	0	3	0
Oklahoma	2	2	0	0	2
Oregon	1	1	1	0	0
Pennsylvania	13	7	0	2	5
Rhode Island	0	1	0	0	1
Tennessee	2	1	0	0	1
Texas	5	3	2	0	1
Utah	1	0	0	0	0
Virginia	18	6	0	4	2
Washington	4	2	0	0	2
West Virginia	2	2	2	0	0
Wisconsin	2	1	0	0	1
Total	146	120	11	17	92

In addition to the U.S. Department of Justice (DOJ) referrals, we also referred 36 cases to State or local prosecutors during FY 2002. Of those referrals, 9 were accepted for prosecution, 20 were declined, and 7 are still pending a prosecutive decision.

Please note that this is an ongoing process, and the numbers cited might reflect actions on cases that were initiated in prior years.

STATE MEDIATION PROGRAM

Mr. Bonilla: Bring us up to date on the State Mediation Program. Were regulations issued?

Response: The final rule for the USDA Certified State Mediation Program was published in the *Federal Register* on Tuesday, September 10, 2002. While the Department is proud of the entire USDA Certified State Mediation Program, OIG is especially pleased with the requirement that States must maintain and provide Government access to pertinent records regarding services delivered for purposes of evaluation, audit, and monitoring of the program. Pertinent records include: the names and addresses of applicants for mediation services, dates mediations opened and closed, issues mediated, dates of sessions with mediators, names of mediators, mediation services furnished to participants by the program, the sums charged to parties for each mediation service, records of delivery of services to prepare parties for mediation (including financial advisory and counseling services), and the outcome of the mediation services including formal settlement results and supporting documentation.

FINANCIAL STATEMENT AUDITS

Mr. Bonilla: Please update the table that appears on page 1107 of last year's hearing record showing which financial statement audits you contract-out and which you do in-house, as well as the cost of each audit to include fiscal year 2002 actuals and fiscal year 2003 and 2004 estimates.

Response: I will provide the information for the record.

[The information follows:]

Audited Agency	Method of Performance	FY 2002 Cost	FY 2003 Estimate	FY 2004 Estimate
FCIC	Contract	$ 255,236	$ 272,000	$ 278,000
RTB	Contract	195,000	195,000	195,000
CCC	Contract	2,073,228	1,850,000	1,750,000
FS	Contract	5,832,150	4,200,000	3,700,000
FNS	In-House/Contract	793,109	825,000	1,500,000
RD	In-House/Contract	1,098,455	1,143,000	1,800,000
WCF	Contract	179,700 [1]	186,000	192,000
Consolidated	In-House	984,377	1,024,000	1,066,000

[1] Note: Cost incurred for FY 2001 audit, which was performed for the first time in FY 2002. The audit of the Working Capital Fund's (WCF) FY 2002 statement has not yet been performed, though a contract is about to be let for this examination.

The Forest Service (FS) and Commodity Credit Corporation (CCC) financial statement audits were contracted out in their entirety for the first time in FY 2002. Costs incurred by OIG resulted from management, oversight, and monitoring of these contracts. Since FS received an unqualified audit opinion on its FY 2002 financial statements, the contractor will be able to limit audit testing primarily to FY 2003 accounting activity (in prior years, the scope of the audit was open-ended due to disclaimers of opinion). As a result, contract costs should be lower in subsequent years. CCC contract costs should also be lower as the contractor gains familiarity with the entity. The Food and Nutrition Service (FNS) and the Rural Development (RD) Mission Area financial statement audits will be performed in-house for FY 2003, but plans are for these audits to be contracted out in FY 2004. Costs are expected to increase due to the learning curve associated with the initial contracting action. Costs incurred to conduct the consolidated audit by OIG are expected to increase because of the additional time needed to coordinate the work of the contractors into the Departmentwide audit.

Mr. Bonilla: Bring us up to date on all the audit and investigation work you are doing in the WIC Program.

Response: We will begin an audit of the New York Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) program in the near future. This audit will follow up on a prior audit we performed in 1994 and will determine if proper corrective action was taken by FNS and the New York State agency. The audit will look at management evaluations, food instrument accountability, administrative costs, vendor monitoring, and accountability of coupons issued through farmers markets.

Later this year, we also plan to review WIC vendor monitoring nationwide. This review would assess States' compliance with recent WIC regulations regarding retailer food delivery systems. We will determine if States are properly identifying high-risk vendors, performing required compliance investigations, applying appropriate sanctions for vendors and participants, and safeguarding food instruments.

Mr. Bonilla: What was your cost of performing audits of CCC financial statements in fiscal year 2002? What was the reimbursement from CCC?

Response: The FY 2002 audit of the CCC financial statements was performed by a contractor at a cost of $1,954,428. OIG played an active role throughout the contract process, developing the statement of work, serving as the Contracting Officer's Technical Representative (COTR), and monitoring the contractor's work to ensure auditor standards were met. The cost incurred by OIG was $118,800, which was not reimbursed by CCC.

Mr. Bonilla: Please update the table that appears on page 1108 of last year's hearing record showing the reimbursement received, and the actual cost of the audit for CCC, FCIC, and RUS, to include 2002.

Response: I will provide the information for the record.

[The information follows:]

Audited Agency	Fiscal Year	In-house/ Contract Cost	Reimbursement
CCC	1993	832,000	752,000
	1994	827,000	741,000
	1995	931,000	857,000
	1996	981,000	795,000
	1997	850,000	842,000
	1998	858,000	842,000
	1999	881,000	870,000
	2000	914,241	910,000
	2001	1,068,032	910,000
	2002	2,073,228	0 [1]
FCIC	1993	255,000	216,000
	1994	210,000	210,000
	1995	225,000	225,000
	1996	218,000	170,000
	1997	183,000	170,000
	1998	183,000	170,000
	1999	212,000	210,000
	2000	225,444	222,000
	2001	234,888	230,000
	2002	255,000	235,000
RUS/RTB	1993	236,000	233,000
	1994	189,000	170,000
	1995	175,000	175,000
	1996	244,000	170,000
	1997	272,000	170,000
	1998	174,000	170,000
	1999	182,000	180,000
	2000	190,830	188,000
	2001	198,660	195,000
	2002	195,000	195,000

[1] CCC paid the contractor directly, so no reimbursement was conveyed to OIG.

Mr. Bonilla: Please provide a list of all USDA financial statements your office audits along with the opinions you provided on those financial statements including a brief description of each audit opinion and the reasons these opinions were rendered.

Response: OIG issued unqualified audit opinions on the following financial statements for FY 2002: (1) USDA consolidated statements, (2) FS, (3) RD, (4) CCC, (5) Federal Crop Insurance Corporation (FCIC), and (6) Rural Telephone Bank (RTB).

Each standalone audit and the Department, as a whole, received unqualified opinions because their financial statements were fairly presented in conformity with generally accepted accounting principles.

Mr. Bonilla: Have you completed the audit of the Working Capital Fund 2002 financial statements? Please briefly state your findings and recommendations?

Response: During FY 2002, a balance sheet audit of the WCF's FY 2001 activity was performed by a contractor. We developed the Statement of Work (SOW) for the Department's contract and served as the COTR. Although the SOW called for an audit of all of the WCF's financial statements, significant internal control weaknesses precluded the preparation of auditable statements except for the balance sheet. The contractor made several recommendations to improve the WCF's internal controls, and the Department has been working to implement the corrective actions. We will work with the Department on the preparation of the SOW for the FY 2002 audit, and the Department expects to let the contract soon.

OUTSIDE PUBLIC ACCOUNTANTS

Mr. Bonilla: Please update the table that appears on page 1110 of last year's hearing record showing the amount of funds expended for outside public accountants hired under contract, to include fiscal year 2002 actuals and fiscal year 2003 and 2004 estimates.

Response: I will provide the information for the record.

[The information follows:]

Fiscal Year	Contract Amounts *
1993	338
1994	258
1995 [1]	396
1996	397
1997 [2]	162
1998 [2]	167
1999	348
2000	408
2001	378
2002	430
2003 [3]	445
2004 [3]	450

* Dollars in Thousands.

[1] FY 1995's and FY 1996's amounts include audits of tobacco manufacturers.
[2] RTB audits are normally contracted out; audits were performed in-house in 1997 and 1998.
[3] FY 2003's and FY 2004's estimated amounts.

CONFIDENTIAL FUNDS

Mr. Bonilla: Update the table that appears on page 1110 of last year's hearing record showing the amount spent for confidential operational activities, to include fiscal year 2002 actuals and fiscal year 2003 and 2004 estimates.

Response: I will provide the information for the record.

[The information follows:]

Year	Available	Spent
1991	$ 89,000	$42,445
1992	95,000	89,500
1993	89,000	42,445
1994	95,000	83,995
1995	95,000	80,577
1996	95,000	69,337
1997	95,000	79,322
1998	95,000	66,461
1999	100,000	45,659
2000	125,000	54,992
2001	125,000	47,728
2002	125,000	44,063
2003	125,000	125,000 *
2004	125,000	125,000 *

* Estimated through the end of the fiscal year.

Confidential funds are utilized to assist OIG in undercover investigations. These funds are payments to individuals or informants who provide information that assists the agency in carrying out its duties. The funds are used to purchase evidence necessary in the prosecution of criminal cases.

EMPLOYEE AND PUBLIC MISCONDUCT

Mr. Bonilla:. How many complaints did you receive through the hotline in fiscal year 2002. How many were you able to look into; how many were referred to an agency; how many were referred to the Department of Justice; and how many went unanswered?

Response: I will provide the information for the record.

[The information follows:]

HOTLINE COMPLAINT SUMMARY
10/01/01 THROUGH 9/30/02

During FY 2002, USDA received 2,230* complaints over the HOTLINE. The disposition of these 2,230 complaints follows:

From the public	2,221
From USDA employees	116
TOTAL	2,337

How the Hotline was contacted:

Telephone	1,591
Mail	489
Walk-in	17
E-Mail	89
Fax	44

Allegation categories for the Contacts:

Program participation fraud	1,278
Employee misconduct	385
Waste/mismanagement	339
Health/safety	42
Opinion/information	177
Bribery	9
Reprisal	0

Disposition of the contacts:

USDA agencies for response	945
Food stamp recipient fraud complaints tracked by FNS	500
USDA agencies for information	394
OIG-Audit/Investigations	107
Other law enforcement agencies	7
Insufficient information - filed	102
Complainant referred to State agency	175

During FY 2002, 871 Hotline complaint files were closed:

Substantiated	184
Unsubstantiated	646
Referred to other law enforcement Agencies	7
Other (declined)	34

* 107 Hotline contacts were duplicates and did not require processing as a separate file.

One referral was made to DOJ based on information received by the USDA Hotline in FY 2002. This referral was declined for prosecution. With regard to how many complaints went unanswered, all complaints received in the Hotline are processed. However, you will notice that in our chart, 102 complaints were received which did not have sufficient information for processing. These types of complaints are logged into the Hotline system, provided a reference number, and filed.

Mr. Bonilla: Please update the table that appears on page 1112 of last year's hearing record on the number of indictments, convictions, and lawsuits for fiscal year 2002.

Response: I will provide the information for the record.

[The information follows:]

FY 2002 INDICTMENTS, CONVICTIONS, AND SUITS

AGENCY	INDICTMENTS	CONVICTIONS	SUITS
AMS	0	24	0
APHIS	20	9	1
ARS	4	3	0
FAS	3	1	0
FNS	341	323	6
FS	7	6	0
FSA	42	38	5
FSIS	19	13	1
GIPSA	0	7	0
NRCS	4	1	0
OIG	1	1	0
RBS	5	0	0
RHS	12	16	0
RMA	6	14	5
OTHER	4	2	0
TOTAL	468	458	18

Please note that the period of time to obtain court action on an indictment varies greatly, so the number of convictions in a given fiscal year may not necessarily be directly related to the number of indictments in that fiscal year.

Mr. Bonilla: What is the resolution of indictments? What percentage lead to convictions? Please report for the latest data available.

Response: In cases closed in FY 2002, 85 percent of indictments led to convictions. In cases closed in FY 2002, there were 464 indictments, 378 convictions, and 18 pretrial diversions with indictments. In these cases, we also had six pretrial diversions without indictments.

Mr. Bonilla: Please update the table on page 1113 of last year's hearing record showing the number of audit reports, investigative reports, indictments, convictions and lawsuits filed, to include fiscal year 2002.

Response: I will provide the information for the record.

[The information follows:]

	Fiscal Year				
	1998	1999	2000	2001	2002
Audit Reports	220	146	110	111	91
Investigative Reports	817	515	553	490	432
Indictments	777	502	481	358	468
Convictions	604	559	459	352	458
Suits	63	94	43	53	18

Again, please note that the period of time to obtain court action on an indictment varies greatly, so the number of convictions in a given fiscal year may not necessarily be directly related to the number of indictments in that fiscal year.

OIG FIREARMS

Mr. Bonilla: Please update the table on page 1113 of last year's record showing OIG owned firearms.

Response: I will provide the information for the record.

[The information follows:]

OIG-Owned Firearms

Type of firearm	Number
9mm semiautomatic pistols	364
.357 cal. revolvers	11
.38 cal. revolvers	52
12-gauge shotguns	59
Miscellaneous weapons maintained for training purposes	51
Total	537

BUDGETARY RESOURCES

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

Response: The President's Budget has been formally submitted to Congress. Agency and departmental materials used in developing

the FY 2003 President's Budget are considered "predecisional" matearials and, therefore, remain a matter of internal record.

Mr. Bonilla: Provide tables similar to the ones that appear on pages 1114 and 1115 of last year's hearing record showing the breakdown of OIG's resources and the percent of each that went towards investigations and audits of each agency under USDA for fiscal year 2002.

Response: I will provide the information for the record.

[The information follows:]

Use of Investigations Resources by Agency
FY 2002
(Dollars in Thousands)

	Total OIG		Investigations			
	Dollars	Staff-Years	Dollars	Percentage of OIG Dollars Per Agency	Staff-Years	Percentage of OIG Staff-Years Per Agency
RMA	$3,717	32	$2,552	69	21	66
FSA	10,633	95	6,221	59	51	54
FAS	8	0	0	0	0	
FNS-FSP	12,016	104	9,092	76	75	72
FNS-Other	3,255	29	2,074	64	17	59
AMS	1,475	12	1,436	97	12	100
APHIS	3,944	36	2,074	53	17	47
GIPSA	160	1	160	100	1	100
FSIS	3,351	30	2,072	53	17	48
ARS	699	6	479	69	4	67
CSREES	611	6	160	26	1	17
ERS	0	0	0	0	0	0
NASS	62	1	0	0	0	0
RD	2,948	29	0	0	0	0
RBS	3,720	34	1,595	43	13	37
RHS	3,200	28	2,393	75	20	71
RUS	800	7	319	40	3	43
FS	4,506	41	1,914	42	16	39
NRCS	1,148	10	638	56	5	50
DMCS	0	0	0	0	0	0
BCA	2	0	0	0	0	0
OO	73	1	0	0	0	0
OHRM	0	0	0	0	0	0
CR	0	0	0	0	0	0
OCFO	3,545	35	0	0	0	0
NAD	0	0	0	0	0	0
OIG (Internal)	1,914	16	1,914	100	16	100
Multi-Agency	8,466	84	0	0	0	0
Other	160	2	160	100	1	100
OCIO	374	4	0	0	0	0
AARC	0	0	0	0	0	0
OGC	0	0	0	0	0	0
TOTAL *	$70,787	642	$35,252	50	289	45

* Please note that the numbers may not add due to rounding.

Use of Audit Resources by Agency
FY 2002
(Dollars in Thousands)

	Total OIG		Audit			
	Dollars	Staff-Years	Dollars	Percentage of OIG Dollars Per Agency	Staff-Years	Percentage of OIG Staff-Years Per Agency
RMA.....	$3,717	32	$1,165	31	12	34
FSA.....	10,633	95	4,411	41	44	46
FAS.....	8	0	8	0	0	100
FNS-FSP....	12,016	104	2,924	24	29	28
FNS-Other..	3,255	29	1,181	36	12	41
AMS.....	1,475	12	39	3	0	0
APHIS.....	3,944	36	1,872	47	19	53
GIPSA.....	160	1	0	0	0	0
FSIS.....	3,351	30	1,277	47	13	52
ARS.....	699	6	220	31	2	33
CSREES.....	611	6	452	74	4	83
ERS.....	0	0	0	0	0	0
NASS.....	62	1	62	100	1	100
RD.....	2,948	29	2,948	100	29	100
RBS.....	3,720	34	2,125	57	21	63
RHS.....	3,200	28	807	25	8	29
RUS.....	800	7	481	60	5	57
FS.....	4,506	41	2,592	58	26	61
NRCS.....	1,148	10	510	44	5	50
DMCS.....	0	0	0	0	0	0
BCA.....	2	0	2	100	0	100
OO.....	73	1	73	100	1	0
OHRM.....	0	0	0	0	0	0
CR.....	0	0	0	0	0	0
OCFO.....	3,545	35	3,545	100	35	100
NAD.....	0	0	0	0	0	0
OIG (Internal)	1,914	16	0	0	0	0
Multi-Agency...	8,466	84	8,466	100	84	100
Other.....	160	1	0	0	0	0
OCIO.....	374	4	374	100	4	0
AARC.....	0	0	0	0	0	0
OGC	0	0	0	0	0	0
TOTAL *....	$70,787	642	$35,534	50	353	55

* Please note that the numbers may not add due to rounding.

ASSET FORFEITURE TRANSFERS

Mr. Bonilla: Please provide for the record, amounts transferred to the Office of Inspector General through forfeiture proceedings in fiscal year 2002 and year-to-date in fiscal year 2003.

Response: The amounts received by OIG through forfeiture proceedings in FY 2002 totaled $1,147,998, of which $845,904 was received through the reimbursement from the assets forfeiture fund and $302,094 was received through the granting of a Petition for Remission or Mitigation. To date for FY 2003, the agency has received $1,142,357, of which $1,122,000 is through a reimbursable agreement and $20,357 through the granting of a Petition for Remission or Mitigation in FY 2003.

Mr. Bonilla: Please provide for the record, amounts transferred to the Office of Inspector General from the Department of Justice Assets Forfeiture fund in fiscal year 2002 and year-to-date in fiscal year 2003.

Response: The amounts reimbursed to OIG from DOJ's Assets Forfeiture Fund in FY 2002 totaled $845,904. For FY 2003, the agency has an agreement with DOJ to provide the agency $1,122,000 as a result of being a participating agency.

Mr. Bonilla: Please provide for the record, amounts transferred to the Office of Inspector General from the Department of Treasury Forfeiture Fund in fiscal year 2002 and year-to-date in fiscal year 2003.

Response: There were no funds transferred to OIG through the U.S. Department of the Treasury's (Treasury) forfeiture fund in FY 2002. To date, we have received no Treasury money for FY 2003.

Mr. Bonilla: Please provide for the record, amounts transferred to the Office of Inspector General through the granting of a Petition for Remission or Mitigation in fiscal year 2002 and year-to-date in fiscal year 2003.

Response: OIG received $302,094 in funding through the granting of a Petition for Remission or Mitigation in FY 2002. To date, OIG has received $20,357 in funding through the granting of a Petition for Remission or Mitigation in FY 2003.

EMPLOYEE PAY SCALES

Mr. Bonilla: How many of your employees are entitled to special pay rates? What is your pay scale?

Response: The majority of OIG's employees are paid under the General Schedule; however, we do have a number of employees who are paid in accordance with other pay scales. For example, 48 employees receive the special pay rates for information technology or clerical positions. In addition, there are 197 employees who perform mandatory overtime under the investigator classification. The Inspector General is covered under the Executive Level pay schedule.

FINANCIAL STATEMENTS

Mr. Bonilla: The Committee appreciates the expanded OIG project statement, which displays expenditures for investigations and audits, and the further breakout of audits to include the audit of financial statements. The Committee believes a clean opinion on the annual financial statement is important, and it is encouraged by the favorable OIG opinion on the fiscal year 2002 statement. Now that OMB requires agencies to prepare quarterly financial statements, will this agency effort enhance the accuracy of future statements? What concerns does OIG have regarding the agency's future financial statements?

Response: The Office of Management and Budget (OMB) requirement to prepare quarterly financial statements should enhance the accuracy of future statements. Currently, USDA agencies continue to rely upon "heroic" yearend efforts to arrive at financial statement figures which can be considered fairly presented. The preparation of quarterly financial statements should encourage agencies to establish the financial management processes to more timely compile the data. Future statements will be impacted by the agencies' capability to improve their systems to generate

reliable data in a timely manner, a capability they have not yet exhibited in USDA. Failing that, future audit opinions could decline.

AGENCY STAFFING LEVELS

Mr. Bonilla: Your Explanatory Notes indicate that you had 82 vacancies at the end of 2002. Please describe the types of positions that were vacant. What is your progress in filling those vacant positions? How have the vacant positions affected your work?

Response: The vacancies are throughout the agency. They are primarily auditors and special agents, but include positions that support the audit and investigative mission, such as analysts, attorneys, and administrative support personnel. Because the agency has had to absorb some pay costs and other inflationary increases for several years, we have had to use some of our staffing funds to fully support onboard staff for necessary travel, telecommunications, equipment, supplies, and other related items needed by them to operate. The agency prioritizes its activities to address those programs most vulnerable to criminal activity, those where the largest dollar losses are most likely to occur, or those involving health and safety issues. The inability to fill all of our positions means we can address fewer priority activities and must constantly reassess these to ensure the most critical are being addressed.

BUSINESS PROCESS REENGINEERING

Mr. Bonilla: You are requesting $2,333,000 for ADP equipment and software based on your Business Process Reengineering Review. How much of this is a one-time request? Please describe in greater detail how much of the request will be expended for training versus equipment. Will any of the requested funds be used to hire additional staff? How obsolete is the equipment you are operating with now? What kind of equipment and software would be purchased with these funds if they were provided?

Response: While all of this $2.3 million is a one-time request, these funds are just a portion of the agency's overall IT needs identified in our Business Process Reengineering Review. They cover the second phase of our 3-year strategic plan to equip our employees with state-of-the-art technologies and train them in the use of these new automated tools. None of these funds are for training; they are all for critical "backbone" IT equipment and software to build our networks and systems. Training needs will be included in our third phase of needs under our strategic plan to be requested in FY 2005. Likewise, none of these funds are for additional staff. Most of our current equipment was purchased in calendar year 1999 in preparation for Y2K requirements and is more than 3 years old -- a lifetime in the quickly evolving world of IT equipment and software. These funds, while not enough to meet all of our IT needs, will be used to purchase as many of the IT components as possible to provide the necessary improvements to our current infrastructure. While not an all-inclusive list, these funds will be used to buy new workstations, network servers, software, and supporting telecommunications hardware to operate and support the agency's nationwide systems, which will provide our audit and investigative missions with greater analytical capability and maximize use of our human capital.

WHISTLEBLOWERS

Mr. Bonilla: Please provide a description of the work the IG is doing in regard to federal, state, or industry employee whistleblowers. What is the IG role in this work?

Response: OIG receives whistleblower complaints from both Federal employees and the public. In most instances, the complaints we receive are from anonymous sources. When a complainant does provide us with his/her name, we inquire as to whether or not the complainant would like his or her identity to be held in confidence. When confidentiality is requested, we take every precaution to ensure the complainant's identity is not released by OIG in our referrals or investigations, either directly or indirectly through information included in the complaint that could be used to infer identity. Pursuant to the Inspector General Act of 1978, 5 U.S.C. app. 3, §§ 1-11, after receipt of a complaint or information from a USDA employee, the Inspector General shall not disclose the identity of the employee without the employee's consent "unless the Inspector General determines such disclosure is unavoidable during the course of the investigation." Id. § 7(b). Further, the IG Act prohibits taking or threatening to take reprisal actions against such employees for making a complaint or disclosing information to an Inspector General. Id. § 7(c). In all instances when a complaint is referred to an entity outside of OIG, we inform that entity of these prohibitions.

OIG reviews all incoming complaints and determines the proper disposition. In those instances where criminal activity or severe USDA program abuse is alleged, OIG will perform preliminary work to determine if an OIG investigation or audit is warranted. However, allegations of employee misconduct that will not likely result in criminal prosecution are usually referred to the appropriate USDA agency for response.

Presently, we have 57 open investigations and 6 open reviews or audits based on whistleblower complaints reported to our Hotline office.

FSIS RECALL OPERATIONS

Mr. Bonilla: Your opening statement refers to work reviewing FSIS recall operations. Please provide more detail on the scope of this investigation; the number and description of the personnel participating, including their scientific training; the timeline for the work; and a description of the cooperation with FSIS.

Response: We are reviewing Food Safety and Inspection Service (FSIS) recall operations of contaminated products into commerce by the producer. One assigned special agent is currently pursuing this criminal investigation, and additional agents are supplemented as needed. OIG maintains dialogue with FSIS concerning this investigation, and OIG/Audit has assigned an auditor to work directly with our case agent. None of these personnel have specialized science training. FSIS laboratory personnel conduct all scientific testing that might be required.

There is no timeline to conduct this inquiry since criminal investigations are driven by the evidentiary discoveries.

We are finalizing our audit of the effectiveness of the recall at the former ConAgra plant at Greeley, Colorado. There are currently six auditors, one audit supervisor, and the Regional

Inspector General for Audit examining issues related to recalls. We are assessing FSIS's actions with regard to the Listeria outbreak in the Northeast. This audit includes coverage of the recall at a Pennsylvania plant and is staffed with five auditors, an information technology specialist, two senior auditors, a supervisory auditor, and an Assistant Regional Inspector General. For both reviews we have used program experts from FSIS's Technical Service Center to assist us in reviewing the plants and their Hazard Analysis and Critical Control Point (HACCP) plans. In the past we have used experts from the Department's Agricultural Research Service to assess HACCP principles and their application in developing HACCP plans.

HOMELAND SECURITY

Mr. Bonilla: Please provide a summary of the ongoing or planned work in the area of Homeland Security activities. What is the estimate of current resources spent on the APHIS components that will be transferred to the Department of Homeland Security? How will those resources be reoriented once the transfer occurs?

Response: On the investigations side, OIG currently has 19 special agents working on FBI's Joint Terrorism and Financial Task Forces (JTTF) around the country. These special agents provide the JTTFs with investigative expertise and advice on handling criminal matters involving USDA programs. In addition, 10 special agents work on similar task forces, such as: the U.S. attorney's Anti-Terrorism Task Force, Operation Green Quest, and the High-Intensity Financial Crimes Area task force. These other task forces share information with the various JTTFs.

Below is a list of all audit ongoing and planned work in the area of Homeland Security activities. The list identifies audit activities about to be released, work in process, and work planned for this year, but not yet started.

Reports in Draft

- Controls Over Biological Agents, Chemicals, and Radioactive Materials - USDA-Funded Research Facilities
- Review of FS Security Over Explosives/Munitions Magazines Located Within the National Forest System
- Controls Over Permits To Import Biohazardous Materials

Work in Process

- Controls Over Chemicals and Radioactive Materials at USDA Facilities
- Followup Review on the Security of Biohazardous Materials at USDA Laboratories
- The Animal and Plant Health Inspection Service (APHIS) Wildlife Services Controls Over Hazardous Materials Inventory
- Controls Over Plant Variety Protection and Germplasm Storage
- Management and Security of USDA Information Technology Resources (Rollup Report Incorporating the Results of

Separate Agency Reports to the Rural Management Agency (RMA), the Economic Research Service, FSIS, the Grain Inspection, Packers & Stockyards Administration, APHIS, Foreign Agricultural Service, Office of Budget and Program Analysis, and Office of the Chief Economist)

- Imported Meat and Poultry Inspection Process Equivalence Determinations - Phase III
- Survey of Homeland Security Issues at Rural Development
- Homeland Security Issues for USDA Grain and Commodities Inventory
- NRCS Homeland Security Protection of Federal Assets
- Review of FS Security Over Sensitive Infrastructure Located Within the National Forest System
- Food Safety Initiative Followup (Senators Harkin and Lugar request)
- Evaluation of FSIS Recall Operations
- FSIS Oversight of ConAgra Recall (Senators Harkin and Lugar request)
- FS Security Over Aircraft - Followup
- Controls Over Issuance of Genetically Engineered Organisms Release Permits
- Allocation and Use of Homeland Security Funds
- Security Over APHIS-Owned and -Leased Aircraft

Scheduled for FY 2003 - Not Started

- Biosecurity Grant Funding

The Homeland Security Act of 2002 (P.L. 107-296) provided for the transfer from USDA of APHIS functions relating to the agricultural import and entry inspection activities and the Plum Island Animal Disease Center to the Department of Homeland Security (DHS). OIG estimates that the current resources spent on APHIS oversight are equivalent to 2 full-time equivalents and $199,000, which OIG has agreed to transfer to DHS in FY 2003. Pursuant to § 1515 of P.L. 107-296, the Inspector General that exercises oversight over any agency, prior to transfer to DHS, shall continue to exercise oversight during the period of time between transfer of such agency to DHS and appointment of the Inspector General of DHS. See Id. As such, not only will we continue to review those agencies and programs that remain with USDA, we will continue oversight of transferred agencies, as mandated in § 1515, P.L. 107-296.

BUSINESS PROCESS REENGINEERING

Mr. Bonilla: Based on the Business Process Reengineering project, what are the Office's priorities for the budget year? What are the priorities of the Inspector General?

Response: Based on our Business Process Reengineering review, the agency's and my priorities for the budget year are to modernize the agency's obsolete and fast-failing IT infrastructure with state-of-the-art equipment and related software that will support, enhance, and advance the office's nationwide automation and telecommunications capabilities. This will equip our employees for the future and allow for streamlining of business practices to ensure the most effective use of the agency's human capital and its IT systems that support them.

JOINT TERRORISM TASK FORCES

Mr. Bonilla: What is the estimated cost of IG participation in Joint Terrorism Task Forces for 2003? For 2004?

Response: We estimate that we will spend about $800,000 on JTTF activities in FY 2003, with approximately 4 direct staff-years and related support being dedicated to JTTF-related matters this year. In addition, we will spend about $1.2 million and about 6 staff-years working on cases in conjunction with other similar anti-terrorism working groups, such as antiterrorism task forces, Operation Green Quest, and a high-intensity financial crimes area task force, which is sharing a significant amount of information with JTTF investigating the same subjects. We expect to expend roughly the same amount in FY 2004.

FOREST SERVICE

Mr. Bonilla: What reviews have you completed or planned concerning Forest Service aircraft and other assets? Please provide any information you have collected on the age of the planes, repair records, costs, and reliability.

Response: In FY 2003, we are planning to initiate an audit of FS's aircraft acquisition and management program. We included this audit in our annual audit plan based upon research conducted in 2001 and 2002 by our headquarters program staff. The priority of this audit has been further highlighted by aircraft accidents during the 2002 fire season and the Blue Ribbon Panel Report on "Federal Aerial Firefighting: Assessing Safety and Effectiveness" (December 2002).

OIG completed audits in 1994 and 1996 relating to aircraft use and maintenance. Our 1994 report, "U.S. Department of Agriculture Federal Civilian Agencies' Aircraft Management" (Audit No. 50050-4-At), addressed the acquisition and use of aircraft. Our 1996 report, "Evaluation of Airtanker Preseason Inspections" (Audit No. 08801-1-HQ), focused on maintenance and preseason inspection of airtankers.

OIG has completed an audit of FS's security over aircraft and aircraft facilities (Audit No. 08001-2-HQ, March 2002) and has completed the fieldwork on a followup audit to assess progress on corrective actions by FS. We have also issued a related report on "Security Over U.S. Borders Encompassing National Forest System Land" (Audit No. 08601-33-SF). We have completed our fieldwork on two other related audits of FS assets. These include an assessment of sensitive assets located on FS lands and a "Review of Security Over Explosives/Munitions Magazines Located Within the National Forest System" (Audit No. 08601-30-SF).

AGRICULTURE RISK PROTECTION ACT OF 2000

Mr. Bonilla: Does OIG have any ongoing or planned work on Federal crop insurance programs, on implementation of the Agriculture Risk Protection Act of 2000, or on the failure of the American Growers' Insurance Company? Please describe, and include timelines and expected completion dates.

Response: In FY 2002, we reviewed the Department's implementation of the Agricultural Risk Protection Act of 2000 (ARPA). The objectives of our review included identifying significant changes resulting from the passage of ARPA, assessing the progress of implementation activities of the significant areas identified, and assessing the agencies' management controls in selected areas, particularly those controls established over the Farm Service Agency's (FSA) and RMA's data reconciliation procedures. We concluded that the two agencies have satisfactorily implemented many of the ARPA pro-visions. We are currently preparing a draft report of that review focusing on the effective-ness of the required data reconciliation process involving RMA and FSA.

We plan to conduct two reviews involving the financial collapse of the American Growers' Insurance Company (Am Ag). In the first review, we plan to analyze the circumstances surrounding Am Ag's financial collapse. We plan to evaluate RMA's oversight of the expenses and administration by the State insurance agency of Am Ag. RMA signed a memorandum of understanding with the Nebraska State Department of Insurance to administer the delivery of the Federal crop insurance program affected by the financial collapse of Am Ag. We plan to start that effort in April 2003. In the second review, we plan to evaluate RMA's management controls and financial oversight of the reinsured companies and whether such controls and oversight are adequate and effective to detect financial difficulties in the reinsured companies. We plan to initiate that effort in June 2003.

OIG HOMELAND SECURITY FUNDING

Mr. Bonilla: Provide the committee with a chart showing how your office spent money that it received from the emergency supplemental funding for Homeland Security, and plans for use of the balance, if any remains.

Response: We have received $3,919,000 in emergency supplemental funding for Homeland Security for FY 2002, and the funds have been spent.

I will provide the information for the record.

[The information follows:]

Secure Communication (Mostly new Investigations radios)	$1,232,000
Security clearances	996,000
Preserving critical physical IT infrastructure (KC mirror system, CICSO routers/switches, KC firewalls)	674,000
Personal protective equipment and supplies	386,000
Train Emergency Response Teams	129,000
Travel for Audit review of Department of Homeland Security preparedness	294,000
Travel for Winter Olympics (Investigations)	90,000
Cybersecurity (software: ACL, Zenworks, Bindview)	118,000
Total	$3,919,000

ANIMAL CRUELTY

Mr. Bonilla: Are you seeing an increase in allegations concerning animal fighting/animal cruelty? Why are these cases significant?

Response: During the past year, we noticed an increase in animal fighting case referrals. From the beginning of FY 2002 to date, OIG has received 13 requests for investigations. We opened five new cases during that timeframe. In the previous 4 years, we received five referrals and opened four cases. We are working closely with State and local law enforcement agencies to investigate animal fighting. In addition to the inhumane treatment of the fighting animals, we noticed that dog fighting and cock-fighting ventures are associated with a wide gamut of other illegal activities. As we witnessed in cases already worked, illegal gambling, illegal drugs, and weapons are often present during animal fighting contests. We believe these cases are important because serious animal diseases may be brought into the United States by animals smuggled for fighting purposes.

FARM LEGISLATION AUDIT WORK

Mr. Bonilla: In your opening statement, you refer to work the OIG is doing regarding Farm Security and Rural Investment Act implementation. What is the cost of this work?

Response: The work I was referring to regards the Farm Security and Investment Act implementation in planned or ongoing reviews of countercyclical payment rates and local loan rates, the Direct and Counter-Cyclical Program, the Peanut Quota Buyout Program, and the Conservation Security Program. The cost of this work is estimated to be $742,500. In addition, we have planned audits of the Apple Market Loss Assistance Program, emergency loans, and livestock assistance programs at an estimated cost of $356,400, for a total planned cost of more than $1 million to review program activities under the 2002 Farm Bill.

Mr. Bonilla: The omnibus appropriations act, P.L. 108-7, included additional provisions to the Farm Bill in Division N. Has the OIG reviewed this new legislation and made any recommendations to the Department, as it did with the Farm Bill? What level of oversight do the new provisions require of IG? What is the estimate of the cost to OIG?

Response: We have reviewed P.L. 108-7, Division N, Title II, the Agricultural Assistance Act of 2003. Many of the provisions are extensions or expansions of previously authorized programs which OIG has audited in the past or is currently planning to audit. The Department has assigned a working group to implement this latest disaster assistance program, and, as the draft regulations are issued, we plan to provide comments to the Department.

We anticipate the enacted Crop Disaster Program (which provides payments for either 2001 or 2002 crop losses at the producer's option) generally will be implemented in the same manner as were the disaster programs for the 1998, 1999, and 2000 crops. We conducted reviews of each of the three predecessor disaster programs and continue to work with FSA and RMA to effect actions to remedy conditions noted in those audits. FSA and RMA also agreed to effect those corrective actions for any comparable disaster programs implemented in the future, such as the current 2001/2002 disaster program. We have planned audit work on live-

stock assistance programs, including the Livestock Compensation Program for which the Act expanded the number of eligible counties. We do plan to follow up and evaluate the agency's corrective actions to the conditions noted in our earlier reports. The livestock assistance work is estimated to cost about $178,200.

INFORMATION TECHNOLOGY

Mr. Bonilla: Please clarify the reasons for your request for additional funding for information technology equipment and software.

Response: OIG has continually struggled with obtaining critical IT hardware, software, and data communications infrastructure essential to accomplish its mission and improve productivity. Our existing IT infrastructure experiences excessive downtime, which has a negative effect upon our productivity and requires significant personnel resources to maintain the system. Additionally, our mission requires that we have system operability and disaster recovery during and after an emergency.

The additional funds are to support OIG's IT needs identified in our Business Process Reengineering review and resulting 3-year strategic plan to help the agency overcome this lack of critical resources. With improved technology, we will be able to (1) operate more efficiently, (2) streamline and modernize our business processes, and (3) free our auditors and investigators to do the work they are uniquely qualified to do.

The basic infrastructure will also support our current startup forensics and IT audit laboratories already installed in our Kansas City office. Further, technological improvements are sorely needed to ensure continuity of operations and allow for the increased network traffic we anticipate as the result of implementing automated workpapers and automated case management. The use of standard mission hardware and software for all mission activities will allow efficiencies in the training, maintenance, and operation of our computers. It will also allow our auditors and special agents to concentrate on direct mission requirements and let us leverage technology to support us in the routine and repetitive aspects of our jobs. Replacement of our outdated and obsolete IT equipment and software is vital to the agency's continued ability to perform its work.

Mr. Bonilla: In the OIG statement, information technology is identified as a significant vulnerability. You state that you have reviewed nine agencies and review of eight others is underway. What resources are being expended?

Response: In FY 2000, we embarked on a multiyear, multiphased approach to evaluate IT controls within the Department and its agencies. By the end of the current fiscal year, we will have assessed the management and security of all the Department's agencies and will begin followup work. We have expended about 28 staff-years in performing these audits. While these audits are extremely resource-intensive, we have leveraged the use of automated assessment tools when possible to broaden our coverage and improve efficiency. These tools consist of specialized software packages, which identify various system vulnerabilities such as access control weaknesses. The tools cost OIG more than $20,000 per year.

Mr. Bonilla: Does the OCIO have the lead role in assuring security over IT resources? How does OIG coordinate with the OCIO?

Response: The Office of the Chief Information Officer (OCIO) has the lead role in assuring security over IT resources, and OIG independently audits OCIO's administration and management of this critical responsibility. OIG coordinates with OCIO to ensure that there is no unnecessary duplication between its internal reviews and our audits. OCIO provides OIG with information on the vulnerabilities and security incidents reported to them by USDA agencies. We discuss pending IT audits with OCIO to gain their insight, and they are provided with copies of our released IT audit reports so that they are aware of our findings and recommendations.

OIG's responsibility is to evaluate how effectively the Department and its agencies are managing and securing their IT resources. By focusing our attention and resources to this critical area, we have become a driving force within the Department in effecting change. Historically, USDA agencies and departmental staff offices have separately addressed their respective IT management and security needs. These isolated approaches have resulted in a broad array of technical and physical solutions that do not assure that complete Departmentwide security is obtained. We recognize the efforts of OCIO in the past few years and have worked closely with the Chief information Officer's office to identify those most critical areas that need Department management's attention.

Mr. Bonilla: How do you assure that your employees have the proper knowledge and training to thoroughly evaluate the Department's IT resources?

Response: OIG has a strong mix of experienced auditors and computer specialists on our staff. Our challenge has been to train auditors in understanding an IT environment and to train our computer specialists in auditing skills. To overcome this challenge, we have instituted an IT Audit Academy, attended by both auditors and computer specialists from all of our regional offices. All areas of IT, including how to assess security management, access controls, application development and change controls, and application controls are covered in the course. We have also trained several individuals in the specialized areas of conducting vulnerability assessments using commercially available software tools. Conducting these assessments requires knowledge of networking and networking protocols in order to conduct the assessments and interpret the results. We believe that our training efforts provide our auditors and computer specialists with the knowledge they need to effectively evaluate the management and security of the Department's IT resources. However, with the ever-changing information technology, we must continue training our IT Audit staff to keep their knowledge base current.

FOOD AND NUTRITION SERVICE PROGRAMS

Mr. Bonilla: As noted in the latest OIG semiannual report to Congress, a large portion of your workload is related to FNS programs, and, in particular, the Food Stamp Program. You identified some challenges in implementation of Electronic Benefit System (EBT) benefits. On the other hand, what benefits to program integrity has EBT brought?

Response: One of the causes of major losses to the Food Stamp Program has been trafficking, which is the exchange of program benefits for cash, drugs, or other illegal goods or services.

While EBT has not eliminated trafficking, information is now available in an electronic format that can be quickly and easily manipulated and compared to more readily identify retailers who may be trafficking. In addition, it is now possible to identify the households who are trafficking, something that could not be done under the coupon-based system. If food coupons were lost or stolen, those who obtained them could easily use them to make purchases or traffic them. EBT cards require a personal identification number for someone to use them and are, thus, less susceptible to unauthorized use, and EBT cards are easily canceled and replaced. EBT systems eliminate the complex accounting and counting associated with coupons and automate the accounting process. Overall, the process of printing, transporting, safeguarding, distributing, accounting for, and destroying coupons will be eliminated, saving time and money and eliminating vulnerabilities to loss and waste.

Mr. Bonilla: In the last and the current budget year, FNS has received funding increases for program integrity studies and a WIC vendor study. How, if at all, is OIG working with FNS to assure these studies are thorough and meet the intended purposes? Has FNS consulted OIG on the design or implementation of any integrity studies?

Response: OIG audits have identified program integrity issues, including high error rates in determination of students eligible to participate in the National School Lunch Program (NSLP). In 1997, OIG issued an audit report on verification of NSLP applications in Illinois. The audit disclosed that many school food authorities found a high percentage of households (19 percent) reporting incorrect incomes or failing to respond to verification requests. In 2002, OIG issued an audit report on NSLP operations in New York City, which disclosed that the School Food Authority's application eligibility verification process did not provide reasonable assurance that the children served meals were correctly classified as eligible for free or reduced-price meals. For the school year 1998-1999, over 55.8 percent of the applications sampled had to be reclassified. We recommended that FNS establish a threshold for the maximum percentage of errors allowable during the verification process and require additional sampling when that percentage is exceeded for all applications sampled. FNS has generally agreed with our audit results but stated that testing alternative approaches must support any regulatory change. FNS is now piloting different interventions in the free and reduced-price eligibility process and will evaluate the interventions' effect on program integrity, participation, and administrative burden. We support this approach by FNS to improve program integrity. We are monitoring the results of the pilot studies to assess what results they are achieving. We are also monitoring FNS's reviews of the pilot studies to determine whether conclusions and actions they make are reasonable and prudent in light of the studies' results.

Later this year, we plan to review WIC vendor monitoring nationwide. This review will assess States' compliance with recent WIC regulations regarding retailer food delivery systems. FNS has contacted us concerning this review and advised us that it will be performing a WIC vendor study. Prior to performing our review of WIC, we will consult with FNS to assess the study's results, what actions FNS has taken based on the results, the reasonableness of those actions, and the impact on our proposed review.

RISK MANAGEMENT AGENCY

Mr. Bonilla: Please provide for the record a description of the latest OIG work relating to the Risk Management Agency, as included in the latest report to Congress.

Response: In our last Semiannual Report to Congress (as of September 30, 2002), we reported on the following two audits involving the Risk Management Agency: "Viability of Fall Watermelons in Texas and Their Inclusion in the 1999 Watermelon Insurance Pilot Program" (Audit Report No. 05601-8-Te) and "Review of Large Insurance Claim for Watermelons in South Texas" (Audit Report No. 05601-9-Te). In the first report, we questioned RMA's approval of coverage for fall watermelons for three South Texas counties as part of its 1999 watermelon crop insurance pilot program, even though extensive evidence was available indicating that a fall crop was not suitable in South Texas and was unlikely to produce harvestable fruit. We reported that RMA's management controls over program preparation and approval of the pilot program failed at several levels. As a result, questionable indemnities totaling about $21.1 million were made on fall watermelons in the three Texas counties.

We reported that because RMA personnel did not perform adequate research, the issue of fall watermelon suitability in South Texas was not addressed in the Texas program development package. By offering protection on this high-risk crop, RMA created a "moral hazard," which resulted in significant increases in plantings of watermelons in 1999 in South Texas. RMA officials had estimated that 2,430 acres would be insured in Texas; the actual insured acreage was almost 50,000 acres. In its official written response, RMA concurred with our recommendations, stating that, within 6 months, the Administrator will conduct a review of the decisions made in approving the 1999 watermelon pilot crop insurance program and determine the appropriateness.

In the second audit report, we reported that one producer in Hidalgo County, Texas, whose spring watermelon acreage did not exceed 790 acres, claimed a loss on over 6,600 acres of fall watermelons. This producer entered into written leases and custom farming agreements with 19 Hidalgo County landlords for the extra acreage but misrepresented his share in the fall crop. The producer presented these leases and agreements as evidence of a crop share lease. However, we were informed by some of the landlords that they also had oral agreements with the producer to share in the crop or the insurance proceeds. Cash payments made by the producer to the landlords appeared to corroborate that these oral agreements existed since the cash payments exceeded the agreed-to land rental payment and a reasonable custom farming cost by a substantial amount. We believe that these oral agreements violated the crop insurance policy. Based upon the written leases, the producer received 100 percent of more than $5.5 million in insurance proceeds. Because the producer's policy covered both spring and fall plantings, we questioned both the producer's spring indemnities ($1.4 million) and fall indemnities ($5.5 million).

We also questioned if a conflict-of-interest situation existed with the co-owner of the insurance agency that sold the crop insurance watermelon policy to the producer. The insurance agent's son acted on behalf of the producer by pursuing additional land that the producer could lease and ultimately insure through his father's insurance company. The insurance agent, in partnership with his son, leased 802.7 acres to the producer for fall watermelon production. As a result of this business relationship

with the producer, the insurance agent and his son received over $1 million from the producer, three times the average payment received by other custom farmers growing watermelons for the producer. In addition, the insurance agent received commissions of about $140,000. We believe that the insurance agent did not fully disclose his relationship with the producer. In its official written response, RMA concurred with our recommendations and provided its proposed corrective actions.

OUTSOURCING OF USDA FUNCTIONS

Mr. Bonilla: Given that OIG has a broad understanding of the potential for fraud and abuse in the Department's programs, does OIG have any role in determining appropriate candidate functions for competitive outsourcing of USDA functions? If so, please describe this role. Has OIG been consulted on determinations of "inherently governmental functions" within USDA?

Response: OIG has not had any role in determining appropriate candidate functions for competitive outsourcing of USDA functions, nor have we been consulted on determinations of "inherently governmental functions" within USDA. We do anticipate conducting a review of the Department's actions taken in response to the requirements of the Federal Activities Inventory Reform Act and the competitive outsourcing portion of the President's Management Agenda Initiatives in FY 2004.

HOMELAND SECURITY

Mr. Bonilla: Your office is involved in many aspects of homeland security, including oversight of USDA spending and activities, OIG's own supplemental funds, and the transfer of some APHIS functions to the Department of Homeland Security.

In reviewing the IG's work of last year, I can see that you spent a significant portion of resources on the review of APHIS policy and procedures, much of it specifically related to functions that will be performed by the Department of Homeland Security. What do you foresee in the transfer of certain functions to the Department of Homeland Security? How can we assure that agricultural interests continue to be met?

Response: The Homeland Security Act of 2002 (P.L. 107-296) provided for the transfer from USDA of APHIS functions relating to the agricultural import and entry inspection activities and the Plum Island Animal Disease Center to DHS. See P.L. 107-296, §§ 421 and 310. According to the November 25, 2002, "Department of Homeland Security Reorganization Plan," the APHIS functions were to be transferred to DHS on March 1, 2003, and the Plum Island Animal Disease Center was to be transferred on June 1, 2003. Pursuant to § 1515 of P.L. 107-296, the Inspector General that exercises oversight over any agency prior to transfer to DHS shall continue to exercise oversight during the period of time between transfer of such agency to DHS and appointment of the Inspector General of DHS. See Id. As such, not only will we continue to review those agencies and programs that remain with USDA, we will continue oversight of transferred agencies, as mandated in § 1515, P.L. 107-296.

As indicated in my testimony, we are in the process of issuing our final audit report on APHIS border inspection activities entitled "Safeguards to Prevent Entry of Prohibited Pests and Diseases into the United States." To ensure that our report and its recommendations follow the transfer of responsibility, we recently met

with DHS's Acting Inspector General to work out a protocol for our report to be issued to DHS managers who will have responsibility for these functions and can act on our report's recommendations. Further, we will continue to work with DHS's OIG to monitor the implementation of the memoranda of understanding between the two departments. We will coordinate and exchange appropriate information, in order for both OIGs to carry out their respective missions to protect American agriculture.

FOOD SAFETY/FSIS

Mr. Bonilla: I see from your opening statement that you are doing work on food safety issues and, in particular, recalls. It is my understanding that you have also been looking into some food safety and process problems in meat processing plants. Your office serves an important function as an independent entity within the Department, and can certainly help to uncover a small problem before it grows. Have you found that the IG's office has been alerted to problems by federal, state, or plant employees in a timely manner?

Response: Generally, we feel that we have been alerted to significant problems in a timely way. Of course, not all FSIS problems are referred to us. The memorandum of understanding between OIG and FSIS requires that only serious crimes be reported to OIG. These issues involve adulteration of food or matters that involve a felony charge. Matters involving misdemeanor violations are generally handled by FSIS compliance staff. In instances where a compliance investigation develops into a felony criminal matter, FSIS refers the issue to OIG, and we seek to work a joint investigation, which is prosecuted by the U.S. attorney's office. Similarly, agency personnel misconduct investigators handle most FSIS misconduct investigations, including those involving time and attendance fraud. We investigate only the most significant cases of misconduct, ones that may lead to prosecution of the employees for criminal violations. Resource considerations also play a large part, in the assignment of investigative work.

Mr. Bonilla: Is the IG Hotline or email working to help uncover actual or perceived safety issues in plants? What controls do you have in place to track actions related to Hotline messages?

Response: Yes, we believe the Hotline and e-mail are helping to uncover actual or perceived safety issues in plants. We receive information from both meat and poultry plant employees and FSIS employees concerned about unsanitary conditions in plants or actions by plant or FSIS employees that could lead to unwholesome products being released into commerce. Complaints involving potentially unsafe food are given immediate priority by the Hotline staff.

In FYs 2002 and 2003, to date, the USDA Hotline, administered by OIG, received 42 food safety complaints, including 5 through e-mail. Four of these resulted in OIG investigations, and one is still pending a scheduling determination. We forwarded 33 to FSIS and 1 to a State agency, while 3 contained insufficient information to pursue.

We track actions associated with these complaints through an electronic information system. On a quarterly basis, we request status updates from the agencies to which we referred allegations and requested a response. We review responses from the agencies to ensure that the allegations raised by complainants were thoroughly looked into and resolved.

Mr. Bonilla: Are there any problems with access to the IG hotline? For example, are materials about the IG's office posted in both English and Spanish at the plants and on your website?

Response: Our Hotline office receives complaints through many different avenues, such as by telephone, mail, e-mail, and facsimile, as well as through "walk-ins."

During the past 2½ years, OIG provided FSIS with USDA Hotline posters and business cards printed with the Hotline telephone numbers. The USDA Hotline posters, business cards, voicemail and Internet site are prepared in English. We have a Spanish-speaking analyst on staff. The Spanish-speaking analyst takes telephone complaints from Spanish-speakers. She also translates Spanish-written complaint letters. OIG has a strategic plan to enhance the IT infrastructure. Part of the plan includes the acquisition of an electronic Hotline workflow and case management system. We agree that information on the USDA Hotline and other OIG activities should be available in Spanish. Therefore, we will include this provision in our strategic plan.

OIG PRIORITY SETTING

Mr. Bonilla: This may be an unfair question to an IG in her third month on the job, but one I'm sure you have thought of, so please bear with me a moment. In looking through your statement, and thinking of the billions of dollars delivered in USDA programs that you oversee, how does an IG conduct its own risk assessment - that is, where to deploy resources based on potential criminal activity and loss?

Response: OIG has a strategic approach to planning and prioritizing audit and investigative activities to enable us to focus our resources on those programs most vulnerable to criminal activity, those where the largest dollar losses are most likely to occur, or those involving health and safety issues. We work closely with USDA agencies' management to identify those areas where OIG could provide assistance in resolving difficult issues.

On the Audit side, each year, we begin our planning process by soliciting audit suggestions from the Under and Assistant Secretaries, agency heads, and OIG staff. In making our risk assessment to prioritize the audit suggestions and needs, we consider the following:

- Audit requirements established by law
- Statutory and regulatory requirements
- Current and potential dollar magnitude
- Adequacy of internal control systems
- Newness, changed conditions, or sensitivity of the organization, program activity, or function
- Extent of Federal participation in terms of resources or regulatory authority
- Management needs to be met
- Prior audit history
- Prior investigation history
- Timeliness, reliability, scope, and results of audits or evaluations performed by others

For Investigations, we prepare an annual plan for investigative purposes, in which we focus on identifying program vulnerabilities and investigative priorities in order to establish general guide-

lines for the allocation of our investigative resources. We look at an analysis of historical patterns, trends, and results; review recent legislative, regulatory, and program changes; consider DOJ prosecutive guidelines; consider budgetary and staffing restrictions; and coordinate with audit activities. We have identified priorities that include timely investigation of threats to the health and safety of the public, agriculture infrastructure, and USDA employees; issues involving allegations of USDA employee misconduct; and other criminal activity in the loan, regulatory, and benefit programs. Our regional managers review these guidelines before they decide which referrals to take on as active cases. They also consider the potential program impact, the likelihood of criminal prosecution, the likelihood of large monetary recoveries, and the deterrent value.

UNQUALIFIED AUDIT OPINION

Mr. Bonilla: I cannot let the opportunity pass to congratulate the Department's CFO's, budget officers, and IG auditors on the unqualified audit opinions on the financial statements for fiscal year 2002. Congressional oversight relies on that information, so that we all know where we stand financially, and we know we can be confident in those numbers. What are the additional enhancements, if any, that you think are necessary to retain that unqualified opinion?

Response: Although the Department has taken many positive actions to strengthen its financial management processes, it needs to continue to improve upon its financial management systems to permit the generation of timely and reliable financial information. The FY 2002 financial statements received an unqualified opinion only after audit examination and the resultant adjustments. Financial data should be usable on a daily basis, not just long after yearend. With the shortened timeframes established by OMB, if systems and controls are not improved, audit opinions could suffer.

IMPORT PERMIT SYSTEMS

Mr. Bonilla: You also mentioned in your statement that the Plant Protection and Quarantine and Veterinary Services units within APHIS have separate permit systems for the importation and domestic transfer of specified plant and animal pathogens and other restricted material. Have you made any recommendations to APHIS regarding the dual permit systems that would reconfigure these permit systems into one? If so, how is APHIS responding to that recommendation?

Response: Yes. We have recommended that APHIS develop and implement a universal system to track Plant Protection and Quarantine and Veterinary Service shipments from permit application through entry into the country, using barcode technology with accountable package labels and permit documents. Our recommendations addressed better processes for tracking permits from issuance to shipment arrival to permit expiration, limiting blanket permits, ensuring data systems contain complete data, and conducting inspections of applicant facilities. We also questioned the practice of allowing hand-carrying of permit materials through ports-of-entry by incoming passengers because APHIS does not have a system to ensure that hand-carried materials reach the destination indicated on the shipping label.

Although we have not received its official response, APHIS officials verbally concurred with our recommendations. However, they questioned their authority to limit the hand-carrying of permit materials. We recommended they seek regulatory changes, if necessary.

BIOTERRORISM INITIATIVE

Mr. Kingston: OIG (Office of Inspector General) is working with other agencies to develop a biosecurity preparedness plan. This is based on the potential for an incident of bioterrorism aimed at a USDA facility or the Nation's food supply.

Does the OIG have the training, knowledge, equipment, etc., to step in and handle an incident of bioterrorism if it were to occur today?

What do you see as the "weakest link" in the USDA which would be most likely to cause serious risk to public health if a bioterrorism attack were to take place in the United States?

Response: OIG participates as a member of the USDA team prepared for responding to a bioterrorism incident. OIG special agents provide a law enforcement component to the USDA team to investigate matters involving bioterrorism. For example, several months ago, when the Exotic Newcastle's Disease outbreak occurred in the West, OIG special agents were assigned to actively support the efforts of the Federal, State, and county officials in enforcing the quarantine and determining if any diseased birds were smuggled into the United States. We continue to coordinate our efforts with the Federal, State and county officials. In addition, the U.S. attorneys' offices in the Central and Southern Districts of California agreed to criminally prosecute quarantine violations in their respective districts.

Since 1998, OIG staff has participated in USDA exercises which dealt with responding to acts of agricultural threats. OIG has specially trained senior special agents in each region, who serve on regional Emergency Response Teams. Thus far, we have held two training courses for these individuals. The first course provided an awareness of the Incident Command System and various aspects of animal and plant diseases. The second course instructed them on the proper use of personal protective biosafety equipment, which we purchased during the last fiscal year.

We have not specifically performed work to identify the "weakest link" in USDA that would be most likely to cause serious risk to public health in a bioterrorist incident. It is our observation that the Department needs more continuity in training, cross-compatible equipment throughout the Department, and clearly defined individual agency responsibilities, protocols, and pre-decisional actions during an agricultural event.

PEANUT QUOTA BUYOUT PROGRAM

Mr. Kingston: The Inspector General mentioned in her statement that the OIG has underway a survey of the Peanut Quota Buyout Program to determine whether those payments are being issued to eligible quota holders.

Can you tell us a little more about your concerns here and what your office sees as a potential problem with these payments?

Response: We are concerned with the possibility that persons will falsely represent themselves as eligible quota holders in order to receive program payments. As provided by the Farm Security and Rural Investment Act of 2002, an eligible quota holder for Peanut Quota Buyout Program purposes is generally a person who owned a farm or tract on May 13, 2002, that had a 2001 permanent peanut quota. Exceptions to the rule are cases in which there were agreements in effect before May 13, 2002, for the

purchase (permanent transfer) of quota. Such agreements (for the permanent transfer of quota) may have been verbal, in which case FSA requires a written certification signed by all associated parties, including the date of the agreement, pounds agreed upon, and associated farm numbers. There are no witness or notary requirements for the certification. This situation is the basis for potential fraud, and our survey is designed to determine whether persons provided false certifications of permanent transfers of quota.

GENETICALLY MODIFIED MATERIALS

Mr. LaHood: I am concerned that over the past several years, there have been incidents of unapproved genetically modified (GM) material inadvertently entering the food supply, the most notable occurrences for farmers in Illinois, and throughout the country was the Starlink corn.

According to your testimony (pages 4-6), your office has performed a security review of the 330 USDA labs, and is in the process of extending this review to university, as well as other labs, that receive funding from the Department.

In conducting this review, I am interested in whether or not your office examined the handling and disposal protocols for GM materials? In particular, I want to be sure that the Department, as well as the facilities doing this research, are exercising the proper oversight, and complying with safety requirements.

Response: During our security reviews of the USDA laboratories and laboratories funded by USDA, we did not specifically examine the handling and disposal protocols for genetically modified material but did touch on the handling and disposal of biological agents in general. However, we have two ongoing efforts looking more specifically at controls over genetically modified material or genetically engineered organisms (GEO), as they are referred to by the Department. In our review of the Department's germplasm laboratory and storage sites, we have reviewed the controls at these storage sites to ensure the integrity of these germplasm inventories (particularly as to the introduction of GEOs into these depositories) and the security at these sites. We are currently drafting the report for that review. In our second review, we are currently drafting a review program to evaluate whether the Department's controls and inspections over the GEO release permits/notifications are adequate to safeguard against the accidental or deliberate release of such GEOs into production agriculture and are in compliance with the current laws and regulations.

FARM SERVICE AGENCY

Ms. Kaptur: Last year we talked about the importance of your work on farm programs and how you work to recover improperly issued payments. One matter that I should think be of concern to the subcommittee is the staffing level that we have at the Farm Services Agency. Federal permanent employment is right around 5,800, while county non-federal permanent full time workers are about 9,200. We have had 2,000 or more temporary county workers for the past five years, and may double that number this year due to the implementation of the Farm Bill and disaster programs. The National Association of FSA County Employees claims that nearly 1 million farm payments were delayed due to understaffing, and that this had an interest cost of nearly $13 million. Have you looked at this situation at all?

Response: Occasionally, our reports involving FSA programs cite insufficient staffing levels as having contributed to noted conditions, but OIG has not specifically reviewed FSA staffing levels or their effects on program delivery. OIG audits typically focus more on program effectiveness and compliance with laws and regulations than on the human resource aspects of FSA programs.

Ms. Kaptur: Do you have any opinion as to whether or not FSA is too dependent on temporary workers, and if it might be a better management policy to increase the number of permanent FSA workers since the workload is obviously not getting lighter as some may have hoped?

Response: OIG has not analyzed FSA's staffing and related workload. However, we are aware that FSA's total Federal and county non-Federal permanent staff-years have been reduced to nearly one-third since the passage of the Department of Agriculture Reform Act of 1994. Although we have not performed any analyses of FSA's use of temporary workers, in conducting fieldwork at FSA county offices, OIG has noted many instances in which a "temporary" worker has been employed by FSA for a number of years, working side-by-side with his or her permanent counterparts.

FOOD SAFETY

Ms. Kaptur: Food safety recalls are not likely to be effective if consumers are unaware of them. What work have you done to determine how we can improve consumer notification?

Response: We are currently performing fieldwork regarding the specific recalls at ConAgra and Pilgrim's Pride. Prior to these recalls, we had begun work to look at FSIS's overall recall operations. At this time, we have not conducted sufficient work to draw conclusions about the adequacy of consumer notification.

Ms. Kaptur: Do you have any opinion regarding the level of cooperation from the retail food industry regarding providing information to consumers? Do they do good jobs of posting notices in stores or on web sites? I raise this question because with news reports here in Washington regarding food recall efforts there frequently seem to be statements that the specific stores to which the products were provided cannot be identified. So if the store cannot be identified, how can the consumer be appropriately cautioned?

Response: OIG has a review underway of FSIS's recall operations. As part of that review, we are looking at the adequacy and timeliness of recall notification from FSIS and the plant through the distribution chain, including retailers, on to the public.

Ms. Kaptur: What measures of performance do you believe should be implemented to determine how successful our food safety inspection programs are? Should we link them to the number of fatalities and illnesses attributable to the products under the jurisdiction of FSIS, APHIS and GIPSA.

Response: Of the three agencies, FSIS has the specific mission of food safety. At the time FSIS implemented HAACP, it identified pathogen reduction as a performance measurement to determine whether plants' HACCP systems are working. FSIS now has pathogen testing requirements for *Listeria monocytogenes, E. coli,* and *Salmonella*. OIG supports the use of these performance measurements and is currently assessing, as part of its review of the ConAgra recall, whether the *E. coli* testing program could be improved to provide more meaningful performance data.

INVASIVE SPECIES

Ms. Kaptur: In your testimony you say that APHIS "needs a more effective systematic assessment of the risks involved with various pests and pathways by which they can enter our country." I have been very concerned about the costs of these pests to our nation, and now that some of these activities will be moved from APHIS to Homeland Security, I am concerned that instead of improving the situation, we may be fragmenting it even more. While you say that you will work with the new Department to improve the APHIS inspection techniques, what concerns do you have regarding effective coordination between this revised inspection and the integration of this information into all of the other agencies of the Department that may be concerned regarding the movement of product through domestic commerce?

Response: We do have concerns about the need to coordinate activities between USDA and DHS. As to the audit report you referenced, we have already met with DHS's Acting Inspector General to establish a protocol to handle audit reports and recommendations that impact both departments. USDA is in the process of working out memoranda of understanding with DHS to assure that agricultural issues and responsibilities will be addressed. We will assess how these are working once they are in place.

SECURITY OF RESEARCH FACILITIES

Ms. Kaptur: You said that the Department operates approximately 330 laboratories throughout the country. Can you be a bit more specific as to how many of these are USDA "owned and operated" facilities, or may be facilities at which USDA shares a presence, but may not be the primary operator?

How does one responsibly allocate responsibility for security at these shared facilities?

Response: In our report issued March 2002, we audited security over biological agents at laboratories operated by USDA. The audit objectives included determining the extent and location of agents that are pathogenic to humans or injurious to agriculture, the adequacy of procedures to guard against the accidental or

illegal release of those agents, and the adequacy of security to prevent unauthorized access and removal of the agents. We found that security of biological agents at these USDA laboratories was inconsistent and needed immediate improvement. Prior to our audit, the Department had emphasized safety of laboratory personnel rather than security of these laboratories. Consequently, the Department had not issued any policies and procedures for agencies to implement and manage security at the laboratories. We recommended that the Department immediately develop and implement Departmentwide policies and procedures over the following areas: accountability of biological agents, physical security, personnel access and suitability, and incident reporting.

In August 2002, the Department issued Department Manual 9610-1 that included security requirements for the Department's BSL-3 facilities. These requirements include not only the four aforementioned areas, but also cybersecurity. The Department has drafted comparable policies and procedures applicable to its non-BSL-3 facilities. Upon issuance of these policies and procedures, the Department will have established security requirements at the 330 laboratories that we referenced in our report. We limited our review to laboratories operated by the Department. The Department operates these 330 laboratories and, therefore, is responsible for implementing the appropriate security requirements prescribed in the Department Manual. The Department has leased the space for some of these laboratories; for these laboratories, the Department will need to work and coordinate with the owners of the facilities as it implements these security requirements, particularly in the case of physical security. The Department contracted with Sandia National Laboratories to conduct security assessments at its high-risk level facilities and to provide oversight as these facilities implement security improvements. For the other facilities not identified as high risk, the Department has utilized its own staff to conduct security assessments and to assist the facilities in implementing the appropriate security improvements.

Ms. Kaptur: We know that the land-grant colleges have expressed concerns about what security precautions should be taken at their laboratories, many of which are conducting research paid for by USDA. Do you believe the issue of campus security has received sufficient attention at the Department, or do you believe that this is a matter that should be left to the individual institutions?

Response: In FY 2002, we audited non-Federal research institutions that received USDA funding to determine whether they had established adequate security procedures at their laboratories to ensure that biological agents, chemicals, and radioactive materials were adequately secured against unauthorized removal. We visited 11 non-Federal institutions, 10 which are land-grant universities and colleges. We determined that the causes of these deficiencies are fragmented Federal guidance to the institutions, minimal USDA guidance to the grantees, and inconsistent institutional guidance to the laboratories. We found deficiencies in inventory controls over biological agents, in physical security at the laboratories, and in access to research areas.

During our fieldwork, we interviewed representatives from land-grant universities and colleges. They acknowledged the need for strengthened security procedures at their laboratories. A significant number of these representatives stated that such strengthened security procedures must be on a Governmentwide basis, not agency, by agency, in order to be truly effective and cost beneficial. In our report on this review, we recommended

that the Department work with DHS and other Federal agencies to develop Governmentwide standards. At the exit conference, the Department concurred with the recommendation and stated that it has had preliminary discus-sions with other agencies. We recommended that the Department immediately provide interim guidance to the institutions by distributing the Departmental Manual which provides security policies and procedures applicable to USDA-operated facilities. We also suggested that the agencies compile a list of best practices (including the list of best practices that we had compiled from our review) and share it with these institutions. In late 2002, the Department did issue guidance to these land-grant institutions.

ADEQUACY OF HACCP IMPLEMENTATION

Ms. DeLauro: Nearly three years ago, the Inspector General issued a report concluding that the Food Safety and Inspection Service (FSIS) had "reduced its oversight short of what is prudent and necessary for the protection of the consumer" in implementing its Hazard Analysis and Critical Control Point program. This year, there were large-scale recalls and deadly outbreaks from contaminated meat and poultry outbreaks.

What follow-up has the OIG done on the HACCP audit report?

What mechanisms are in place to ensure that FSIS will address the shortcomings your office identified.

Are those mechanisms effective, in light of the recalls and outbreaks of this past summer?

Response: OIG is currently in the process of finalizing our followup review on the HACCP audit report. The followup was initiated at the request of Senators Harkin and Lugar. They requested that OIG examine FSIS's progress on implementing and addressing problems identified in OIG's June 2000 review, which included the report on the Implementation of the HACCP System.

OIG has a system, or mechanism, to track all audit recommendations to ensure the agency achieves management decision. This means the agency has provided an acceptable plan of action to address the recommendations and has established a date to implement the action(s). The Department Office of Chief Financial Officer then tracks recommendations to ensure the actions are completed.

OIG's June 2000 report on Implementation of the HACCP System made recommendations involving establishing clear authorities for FSIS to have access to plants' pathogen testing results and having defined limits for plans to address "noncompliance records" where FSIS identified plant sanitation and processing deficiencies. FSIS has not achieved management decision for these two recommendations, and, in our current reviews of the ConAgra and Wampler Foods recalls, we are assessing whether FSIS's lack of action may have contributed to the conditions which caused the recalls.

FSIS ENFORCEMENT OPERATIONS

Ms. DeLauro: Nearly three years ago, the Inspector General concluded that FSIS needs legal authority to fine firms that violate meat and poultry inspection laws because "FSIS does not have sufficient enforcement actions available to it to deter these firms from committing additional violations."

Has FSIS taken action to improve its enforcement program since the OIG report was issued?

Do you support the recommendation that FSIS be given the legal authority to impose civil penalties against meat and poultry firms that break the law?

Response: FSIS has implemented a system to track consumer complaints; it has resolved the 16 complaints cited in the audit report; and it has continued to seek authority to assess penalties against firms that commit violations of meat and poultry inspection laws. FSIS has provided action plans and established implementation dates to identify high-risk firms to be reviewed, has prescribed review steps for conducting reviews, and has enhanced its plan to target resources in large metropolitan and

geographical areas with plants with a history of violations. However, the agreed-to action plans have not been completed.

We continue to support the recommendation to give FSIS legal authority to impose civil penalties against firms that mishandle meat and poultry products and violate meat and poultry inspection laws.

RECALL OPERATIONS

Ms. DeLauro: I understand from your testimony that you are currently reviewing FSIS' operations in two recalls from last year. The first, ConAgra where 19 million pounds of ground beef were recalled because of contamination with *E. coli 0157:H7*, and the second at Wampler Foods where about 27 million pounds of ready-to-eat poultry product were recalled because of *Listeria*. Some of the largest recalls in the history of the industry.

Regarding the ConAgra recall, what factors were considered and who determined the issues and scope of this investigation?

What are the issues that will be covered in this report and when do you anticipate the report being finalized?

Similarly, regarding the Wampler recall, what factors were considered and who determined the issues and scope of this investigation?

What are the issues that will be covered in this report and when do you anticipate the report being finalized?

Response: At the time of the ConAgra recall, OIG had begun work to review FSIS's overall recall operations. We then received a request from Senators Harkin and Lugar requesting OIG to examine the effectiveness of USDA's recall system for meat and poultry products and the effectiveness of USDA's response regarding the ConAgra recall of 19 million pounds of ground beef. Our overall review of recall operations and the specific request had common elements which complemented one another. Information pertaining specifically to the ConAgra recall would be of benefit to OIG in making our assessment of FSIS's overall recall operations.

Our objectives in performing the review of the ConAgra recall are to: (1) determine the effectiveness of FSIS's response to the recall, (2) determine if FSIS followed its existing procedures, (3) determine any changes FSIS made to its recall procedures as a result of issues raised during the ConAgra recall, and (4) identify improvements needed in recall operations. We are currently drafting the report and estimate its release to be later this spring.

Our review of the Wampler recall was self-initiated because of the magnitude of the recall and also because information obtained would assist OIG in its assessment of FSIS's overall recall operations. This review may be extended to other plants in the Northeast where recalls occurred because of product contamination with *Listeria monocytogenes*.

Our objectives in making this review are similar to those used in our review of the ConAgra recall. Fieldwork is ongoing, however, and we do not have an estimate of when the final report will be issued.

INVESTIGATION INTO NEW YORK PLANT

Ms. DeLauro: Two years ago, the Inspector General started an investigation into FSIS-inspected plants in New York City. I understand that the investigation was done jointly with FSIS. Further, it's my understanding that some violations were issued to the plants and some FSIS personnel were transferred or lost their jobs.

Has the OIG issued a final report? If not, when will it do so?

Response: OIG has not issued a final report. The investigation is actually considered a "survey" investigation. A survey investigation is a review of all complaints, regardless of the nature or origin. Each issue is reviewed to determine whether the matter is criminal or administrative in nature. If the matter is criminal, OIG conducts a separate criminal investigation to review that particular issue. If the matter is administrative in nature, for example, minor personnel misconduct, it is referred to FSIS for an administrative review and adjudication. We are still in the process of following up on all the complaints received in the New York matter. With regard to personnel changes, FSIS made some management and supervisory changes in the Albany District. Since the management changes were made, OIG management in New York and FSIS management in the Albany District hold regular liaison meetings. During these meetings it appears that the new regime is addressing various problems which had been ignored for years. Since the management changes, we noticed that the number of complaints regarding FSIS in New York City and Northern New Jersey decreased.

In September 2002, OIG issued an audit report entitled, "Food Safety and Inspection Service, Overtime Controls." OIG reviewed overtime procedures and controls at FSIS's headquarters and in 3 of its 17 district offices including the Albany District office, which oversees operations in New York City. OIG reported that FSIS did not have adequate controls in place for overtime charged by field inspectors. The FSIS national office had not updated policies on overtime claims and had given each district the autonomy to establish its own policies and controls. Supervisory approvals of time and attendance reports were not performed or documented, and prior written approval of overtime worked was not required. As a result, there was a lack of assurance that the inspector's overtime claims were accurate and that the overtime reported was actually worked. We recommended that FSIS strengthen its procedures for monitoring, reporting, and collecting for overtime services.

Ms. DeLauro: In this investigation, who determined the issues, scope and duration of the IG's investigation?

Response: Around January 2001, senior OIG management including the Inspector General, the Assistant Inspectors General (AIG) for Audit and Investigations, the AIGs' deputies and other staffs noted numerous complaints being received via the USDA Hotline and the New York regional office. After reviewing all the complaints and analyzing the allegations, OIG management determined the best method for addressing them was via a survey investigation. As stated above, a survey investigation is a review of all complaints, regardless of the nature or origin. Each issue is reviewed to determine whether the matter is criminal or administrative in nature. As stated previously, we are still in the process of following up on all the complaints received.

Ms. DeLauro: Generally, what is the procedure for determining the issues, scope and duration of the investigation? Is there an established time limit for completing investigations?

Response: OIG has a written policy requiring special agents to plan their investigative strategy prior to conducting an investigation. The investigative plan requires such elements as the type of information sought during the investigation, the approximate sequence in which it will be obtained, and the methods anticipated for achieving the information. The special agent's supervisor must approve the plan, and the special agent must work closely with the supervisor to constantly refine the plan as information is developed. The special agent and the supervisor will contact the prosecutor's office at the appropriate time to present the matter for prosecutorial determination. If a case is accepted for prosecution, the special agent will work closely with the prosecutor to ensure certain elements are met through the investigative process, which will be used in obtaining a conviction.

The amount of time a case remains open varies due to several factors, including complexity, the number of subjects, and investigative techniques necessary to gather evidence. Special agents are often assigned to work more than 10 investigations at 1 time. They may also be pulled off cases for a lengthy amount of time in order to focus on other high-priority investigations.

Ms. DeLauro: It is critically important that FSIS have the ability to withhold inspection from plants that are in violation of our food safety laws. In a recent court case, USDA settled with a firm where the Department originally planned to suspend inspection. Has the OIG ever investigated USDA's decision-making in entering a settlement with a firm that violates our food safety laws?

If so, what conclusions did your investigations yield?

Specifically regarding the Nebraska Beef Consent Decree, has the OIG received a request to investigate USDA's decisionmaking to settle?

If so, how is the OIG investigating?

Response: No, we have not conducted any investigations into this issue, nor have we received a request to investigate USDA's decisionmaking to settle the Nebraska Beef matter.

[Clerk's Note. — The President's budget request for fiscal year 2004 was submitted on February 3, 2003. This preceded final Congressional action of the fiscal year 2003 bill, which was completed in the House of Representatives on February 13, 2003. The President's fiscal year 2004 budget request (including the explanatory notes) compared the submission with the budget request for fiscal year 2003, NOT with the fiscal year 2003 enacted amounts. The following material covers portions of the fiscal year 2004 explanatory notes revised to reflect enactment of the fiscal year 2003 appropriations act.]

OFFICE OF THE INSPECTOR GENERAL

Proposed Language Changes

The estimate includes proposed changes in the language of this item as follows (new language underscored; deleted matter enclosed in brackets):

Office of the Inspector General

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. section 2225), and the Inspector General Act of 1978, [$74,097,000] $81,895,000, including such sums as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(9) of the Inspector General Act of 1978, [and] including not to exceed $50,000 for employment under 5 U.S.C. 3109; including not to exceed $125,000 for certain confidential operational expenses, including the payment of informants, to be expended under the direction of the Inspector General pursuant to Public Law 95-452 and section 1337 of Public Law 97-98. (7 U.S.C. 450b, 2201, 2202, 2220, 2270; Public Law 100-504.)

The first change in language is to reinstate appropriation language that was deleted in FY 2003. This language is necessary to allow the Office of the Inspector General the flexibility to invoke the authority in event such a need arises.

The second change in language is for the purpose of deleting language added in FY 2003. Since this was a non-recurrent provision, applicable to fiscal year 2003 only, retention of the language in 2004 is unnecessary.

The third change in language is to reinstate appropriation language that was deleted in FY 2003. This language is necessary to allow the Office of the Inspector General the flexibility to invoke the authority in event such a need arises.

OFFICE OF THE INSPECTOR GENERAL

LEAD-OFF TABULAR STATEMENT

SALARIES AND EXPENSES - CURRENT LAW
(On basis of appropriation)

Appropriation Act, 2003		$74,097,000
Budget Estimate, 2004		81,895,000
Increase in Appropriation		7,798,000
Adjustments in 2003:		
Appropriation Act, 2003	$74,097,000	
Transfer to the Department of Homeland Security 1/	-199,000	
Rescission under P.L. 108-7 2/	-482,000	
Adjusted Base for 2003		$73,416,000
Budget Estimate, 2004		81,895,000
Increase over Adjusted 2003		+8,479,000

1/ Pursuant to P.L. 107-296, Homeland Security Act of 2002, net rescission pursuant to P.L. 108-7. Annual amount. Actual amount of transfer to be determined.

2/ The amount is rescinded pursuant to Section 601(a) of Division N, Title VI of P.L. 108-7.

SUMMARY OF INCREASES AND DECREASES
(On basis of adjusted appropriation)

Item of Change	2003 Estimated	Pay Costs	Program Changes	2004 Estimated
Audit and Investigations	$73,416,000	+$1,667,000	+$4,511,000	$79,594,000
Information Technology	--	--	+2,333,000	2,333,000
Reduction for IT Procurement Savings	--	--	-102,000	-102,000
FECA	--	--	+70,000	70,000
Total Available	73,416,000	+1,667,000	+6,812,000	81,895,000

PROJECT STATEMENT
(On basis of appropriation)

	2002 Actual		2003 Estimated		Increase or	2004 Estimated	
	Amount	Staff-Years	Amount	Staff-Years	Decrease	Amount	Staff-Years
1. Investigations	$35,220,000	320	$36,562,000	359	+$3,075,000	$39,637,000	359
2. Audit							
(a) Program	29,084,000	251	32,375,000	318	+4,561,000	36,936,000	335
(b) Financial Statements	6,419,000	71	4,479,000	44	-1,458,000	3,021,000	27
Subtotal, Audit	35,503,000	322	36,854,000	362	3,103,000	39,957,000	362
3. FECA	--	--	--	--	+70,000	70,000	--
4. IT Equipment & Software	--	--	--	--	+2,333,000	2,333,000	--
5. IT cost savings	--	--	--	--	-102,000	-102,000	--
Unobligated Balance	116,000	--	--	--	--	--	--
Total, Available or Estimate 1/	70,839,000	642	73,416,000	721	+8,479,000	81,895,000	721
Rescission	-51,000	--	482,000	--			
Transfer to the Department of Homeland Security	--	--	199,000	2			
Total, Appropriation	70,788,000	642	74,097,000	723			

1/ Does not include miscellaneous reimbursements.

[Clerk's Note. – Following are the explanatory notes submitted as part of the President's fiscal year 2004 budget request prior to enactment of the fiscal year 2003 appropriations act.]

2004 Explanatory Notes

OFFICE OF THE INSPECTOR GENERAL

Table of Contents

	Page
Purpose Statement	8-1
Statement of Available Funds and Staff-Years	8-2
Permanent Positions by Grade and Staff-Year Summary	8-3
Classification by Objects	8-4
Passenger Motor Vehicle Data	8-5
Appropriations Language	8-7
Lead-Off Tabular Statement and Summary of Increases and Decreases	8-8
Project Statement	8-9
Justification of Increases and Decreases	8-10
Geographic Breakdown of Obligations and Staff-Years	8-13
Status of Program	8g-1

8-1

OFFICE OF THE INSPECTOR GENERAL

Purpose Statement

The Office of the Inspector General was established pursuant to the Inspector General Act of 1978 (5 U.S.C. app. 3). Its activities consist of two broad areas, audit and investigations.

The appropriation funds activities which are authorized by the Inspector General Act of 1978 as amended. This Act expanded and provided specific authorities for the activities of the Office of the Inspector General which had previously been carried out under the general authorities of the Secretary of Agriculture. The Office of the Inspector General:

a. Provides policy direction and conducts, supervises, and coordinates all audits and investigations relating to programs and operations of the Department;

b. reviews existing and proposed legislation and regulations and makes recommendations to the Secretary and the Congress regarding the impact such initiatives will have on the economy and efficiency of the Department's programs and operations and the prevention and detection of fraud, waste, and mismanagement in such programs;

c. recommends policies for and conducts, supervises, or coordinates other activities in the Department whose purposes are to promote economy and efficiency or prevent and detect fraud, waste, and mismanagement;

d. recommends policies for and conducts, supervises, or coordinates relationships between the Department and other Federal, State, and local government agencies in: (1) promoting economy; (2) preventing and detecting fraud, waste, and mismanagement; and (3) identifying and prosecuting individuals and groups involved in fraud, waste, and mismanagement; and

e. keeps the Secretary and the Congress fully and currently informed about fraud, waste, mismanagement, deficiencies, and other serious problems in Department programs and operations; recommends corrective action; and reports on the progress made in correcting problems.

The Office of the Inspector General is headquartered in Washington, D.C., and has regional offices in the following cities: New York, New York; Beltsville, Maryland; Atlanta, Georgia; Chicago, Illinois; Temple, Texas; Kansas City, Missouri; and San Francisco, California. As of September 30, 2002, total onboard employment was 653, including 643 full-time and 10 other than full-time employees. There were 116 employees located in the Washington, D.C., metropolitan area and 537 located in the field.

8-2

OFFICE OF THE INSPECTOR GENERAL

Available Funds and Staff-Years
2002 Actual and Estimated 2003 and 2004

Item	2002 Actual		2003 Estimated		2004 Estimated	
	Amount	Staff-Years	Amount	Staff-Years	Amount	Staff-Years
Salaries and Expenses	$70,839,000	642	$78,197,000	723	$81,895,000	721
Rescission	-51,000	--	0	--	0	--
Transfer to the Department of Homeland Security	0	--	-200,000	-2	0	--
Total	70,788,000	642	77,997,000	721	81,895,000	721
Obligations under other USDA appropriations:						
Risk Management Agency Audit of Financial Statements	235,000	--	250,000	--	250,000	--
Rural Utilities Service Audit of Financial Statements	195,000	--	0	--	0	--
OCFO/WCF Audits	688,000	--	800,000	--	800,000	--
OCFO/NITC Audits	87,000	--	105,000	--	105,000	--
Supplemental Funding for Homeland Security Costs	3,919,000	--	--	--	--	--
Total, Other USDA Appropriations	5,124,000	--	1,155,000	--	1,155,000	--
Total, Office of the Inspector General	75,912,000	642	79,152,000	721	83,050,000	721

S-3

OFFICE OF THE INSPECTOR GENERAL

Permanent Positions by Grade and Staff-Year Summary
2002 Actual and Estimated 2003 and 2004

Grade	2002			2003			2004		
	Wash DC	Field	Total	Wash DC	Field	Total	Wash DC	Field	Total
Executive Level IV	1	--	1	1	--	1	1	--	1
ES 6	1	--	1	1	--	1	1	--	1
ES 5	3	--	3	3	--	3	3	--	3
ES 4	2	--	2	2	--	2	2	--	2
ES 3	1	--	1	1	--	1	1	--	1
ES 2	1	--	1	1	--	1	1	--	1
GS-15	16	15	31	16	15	31	16	15	31
GS-14	31	58	89	31	58	89	31	58	89
GS-13	35	209	245	35	209	244	35	209	244
GS-12	6	133	139	6	132	138	6	132	138
GS-11	4	36	40	4	35	39	4	35	39
GS-10	1	--	1	1	--	1	1	--	1
GS-9	6	38	44	6	38	44	6	38	44
GS-8	5	--	5	5	--	5	5	--	5
GS-7	13	55	68	13	55	68	13	55	68
GS-6	2	24	26	2	24	26	2	24	26
GS-5	6	20	26	6	20	26	6	20	26
GS-4	1	--	1	1	--	1	1	--	1
Total Permanent Positions.....	135	588	724	135	586	721	135	586	721
Unfilled Positions End-of-year.....	-22	-60	-82	--	--	--	--	--	--
Total, Permanent Full-Time Employment, End-of-year.....	113	528	642	135	586	721	135	586	721
Staff-Year Estimate.....	121	520	642	135	586	721	135	586	721

8-4

OFFICE OF THE INSPECTOR GENERAL

Classification by Objects
2002 Actual and Estimated 2003 and 2004

Personnel Compensation:		2002	2003	2004
Washington, D.C.		$11,678,000	$12,300,000	$13,072,000
Field		35,034,000	36,900,000	39,218,000
11	Total pers. comp.	46,712,000	49,200,000	52,290,000
12	Personnel benefits	13,092,000	14,306,000	15,425,000
13	Benefits for former personnel	23,000	23,000	23,000
	Total pers. comp. and benefits	59,827,000	63,529,000	67,738,000
Other Objects:				
21	Travel	4,582,000	4,891,000	4,891,000
22	Transportation of things	431,000	431,000	431,000
23.3	Communications, utilities, and miscellaneous charges	1,486,000	1,486,000	1,486,000
24	Printing and reproduction	210,000	210,000	210,000
25.2	Other services	1,778,000	2,092,000	2,192,000
25.3	Purchases of goods and services from Government accounts	1,255,000	1,255,000	1,255,000
25.4	Operation and maintenance of facilities	106,000	115,000	115,000
25.6	Medical care	51,000	55,000	55,000
25.7	Operation and maintenance of equipment	229,000	275,000	275,000
25.8	Subsistence and support of persons	58,000	58,000	58,000
26	Supplies and materials	510,000	1,138,000	1,138,000
31	Equipment	240,000	2,437,000	2,026,000
42	Insurance and indemnities	25,000	25,000	25,000
	Total other objects	10,961,000	14,468,000	14,157,000
Total direct obligations 1/		70,788,000	77,997,000	81,895,000
Position Data:				
Average Salary, ES positions		$136,000	$139,000	$142,000
Average Salary, GS positions		$72,500	$75,000	$77,500
Average Grade, GS positions		11.5	11.5	11.5

1/ Excludes miscellaneous reimbursements.

8-5

OFFICE OF THE INSPECTOR GENERAL

SIZE, COMPOSITION, AND COST OF MOTOR VEHICLE FLEET

The fiscal year (FY) 2004 Budget Estimate proposes no changes in the number of motor vehicles.

The Office of the Inspector General (OIG) uses the bulk of its passenger vehicles for law enforcement activities during undercover operations to obtain evidence for prosecutions. OIG has installed specialized law enforcement equipment, such as radios, cameras, and video equipment in its surveillance vehicles. These vehicles are used in investigations that typically include the controlled exchange of USDA Food Coupons for cash or contraband and for observing and photographing criminal violations of USDA laws and regulations. OIG must have such operational capabilities and specialized equipment for its motor vehicles to fulfill the statutory criminal investigative responsibilities specified in the Inspector General Act of 1978 and other related congressional acts.

Changes to the motor vehicle fleet. No changes in the motor vehicle fleet are expected in FY 2004.

Replacement of passenger motor vehicles. Any replacements will be funded from within the annual operating costs of the motor vehicle fleet.

Impediments to managing the motor vehicle fleet. There are no identified impediments to managing the motor vehicle fleet in the most cost-effective manner.

Size, composition, and cost of agency motor vehicle fleet as of September 30, 2002, are as follows:

Size, Composition, and Annual Cost
(dollars in thousands)
Number of Vehicles by Type*

Fiscal Year	Sedans & Station Wagons	Light Trucks		Medium Trucks	Heavy Trucks	Ambulances	Buses	Total Vehicles	Annual Operating Cost ($ in thous)
		4X2	4X4						
FY 2000	150	30	31	--	--	--	--	211	$1,500
Change	--	--	--	--	--	--	--	--	--
FY 2001	150	30	31	--	--	--	--	211	$1,500
Change	--	--	--	--	--	--	--	--	--
FY 2002	150	30	31	--	--	--	--	211	$1,500
Change	--	--	--	--	--	--	--	--	--
FY 2003	150	30	31	--	--	--	--	211	$1,550
Change	--	--	--	--	--	--	--	--	--
FY 2004	150	30	31	--	--	--	--	211	$1,600
Change	--	--	--	--	--	--	--	--	--

* These numbers include vehicles that are owned by the agency, leased from commercial sources, and leased from GSA.

8-7

OFFICE OF THE INSPECTOR GENERAL

APPROPRIATION LANGUAGE

The estimate includes proposed changes in the language of this item as follows (new language underscored; deleted matter enclosed in brackets):

Office of the Inspector General

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. section 2225), and the Inspector General Act of 1978, $81,895,000, including such sums as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(9) of the Inspector General Act of 1978, including not to exceed $50,000 for employment under 5 U.S.C. 3109; including not to exceed $125,000 for certain confidential operational expenses, including the payment of informants, to be expended under the direction of the Inspector General pursuant to Public Law 95-452 and section 1337 of Public Law 97-98. (7 U.S.C. 450b, 2201, 2202, 2220, 2270; Public Law 100-504.)

8-8

OFFICE OF THE INSPECTOR GENERAL

LEAD-OFF TABULAR STATEMENT

SALARIES AND EXPENSES
(On basis of appropriation)

President's Budget, 2003		$78,197,000
Budget Estimate, 2004		81,895,000
Increase in Appropriation		3,698,000
Adjustments in 2003:		
President's Budget, 2003	$78,197,000	
Transfer to the Department of Homeland Security 1/	-200,000	
Adjusted Base for 2003		$77,997,000
Budget Estimate, 2004		81,895,000
Increase over Adjusted 2003		+3,898,000

1/ Estimates for the transfer to the Department of Homeland Security (DHS) are included in the budget as a one time shift of funds. On a comparable basis, the FY 2004 transfer to DHS is $200,000.

SUMMARY OF INCREASES AND DECREASES
(On basis of adjusted appropriation)

Item of Change	2003 Estimated	Pay Costs	Program Changes	2004 Estimated
Audit and Investigations	$77,997,000	+$1,667,000	--	+$79,664,000
Information Technology	--	--	+$2,333,000	+2,333,000
Reduction for IT Procurement Savings	--	--	-102,000	-102,000
Total Available	77,997,000	+1,667,000	+2,231,000	+81,895,000

8-9

PROJECT STATEMENT
(On basis of appropriation)

	2002 Actual		2003 Estimated		Increase or	2004 Estimated	
	Amount	Staff-Years	Amount	Staff-Years	Decrease	Amount	Staff-Years
1. Investigations	$35,220,000	320	$38,807,000	359	$830,000	$39,637,000	359
2. Audit							
(a) Program	29,084,000	251	34,382,000	318	2,549,000	36,936,000	335
(b) Financial Statements	6,419,000	71	4,738,000	44	-1,712,000	3,021,000	27
Subtotal, Audit	35,503,000	322	39,120,000	362	837,000	39,957,000	362
3. FECA	--	--	70,000	--	--	70,000	--
4. IT Equipment & Software	--	--	--	--	2,333,000	2,333,000	--
5. IT cost savings	--	--	--	--	-102,000	-102,000	--
Unobligated Balance	116,000	--	--	---	--	--	--
Total, Available or Estimate 1/	70,839,000	642	77,997,000	721	3,898,000	81,895,000	721
Rescission	-51,000	--	--	--			
Transfer to the Department of Homeland Security	--	--	200,000	2			
Total, Appropriation	70,788,000	642	78,197,000	723			

1/ Does not include miscellaneous reimbursements.

JUSTIFICATION OF INCREASES AND DECREASES

An increase of $3,898,000:

(1) An increase of $1,941,000 for Investigations consisting of:

(a) An increase of $830,000 for pay costs, which includes $283,000 for the annualization of the fiscal year (FY) 2003 pay raise and $547,000 for the anticipated FY 2004 pay raise.

This increase will allow the Office of the Inspector General (OIG) to continue to meet its objective of providing policy direction and conduct, supervise, and coordinate all audits and investigations relating to USDA programs and operations. This critical increase is needed to support and maintain current staffing levels to meet the demands and statutory requirements of OIG. Over 80 percent of OIG's budget is in support of personnel compensation, which leaves very limited flexibility for absorbing these pay costs. OIG can absorb this increase only by reducing staff. A staff reduction would result in further backlogs and additional delays in audit and investigative mission activities. Such a reduction would cause special concern in such areas as food safety; information technology, including computer security; employee integrity; and financial integrity. In addition, the Department's various enforcement and compliance programs would be adversely affected.

(b) An increase of $1,162,000 for Information Technology (IT) equipment and software.

OIG's IT request is based on the results of our agencywide Business Process Reengineering (BPR) review. Implementation of this plan will allow our auditors and investigators to concentrate on the unique mission requirements and let us leverage technology to support us in the routine and repetitive aspects of our jobs. Investigators and auditors must have current computer equipment and software to operate in today's automated environment. OIG must maintain the same level of IT capabilities that is used by the USDA agencies it audits and investigates in order to perform the agency's functions and carry out its responsibilities under the Inspector General Act.

Specifically, the IT funds will purchase essential equipment and software with which to build the "backbone" of the agency's basic IT infrastructure. This "backbone" will help us gain maximum power from the mission-specific applications (e.g., our corporate management information system, automated analytic tools, and automated work papers) currently waiting funding in our FY 2003 budget.

As a result of BPR, OIG identified a number of ways to improve efficiencies in our operations and has developed a detailed 3-year strategic plan to equip our employees with state-of-the-art technologies and train them in the use of these new automated tools. In addition, our IT infrastructure and security changes are in direct support of the President's Management Agenda e-Government initiative. Furthermore, our review will enable us to better manage our vital human capital resources—another critical Presidential Management Agenda initiative—by providing the latest equipment, technologies, and training available to perform the tasks most critical to the agency and its mission.

(c) A decrease of $51,000 for IT savings.

Reduction for the savings associated with centralization and improvement of information technology. Savings are associated with consolidated buys for infrastructure and office automation, and consolidation of enterprise architecture projects within the Department. USDA continues to ensure that information technology investments utilize enterprise licenses for hardware and software where appropriate and reduce the information technology costs.

(2) An increase of $1,957,000 for Audit consisting of:

(a) An increase of $837,000 for pay costs, which includes $285,000 for the annualization of the FY 2003 pay raise and $552,000 for the anticipated FY 2004 pay raise.

This increase will allow OIG to continue to meet its objective of providing policy direction and conduct, supervise, and coordinate all audits and investigations relating to USDA programs and operations. This critical increase is needed to support and maintain current staffing levels to meet the demands and statutory requirements of OIG. Over 80 percent of OIG's budget is in support of personnel compensation, which leaves very limited flexibility for absorbing these pay costs. OIG can absorb this increase only by reducing staff. A staff reduction would result in further backlogs and additional delays in audit and investigative mission activities. Such a reduction would cause special concern in such areas as food safety; information technology, including computer security; employee integrity; and financial integrity. In addition, the Department's various enforcement and compliance programs would be adversely affected.

(b) An increase of $1,171,000 for IT equipment and software.

OIG's IT request is based on the results of our agencywide BPR review. Implementation of this plan will allow our auditors and investigators to concentrate on the unique mission requirements and let us leverage technology to support us in the routine and repetitive aspects of our jobs. Auditors and investigators must have current computer equipment and software to operate in today's automated environment. OIG must maintain the same level of IT capabilities that is used by the USDA agencies it audits and investigates in order to perform the agency's functions and carry out its responsibilities under the Inspector General Act.

Specifically, the IT funds will purchase essential equipment and software with which to build the "backbone" of the agency's basic IT infrastructure. This "backbone" will help us gain maximum power from the mission-specific applications (e.g., our corporate management information system, automated analytic tools, and automated work papers) currently waiting funding in our FY 2003 budget.

As a result of BPR, OIG identified a number of ways to improve efficiencies in our operations and has developed a detailed 3-year strategic plan to equip our employees with state-of-the-art technologies and train them in the use of these new automated tools. In addition, our IT infrastructure and security changes are in direct support of the President's Management Agenda e-Government initiative. Furthermore, our review will enable us to better manage our vital

human capital resources—another critical Presidential Management initiative—by providing them the latest equipment, technologies, and training available to perform the tasks most critical to the agency and its mission.

(c) A decrease of $51,000 for IT savings.

Reduction for the savings associated with centralization and improvement of information technology. Savings are associated with consolidated buys for infrastructure and office automation, and consolidation of enterprise architecture projects within the Department. USDA continues to ensure that information technology investments utilize enterprise licenses for hardware and software where appropriate and reduce the information technology costs.

8-13

OFFICE OF THE INSPECTOR GENERAL

Geographic Breakdown of Obligations and Staff Years
2002 Actual and Estimated 2003 and 2004

	2002		2003		2004	
	Amount	Staff-Years	Amount	Staff-Years	Amount	Staff-Years
California	$8,011,000	73	$8,869,000	82	$9,314,000	82
D.C.	13,388,000	121	14,609,000	135	15,448,000	135
Georgia	9,218,000	83	10,167,000	94	10,677,000	94
Illinois	8,121,000	74	9,085,000	84	9,427,000	84
Kansas	12,949,000	118	--	--	--	--
Maryland	8,231,000	75	9,193,000	85	9,541,000	85
Missouri	--	--	14,177,000	131	14,993,000	131
New York	2,414,000	22	2,704,000	25	2,840,000	25
Texas	8,340,000	76	9,193,000	85	9,655,000	85
Subtotal, Available or Estimate	70,672,000	642	77,997,000	721	81,895,000	721
Unobligated Balance	116,000					
Total, Available or Estimate 1/	70,788,000	642	77,997,000	721	81,895,000	721

1/ Includes a rescission of $51,071 in FY 2002.

8g-1

OFFICE OF THE INSPECTOR GENERAL

STATUS OF PROGRAM

The Office of the Inspector General (OIG) is operationally independent of other agencies of the Department. OIG has the responsibility to (1) supervise, coordinate, and provide policy direction for audit and investigative activities relating to programs and operations of the Department; (2) recommend policies and conduct, supervise, or coordinate other activities of the Department for the purpose of promoting economy and efficiency and preventing and detecting fraud, waste, and mismanagement in its programs and operations; (3) keep the Secretary and Congress informed of fraud and other serious problems, waste, and deficiencies relating to the administration of programs and operations of the Department; and (4) recommend corrective action and report on progress made in obtaining management's agreement to implement such action.

ACCOMPLISHMENTS IN FISCAL YEAR 2002

During fiscal year (FY) 2002, OIG issued 432 investigative reports and 89 audit reports. OIG investigations resulted in 468 indictments and 458 convictions. The period of time to get court action on an indictment varies widely; therefore, the 458 convictions are not necessarily related to the 468 indictments.

Audit Monetary Results:

During FY 2002, management decisions were made on 89 audit reports. At the time of the management decision, the monetary values agreed to by agencies were:

		(in millions)
Questioned and unsupported costs and loans		$123.0
Recommended for recovery	$29.8	
Not recommended for recovery	93.2	
Funds to be put to better use		166.4
Total audit monetary results		$289.4

Investigative Monetary Results:

Claims established	$ 9.0
Recoveries and collections	10.1
Cost avoidance (payments not made based on investigations)	3.8
Fines	1.6
Administrative penalties	0.2
Restitutions	30.0
Total investigative monetary results	$ 54.7

INVESTIGATION ACCOMPLISHMENTS

HEALTH AND SAFETY

We continue working with USDA agencies to protect the food supply and the welfare of USDA employees. A high priority is given to investigating incidents at USDA laboratories where the Department stores biological materials used in research and diagnostic work, which could be harmful to plants and animals. Past investigations of vandalism at USDA facilities by ecoterrorists have already resulted in a heightened awareness of security at these locations.

During FY 2002, we established a new Investigations division to handle Homeland Security issues and to continue providing protection to the Secretary. The new division refocuses existing resources to develop and train OIG employees on emergency response situations. They also identify, develop, test, and determine special requirements for equipment needed in responding to a biological crisis. Their responsibilities include increased liaison with other Federal law enforcement agencies and any other duties as assigned.

Counterterrorism

The events of September 11, 2001, and the subsequent anthrax attacks gave new urgency to issues of security over USDA's infrastructure and the agricultural economy. Part of the mission of OIG is to investigate allegations of crimes against the Department's programs. Our experience in security matters and law enforcement uniquely positions OIG to help the Department respond to the new and dangerous environment introduced by the attacks on New York and Washington.

As part of the Joint Terrorism Task Force in Oregon, OIG worked with the Bureau of Alcohol, Tobacco, and Firearms to investigate a Palestinian man from Lebanon who stated he trained with Palestinian guerilla groups. The man made references to the terrorist group "Hamas" and circled "September 11, 2001" on his calendar. A search warrant found $20,000 in cash and personal financial records, which conflicted with information he provided when applying for food stamps and other welfare benefits in Oregon. Our investigation showed that, while on public assistance and claiming to be unemployed, the man made five overseas trips in 18 months, including trips to Denmark, Italy, and Lebanon. We determined a loss to the Government of approximately $65,000, including $18,000 in food stamp and Special Supplemental Nutrition Program for Women, Infants, and Children's (WIC) benefits. The subject was convicted on 10 counts of fraud against various Federal programs in addition to weapons charges. He was sentenced to 30 months in prison and ordered to make restitution of almost $42,000. The subject's naturalized citizenship was revoked, and the Immigration and Naturalization Service (INS) placed an immigration hold on him.

A misdemeanor charge was filed in U.S. District Court in the Eastern District of New York against an individual for destroying Government property. Just hours before a strike began by contract workers at the Plum Island Animal Disease Center, Plum Island officials noticed the water pressure had dropped. Water is crucial for operating the boilers, creating steam to run the decontamination system on the island, and ensuring waste is sanitized and environmentally safe, as well as for fire fighting and animal care. Plum Island officials quickly determined that valves to 9 of the 10 fresh water wells had been manually turned off. OIG was notified of the situation, and an investigation was immediately initiated. The Federal Bureau of Investigation (FBI) later joined the investigation. Recently, the defendant pled guilty and is now awaiting sentencing.

The media reported that a highly virulent strain of Actinobacillus pleuropneumoniae (APP) – which causes swine pneumonia – was stolen from a laboratory at Michigan State University, which had received about $750,000 in USDA funding since 1996 to develop vaccines against the bacteria. OIG and FBI agents and university police found that no theft had actually occurred and that the APP strain reported to have been stolen was no more virulent than naturally occurring APP. The agents continue to work with the

U.S. attorney's office in pursuing Federal charges against the funding recipients for fraudulent misuse of USDA funding.

A former co-owner of a Florida physician recruitment company pled guilty in Federal court in December 2001 to a three-count criminal complaint involving fraud in obtaining immigrant visas, false statements to a Federal agency, and income tax evasion. The business owner was involved in a multi-faceted scheme that targeted foreign physicians holding J-1 Visa status in the United States. A majority of the physicians using this company submitted waiver requests to USDA as part of a process allowing them to work in the United States, with the goal of gaining permanent resident status in this country. The applications sent to USDA and other Federal agencies routinely contained false information, much of it created at the recruitment company. This continuing investigation is being conducted in conjunction with the Florida Department of Law Enforcement, INS, the U.S. Department of Health and Human Services/ OIG, the U.S. Department of State/OIG, and the Internal Revenue Service (IRS).

For well over a year, OIG prepared to provide an active investigative and intelligence-gathering presence during the 2002 Salt Lake City Winter Olympic Games and worked closely with several USDA agencies to help with their preparations. For 6 weeks, nine OIG special agents worked around the clock in key positions at the Winter Games to provide an additional law enforcement presence and add their investigative expertise in matters affecting USDA.

Food Safety and Inspection Service (FSIS)

During FY 2002, OIG issued 25 reports of investigation concerning FSIS. Our investigations resulted in 19 indictments, 13 convictions, and overall monetary results totaling over $298,000. The following are some examples of these cases.

A Korean food wholesaler illegally imported thousands of pounds of meat dumpling products from South Korea, mislabeled as vegetable dumplings, and distributed them to retailers in New York City, California, and Maryland. Importing meat products from South Korea is prohibited due to possible Foot and Mouth Disease contamination. The corporation pled guilty, was sentenced to probation, and was ordered to pay a $100,000 fine. From 1988 to 1996, the corporation had been caught five times by USDA regulatory agencies for illegally importing meat products. These prior instances resulted in destroyed product and small fines.

The former president and the former comptroller of a company, with offices in New Jersey and Florida which sold meat to domestic and foreign buyers, have pled guilty to wire fraud charges relating to false information that the company provided to a lender. Of specific concern were false inventory claims concerning more than 480,000 pounds of beef trimmings, fat, and other byproducts that were relabeled, creating the impression the boxes contained premium meat. The value of this meat inventory was reported by company officials to be approximately $4.9 million, when the true value was as little as $90,000.

Agricultural Marketing Service (AMS)

During FY 2002, OIG issued 3 reports of investigation concerning AMS programs, resulting in 24 convictions and over $1 million dollars in monetary results. The following is an example of a case.

In October 2001, a Virginia dairy agreed to a pretrial diversion in which it would pay $650,000 in restitution, following a joint investigation by OIG and the U.S. Food and Drug Administration's (FDA) Office of Criminal Investigations. On occasion, the dairy was not properly testing milk for the presence of antibiotics in bulk milk tanker trucks that delivered raw milk for processing. As a result, 2-percent milk fat and whole milk products containing antibiotics were shipped in interstate commerce. Random sampling conducted by the Tennessee Department of Agriculture detected antibiotics in milk packaged by the dairy, which voluntarily recalled 2-percent milk fat products. However, the company failed to recall all the whole milk products adulterated by antibiotics. The adulterated milk caused no known illnesses or injuries. In addition to the

restitution, the agreement required the dairy to implement an intensive monitoring and education program to ensure that antibiotic-tainted milk is detected and destroyed.

Animal and Plant Health Inspection Service (APHIS)

During FY 2002, OIG issued 30 reports of investigation involving APHIS. Investigations resulted in 20 indictments, 9 convictions, and over $154,000 in monetary results. Following are examples of recent work.

OIG seized 65 pounds of Witchweed (Striga asiatica) during the execution of search warrants at the warehouse and retail establishment of a man on probation for a prior felony smuggling conviction. Witchweed is a parasitic noxious weed that attacks corn, sorghum, sugarcane, and other grass crops. If dispersed, Witchweed would have devastated agriculture in the West. The smuggler is awaiting sentencing after pleading guilty to conspiracy to commit a variety of offenses, including smuggling and violating probation. This case was the result of our ongoing involvement in the Interagency Import Task Force, led by the U.S. Customs Service (Customs).

Animal Fighting

OIG has been conducting more work in this area. One example involved three individuals who were convicted for illegally promoting and fighting dogs in Virginia and the mid-Atlantic area. The main promoter was sentenced to 30 months in Federal prison and a $17,000 fine for fighting dogs and for producing and selling videotapes and a magazine on how to train and fight dogs. His associate was sentenced to 9 months in State prison and a $3,000 fine. When the search warrant was served on his property, he had 70 dogs, which he was training. A third individual was sentenced to probation and a $2,000 fine for fostering the illegal activity. Multiple search warrants served in this case by OIG special agents and State and local police agencies also resulted in the seizure of records; training equipment, such as treadmills; many legal and illegal drugs for treating the dogs; and a bloody fighting pit.

PUBLIC CORRUPTION

Another continuing priority for OIG is investigating criminal acts committed by USDA employees. The percentage of wrongdoers is small (out of approximately 110,000 staff), but to maintain the public trust, serious misconduct must be handled swiftly and appropriately. During FY 2002, OIG issued 59 reports of investigation concerning misconduct by USDA employees. Our investigations resulted in 17 convictions of current and former employees, $3.9 million in monetary results, and 66 personnel actions, including reprimands, suspensions, resignations, removals, and alternative discipline. The following are examples of these investigations.

A murder trial is pending on a former APHIS maintenance employee in Utah. An OIG investigation developed after the employee reported to local law enforcement that an unknown assailant shot him while he was on duty. Our investigation found that the employee shot himself with a Government-owned weapon, which he took from the APHIS facility without authorization. Further investigation found that the employee had taken about $50,000 from the Government by stealing Government property and using his Government-issued credit card for personal purchases. During the investigation, and in coordination with the Sheriff's Department, the APHIS employee became a suspect in the disappearance of a 15-year-old female whom he knew. Continued investigation revealed that the employee had inexplicably dug and refilled several deep holes on the APHIS research facility grounds around the time of the girl's disappearance. Excavation of the dig sites found dismembered remains, later determined to be those of the missing teen. The APHIS employee was arrested and charged with murdering the girl. He was also charged with committing several sexual assaults on the APHIS research grounds. The employee pled guilty to theft of Government property and unlawful sexual activity with a minor and was sentenced in Utah State Court to serve 10 years in prison, fined $14,595, and ordered to pay restitution of $49,621.

As widely reported in the media, a Forest Service (FS) forestry technician pled guilty in December 2002 for setting the largest forest fire in Colorado history. Before being contained, the fire, known as the Hayman Fire, covered over 137,000 acres. The fire is estimated to have cost the Government more than $23 million just in timber losses, with long-term forest rehabilitation costs and private property losses estimated at many millions of dollars more. During the investigation by OIG and FS investigators, the employee's account of how the fire started was questioned. When investigators confronted her, the employee admitted she lied about the origin of the fire and how it was discovered. She then admitted to starting the fire. The employee was arrested by OIG and removed from her FS employment. Recently, the defendant pled guilty, and she is awaiting sentencing.

In two joint investigations with FBI, OIG uncovered USDA employees who accessed child pornography on Government computers. The OIG Computer Forensics Unit worked with criminal investigators and found two unrelated investigations in Arkansas and Texas. In each case, a Natural Resources Conservation Service (NRCS) employee accessed child pornography via their work computers. The Arkansas employee, a District Conservationist, pled guilty to possession of child pornography. His sentencing is awaiting. The Texas NRCS employee was charged in Federal court with the receipt of child pornography and is pending trial. OIG has seven ongoing investigations involving USDA employees suspected of possessing child pornography.

PROGRAM FRAUD

Food and Nutrition Service (FNS)

In FY 2002, OIG issued 165 reports of investigation relating to FNS programs, resulting in a total of 341 indictments, 323 convictions, and over $22 million in monetary results. A large part of our work involves Food Stamp Program (FSP) investigations. OIG is concentrating on cases involving multimillion dollar fraud or where the case is linked to terrorist activities. Following are examples of work we conducted in the various FNS programs.

Two individuals in Cleveland, Ohio, pled guilty to $3.5 million in food stamp and WIC fraud and were each sentenced to serve 3½ years in prison. The wife of the main subject also pled guilty to a misdemeanor count of food stamp trafficking and agreed to voluntary lifetime debarment from participation in both programs. These three individuals forfeited approximately $2.5 million in assets, including cash, vehicles, bank accounts, real estate, and store assets. The group was estimated to have committed over $15.3 million in food stamp and WIC fraud since 1995. Two other individuals indicted in the scheme became fugitives; one was recently arrested in Detroit. This investigation was worked jointly with the U.S. Secret Service, FBI, IRS, INS, Customs, the U.S. Postal Inspection Service, the Cleveland Police Department, the Ohio Department of Taxation, and the Ohio Department of Public Safety.

Two organized crime families in Cincinnati and Columbus, Ohio, conspired to traffic food stamps and purchase large quantities of stolen WIC infant formula and other stolen merchandise. All the stolen items were then transported to warehouses in Lexington, Kentucky. A total of 16 individuals were indicted on charges ranging from racketeering and food stamp trafficking to money laundering and trafficking of the prescription drug Viagra. Twelve pled guilty; two were found guilty at trial and await sentencing. Approximately $2.1 million in assets were seized from the bank accounts of these subjects. The investigation was conducted jointly with the Ohio Organized Crime Investigations Commission, FBI, and FDA.

The executive director of a soup kitchen, which served as a food distribution center for the underprivileged and as a branch of a ministry in Detroit, Michigan, conspired with a food vendor to defraud the organization. The food kitchen relied primarily on private donations, although it also received USDA commodities and Federal Emergency Management Agency grants. The soup kitchen employee requested the vendor to supply false and inflated invoices for food delivered daily to the ministry. The vendor agreed to "kickback" cash to the employee when the invoices were paid. The soup kitchen employee pled guilty to

program fraud and was sentenced to 14 months in prison and ordered to pay restitution of over $828,000. The vendor pled guilty to the same charge and was sentenced to 24 months in prison and ordered to pay restitution jointly with the coconspirator. This investigation was worked jointly with the U.S. Postal Inspection Service, which initially received a whistleblower complaint about the scheme.

Risk Management Agency (RMA)

In FY 2002, OIG issued 15 reports concerning RMA programs, which resulted in 14 convictions and monetary results of approximately $1.8 million. The following are examples of cases involving RMA.

In October, a large issuer of multiperil crop insurance policies in Minnesota settled with the United States for payment of false claims submitted by a loss adjuster employed by the company. The insurance company became aware of allegations that claims were fraudulent but did not report the suspected fraud to RMA. The insurance company agreed to pay treble damages and six civil penalties under the False Claims Act, totaling more than $323,600. The settlement agreement also included a Corporate Compliance Plan, which required the company to establish a special investigative unit that functions independently of the company's crop insurance division to perform a variety of functions including (1) investigate allegations of fraud, (2) provide RMA data on crop insurance claims that appear fraudulent, (3) develop and provide annual fraud prevention training to employees, (4) and promptly take corrective action when notified by USDA of any violation of crop insurance program regulations.

Farm Service Agency (FSA)

During FY 2002, OIG issued 77 reports of investigation regarding FSA programs and operations. Our FSA investigations resulted in 38 convictions and monetary results totaling over $19 million. Following is one example of an FSA case.

A Minnesota farmer and former agribusiness radio commentator was convicted of converting more than $400,000 in grain that secured loans he received from USDA through the Commodity Credit Corporation (CCC). During a 3-day trial, the Government showed the farmer illegally sold grain, which secured his loans. In response, the farmer said that because he was known widely in the agribusiness community, his conversion of the grain would draw attention to what he believed was a problem with farm policy. However, under cross-examination, the farmer acknowledged he decided to protest the farm policy only after receiving his last loan from CCC. He went on to admit that he used the proceeds from the sale of Government collateral to pay personal bills and made no effort to publicize his protest. Sentencing is pending.

Rural Development (RD)

During FY 2002, OIG issued 39 reports of investigation concerning RD programs and operations. Our investigation resulted in 16 convictions and overall monetary results totaling over $5.3 million. Examples of RD cases follow.

A Long Island, New York, attorney was sentenced to 2 years 9 months in Federal prison and ordered to pay $864,500 in restitution for wire fraud. An RD loan applicant had retained the attorney to close a single-family housing loan in Riverhead, New York. When the purchase of the property did not occur, RD instructed the attorney to return the $147,050 that had been transferred to his escrow account. Instead, the attorney transferred the USDA funds overseas via wire to a fraudulent investment scheme operating out of Lagos, Nigeria, along with $717,450 in funds he stole from the estates of several clients and from victims he convinced to participate. This investigation was worked jointly with FBI.

A Federal grand jury indicted a Georgia businessman for his role in a fraudulent scheme to obtain a $5 million RD Business and Industry guaranteed loan for a catfish processing plant in a poverty-stricken

rural Georgia county. He was given the loan after he fraudulently claimed to have purchased $2,950,000 in processing equipment for collateral for the loan. He and an equipment broker signed affidavits falsely certifying that he had given the money to the broker, when, in fact, no money had exchanged hands, and no equipment had been purchased. The businessman used about half of the $5 million loan to have the plant built and used the other half for his personal use. A trial date is pending. The equipment broker entered a guilty plea for his participation in the fraudulent scheme and is awaiting sentencing.

AUDIT ACCOMPLISHMENTS

HOMELAND SECURITY

The events of September 11, 2001, and the subsequent anthrax attacks gave new urgency to the issues of security over USDA's infrastructure and the agricultural economy. Maintaining the integrity of the Department's programs and helping the Department strengthen its defenses against activities that might threaten Government facilities, production agriculture, and the Nation's food supply remains our highest priority.

Controls Over Accidental and Clandestine Release of Biohazards

We performed an audit of USDA laboratories with the objective of determining (1) the extent and location of biological agents that are pathogenic to humans or injurious to agriculture, (2) the adequacy of procedures to guard against the accidental or illegal release of these agents, and (3) the adequacy of security to prevent unauthorized access and removal of the agents.

USDA operates approximately 336 laboratories throughout the country. The biosafety levels of the agents used or stored in the laboratories are classified according to their risk of harming animals or plants – high risk if causing potentially lethal infection – low risk if posing little danger of infection. High-risk agents include those known to be zoonotic – transmissible from animals to humans. Moderate or low-risk agents are used or stored in most USDA laboratories; however, a limited number use or store high-risk agents.

We found that security of biological agents in USDA laboratories was inconsistent and generally in need of improvement. Before September 11, biosecurity was not a major concern at the laboratories because previous break-ins did not appear to result in the theft of biological agents. Moreover, the Department's emphasis has been on ensuring that laboratory personnel were protected against biological agents, rather than ensuring that such material was not accessible to unauthorized individuals. Consequently, the Department had issued no policies and procedures for agencies to implement plans to manage security at the laboratories and to centralize control of field unit practices involving the use and storage of biological agents.

Of particular concern was the absence of a consolidated database to identify the locations and risk levels of the biological agents at laboratories across the country. Without such a database, agency managers cannot determine if the containment and security at the laboratories is commensurate with the risk associated with the agents. Although required, not all the laboratories maintained an inventory of their biological agents, and only a few of those that were maintained were accurate. For example, at one major laboratory with high-risk agents, eight of the nine agents we reviewed did not match inventory records. At one laboratory, one vial listed in the inventory, but not found in storage, contained about 3 billion doses of *Vesicular stomatitis* virus, a pathogen of considerable risk to humans and cattle. This laboratory had not updated its inventory of high-risk agents since 1997.

Security measures at nearly half the 124 USDA laboratories located at 91 sites needed improvement. Some laboratories lacked alarm systems, security fences, and surveillance cameras. Additionally, some field laboratories were not in secure locations, such as one located in a strip mall. Also, the Department did not adequately control access to biological agents by personnel entering the laboratories. At several laboratories, scientists and researchers not associated with USDA work had ready access to facilities where biological agents were stored. Some of the scientists and researchers were non-U.S. citizens.

Recognizing the need for greater biosecurity in the wake of the September 11 attacks, the Secretary assigned a task force to develop policies and procedures for biosecurity issues within the Department.

We recommended that the Department hasten the implementation of the policies and procedures established by its task force and that it complete a centralized database of all its biohazardous materials to

assess the risks associated with each laboratory site and determine appropriate security measures. Agencies also need to revisit previous internal security reviews and implement corrective actions immediately. Agencies need to limit access to high-risk bioharzardous materials, and the Department needs to determine what security background checks are needed for such access, as well as reduce the backlog of those checks.

We also recommended that the Department correct the inventory and security problems at one of the laboratories that the Department inaccurately reported as no longer using high-risk or high-consequence biological agents. Also, agencies need to issue a notice to all laboratories to report any break-ins or vandalism to the appropriate Federal officials.

The agencies responded that they either have controls in place or are instituting controls to bring laboratories into compliance with the Department's new policies and procedures, which were issued on August 30, 2002. They also responded that, for the most part, their laboratories have either taken inventories of biological agents on-hand or are in the process of doing so. They also said security has been increased at the high-risk laboratories that had previously been found deficient. According to the agency's response, all of the high-consequence pathogens located in a strip mall have been relocated to a more secure area.

Regarding background checks and unlimited access to biological agents, both APHIS and the Agricultural Research Service (ARS) responded that they will implement these policies and procedures developed by the USDA task force.

Forest Service Security Over Aircraft and Aircraft Facilities

Our audit disclosed that FS had not assessed the risks of theft and misuse of FS-owned aircraft, contracted air tankers, or State forestry aircraft. We concluded that these aircraft were, in fact, vulnerable to theft and misuse. FS had not provided guidance to either air tanker contractors or State officials regarding potential threats. During the fire season, FS could have in operation of up to 51 large multiengine aircraft, each capable of delivering up to 3,000 gallons of fire retardant at one time. The aircraft were generally located at open parking areas at public airports. Many of these airports are in less populated areas and had limited security. We recommended FS perform a security assessment of aircraft and aircraft facilities and implement necessary security measures. FS agreed to perform security assessments at these facilities.

Ongoing Reviews

Followup Review of the Security of Biohazardous Material at USDA Laboratories

The objectives of this audit are to (1) revisit USDA laboratories where security, inventory, and access issues were identified in our March 29, 2002, report, cited above, and determine whether the agencies and laboratories have undertaken efforts to correct problems OIG identified; (2) examine the implementation of new departmental policies and procedures pertaining to inventories and biosecurity controls; and (3) examine management controls over the J-1 Visa status visiting scientist program that authorizes foreign scientists to work at selected USDA laboratories.

While our past reviews of biological hazards concentrated on USDA's compliance with environmental and safety standards established by Federal and State authorities, their findings have raised our awareness of the vulnerability to public health and safety posed by inadequate controls over these two activities. Our systematic review of the Department's environmental protection policy has made it evident that the way biological materials are handled and secured is an important aspect of OIG's emerging role in the protection of agriculture, forestry, and the public from the accidental release or terrorist uses of hazardous biological materials. Among our concerns are numerous collections of animal diseases held by USDA laboratories. Some of these organisms cause serious, and even deadly, illnesses in people. They include contagious and debilitating organisms that could spread in a very short time, widely by release into the air or water systems. Recent terrorist acts in this country, including the anthrax attacks on Government and

media officials, underscore the importance of security over biological agents – organisms that, in the wrong hands, could pose a risk to human health and agricultural production in the United States.

Controls Over Chemical and Radioactive Materials at USDA Facilities

In this ongoing nationwide audit, we are determining (1) the controls the Department has over chemical and radioactive materials at USDA facilities; (2) the adequacy of the Department's and agencies' management control systems for ensuring USDA facility compliance with requirements for handling, storage, and disposal of chemical and radioactive materials; and (3) the adequacy of security procedures to prevent unauthorized access and removal of chemical and radioactive materials from departmental facilities. As part of these objectives, we will determine if personnel with access to these materials have proper clearances and if prior recommendations made by OIG have been acted on. This audit is being conducted at the Department level and at seven agencies: ARS; APHIS; FSIS; FS; AMS; Grain Inspection, Packers and Stockyards Administration (GIPSA); and NRCS.

Controls Over Biological Agents, Chemicals, and Radioactive Material at USDA-Funded Research Facilities

In another review, we are testing the effectiveness of controls in the handling, storage, and disposal of biological agents, chemicals, and radioactive material at universities, colleges, and private laboratories that receive USDA financial assistance for research. We are reviewing and assessing controls over receiving, handling, storing, transporting, and disposing of (1) biological agents, including those on the Center for Disease Control's "select list," as well as hazardous animal and plant pathogens identified with the assistance of various agencies being reviewed; (2) chemicals; and (3) radioactive material. The following USDA agencies are included in the review: Cooperative State Research, Education, and Extension Service (CSREES); ARS; APHIS; FSIS; FS; AMS; GIPSA; and NRCS. We are conducting onsite reviews at 11 institutions that received USDA financial assistance.

Security Over Explosives/Munitions Magazines Located Within the National Forest System

The objectives of the audit are to identify key controls over the security of explosives and munitions stored at magazines located on FS lands. Currently, FS operates 166 magazines, private ski areas under FS special use permits operate another 153, and an additional 16 magazines are operated by other governmental and nongovernmental entities, such as mining companies that also have special use permits issued by FS. Our audit is focusing on the physical security of the munitions storage, as well as the accountability and control over these items.

Forest Service Security Over U.S. Borders Encompassing National Forest System Land

The objective of this review is to assess FS' role and responsibility in securing U.S. borders adjacent to or on National Forest System land. There are 1,000 miles of U.S. border contiguous to FS lands. We are assessing what role FS is playing in securing these borders, as well as what responsibility and authorities it has in this area.

Controls Over Permits To Import Biohazardous Materials

APHIS' Plant Protection and Quarantine and Veterinary Services divisions each have separate permit systems for the importation and domestic transfer of specified plant and animal pathogens and other restricted materials. These materials are brought into the United States for research purposes and are controlled through the permit systems to prevent their introduction into the U.S. agricultural structure. Because of concerns for the potential misuse of the permit system to deliberately introduce dangerous biological organisms into the United States, we currently have a review underway focusing on the controls over permits issued to colleges, universities, public and private laboratories, and other users.

FOOD SAFETY

One of the primary challenges facing USDA is to ensure a safe, wholesome, and properly labeled meat and poultry supply, whether it is domestically produced or imported from a foreign country. The terrorists' attacks of September 11, 2001, and recent outbreaks of illnesses related to meat and poultry contaminated by *E.coli* and *listeria monocytogenes* have further highlighted challenges and vulnerabilities regarding the U.S. meat and poultry supply.

Ongoing Work

In June 2000, we issued our Food Safety Initiative, a series of audits to determine whether FSIS' meat and poultry inspection program remains effective under the science-based Hazard Analysis and Critical Control Point (HACCP) System. We reviewed HACCP implementation, laboratory analyses, foreign imports, and the compliance program that carried over from the previous system. FSIS had taken positive steps, but more needed to be done in all 4 areas reviewed, and we made 80 recommendations in total to that end. We now have work underway to determine what actions FSIS has taken to address those recommendations and their effectiveness.

We have also initiated work focusing on FSIS' Recall Operations where meat or poultry products are found to be adulterated. The need for this review was highlighted by recent recalls in one plant of 19 million pounds of ground beef adulterated with an *E.coli* strain and 27.4 million pounds of ready-to-eat poultry products in another plant adulterated with a *listeria* strain.

Controls Over Overtime

FSIS did not have adequate controls in place for overtime charged by field inspectors. FSIS' national office had not updated policies on overtime claims and had given each district the autonomy to establish its own policies and controls. Supervisory approvals of time and attendance reports were not performed or documented, and prior written approval of overtime worked was not required. As a result, there was a lack of assurance that the inspectors' overtime claims were accurate and that the overtime reported was actually worked.

FSIS also had not established adequate controls over billing for reimbursable overtime and was not taking aggressive or effective collection action on overdue bills for overtime services. We found that FSIS continued to provide overtime and holiday inspection services for delinquent plants in violation of current regulations. In the 3 districts we visited, we found that 40 plants with delinquent accounts totaling $990,000 were still receiving overtime inspection. We found that aggressive collection actions were not taken on plants with delinquent accounts, including those that were suspended or had been withdrawn from inspection service. As a result, FSIS did not have an adequate collection system to aggressively pursue delinquencies of $7 million.

We recommended that FSIS strengthen its procedures for monitoring, reporting, and collection for overtime services.

FINANCIAL MANAGEMENT

Financial Statement Audits for FY 2001

The Chief Financial Officer's Act of 1990 and the Government Management Reform Act require USDA to prepare and audit financial statements. RMA, RD, and the Rural Telephone Bank (RTB) have achieved success with their financial systems and received unqualified opinions in FY 2001, which means that their statements fairly present their financial position. CCC received an unqualified opinion on the FY 2001 Balance Sheet and related Statement of Changes in Net Position and Consolidated Statement of Net Cost. However, CCC received a disclaimer of opinion on its Statements of Budgetary Resources and Financing.

The Department and FS received a disclaimer of opinion on their entire FY 2001 Financial Statements. A disclaimer of audit opinion means that sufficient audit work could not be performed to determine if the financial statements fairly present the Department's or FS' financial position.

Status of Financial Statement Audits for FY 2002

In FY 2002, contracts were awarded to a certified public accounting firm to conduct the FS, CCC, and RMA financial statement audits. While FS and CCC awarded contracts directly, OIG provided audit oversight for these contracts. The contracting efforts allowed us to help USDA and related agencies' Chief Financial Officers to focus on and correct the accounting and internal control weaknesses previously described and reported in prior fiscal years. For example, our efforts helped FS correct a long-standing weakness related to its reconciliation of the Fund Balance with records provided by the U.S. Department of the Treasury (Treasury). We issued our audit opinion on USDA's consolidated FY 2002 financial statement on January 15, 2003.

Audit of Foundation Financial Information System Operations

In FY 2002, we performed an audit of Foundational Financial Information System (FFIS) system operations at the National Finance Center in New Orleans. Our audit determined whether USDA agencies' policies and controls adhered to the Office of the Chief Financial Officer (OCFO), the Joint Financial Management Improvement Program, and other applicable authoritative sources. We found that accounting policies and internal control procedures established by each agency, frequently, did not adhere to OCFO guidance where established or other authoritative sources. For example, we identified five types of FFIS payment documents where agencies did not require "approvals" before the payment was processed, as required by OCFO guidance.

Our audit report also described other areas that need further strengthening and/or where controls were not either functioning as designed or effectively implemented. For example, we found that USDA agencies had not adequately limited access granted to users, appropriately segregated duties, or sufficiently controlled changes to system documents that feed financial information into FFIS. We also found budgetary controls, inherent in FFIS, that were not implemented or were not implemented consistently by USDA agencies, thus negating the utility of the controls.

We recommended that OCFO require USDA agencies to (1) utilize the controls available in FFIS to their fullest extent, including establishing full control for all appropriated funds and setting budgetary limits on all appropriated funds; (2) immediately review FFIS accesses and eliminate unauthorized or unnecessary accesses identified and provide the results of these reviews to OCFO; and (3) track, through FFIS, the override of any FFIS edits or control processes by agency personnel.

Government Performance and Results Act of 1993 (GPRA)

We conducted a review of the implementation of GPRA by FSA. Our review found that FSA's performance measures needed to be improved to show what progress was being made in achieving its strategic goals. We found that 18 of 21 performance measures were output-oriented (expressed in terms in quantitative result), rather than outcome-oriented (expressed in terms of a program result), which is preferred under GPRA to assess the benefit of program activity.

We recommended that FSA develop performance measures that are outcome-oriented, linked to the achievement of its long-term goals, and for which results reported would indicate the degree to which the long-term goals are being met. We also recommended that FSA implement written procedures to ensure that internal controls over the collection, calculation, and reporting performance plans are in place and operating.

FSA agreed with our recommendations and has initiated corrective actions.

INFORMATION TECHNOLOGY (IT)

Automated data is among the Department's primary assets, and departmental computer systems have been a target of hackers in the past. Consequently, one of the more significant dangers USDA faces continues to be an attack on its IT infrastructure, whether by terrorists seeking to destroy unique databases or, more typically, criminals seeking economic gain. The evolution of the Internet has further exposed USDA's billions of dollars in assets and databases to predators who could seek to use it as a new form of weapon against the Department's programs and operations. The Department has numerous information assets that include market-sensitive data on the agricultural economy and commodities, signup and participation data for programs, personal information on customers and employees, and accounting data. The information and related systems face unprecedented levels of risk from intentional or accidental disruption, disclosure, damage, or manipulation. Public confidence in the security and confidentiality of the Department's information and technology systems are essential.

OIG has been involved in strengthening the Department's security over information and communications technology since well before the September 11, 2001 terrorist attacks. We initiated a multiyear program prior to the new millennium and intensified our efforts subsequent to the attacks. To date, we have reviewed the security over IT resources within nine USDA agencies and are in the process of reviewing security over IT resources at eight additional agencies. While the Department has taken positive action by developing a plan to strengthen USDA information security, our audits continue to identify deficiencies in USDA's security posture. The following sections depict some of those deficiencies.

Government Information Security Reform Act of 2000 (GISRA)

Congress passed GISRA to seek to ensure proper management and security for the information supporting Federal operations and assets. Our audits have identified that USDA, through the work of the Office of the Chief Information Officer (OCIO), has a departmentwide security plan in place and has begun improving security over the Department's IT resources. Despite its efforts, however, the Department remains noncompliant with several requirements.

In FY 2002, our evaluations disclosed that, although most USDA agencies had taken steps to begin strengthening their security programs, the deficiencies in IT security that were reported in the prior year persist. Our report found that OCIO needs to implement definitive policies and processes relating to several security program areas, including (1) identifying mission-critical infrastructure and major systems; (2) identifying potential and existing threats and risks to mission-critical systems and networks; (3) preparing and implementing a mitigation plan to minimize the effects of those risks; (4) preparing and testing contingency/disaster recovery plans; (5) following security plans throughout system lifecycles; and (6) ensuring that agency systems are properly certified and authorized. We also concluded that most USDA agencies do not have adequate physical and logical access controls in place over their IT resources and that numerous vulnerabilities in agencies' systems continue to be detected despite the Department's purchase of a USDA-wide license for a commercially available vulnerability scanner product.

The report recommended that OCIO (1) formalize its incident tracking process and establish controls and hold agencies accountable for timely investigating and reporting of security incidents through the Department's intrusion detection system; (2) strengthen reporting requirements for plans of action and milestone mitigation plans; (3) strengthen existing vulnerability scanning guidance to include agency reporting of the scope and timing of vulnerabilities identified to the Associate CIO for Cyber Security for tracking and followup purposes, along with actions taken to eliminate the identified risks; (4) establish controls that hold agencies accountable for accurately reporting the status of their security programs in their security plans and self-assessments; (5) establish procedures and implement controls to ensure that a sufficient number of onsite agency reviews are conducted to complement other OCIO oversight functions and ensure an accurate assessment of the Department's overall security program; (6) establish controls to ensure that any OCIO-established guidance conforms with the requirements of existing National Institute of

Standards and Technology guidance; and (7) establish a policy and enforce milestone dates to ensure the preparation of security plans for each agency major application and general support system.

The overall report consolidated the results of several audits conducted in the past fiscal year, and recommendations to address the identified vulnerabilities were made in those reports. The agencies agreed to correct the weaknesses disclosed.

National Information Technology Center (NITC)

Our FY 2002 review of NITC noted that it has made a concerted effort toward completion of risk assessments, which is an important step toward improving security. We also noted that NITC had improved its controls over logical access to its systems, but additional actions were needed to ensure resource security. NITC needs to periodically identify, document, and mitigate existing vulnerabilities in its systems, ensure the use of proper controls over its systems from the Internet, and ensure compliance with existing Federal security guidelines. NITC did not ensure that user accounts belonging to its customers were timely removed when those users no longer needed access, and it was not tracking access to all sensitive and critical datasets on its mainframes. NITC did not have procedures to ensure that the agency security officer listing remains current and that no accounts with the security privilege exist for nonagency security officers. NITC had not established controls over system changes to ensure that all change control procedures include documenting written authorizations and testing before changes are implemented and that all changes are properly recorded. Finally, NITC had not complied with all the requirements of OMB Circular A-130 by ensuring that its security plan included all the needed elements, such as specification of authority to access systems. We recommended that NITC institute controls to mitigate the vulnerabilities noted. NITC generally agreed with the audit findings and recommendations.

Information Security at the National Agricultural Statistics Service (NASS)

We conducted an audit of information security at NASS. Our audit identified material weaknesses in NASS' computer network, which included (1) vulnerabilities on NASS network devices, (2) the need to strengthen its firewall administration and security over remote access to its network resources, and (3) the need to ensure that only authorized users have access to its network resources.

We recommended that NASS (1) take corrective actions on the vulnerabilities identified on its network, (2) develop and implement a policy to periodically review the firewall configuration and remove or modify firewall rules as necessary, and (3) strengthen its logical access controls by reconciling user accounts to authorized users and eliminate the use of generic user accounts. NASS has corrected a substantial number of the problems found and has aggressively implemented plans to correct the remaining areas of concern.

Agricultural Marketing Service (AMS)

Our audit identified numerous potential systems weaknesses on AMS's network that could be exploited both from inside the network and externally through the Internet. System configurations or computer settings used by AMS unnecessarily increased the risk to the system, and hardware components were added to the network without authorization. We recommended that AMS strengthen its controls to ensure that only authorized users have access to its computer systems and that adequate controls are in place over the application and operating system change control process, including supervisory approval, segregation of duties, and documentation of testing results. Prompt action by AMS has mitigated a majority of the weaknesses.

Agricultural Research Service (ARS)

We identified numerous and significant potential weaknesses in ARS' ability to adequately protect its IT resources from potential disruptions at each site we visited. These included potential vulnerabilities related to ARS's IT equipment and networks, as well as weaknesses in ARS's system security

administration. Because a standard security policy was not in place, ARS's systems and networks were vulnerable to cyber-related attacks. ARS has initiated actions to resolve the potential vulnerabilities reported.

Natural Resources Conservation Service (NRCS)

NRCS had not updated its agency security program to reflect its current IT infrastructure or disseminated departmental security policies and procedures to all its offices. It had neither conducted risk assessments or annual security reviews to ensure that the agency was in compliance with current security guidelines, nor determined whether those policies remained appropriate. Most of the sites we visited had not conducted periodic assessments or established security and contingency plans. NRCS also needs to improve logical and physical access controls, and controls to prevent unauthorized access to critical or sensitive data were inadequate. NRCS computer operating systems were not capable of logging off terminals after a predetermined period of inactivity, and one location had not established controls to detect or prevent unauthorized physical access during business hours.

Farm Service Agency (FSA)

FSA management needed to increase its involvement in computer security to minimize the threat of penetration of payment and data systems. For instance, we found an FSA computer that was used to access prohibited Internet Web sites by the supervisor of a wiring contractor team. That team had been left unattended in the office after regular working hours with access to the computer systems. We also found logon identification numbers shared with visitors and an unexplained extra systems administrator (unlimited access) logon.

We found physical security weaknesses at most sites, including unlockable and unlocked doors and access by too many people to the room housing the computer servers. Our scans of 121 network components disclosed 252 potential weaknesses that could make FSA systems subject to attack. We found that risk assessments were not completed at the required intervals, and security plans did not provide a management structure indicating system responsibilities. Moreover, contingency planning was treated perfunctorily, and plans were not always updated to reflect significant changes or tested annually.

OFFICE OF THE GENERAL COUNSEL

STATEMENT OF NANCY S. BRYSON, GENERAL COUNSEL

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE

SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT,

FOOD AND DRUG ADMINISTRATION AND RELATED AGENCIES

INTRODUCTION

Mr. Chairman and members of the Subcommittee, I am pleased to have this opportunity to provide you with an overview of our agency and to address some of the current activities and issues facing the Department.

MISSION

The Office of the General Counsel (OGC) is the law office for the Department. As an independent, central agency within the Department, OGC provides legal advice and services to the Secretary of Agriculture and other officials of the Department of Agriculture with respect to all USDA programs and activities.

ORGANIZATION

OGC's services are provided through 12 Divisions in Washington and 17 field locations. The headquarters for OGC is located in Washington, D.C. The Office is directed by a General Counsel, a Deputy General Counsel, a Director for Administration and Resource Management, and six Associate General Counsels. The attorneys located in headquarters are generally grouped

in relation to the agency or agencies served. Our field structure consists of four regional offices, each headed by a Regional Attorney, and 13 branch offices. The field offices typically provide legal services to USDA officials in regional, State, or local offices.

CURRENT ACTIVITIES AND ISSUES

INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS

In fiscal years 2002 and 2003, OGC has provided a significant amount of assistance with respect to commodity loan, producer income and production adjustment programs authorized by various statutes, including the Agricultural Adjustment Act of 1938, the Commodity Credit Corporation (CCC) Charter Act, the Food Security Act of 1985, and the Farm Security and Rural Investment Act of 2002 (the 2002 Act). With respect to the 2002 Act, OGC provided extensive review of the numerous commodity program proposals that were under consideration during the deliberation of the proposed legislation that eventually became the 2002 Act. These activities included the technical review of draft legislative language, as well as analyses of the proposals to determine their effect on other existing statutes. Following the enactment of the 2002 Act, OGC continued to devote efforts to implement the commodity program provisions. OGC devoted significant resources in a large number of interagency meetings to review options available to the Department of Agriculture in implementing the provisions of the 2002 Act and expended substantial efforts in the review and drafting of program regulations and documents. These regulations total several hundred pages in length and cover a wide range of programs, including programs for producers of wheat, feed grains, cotton, rice, oilseeds, dairy products, honey, peanuts, and pulses. OGC attorneys attended national training programs conducted by the Farm Service Agency (FSA) in order to provide expedited resolution of legal issues raised by attendees from all of the FSA State Offices. In addition, OGC attorneys are involved in defending two major lawsuits that have been filed as the result of the enactment of the 2002 Act. The first lawsuit challenges the constitutionality of the 2002 Act's peanut quota buyout program and the

second lawsuit challenges the manner in which the transition payment portion of the dairy market loss program has been implemented.

Issues related to the implementation of the United States Warehouse Act (USWA) produced extensive OGC involvement in assessing the implications of United States Supreme Court precedents on the issue of Federal preemption with respect to various situations where a State regulatory agency was attempting to regulate in areas covered by the USWA. OGC attorneys worked closely with FSA officials to develop a new USWA licensing program that reflected changes in the grain trading sector over the last 30 years in order to increase the protection of producers who stored or sold grain in USWA-licensed warehouses. OGC attorneys also worked closely with Departmental officials to develop emergency assistance programs for livestock producers adversely affected by drought and other natural disasters. OGC continued to provide assistance to FSA and Agricultural Marketing Service (AMS) contracting officers in commodity procurement activities, including representation in contract dispute cases before the General Accounting Office. OGC attorneys also continued to address issues relating to the Starlink corn crisis and other issues related to genetically-modified agricultural commodities.

With respect to the Foreign Agricultural Service (FAS), OGC has been involved in the implementation of a number of major international trade and foreign assistance initiatives. During fiscal year 2002, OGC was involved in: (1) the current round of World Trade Organization (WTO) Agriculture Agreement negotiations; (2) negotiations to create a Free Trade Area of the Americas; and (3) providing assistance relating to the Codex Alimentarius Commission. OGC attorneys participated in various WTO activities, including consultations, panel considerations, appeals, and arbitrations involving various trade disputes. These included: (1) the WTO action initiated by Brazil with respect to the various U.S. cotton subsidy programs; (2) ensuring the European Union's compliance with the WTO decision striking the ban on imports of meat produced with growth-promoting hormones; (3) Japanese phytosanitary issues; and (4) Canadian dairy export subsidies and access for U.S. products. OGC continues to be

actively involved in other FAS program areas such as providing legal advice for the export credit, supplier credit, and facilities guarantee programs. OGC was extensively involved in the preparation of the U.S. positions in the WTO Doha Round of Negotiations on the issues of export credits, credit guarantees, and state trading enterprises. OGC continues to be involved in the interagency process relating to the liberalization of U.S. sanctions on trade in agricultural commodities and products and in addressing numerous issues arising with respect to agricultural commodity exports to Iran and Cuba.

OGC attorneys expended a significant amount of effort in the deliberations involving the trade title of the 2002 Act and the subsequent implementation of the various amendments made by the 2002 Act to humanitarian assistance and development programs implemented by the Department. During the past year, OGC has also been involved in the implementation of a large number of foreign assistance agreements under which agricultural commodities are donated, including surplus agricultural commodities acquired by CCC. The implementation of these agreements involves extensive review of draft agreements, commodity procurement, ocean transportation issues, and cargo loss and damage claims. In the area of international food assistance, OGC reviewed and helped draft numerous agreements with private voluntary relief organizations, the World Food Program of the United Nations, and various foreign governments. This assistance included a combination of donations and concessional credit sales of grains, oilseeds, and other U.S. agricultural commodities. OGC also assisted the Departments of Treasury and State in analyzing Cambodia's legal obligations to repay the U.S. for commodity exports financed by CCC in the 1970's during the Viet Nam War which has been significantly hampered by the lack of documentation and the consequences of the Khmer Rouge regime actions in the 1970's and 1980's.

FOOD AND NUTRITION DIVISION

With respect to USDA's domestic food assistance programs, OGC has been heavily involved in efforts related to the review of proposed legislation and the implementation and

enforcement of new legislation aimed at welfare reform and other program improvements, as well as the ongoing program integrity and compliance initiatives. We expect the demand for legal services in connection with these activities to remain constant in fiscal years 2003 and 2004.

More specifically, during this past year, OGC attorneys played a significant role in the development and drafting of several Administration legislative proposals. Included among these were proposals to amend the Food Stamp, Commodity Distribution and Child Nutrition Program statutes enacted in the Farm Security and Rural Investment Act of 2002. OGC was also instrumental in developing continuing resolution language to provide funding for the Food Stamp Program (FSP) and the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) at a level which would recognize the increasing participation levels in those programs. OGC attorneys also worked closely with the Food and Nutrition Service (FNS) to provide legal review of major interim Child and Adult Care Food Program (CACFP) regulatory amendments to implement provisions of the Agriculture Risk Protection Act of 2000. These statutory amendments restructured fundamental CACFP functions ranging from frequency of program reviews of day care providers to due process provided for sponsoring organizations.

In fiscal year 2002, OGC approved procedures for the re-notification by a State agency of over 1,250 participants who had been disqualified from the FSP under previous notices which did not adequately inform them of their due process rights. In addition, the Office reviewed and provided legal advice regarding a homeland security proposal for a Rapid Food Response system under which USDA could provide food to a population of as many as 40,000 people in as little as eight hours in response to intentional acts of terrorism. After consultation with the Department of Justice (DOJ) and the Department of State, OGC played a significant role in the removal of the Holy Land Foundation for Relief and Development (Holy Land) from eligibility to receive USDA commodities under the Emergency Food Assistance Program. Holy Land, the largest Islamic charity in the United States, has links with HAMAS which is listed by the Department of

State as a Designated Foreign Terrorist Organization. Because Holy Land became subject to sanctions under Executive Order 13224, the removal sanction was appropriate. OGC attorneys also worked closely with Department officials engaged in evaluating and sanctioning States for their performance in administering the FSP under that Program's quality control (QC) system. This effort resulted in the establishment of QC claims of over $134 million against 15 States. OGC is now extensively engaged in the defense of four State agency administrative appeals of these QC sanctions.

During fiscal year 2002, OGC assisted in the defense of several legal challenges to the domestic food assistance programs. Among other issues, litigation involved: (1) Maine Care Services, Inc. v. USDA, in which the court upheld the Department's position that hearings provided for CACFP providers are informal rather than formal proceedings under the Administrative Procedure Act; (2) Ironbound Community Corporation v. USDA, involving a challenge to rules regarding timely filing of claims for reimbursement by CACFP sponsors; and (3) Solis v. Veneman, in which the court granted the Secretary's motion to dismiss a class action which sought restored FSP benefits for the period from the date a regulation became effective to the date the State agencies were required to implement the regulation. OGC also played a significant role in the settlement of a *qui tam* action under which misused CACFP funds were recovered in U.S. *ex rel.* Stucky v. Pacific Enrichment, Inc. OGC was also influential in the settlement of a class action suit against the State of New York which resulted in the efficient transfer of FSP recipients who were being converted from public assistance to the Supplemental Security Income program.

Review of regulations and public notices was again a priority for OGC in FY 2002. OGC reviewed a substantial rule proposing a variety of changes to the WIC program which, among other things, would streamline federal requirements for financial and participation reporting for State agencies. OGC also reviewed rules which would revise the WIC Food Package, change FSP rules applicable to anticipating income and reporting changes, and revise standards for approval and operation of FSP electronic benefit transfer systems.

OGC also provided formal and informal advice on a number of issues affecting the efficient administration of the food assistance programs. After consultation with the Office of Personnel Management (OPM) and the DOJ, OGC obtained formal concurrence from OPM in the conclusion that the Secretary of Agriculture retains authority to waive merit personnel standards applicable to FSP State agency employees under the Intergovernmental Personnel Act of 1970 for purposes of demonstration projects to test methods of improving FSP efficiency. OGC also effectively reviewed a Commodity Supplemental Food Program proposed rule designed to improve clarity of existing rules and to improve program accountability and flexibility. OGC gave legal advice regarding a Memorandum of Understanding between the FNS and the Veterans Administration which specifies collaborative efforts of the two agencies to encourage disabled and other veterans to participate in the domestic food assistance programs for which they are eligible.

REGULATORY AND MARKETING PROGRAMS

The Department's food safety programs and responsibilities are exceptionally important to American agriculture and to American consumers. OGC attorneys are committed to providing the most effective and comprehensive legal assistance possible to these critical programs. We will continue to work closely with the Food Safety and Inspection Service as it addresses an array of important issues over the next few years.

We are providing the strongest possible support to the agency to ensure the safety of the nation's meat, poultry, and egg products. OGC participates fully in the agency's continuing work to enhance the effectiveness of the Hazard Analysis and Critical Control Points (HACCP)/Pathogen Reduction regulations, and to assist FSIS in its work on the HAACP-based inspection models project (HIMP) which employs new inspection models that the agency has concluded will lead to more effective inspection methods, improved food safety, and better use of agency resources. Last year, working closely with our colleagues at the Department of Justice, we successfully defended the HACCP regulations and FSIS' statutory authority to use the HIMP project's inspection models in a lawsuit brought by the American Federation of Government

Employees, the Community Nutrition Institute, and several FSIS meat inspectors. The validity of the revised HIMP project was approved by the Court of Appeals for the District of Columbia on the second time it was appealed to that appeals panel.

OGC staff have also defended and assisted the agency in other federal court litigation involving a variety of issues including the applicability of the federal meat inspection laws to establishments slaughtering horses, the agency's authority and policies with respect to downer animals, and the defense of FSIS' compliance actions.

OGC provides comprehensive legal support to FSIS' rulemaking activities. Our attorneys work with FSIS staff from the earliest stages of the agency's policy development activities, serving on an array of agency working groups and regulation development teams involving such matters as registration and record-keeping requirements, residue testing procedures, and food standards modernization. We assisted in the development and preparation of the agency's policy statement explaining the agency's position on the application of the HACCP regulations to the control of E. coli 0157 contamination of beef products, the final rule establishing mandatory inspection of ratites and squab, the final rule facilitating the sharing of distribution information with state and other federal agencies to improve recall procedures, and a direct final rule recognizing the meat and poultry inspection system of the State of Maine. In addition, we are continuing to participate with the agency in its efforts to ensure that plants producing ready-to-eat meat and poultry products are taking appropriate steps to prevent Listeria contamination.

We also devote substantial resources to the agency's field operations activities and to FSIS' compliance and enforcement programs. Our attorneys work effectively with agency officials, with the Office of the Inspector General, and with the Department of Justice to achieve effective prosecution of criminal, civil, and administrative cases involving violations of the meat, poultry, and egg products inspection laws, and to prevent the distribution of adulterated, misbranded, or uninspected products.

Safeguarding the animal and plant health of the United States is a matter of critical importance to American agriculture and to the Department. OGC has worked very effectively

with the Animal and Plant Health Inspection Service (APHIS) for many years in carrying out these program responsibilities and will continue to do so in the future. APHIS's responsibilities have expanded and become more complex, requiring not just effective safeguarding measures to prevent the introduction and dissemination of animal disease and plant pests, but programs to ensure the safe entry of people and goods into the United States, and the facilitation of agricultural trade in compliance with out international obligations. The demands on OGC staff for timely and effective assistance have increased proportionately.

We have an excellent relationship with APHIS program officials and with their regulation development staff, and we have worked very closely with them in connection with the full panoply of control and eradication programs carried out during the last year. These programs have involved continued work on the Karnal bunt and citrus canker programs, cooperative efforts to deal with an outbreak of Mexfly in California, the control and indemnification programs for low-pathogenic avian influenza, infectious salmon anemia, bovine tuberculosis, and chronic wasting disease, and more recently, the cooperative program dealing with the Exotic Newcastle disease outbreak in southern California, Arizona, and Nevada. Additionally, the regulation of biotechnology has been a major focus of regulatory activity for APHIS and OGC is very much involved with the agency in reviewing its programs and policies in that area.

OGC attorneys have strongly supported APHIS activities related to the development of regulations that will allow agricultural commodities and products to enter U.S. markets while ensuring that America's agricultural resources are not impaired and that plant and animal health in the U.S. are not compromised. These regulations have covered requirements for guarding against the introduction of FMD and BSE into the U.S., enhanced measures applicable to the importation of Spanish clementines to include a revised cold treatment protocol, and rules covering a broad array of other fruits and vegetables.

This past year, we also experienced substantial workload increases in the legislative arena. Our OGC attorneys worked diligently with APHIS and with Congressional staffs, and stakeholders, assisting in the effort that culminated in the consolidation and updating of the

animal health laws in the Animal Health Protection Act. In like manner, we gave great attention and assistance to the drafting and ultimate passage of the Agricultural Bioterrorism Protection Act of 2002, and to the statute creating the Department of Homeland Security (DHS). Since enactment of these last two laws, OGC staff have partnered with APHIS, and with other federal agencies, to achieve the smooth implementation of the regulatory program for biological agents and toxins, and a successful transfer of certain APHIS border inspection functions to DHS. Our work on these projects will, of course, continue as a priority for our office.

We also dedicated substantial resources to defending APHIS program activities and regulations in the federal courts. This litigation encompasses such matters as the importation of avocados from Mexico and Spanish clementines from Spain, the proper scope of regulation for genetically modified turfgrasses, and the validity of the cooperative program for the control and eradication of citrus canker in Florida. OGC staff also handle a substantial caseload of administrative cases on behalf of APHIS to enforce the agency's regulations. These cases have included the enforcement action to enforce the agency's permitting regulations in the biotechnology program, and the prosecution of violations of the standards for accredited veterinarians, and of import and interstate movement regulations for plant and animal products.

During fiscal year 2003, OGC anticipates expending substantial resources in connection with drafting and legal assistance for the new 2004 Horse Protection Act (HPA) Operating Plan, and with an increased workload of administrative enforcement actions under the HPA program. OGC attorneys serve as agency counsel in administrative actions brought under the HPA. In fiscal year 2002, OGC expended substantial resources in connection with the HPA program, including litigation assistance in connection with the successful defense of APHIS's *2001-2003 Operating Plan* for the HPA program in the case of American Horse Protection Association, Inc. v. Ann Veneman, et al.

OGC also provided significant legal services to APHIS in connection with enforcement of the Animal Welfare Act (AWA). In fiscal year 2002, OGC initiated over 30 administrative enforcement actions and we expect fiscal year 2003 referrals to exceed that level. In addition,

OGC reviewed and provided drafting assistance to APHIS in a number of rulemaking actions for publication in the Federal Register, and provided assistance to APHIS in developing policy guidance on the handling of exotic cats under the AWA.

In the past year, OGC provided extensive legal assistance to the Agricultural Marketing Service (AMS) on a variety of issues and will continue to do so in the year ahead. OGC continues to provide assistance in rulemaking and related litigation involving Class III and IV milk pricing. The final decision was issued in November 2002. OGC also assisted AMS in several regional hearings to review pooling standards in milk orders and these will continue in fiscal year 2003.

OGC has continued to be heavily involved in litigation involving the constitutionality of commodity research and promotion programs. Administrative challenges to the watermelon and honey research and promotion programs are currently pending, and are scheduled for hearing in early 2003. In addition, two district court cases challenging the beef promotion program have resulted in adverse decisions which are being appealed to the circuit courts. The cases filed by the beef importers were dismissed by the U.S. Court of International Trade and an appeal is pending in the federal circuit on jurisdictional grounds. In regards to the pork promotion program, an adverse decision was issued by the district court and is currently being appealed to the circuit court. There are also challenges pending in the district courts to both the dairy promotion program and to the avocado research and promotion program. Finally, an administrative challenge to the advertising program conducted under the California tree fruit marketing order is scheduled for hearing in February 2003. In addition to the litigation involving the constitutionality of these programs, OGC worked closely with the AMS in connection with the development and publication of proposals for new programs for lamb, avocados and mangoes.

OGC continued to provide assistance to AMS in connection with the implementation of the National Organic Standards program, which became effective February 20, 2000, and fully implemented on October 21, 2002. During the past fiscal year, OGC provided legal assistance

and advice on a variety of issues, including peer review panel procedures, treatment of non-covered agricultural products, equivalency issues, the organic assessment exemption, enforcement issues, and National Organic Standards Board review of national list materials.

OGC has also worked closely with AMS in connection with a number of fruit and vegetable formal rulemaking proceedings. Extensive hearings were held for cranberries, pistachios, and tart cherries. Amendments to the tart cherry order were approved in referendum. OGC continues to provide substantial legal services concerning amendments to the cranberry marketing order, in which extensive changes were proposed to the volume control provisions of the order, and the establishment of a new order for pistachios. In addition, OGC worked closely with AMS in establishing a new peanut standards board as authorized in the 2002 Farm Bill. Minimum quality and handling standards for domestic and imported peanuts also were established.

In the Trade Practices area, we provide legal services under the Packers and Stockyards Act (P&S Act), the Perishable Agricultural Commodities Act (PACA), and the Capper-Volstead Act and provide the liaison for the Department under the Memorandum of Understanding between the Department, the Federal Trade Commission and the Department of Justice on competition issues. Under the P&S Act, the attorneys of the Trade Practices Division file administrative complaints to enforce the provisions of the statute, requiring prompt payment for livestock and poultry and ensuring that livestock auction markets and dealers are solvent, provide accurate weights and measures, and account accurately to sellers and producers of livestock. Of special note this year under the P&S Act, we continued to litigate an enforcement case against a large packer alleging violations of the Act. Section 202 of the Packers and Stockyards Act makes it unlawful for any packer to engage in any unfair, unjustly discriminatory or deceptive practice. Our complaint against Excel Corporation alleges that the packer engaged in an unfair or deceptive practice and violated P&S regulations when it changed the formula by which it calculated lean percent in slaughter hogs, a calculation that directly affected the price the packer paid to producers, without telling producers of the change. As a result of the change, the packer

paid lower prices to producers for 80 percent of the hogs it purchased. A decision in the case was handed down on February 7, 2002 in which the Administrative Law Judge found that Excel had violated the P&S Act and the regulation and issued a cease and desist order but, because he found that the agency was establishing a "new duty" under the regulation, he did not assess a civil penalty. The Department appealed that decision to the Department's Judicial Officer (JO), who issued his decision on January 30, 2003. The JO strengthened the decision, finding that Excel had violated a substantive regulation of long standing, not a new duty and finding that the violation was a grave one. The JO issued an appropriate cease and desist order, but failed to assess a civil penalty because after the violation was found by the agency, the packer made payments to some of the producers. We are asking the JO to reconsider that portion of his decision. Excel has announced its intention to appeal the JO's decision to the 10th Circuit Court of Appeals.

As a result of a fiscal year 2000 GAO report recommending changes in Packers and Stockyards Programs (P&SP's) investigation procedures in competition cases, OGC agreed to work closely with P&SP on the process by which its investigations are planned and implemented and to assign attorneys to work with agency investigators in the initial stages of case development and investigation. Trade Practices attorneys now participate in the early stages of P&SP's competition case investigations, assisting P&S with the review of its competition investigation work plans, traveling to the field offices to meet with investigation teams and providing whatever legal services are necessary as the investigation proceeds. Trade Practices attorneys are currently working on five such investigations with P&S staff.

In the past year, Trade Practices attorneys provided both informal and formal advice to P&SP as the agency analyzed eight packer trusts and one poultry trust. In four of those trust matters, our attorneys spent significant time explaining the statutory trust to counsel representing trust claimants, packers, bankruptcy trustees, and secured lenders. Three of these trusts required extensive legal review of ongoing P&SP trust investigations and claim analyses. In the past year, cash sellers of livestock who asserted some $3.6 million dollars of trust claims against

Valley Pride Pack, Inc., were paid almost $3.4 million, and some $16 million of trust claims were filed against Future Beef Operations, Inc., along with related bond claims required extensive legal review and revision. In the Future Beef matter, the claims would eventually require over 1,300 pages of spreadsheet analysis which was made available to counsel for producers who were seeking to be paid. A small trust asserted against Heartland Packing Company, Inc., required substantial legal analysis and review because of incomplete records maintained by this lamb slaughterer.

OGC has continued to provide significant legal resources to the PACA program this year. The attorneys of the Trade Practices Division file administrative complaints against dealers, brokers or commission merchants who must be licensed to buy and sell fruits and vegetables in interstate or foreign commerce. The administrative complaints enforce the provisions of the PACA which requires prompt payment, accurate accounting and compliance with contractual obligations. This year an intensive effort has been underway in the preparation and litigation of cases arising out of Operation Forbidden Fruit, the investigation and indictment of a number of produce wholesalers for paying bribes to federal inspectors for altering inspection documents. We have filed seven disciplinary cases which are requiring extensive legal resources in the preparation of these intensively litigated cases for hearing. The complaints allege that the firms (which are responsible for the acts of their employees) paid bribes and made false statements in the altered inspection certificates about the condition of the produce they received and those statements constitute false or misleading statements for a fraudulent purpose in violation of the PACA. The complaints seeks to revoke the PACA licenses of the companies. The first of the cases to go to hearing has required two weeks of hearing thus far and has been continued for additional hearing time. Four other Hunts Point cases are scheduled for hearing.

The PACA includes not only a disciplinary program providing suspension or revocation of license or civil penalties for violation of the Act, but also a reparation program. The basis of the reparation program rests upon section 5(a) of the PACA which makes a violator of any part of section 2 liable to the injured party for the full amount of damages caused by the violation. This

liability may be enforced by suit in any court of competent jurisdiction, or by complaint to the Secretary. A complaint to the Secretary initiates a reparation proceeding in which both parties have opportunity to make an evidentiary record, and have their dispute determined by officials of this Department. When news of the bribery at Hunts Point first became public, approximately 800 reparation complaints were filed in which the complainants alleged that they had been defrauded as a result of bribes paid by Hunts Point firms to federal inspectors to issue inspection certificates falsely showing poor quality produce. The Hunts Point firms typically used these certificates to negotiate downward price adjustments with their suppliers. Usually, the suppliers would then innocently negotiate similar adjustments with their suppliers all the way back to the producers. The reparation hearings on those complaints are presided over by attorneys of the Trade Practices Division, and all decisions, whether based on documentary proceedings or after hearing, are reviewed and approved by Trade Practices Division attorneys. While many of the Hunts Point reparations cases have been decided or have settled in the past year, Trade Practices attorneys continue to go to hearing on these reparations cases and on other similar reparation cases.

Attorneys in the Trade Practices Division continue to act as liaison to the Department of Justice (DOJ) and the Federal Trade Commission (FTC) on competition issues, pursuant to the Memorandum of Understanding between the three agencies. OGC expedites the provision of data or expertise to the DOJ on agricultural issues as DOJ or the FTC investigates firms or reviews mergers or acquisitions of agricultural businesses.

RURAL DEVELOPMENT

OGC also provides legal services to USDA agencies which manage some of America's largest loan portfolios. OGC continues to be heavily involved in debt collection, housing and farm foreclosures, and civil rights matters affecting the Farm Service Agency's (FSA) farm loan programs. OGC is assisting the Department of Justice in defending a putative multi-million dollar class action for damages brought by former Mexican agricultural and railroad workers seeking refunds of their savings fund for work performed in the United States from 1942 through

1964. We continue to provide assistance to FSA and the Rural Development mission area in implementing the Debt Collection Improvement Act of 1996, specifically involving credit reporting, electronic transfer of funds, offset, and cross-servicing. OGC continues to defend numerous lawsuits involving hundreds of Rural Housing Service (RHS) multifamily housing projects whose owners want to prepay their loans and thereby remove a significant number of low income housing units from rural America.

OGC continues to work with the Rural Business-Cooperative Service (RBS) in reviewing their cooperative agreements and in improving their cooperative agreement process. During the past year, we assisted RBS in establishing several new programs under the Farm Security and Rural Investment Act of 2002 including a new Value Added Development Grant program, revisions to the Agricultural Innovation Center program, the Rural Business Investment Program, revisions to the rural area definition for RBS programs, and we will continue to assist them in further implementing these programs. We are working to resolve an increasing number of major defaults on Business and Industry loans. We are also assisting RBS in implementing a fiscal transfer agent process that will facilitate the sale of the guaranteed portion of RBS loans in the secondary market. Additionally, we have been assisting RBS in the development and implementation of energy programs assigned to RBS under title IX of the Farm Security and Rural Investment Act of 2002.

OGC continues to defend several lawsuits involving tens of millions of dollars brought by companies reinsured by the Federal Crop Insurance Corporation (FCIC) for actions taken by it in its December 1995 rulemaking. Implementation of the Agriculture Risk Protection Act of 2000 has increased the responsibilities of the Risk Management Agency (RMA). Compliance efforts have been enhanced requiring extensive legal service to develop administrative disqualification and debarment cases against producers, agents, loss adjusters, and reinsured companies. Significant funding is available for contracting and reimbursement for research and development and risk management education, all of which require a significant time for legal review. RMA continues to implement new risk management programs developed by the private industry to

expand the number of producers covered under that safety net, which will also require a significant time for legal review as such products go through the Board of Director approval process.

We continue to work with Department officials to reduce regulatory burdens and eliminate obsolete and unnecessary regulatory requirements, particularly in the areas of rural development, farm, and utility lending. We are assisting RHS in streamlining and rewriting loan-making and servicing regulations for their single and multiple family housing loan programs, their Community Facilities loan program and the environmental regulations affecting these programs. Our efforts on these long-range projects will continue into fiscal year 2004.

The need for legal services supporting the programs of the Rural Utilities Service (RUS) grew significantly again in fiscal year 2002 as a result of increased funding for RUS programs, the implementation of a number of fundamentally new RUS financial assistance programs, increased responsibilities for RUS resulting from the passage of the Farm Security and Rural Investment Act of 2002, and the impact of continuing changes in the electric and telecommunications program structure and policies.

In fiscal year 2002, the largest of these programs, the RUS Electric Program, approved 184 loans and loan guarantees totaling $4,073,700,000. Sixteen of these loans involve large scale generation and transmission projects. OGC furnishes the legal services necessary for RUS to document and secure these obligations. The President's fiscal year 2003 budget provides $6.2 billion for RUS infrastructure investment in Rural America primarily in the form of loans and loan guarantees in three major programs: Electric, Telecommunications, and Water & Environmental. OGC is providing a full range of legal services to RUS to enable successful administration of these programs.

The latest Farm Bill established a Broadband Loan and Guarantee Program in RUS. OGC has provided substantial assistance to RUS in the promulgation of initial regulations and is developing the legal documentation necessary to protect the Government's financial interests in these new transactions. RUS anticipates a $1.4 billion program level. OGC furnishes all legal

services necessary to establish and maintain this program. The Farm Bill also established a new guarantee program under the Rural Electrification Act which provides for RUS to issue guarantees of obligations issued by lenders to electric cooperatives. This new program is anticipated to exceed $3 billion. OGC is assisting RUS in developing the initial program regulations and legal documentation.

In addition to its new Broadband Program, OGC is providing legal services to support several new RUS initiatives. For example, RUS has set aside $200 million for funding renewable energy projects. This represents the first large scale RUS lending initiative for renewables. Program implementation for funding this cutting edge technology often requires new legal documentation and the resolution of novel legal issues.

OGC also provides legal services to RUS to support the agency's participation in the Rural Telephone Bank (RTB) and in the LOCAL TV Loan Guarantee Board (LTL Board). Demand for legal services to support these activities has increased significantly as the RTB progresses towards statutorily mandated privatization and as the LTL Board promulgates its initial regulations and documents its first loan guarantees.

NATURAL RESOURCES

In the natural resources area, the Natural Resources Division and OGC Field Offices have been involved in many significant undertakings concerning national forest management and natural resources conservation programs. We assisted three of our client agencies, the Forest Service, Natural Resources Conservation Service, and Agricultural Research Service daily in support of their program missions.

We have provided assistance to the Natural Resources Conservation Service (NRCS) in administering a number of conservation programs on private or other non-Federal farm, pasture, range, and non-industrial forest lands, including the Agricultural Management Assistance Program, Environmental Quality Incentives Program, Farmland Protection Program, Wetland Reserve Program, Wildlife Habitat Incentives Program, and the Emergency Watershed Protection Program. In addition, OGC provided legal services and support to the Department during the

deliberations on the 2002 Farm Bill; the Farm Security and Rural Investment Act of 2002, Pub.L. 107-171, which authorized more than $17 billion in additional funding for natural resources conservation programs. Following enactment of the 2002 Act, OGC provided significant legal services to the Department, NRCS and the Forest Service in implementing the new or amended authorities.

OGC continued to provide legal counsel to NRCS in the enforcement of the highly erodible land and wetland conservation compliance provisions of the Food Security Act of 1985. OGC assists NRCS in determinations for enforcement and for granting statutorily-authorized variances. OGC defended the agency in administrative appeals and lawsuits challenging the implementation of the conservation provision of the Food Security Act.

OGC assisted NRCS and the Forest Service in working with the Environmental Protection Agency (EPA) to re-examine and revise regulations promulgated under the Clean Water Act for Total Maximum Daily Loads of pollutants and to develop regulations for Concentrated Animal Feeding Operations. The increasing focus on water quality matters has lead to a continuing increase in the level of legal services to the Forest Service and the NRCS, as well as the Office of the Secretary, particularly in regard to non-point sources of pollution from agricultural and silvicultural activities.

In the forest management program area, OGC provided litigation support to the Department of Justice in collecting millions of dollars in damages owed the government by defaulting timber sale purchasers. OGC provided assistance to the DOJ in on-going settlement negotiations of more than twenty consolidated cases concerning the collection of tens of millions of dollars in damages plus interest owed the government pursuant to Orders issued in two of the representative consolidated cases. OGC also assisted in limiting contractual damages payable by the client agency for environmentally protective actions. OGC provided legal assistance on the defense of approximately 35 lawsuits filed by timber sale contractors and states and counties challenging timber sale suspensions, modifications and cancellations and alleging breach of contract. Additionally, OGC provided legal assistance in drafting contract provisions to limit

liability for contractual damages, and developed and presented a three-day course on Advanced Contract Law to train Forest Service personnel on various aspects of contract law as it relates to their daily program activities.

The timber sale program in Alaska continues to require significant legal services. Attorneys in both the Washington office and the Juneau field office are assisting with litigation claims of $1.5 billion arising from denial of contract claims on the Alaska Pulp Corporation (APC) 50-year timber sale contract on the Tongass National Forest. APC's aggressive litigation stance required the commitment of significant OGC time and resources to defend against its claim and the related massive discovery effort and a six-week trial.

OGC provided legal advice and assistance to the Forest Service regarding implementation of stewardship contract pilot projects aimed at harvesting timber while simultaneously advancing forest resource management objectives. Under these stewardship contracts, timber is harvested and contractors provide services designed to achieve land management goals, including road and trail maintenance, watershed restoration and restoration of wildlife habitat. Additionally, OGC provided legal advice and assistance on the interpretation and implementation of a statute authorizing the collection and retention of fees associated with the harvest of special forest products, including review of a draft regulation.

OGC advised on issues related to ongoing forest plan revisions, overdue plans, and plan amendments. Two proposed amendments to the Pacific Northwest Forest Plan required substantial commitment of OGC resources. Compliance with and review of Sierra Nevada framework, including the Herger-Feinstein Quincy Library Group's Forest Resources Act, requires continuing OGC advice. OGC also provided, and will continue to provide, substantial assistance to the Department and the Forest Service related to revision and implementation of the land and resource management planning rule, the roadless area conservation rule, and the notice, comment and administrative appeal rule. OGC continues to advise on interagency efforts, particularly the Healthy Forests Initiative, wildland fire management, and the application of the Migratory Bird Treaty Act. In addition, providing preventive law advice regarding the

Endangered Species Act (ESA), the National Environmental Policy Act (NEPA), and the National Forest Management Act (NFMA), as well as other laws, requires continued OGC attention. Of particular significance is assisting the Forest Service in dealing with new information and coordinating management decisions for wide-ranging fish and wildlife species, many of which are threatened or endangered. Approximately 120 cases are pending challenging Forest Service decisions on NEPA, NFMA and ESA grounds. The level of litigation is expected to continue or increase, especially with respect to fire prevention and restoration projects. OGC assistance also is provided for forest plan and project administrative appeals, hundreds of which are filed each year.

In real property matters, OGC provides extensive legal assistance to the Forest Service, the NRCS and the Agricultural Research Service. In fiscal year 2002, over $150 million was appropriated to USDA agencies for the acquisition of lands and interests in lands. These land transactions involve considerable legal involvement in contracting, title work and closing. Additionally, legal counsel is provided for the entire spectrum of real estate matters related to the National Forest System (NFS) and other USDA administered lands including title claims, trespass, appraisal, survey, special use authorizations and similar issues.

OGC provides legal services regarding land title claims involving private parties, Indian tribes and pueblos, and state and local governments. These claims arise under treaties, Spanish land grants, and statutory grants by Congress. Several Indian land claims are in active settlement negotiations.

OGC has provided an increasing amount of advice to the Forest Service in its activities related to hydro power projects, in part due to the approximately 100 relicensing proceedings before the Federal Energy Regulatory Commission (FERC) occurring in the next 10 years for projects located on NFS lands.

In the minerals area, OGC significantly assisted the DOJ in defending several lawsuits alleging that statutes or administrative actions of the Forest Service constituted takings of rights held by holders of mining claims and mineral leases. OGC also furnished extensive legal advice

concerning the need for and adequacy of proposed legislation providing for the management and disposal of paleontological resources on NFS lands. OGC also provided substantial legal advice concerning the proposed revision of regulations governing the mining of metals on the tens of millions of acres of land administered by the Forest Service which are subject to the United States mining laws.

In congressional matters, OGC provided extensive assistance in drafting legislation to implement the Administration's Healthy Forest Initiative and related matters, and to provide tort liability protection for firefighters fighting wildfires pursuant to wildfire agreements with foreign countries. OGC continued to provide assistance in addressing numerous legal issues encountered during implementation of the Secure Rural Schools and Community Self-Determination Act of 2000, an act stabilizing payments to 40 states (and through them to 712 counties) by decoupling them from forest receipts. OGC also provided substantial legal assistance in responding to Congressional document requests, including requests relating to the Department's controversial roadless area conservation rule and the 30 Mile Fire. OGC assisted the Forest Service Legislative Affairs staff in preparation for numerous Congressional hearings.

In the recreation area, OGC provided significant legal advice regarding revisions to Forest Service regulations to enhance the agency's authority to require a permit for special uses occurring on NFS roads and trails. Additionally, OGC assisted with revisions to Forest Service regulations implementing Section 1307 of the Alaska National Interest Lands Conservation Act, which requires preferences for certain categories of recreation service providers in Alaska. OGC analyzed proposed outfitting and guiding legislation; drafted legislation establishing permit fees for organization camps operating on NFS lands and helped develop accessibility guidelines for outdoor developed recreation areas in the national forests. OGC also provided assistance to the Forest Service in working to require states and other non-federal governmental entities that hold lands and recreation special use permits to agree to insure and indemnify the United States under those permits.

In the international forestry area, OGC provided assistance in reviewing two nonbinding

wildfire arrangements, one between the U.S. Departments of Agriculture and the Interior, and the participating agencies of Australia, and the other between the U.S. Departments of Agriculture and the Interior and the National Rural Fire Authority of New Zealand. The arrangements outline the fire fighting assistance that each party to the arrangement may provide to another party to the arrangement, and were updated in light of legislation providing tort liability protection for firefighters fighting wildfires under such agreements. OGC also provided advice regarding the Forest Service's authority to allow the use of Smokey Bear for fire prevention activities in Mexico and Canada.

During fiscal year 2002, OGC worked closely with the Department and USDA agencies, providing legal services and advice relating to compliance with applicable pollution control standards and carrying out USDA's mission to protect human health and the environment at facilities and lands under its jurisdiction, custody and control. OGC compliance counseling and legal services defending USDA in enforcement actions and negotiating compliance agreements with Federal and State environmental enforcement agencies has significantly minimized civil penalties imposed upon USDA agencies. OGC also negotiated the cleanup of work done by other federal agencies on lands transferred to USDA and protected USDA's interests in other land transactions. OGC coordinated efforts with DOJ on CERCLA enforcement matters resulted in securing environmental cleanup work or cost-recovery of nearly $15 million from potentially responsible parties during fiscal year 2002. OGC also has taken a leading role providing advice to USDA's Principal participant in the Interagency Military Land Use Coordination Committee (IMLUCC) to facilitate Department of Defense (DOD) cleanup of over 200 formerly used defense (FUD) sites now under the land management responsibilities of USDA. Finally, OGC provided substantial assistance to the Department and the Forest Service on issues arising out of widespread selenium contamination resulting from historic and current phosphate mining in Southeastern Idaho.

GENERAL LAW DIVISION

The General Law Division (GLD) provides legal services to all agencies of the Department concerning those areas of law that apply generally to all agencies of the Federal Government. These services include, but are not limited to, the determination of claims filed under the Federal Tort Claims Act, personnel and labor matters, procurement, grants, fiscal law issues, and reviewing each year hundreds of Freedom of Information Act and Privacy Act appeals, each involving up to hundreds of pages of documents, in order to insure that the various agencies of the Department do not release or withhold documents inconsistent with applicable law. In addition, GLD attorneys assist the Department of Justice with any litigation that arises in these and other areas, and represent the Department before the USDA Board of Contract Appeals and the Merit Systems Protection Board.

GLD also serves specific client agencies in the Research, Education, and Economics (REE) mission area as well as Departmental Administration and staff offices such as the Office of the Chief Financial Officer (OCFO), Office of the Chief Information Officer (OCIO), and the National Appeals Division. As program counsel to the REE mission area, GLD commits significant resources to the interpretation of REE program authorities, review of proposed agreements, and counsel regarding the special relationship of the Department with land-grant colleges and universities. As an example of work for staff offices, GLD in the past year drafted a complete revision of Department debt collection regulations on behalf of OCFO and reviewed a Department cyber-security manual on behalf of OCIO.

GLD continues to provide significant legal resources in support of homeland security. GLD prepared a comprehensive inventory of emergency authorities delegated, or available, to the Secretary. GLD also assisted in the development of an OGC Rapid Response Team where its team members can provide immediate assistance to USDA agencies in emergency situations. GLD has provided, and will continue to provide, advice regarding the drafting and implementation of departmental guidelines and regulations establishing a category of information deemed "sensitive security information." GLD also participated in the process of obtaining

original classification authority from the President and is continuing to play a role in advising agencies regarding the classification of information. Significant attorney resources have been devoted to issues related to cyber-security and personnel suitability over the past year. We anticipate that GLD assistance will continue to be required as guidelines and regulations in the areas of cyber-security and personnel suitability are being revised, promulgated, and implemented. GLD continues to provide advice with respect to upgrading security at biosafety level 3 (BSL 3) facilities, and additionally is expending considerable effort on ongoing contract and labor matters at the Plum Island Animal Disease Research Center (PIADC) even as it assists the Agricultural Research Service (ARS) in preparing for the imminent transfer of PIADC to the Department of Homeland Security. The transfer of PIADC poses challenges both in terms of the documentation required for transfer and issues related to the impact the transfer will have on the continuation of ARS research at PIADC.

Over the past year, client agencies have called upon GLD for assistance in negotiating interagency agreements, advising on contract modification issues, and providing general legal advice with respect to a number of e-Government Initatives that are part of the President's Management Agenda. On behalf of OCFO, GLD negotiated a servicing arrangement to help further the consolidation of government payroll systems into four providers: USDA (through the National Finance Center), Department of Defense, General Services Administration, and Department of Interior as part of the President's e-Payroll Initiative. GLD is providing legal support for contractual and interagency agreement issues, including contract protest litigation related to the consolidation of Federal agency recreational reservation systems into the USDA Forest Service and United States Army Corps of Engineers National Recreation Reservation Service as part of the Recreation One Stop Initiative. GLD provides advice to REE agencies and OCFO on issues arising from the governmentwide streamlining of grant application processes and related electronic grant documentation issues arising from the President's e-Grants Initiative. Such issues generally involve the binding nature of the use of electronic means in the solicitation, application, award, and administration of Department financial assistance.

In the area of procurement, GLD anticipates a substantial increase in the need for legal advice and representation on construction contract matters as the Department upgrades its facilities to meet security concerns. In a year of mega-corporate bankruptcies, GLD noticed an increase in the number of requests for assistance in filing proofs of claim related to contractors that filed for bankruptcy. GLD also has noticed an increase in protest-related litigation with respect to the Forest Service, as well as an increase in contractual issues related to the higher visibility of the environmental and safety issues attendant to firefighting activities in light of record forest fires last year. For example, GLD advised the FS on contractual disputes related to safety decisions made with respect to fire retardants and firefighting aircraft.

Now that Office of Management and Budget Circular A-76 has been revised, GLD expects an increase in requests by agencies for assistance. A-76 competitive sourcing activities will pose new legal challenges as agencies, and their OGC attorney seek to avoid conflicts of interest. GLD also will be providing advice to OCFO on appeals of agency decisions to place activities on the Department's inventory of commercial activities.

Implementation of the 2002 Farm Bill imposed new responsibilities on GLD over the past year. GLD drafted Department delegations for new authorities provided in the bill. GLD continues to work closely with the Office of the Chief Economist in the implementation of the Biobased Products Federal Procurement Program and the Biodiesel Fuel Education Program. GLD also is providing advice to the Rural Business-Cooperative Service with respect to new authority provided for the management and disposition of the Alternative Agricultural Research and Commercialization Corporation which the Farm Bill formally abolished.

LEGISLATION DIVISION

During fiscal year 2002, the Legislation Division reviewed approximately 300 legislative reports on bills introduced in Congress or proposed by the Administration, and cleared for legal sufficiency written testimony of approximately 450 witnesses appearing before Congressional

committees on behalf of the Administration. The Division reviewed and coordinated the legal review for the Department in the clearance of legislation and ancillary legislative materials. The Division provided drafting, legal analysis, and technical assistance in the preparation of bills and amendments for the Secretary, agencies within the Department, members of Congress, and Congressional committees. This drafting, legal analysis, and technical assistance included proposals in connection with the Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act, 2002 (Pub. L. No. 107-76); the Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act, 2003 (H.R. 5263 and S. 2801); the 2002 Farm Bill-the Farm Security and Rural Investment Act of 2002 (Pub. L. No. 107-171); the Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (Pub. L. No. 107-188); and the Homeland Security Act of 2002 (Pub. L. No. 107-296). Finally, the Division provided considerable technical and drafting assistance to the Senate and House Offices of Legislative Counsel.

LITIGATION DIVISION

Litigation Division attorneys, in cooperation with attorneys from the Department of Justice and other divisions in OGC, presented USDA's position in appellate courts. These efforts included advising the Supreme Court as to whether a provision of the 1996 Farm Bill exempted California's regulations governing the pricing of milk from a Commerce Clause challenge by out-of-state dairies. In addition, in other cases handled by Litigation Division attorneys (a) the U.S. Court of Appeals for the Fourth Circuit concluded that evidence from a machine which measures moisture levels in corn was properly admitted in a criminal case involving crop insurance indemnity payments and disaster assistance payment; (b) the Sixth Circuit upheld the Department's meat and poultry inspection system against broad Constitutional challenges brought by the state of Ohio; (c) the Ninth Circuit affirmed a lower court decision which concerned issues under the Freedom of Information Act's exemption b(3) regarding the

legality of withholding the location of goshawk nests on adjoining National Forest and Park Service land; (4) an action which was pending on appeal in the Ninth Circuit was settled, in which a challenge had been made to the applicability of the administrative appeals process to a decision by the Under Secretary for Natural Resources and Environment to proceed with salvage and restoration activities in a forest area which had been burned in a wildfire; and (e) the Ninth Circuit decided that a plaintiff could bring a challenge to a forest-wide management practice under the Administrative Procedure Act by challenging the application of that practice to timber sales which have been withdrawn or permanently inactivated. In addition, the Litigation Division is currently involved in handling for USDA a series of appellate cases which allege that Congressionally-mandated assessments for generic advertising for beef and pork violate the First Amendment rights of cattle and hog farmers who disagree with the content of the advertisements.

CIVIL RIGHTS

The Secretary wants to ensure that all of our customers and employees are treated fairly and with integrity and equality, and are afforded equal employment opportunity (EEO) and equal access to all USDA programs. Critical to the achievement of these goals was the creation, in 1998, of the Civil Rights Division (CRD) within OGC. Staffed with attorneys with specialized expertise in civil rights and EEO law, CRD is charged with providing legal services to the Secretary and all agencies of the Department on civil rights and EEO issues.

CRD has maintained a stellar litigation record while also providing prompt and sound legal advice to our client agencies. However, the demands on the office continue to increase. CRD's litigation duties currently include 6 program class actions and 11 employment class actions, each at different stages in the litigation process. The requested damages in these class actions total more than $20.0 billion dollars.

CRD continues to play a critical role in the settlement of the Pigford/Brewington litigation. The settlement helped the Department to reinvigorate its efforts to become a Federal

civil rights leader in the 21st century. CRD has taken the leading role in ensuring that USDA meets its commitments under the Pigford/Brewington consent decree, particularly with respect to the production of relevant documents and necessary legal analyses related to each claim filed pursuant to the consent decree, as well as ensuring the Department's compliance with adjudicator and arbitrator decisions. CRD is working with FSA and the Department of Justice (DOJ) to develop timely and appropriate Government responses to claims filed by eligible farmers.

Key to settlement of the Pigford/Brewington case was the 1998 enactment of the waiver of various statutes of limitations, allowing farmers with long-standing discrimination complaints to have their claims heard. CRD and OGC field offices represent the Department in the nearly 100 cases in which a hearing has been requested. With respect to farmer discrimination claims not covered by the Pigford/Brewington settlement, CRD works with the USDA Office of Civil Rights (CR) to ensure that all claims receive expeditious and fair consideration, within the bounds set by applicable law.

With respect to the ongoing implementation of the Pigford consent decree, the claimants may opt to seek relief under one of two available avenues: The Track A procedure provides for submission of a written claim to the adjudicator with pre-determined damages of $50,000 per prevailing claimant, whereas the Track B procedure allows for an evidentiary hearing before an arbitrator and the opportunity to recover actual damages. The total number of claims submitted exceed 22,000, and of those, over 21,000 claims have been found eligible for Track A consideration. We anticipate that a few hundred additional late-filed Track A claims will be accepted. CRD attorneys must review the agency response on each of these eligible Track A claims prior to submission to the adjudicator. In addition, over 180 claims have been found eligible for Track B arbitrations. CRD attorneys must assist DOJ attorneys in their representation of the agency, including assistance with document discovery, identification of similarly situated white farmers, and responses to interrogatories. Furthermore, CRD plays an important role in the

Monitor review process. All claimants can petition the Monitor to reevaluate their claims, and CRD reviews Department responses to these petitions for legal sufficiency and consistency. We anticipate that most of the roughly 8,400 claimants whose claims were denied by the adjudicator will seek Monitor review. Many claimants who were granted relief by the adjudicator seek Monitor review of the scope of the relief granted. In addition, for cases in which the Government seeks Monitor review of an adjudicator decision, CRD will prepare the Government's petition for Monitor review. The Department has already filed over 600 petitions and will continue to do so when warranted.

CRD also assists DOJ in representing USDA in the defense of five more recent class action program complaints currently pending in Federal district court. Four of these class actions are brought by farmers and raise allegations similar to those found in Pigford/Brewington. Only one of these cases has been certified as a class action to date: in Keepseagle, the Federal district court has certified a class of Native American farmers and ranchers who allege discrimination in the administration of farm programs and failure of the Department to adequately address complaints of discrimination. In the Fifth Amended Complaint filed in Keepseagle, 838 named plaintiffs joined in the suit. The class agents have represented to the Court that as many as 19,000 Native Americans may be members of the class.

The remaining three class action cases filed by groups of farmers are: Love, filed on behalf of female farmers; Garcia, filed on behalf of Hispanic farmers; and Wise, filed on behalf of African-American and female family farmers. In Love, the court has dismissed all claims other than those brought under the Equal Credit Opportunity Act. We are proceeding in discovery on the issue of class certification in both Love and Garcia. The Wise case, which overlaps with both Pigford/Brewington and Love, has been stayed temporarily by the court. As these cases move forward, CRD's role in assisting DOJ with discovery and potential management of class issues will expand.

The sixth program class action is the Chiang case, in which residents of the Virgin Islands are alleging denial of access to rural housing credits and benefits on the basis of race, gender and national origin. USDA's motion to dismiss the case has been denied, and the parties have submitted briefs on the issue of class certification. This case is anticipated to require a significant commitment of resources by CRD in the development of factual and legal issues relating to rural housing programs in the Virgin Islands over a nearly 20 year period.

CRD also represents USDA in the defense of 11 class action employment complaints pending before the Equal Employment Opportunity Commission (EEOC). Three of these complaints have been certified by EEOC to proceed as class actions. One of the certified classes encompasses employees throughout the Department. In recent years, CRD has settled two employment class action complaints under which individual complainants are currently pursuing their claims. Another class action was recently settled and thus is anticipated to require future monitoring and implementation efforts by CRD.

Recent years have seen a drastic increase in the demand for CRD's litigation services in formal individual complaints filed by USDA employees with the EEOC. For example, 796 formal complaints were filed with USDA during fiscal year 2001, with 578 complaints currently pending for hearing before EEOC Administrative Judges. Approximately 1,900 active EEO cases are pending throughout USDA. CRD continues to carry a full workload of complex and politically sensitive individual EEO cases involving either issues of first impression or disputes over positions at the highest levels within USDA. CRD litigates these cases on behalf of the Department before the EEOC and occasionally, the Merit Systems Protection Board (MSPB). These individual cases require constant attention, travel across the country, and interaction with senior management officials.

In addition to its primary litigation responsibilities, CRD continues to assist DOJ in the litigation of numerous individual civil rights cases in both the employment and program areas

pending in Federal district court. The Assistant U.S. Attorneys (AUSAs) and/or DOJ attorneys who serve as lead counsel request an ever-increasing amount of litigation support from CRD, including draft answers, full litigation reports, dispositive motions, discovery responses, witness preparation, and deposition and trial participation.

To address other employment issues, CRD will intensify its efforts to provide training and technical assistance to OGC field attorneys and to Department officials, civil rights directors, and employee relations specialists. The goal is to identify and address EEO obstacles before they escalate into litigation. Where issues are identified, CRD will bring the concerns to the attention of appropriate Department officials, with legal analysis and recommendations for resolution. In addition to training sessions for individual agencies, in 2002, CRD hosted and conducted a successful 2 ½ - day civil rights seminar to train over 30 OGC attorneys in both employment and program issues.

Since the passage of the NO FEAR Act, CRD has been providing training to agencies on the impact of the new legislation. CRD will be an integral player in ensuring USDA's compliance with the new requirements. In addition, CRD has helped review regulations and policies related to the establishment of the new Office of the Assistant Secretary for Civil Rights established by the 2002 Farm Bill.

FY 2004 BUDGET REQUEST

For fiscal year 2004, the budget proposes a total of $37,328,000 for OGC salaries and expenses. OGC is requesting $931,000 to maintain current staffing levels, $694,000 for pay costs, and $250,000 for office automation. Also included in this budget request is a reduction of $51,000 for the savings associated with centralization and improvement of information technology.

CLOSING

That concludes my statement. We very much appreciate the support this Subcommittee has given us in the past. Thank you.

Nancy S. Bryson
General Counsel

Nancy Bryson was sworn in as USDA's General Counsel by Agriculture Secretary Ann M. Veneman on April 2, 2002.

Prior to this appointment, Ms Bryson was a partner in the Washington, D.C. office of the law firm of Crowell & Moring from 1988 until accepting her current appointment. Her law practice included the areas of natural resources and environment, administrative law and biotechnology product approval and regulations. She also served as the co-chair of Crowell & Moring's biotechnologies practice.

Ms Bryson has broad administrative, litigation and legislative expertise. Her legal practice has included a variety of matters dealing with clean air and water, appropriate management of hazardous substances and pesticides, endangered species, environmental requirements for hydroelectric relicensing and federal reviews of innovative new products. Her clients have included large and small businesses, trade associations, public power districts, municipalities and individuals.

Prior to entering private practice, from 1975 to 1979, Ms Bryson was a staff attorney and assistant counsel for appellate litigation in the Occupational Safety and Health Division of the Solicitor's Office in the U.S. Department of Labor. From 1979 to 1984, she served as a trial attorney and assistant chief of the Land and Natural Resources Division's Environmental Defense Section at the U.S. Department of Justice. She has lectured and written extensively on many aspects of environmental law. She has also been a volunteer mediator for the U.S. District Court for the District of Columbia.

A native of Hancock, Mass., Ms Bryson joined the 4-H as a youngster. She received a Bachelor of Arts degree in history from Boston University, and a Juris Doctor degree from Georgetown University, Washington, D.C. She is admitted to the Bar of the District of Columbia.

WITNESSES

	Page
Collins, Keith	1
Dewhurst, S. B	1, 989
Fleischman, J. N	989
Fong, P. K	989
Long, R. D	989
Moseley, J. R	1
Novak, J. E	989
Thornsbury, D. R	989
Veneman, Hon. A. M	1

INDEX

Secretary of Agriculture

	Page
Animal and Plant Health Inspection Service	9
American Heritage Rivers Program	83
Ames Iowa:	
Ames Iowa, Modernization Project	50
Budget Request Ames Lab	80
Bioenergy	76
Biofuels/Renewable Fuels	49
BioTechnology	80
Budget Overview	6
Chronic Wasting Disease in Wisconsin	3
Conservation Programs	10
Conservation Technical Assistance	70, 71
Commodity Assistance Program	85
Country of Origin Labeling	66
Civil Rights Budget	11
Citrus Canker Research and Development	94, 103
Crop Insurance Program	82
Disaster Assistance Program	8, 51
E-File Technology Programs	68
Emerson Trust/Risk Management	62
Explanatory Notes:	
Office of the Secretary FY 2004 President's Budget	328–340
Revised Office of the Secretary Explanatory Notes—Enacted FY 2003	324–327
Farm Bill:	
Farm Bill Implementation	8, 64
Farm Bill Sign-up	54, 67, 68
Farm Income	72
Farm Service Agency Office Consolidation	65, 84
Food and Nutrition:	
Food and Nutrition Programs	10
Free and Reduced Lunch Program	58
Nutrition Programs—Means Test	55
School Lunch Program	142
Food Safety:	
Food Safety Program	9, 59, 97, 142
Nutrition Labeling	43–48
Foreign Market Development Programs	11
Genetically Modified Agricultural Products	81
Global Food Aid	138
Homeland Security	9

Page
Laboratory Capacity 4
Livestock Compensation Program Sign-up 8, 57, 98
Listeria Rule 97, 101
Opening Statement 1
Organic Standards:
National Organics Standards Program 92
Organic Farming Standards 66
Outsourcing 43
Packer Concentration 96
Polluted Runoff 100
2004 President's Budget 9
Product Distribution Disclosure 67, 93
Risk Management Issues 103
Questions for the Record Submitted by Chairman Bonilla:
Advisory Committees, Panels, Task Forces, and Commissions 180–182
Agricultural Credit Insurance Fund 200
APHIS and Farm Service Agency Compensation Payments by Fiscal Year 186
Ames, Iowa Biocontainment Facilities 203
Asset Sales 256
Biobased Product Studies 203
Bioterrorism and Biosafety:
Biosecurity 226
Biotechnology Risk Assessment 203
Bioterrorism 207, 225
Cartagena Protocol on Bioterrorism 213–238
Captive Supply Study 252–253
CCC:
CCC Section 11 Allocations 194–196
CCC Section 11 Activities 196
CCC Funding of Emergency Pest and Disease Programs 227
Codex Alimentarius 190
Corporate Systems Investments 227–229
Congressional Earmarks 208
Congressional Relations Activities 147–150
Congressional Relations Transfers 229
Conservation Reserve:
Conservation Reserve Program 185
Conservation Reserve Program Acreage Enrollment 192
Conservation Reserve Program Technical Assistance 197
CRP Continuous Signup Program 209
Conservation Technical Assistance 259
Common Computing Environment 200, 215–222
Corporate Systems Development 258
Cost-Sharing Regulation 250
Country of Origin Labeling 251
Dairy Options Pilot Program 189
Delinquent Loans 151
Department-wide Nutrition Education Funding 223
Disaster Recovery/Business Continuance 232
Electronic Program Delivery 240–247
Emergency Pest and Disease Programs 223
Expanding International Trade 223
Farm Bill Implementation Costs 260
Farm Income 236

Page

Questions for the Record Submitted by Chairman Bonilla—Continued
Farm Loans ... 201
Field Office Restructuring ... 252
Food and Nutrition:
Average WIC Participation in FY 2003 ... 213
Electronic Benefits Transfer and WIC Eligibles ... 165, 174–177
Estimates of Eligible Non-participants in the Food Stamp Program ... 210
Facilitating Access to the Food Stamp Program ... 210–212
Food Stamp Error Rates ... 212
Food Stamp Program Participation ... 210
National School Lunch Program Certification Procedures ... 255
WIC Carryover ... 208
WIC EBT Implementation ... 213
WIC Program—2004 Budget Initiatives ... 254
WIC Program Reauthorization ... 254
WIC Protected Participation ... 178, 179
Food for Education and Child Nutrition Program ... 249
Fund for Rural America ... 187
Funding for Government-wide E-Government Initiatives ... 248
Funding for Trade Enhancement ... 225
Funding for Trade Agreement Negotiations ... 240
FSA Administrative Funding ... 200
Government Payments ... 236
Government Spending for Fiscal Years 2002–2004 ... 247
Homeland Security:
Homeland Security Supplemental ... 234
Memorandum of Agreement ... 233
Transfers to Department of Homeland Security ... 233
Human Nutrition Initiative Studies ... 204, 207
Loans ... 152–154
Mandatory Price Reporting ... 214
Montreal Protocol Multilateral Fund ... 236
National Finance Center Data Recovery ... 230–232
National Organic Standards ... 214
Outreach for Socially Disadvantaged Farmers ... 222
Outside Legal Counsel ... 183
OSEC Staffing ... 157–165, 166–174
Outsourcing ... 258
Outsourcing Testing ... 263
Proposal To Reduce Administrative Expense Reimbursements ... 249
Public Affairs Activities ... 114–117
Section 32 Fund ... 261–262
Senior Executive Service ... 263
Service Center Modernization ... 197–200
Staff Year Reductions ... 189
Subsidy Costs for USDA Loan Programs ... 190–192
Subsidy Costs for Broadband Loans ... 252
Sugar ... 209
Technical Assistance Costs for CRP and WRP ... 193
Tobacco Program ... 154–156
Trade Related and Biotechnology Activities ... 263
Unauthorized Appropriations ... 222
USDA Homeland Security Council ... 227
USDA Office Closures ... 271
USDA Strategic Goals ... 257

Page

Questions for the Record Submitted by Chairman Bonilla—Continued
Universal Telecommunications Network 248
User Fee Legislation 251
User Fees for Meat, Poultry, and Egg Products Inspection 253
Water and Wastewater Disposal Grants 252
Web-based Supply Chain Management System 256
Wetlands Reserve Program Acreage Enrollment 193
Questions for the Record Submitted by Mr. Kingston:
Adequate Funding for FSA Employee Training 276
Consent Decree 281
E-File Requirements and Re-engineering 277
FSA Salaries and Expenses 278
FSA Staff 273, 279
FSA Workload 279
H2A Non-immigrant Visa Program 282
Listeria Risk Assessment 275
Montreal Protocol/Methyl Bromide 272
Organic Egg Standards 274
Organic Feed Provision 283–287
Salaries and Expenses Funding 276
Service Center Agencies and Homeland Security 276
Service Center Workload Measurement 280
State Office Restructuring 282
Tobacco Assistance 275
Questions for the Record Submitted by Mr. Latham:
Ames, IA Modernization Project 288
Bioenergy 289
Forward Contracting on Dairy Products 291
FSA County Offices 289
Meat Packers Study 291
Questions for the Record Submitted by Mrs. Emerson:
Child Nutrition Reauthorization 295
Childhood Obesity Epidemic 295
Conservation Security Program 294
Food Stamp Program 293
McGovern-Dole International Food for Education and Child Nutrition Program 296
Questions for the Record Submitted by Ms. Kaptur:
BioFuels 298–300
Commodity Supplemental Food Program for Seniors 303
Food Aid 300
Freight Forwarder Contract 301
Fruits and Vegetable Consumption Among Young People 304
FSA Staff 303
Global Food for Education Program 303
Linking Nutrition Programs With Production Agriculture 306
Over-Issuance of Benefits 305
Program Sign-Up 302
Senior Farmers' Market Nutrition Programs 300
Questions for the Record Submitted by Ms. DeLauro:
After School Supper Program 314
Listeria 308
Listeria Directive 314
Listeria Recall at Wampler Foods 315
Mandatory Recall Authority 311

Page

Questions for the Record Submitted by Ms. DeLauro—Continued
Nebraska Beef/Supreme Beef 307
Recall Distribution Lists 309
Revision of WIC Food Package Rules 312
Single Food Safety Agency 310
Summer Food Program 313
USDA Food Safety Budget 307
WIC—Strategic Information Systems 313
Questions for the Record Submitted by Mr. Berry:
Beginning Farm Program 319–321
Farm Bill Sign-Up 322
Inventory of Farm Property 317
Russian Inspections of U.S. Poultry Plants 321
Rural Development Program 11, 69
Section 32 Funds 52
Surveillance Testing on Deer 5
Statement by Anne Veneman, Secretary of Agriculture 13–42
USDA Dairy Policy 83
USDA Strategic Plan 11
USDA Website 105–137
Value Added Grants 53
Warehouse Provision 68

Departmental Administration

FY 2004 Hearing Questions

Advisory Committees:
Advisory Committee Staff Costs 365
Advisory Committees Funded From Other Sources 365
Explanatory Notes FY 2004 455–470
Agriculture Buildings and Facilities and Rental Payments:
Carryover From Fiscal Year 2002 364
Explanatory Notes:
FY 2004 President's Budget 438–445
Revised Explanatory Notes Enacted FY 2003 407–408
Headquarters Complex Rental Charges 361
Increase in Agriculture Buildings and Facilities and Rental Payments 364
Rental Payments and GSA Repair Costs 363
South Building Renovation 359
Celebration of Excellence Ceremony 350
Cost of Settlements 341
Departmental Administration Explanatory Notes:
FY 2004 President's Budget 411–437
Revised Explanatory Notes Enacted FY 2003 402–406
Distribution of Aircraft 352
Distribution of Motor Vehicles 352
Early Out and Buyout Options 350
Equal Employment Opportunity Complaints 344
Foreclosures 341
Funding New Field Service Centers 345
Hazardous Materials Management:
Agency Support 375
Agencies Comprising the Hazardous Materials Working Group 400
CCC Grain Storage Site Status 377
Compliance Docket 376

Page

Hazardous Materials Management—Continued
Compliance With State Law ... 370–373
Explanatory Notes:
FY 2004 President's Budget ... 446–454
Revised Enacted FY 2003 ... 409–410
Foreclosures Requiring Cleanup ... 376
Funding for CERCLA, RCRA, and Pollution Prevention ... 369
Funding for Sites ... 382–399
Forest Funding for Cleanup Forest Service Sites ... 399
Forest Service Reimbursement ... 400
Forest Service Sites Cleanup Costs ... 399
Performance Goals ... 368
Salaries and Benefits ... 374
Salaries/Benefits Cleanup Costs ... 374
Typical Cleanup Efforts and Associated Costs ... 379–381
Historically Black Colleges and Universities ... 353–356
Number of Complaints ... 344
Number of Credit Cards Issued ... 350
On-Site Reviews ... 341
Processing Complaints ... 345
Procurement Reform ... 346
Procurement Paperless Personnel Request System ... 350
Savings Through Credit Cards ... 351
Section 921, Federal Agriculture Improvement and Reform (FAIR) Act ... 357
Targeted Disabilities ... 351
USDA Streamlining ... 346
USDA/1890 National Scholars Program ... 346

Office of the Chief Information Officer/Working Capital Fund

FY 2004 Hearing Questions

A–76 FAIR Act ... 497
Accounting Systems ... 504–506
Audits ... 506
Computer Security ... 500–503
Corporate Systems ... 504
Cost Accounting and User Fee Reviews ... 500
Debt and Credit Management ... 495
Explanatory Notes:
OCFO FY 2004 President's Budget ... 515–527
OCFO Revised Enacted FY 2003 ... 510–514
WCF FY 2004 President's Budget ... 528–555
FFIS Staffing Levels ... 503
Financial Statements ... 498–500
Foundation Financial Information System ... 479–484
GAO and OIG Reports ... 486–492
National Finance Center ... 485, 486
NFC Emergency Recovery ... 506
Payroll System ... 492–495
Remote Mirroring Backup Technology ... 508
Unobligated Balances ... 496, 497
USDA Travel ... 478
Working Capital Fund ... 473–478
Working Capital Fund Unobligated Balances ... 507

Page

Office of the Chief Information Officer

FY 2004 Hearing Questions

Approved FY 2004 Business Cases 757, 758
Breakout of Object Class 25.0, Other Services 668
Breakout of CCE Procurement 679
Breakout of Service Center Employees 610
Budget Preparation Materials 685
CCE Acquisition of Equipment, Software 755–757
CCE Procurement Strategy 685
CCE Implementation Schedule 684, 755
CCE Return on Investment 754
CCE Unobligated Balance 756
CCE Web Applications supported 755
Cyber Security Program Implementation 680–682
Contractor Support Services 558–601, 667, 668
Delivering Programs Through the InterNet 656–665
Department-wide Information and Technical Infrastructure 745
Disaster Recovery Plans for USDA Mission-Critical Systems 752
Expected CCE Return on Investment 678
Explanatory Notes:
- CCE FY 2004 President's Budget 787–803
- OCIO FY 2004 President's Budget 771–786
- CCE Revised Enacted FY 2003 769
- OCIO Revised Enacted FY 2003 767

Filling IT Vacancies 684
FSA Legacy Application, GIS 758
FY 2002 and FY 2003 IRM Support Services Contracts 558
FY 2002 LAN/WAN Voice Installation Funds 610
FY 2003 Homeland Security Spending on IT 759
FY 2003 Spending on EAMS 760
FY 2004 Budget Request Increase 748–750
Freedom To E-File Implementation 697–699
GAO and OIG Audit Findings 611–622
Government Paperwork Elimination Act Implementation 752–753
Information Security and Privacy 699, 700
Interoperability Lab Costs 755
Improving Departmentwide IT Management and CIO Accountability 744, 745
IT Staff Convergence Initiative 753
Latest CCC Quarterly Report 602–609
New Positions Funded in FY 2004 747
Object Class 31.0, Equipment Breakdown 669, 670
Object Class Table for CCE 678
OCIO Contracts/Subcontracts 747, 748
OMB Approval of USDA IT Spending 757
OMB Exhibit 42 622–653
Other Training Plans 677
Moratorium Waivers 746, 747
Plans To Support Electronic Program Delivery 666, 667
Purchase of Workstations Completed 670
Risk Management Agency 761
RMA Infrastructure Modernization 762, 763
RMA Hot Site Backup 763, 764
Rural Development Web Farm Operations 764

Page
SCIT Contracts Approved 670–677
SCIT Modernization Plan Milestones, Progress 692–697
Securing E-Business Transactions and Mission Critical Systems 665, 666
Service Center Modernization Initiatives 760, 761
Status and FY 2004 Plans for USDA's Enterprise Architecture 751
Status of Common Computer Systems 677
Status of Business Process Re-engineering 687–692
Status of Cross-Training 677, 678
Status of USDA's Corporate Systems Initiatives 750, 751
Strengthening Information Risk Management 682, 683
Strengthening IT Management 654–656
Strengthening Management Controls 679
Support for USDA's Websites 679
Telecommunications Security Architecture 683, 684
USDA E-Gov Initiatives Implementation 750
USDA's FY 2004 IT Budget 685–687
USDA FY 2004 Spending on Contractor Support Services 744
USDA Information Technology Budget 557
USDA's IT Moratorium 747
USDA's IT Workforce Analysis 746
USDA Reliance on Contractor Assistance 700–743
USDA Service Center LAN/WAN/Voice Installations 610
USDA Total FY 2004 IT Expenditures 654
Working Capital Fund Cost Increases 762
Workstations by Agency 670

Office of Communications

FY 2004 Hearing Questions

Explanatory Notes:
OC FY 2004 President's Budget 895–910
OC Revised Enacted FY 2003 893
Media Services 887
Office of Communications Budget Request 888
Office of Communications Program Increases 890, 891
Press Releases Issued 887, 888
Public Affairs Activities 883–885
Reimbursement From Other USDA Agencies 888, 889
Resources and Staff Levels 883, 886, 887

Office of the Chief Economist

FY 2004 Hearing Questions

Activities in Stoneville, Mississippi 915, 916
Explanatory Notes:
OCE FY 2004 President's Budget 922–938
OCE Revised Enacted FY 2003 919–921
Food and Agricultural Research Policy Institute 918
Impacts of Welfare Reform and Farm Labor 914, 915
Market for U.S. Exports to Asia and Latin America 915
Potential Increases in Prices and Farm Income From Biomass 916, 917
Risk Assessment Rule Making 913, 914
Risk Assessment Staff Time 914
USDA Activities Associated With Sustainable Agriculture 911, 912
USDA Food Safety Initiative Funds Budgeted 916

Page

National Appeals Division

FY 2004 Hearing Questions

Active Appeals 939
Director Appeals 939
Performance Goals and Indicators 939
Vacant Positions 939, 940
Explanatory Notes:
Explanatory Notes—Increases 940
Explanatory Notes—Significant Decreases 940
NAD FY 2004 President's Budget 943–950
NAD Revised Enacted FY 2003 ..... 941, 942

Office of Budget and Program Analysis

FY 2004 Hearing Questions

Breakout of Resources for OBPA's Responsibility 952
Budget Related Legislative Proposals 953
Code of Federal Regulations 953
Increase for Information Technology 954
Explanatory Notes:
OBPA FY 2004 President's Budget 958–970
OBPA Revised Enacted FY 2003 955–957
Legislative Proposals 852
USDA Budget Summary 953, 954

Homeland Security Staff

Explanatory Notes:
Homeland Security Staff FY 2004 President's Budget 972–977
Homeland Security Staff Revised Enacted FY 2003 971

Office of the General Counsel

Attorney:
Hours by Agency 808
Hours Worked 807
Locations 808
Cases:
EEO Commission 846
Civil and Criminal 809
Conservation Operations 849
Debt Collections 809
Examples of Recent Progress 811
Explanatory Notes 852
FY 2004 Budget Request Breakout 810
Law Library 810
Object Class Breakout 847
OGC Priorities 845
Private Counsel 808
Public Law 108–7 848
Revision to Explanatory Notes 850
Staff Years 806
User Fee:
Hours by Agency 805
Programs 805

Page

Office of Inspector General

Adequacy of HACCP Implementation 1074
Agency Staffing Levels 1052
Agriculture Risk Protection Act of 2000 1057
Animal Cruelty 1058
Asset Forfeiture Transfers 1050
Biographical Sketch:
Phyllis K. Fong 1016
Bioterrorism Initiative 1067
Budget Request, FY 2004 990
Budgetary Resources 1018, 1037, 1048
Business Process Re-engineering 1052, 1055
Commodity Credit Corporation 1040
Confidential Funds 1045
Emerson Trust Reserve Wheat Release 1021
Employee and Public Misconduct 1046
Employee Misconduct 1039
Employee Pay Scales 1051
Explanatory Notes 1078
Farm Legislation Audit Work 1058
Farm Service Agency 1070
FFIS Enforcement Operations 1074
Financial Management 989
Financial Statement Audits 1042
Financial Statements 1051
Firearms 1048
Food and Nutrition Service 1033
Food and Nutrition Service Programs 1060
Food Product Recalls 1025
Food Recalls 1019
Food Safety 989, 1026, 1070
Food Safety FSIS 1064
Food Stamp Fraud 1028
Food Stamp Program 1034, 1041
Forest Service 1056
FSIS Enforcement Operations 1074
FSIS Recall Operations 1053
Genetically Modified Materials 1069
Homeland Security 988, 1037, 1054, 1063
Homeland Security Funding 1024
Hotline Complaint Summary 1046
Indictments, Convictions, and Suits, FY 2002 1047
Information Technology 1059
Information Technology Funding 1017
Interagency Communication 1021
Invasive Species 1031, 1071
Investigation into New York Plant 1076
Joint Terrorism Taskforce 1056
Laboratory Security 1020
OIG Homeland Security Funding 1057
OIG Priority Settings 1065
Opening Remarks (Mr. Bonilla, Ms. Kaptur) 985
Opening Statements (Ms. Fong) 987
Outside Public Accountants 1045

Page
Outsourcing of USDA Functions 1063
Peanut Quota Buyout Program 1067
Pesticides on Imported Produce 1023
Pigford v. Glickman 1035
Recall Operations 1075
Recoveries 1018
Recoveries from Foreign Nationals 1033
Risk Assessment and Inspections 1017
Risk Management Agency 1062
Security of Research Facilities 1071
State Mediation Program 1042
Status of Program:
Accomplishments in Fiscal Years 2002 1095
Audit Accomplishments 1102
Investigations Accomplishments 1096
Threats Against Government Employees 1023
Unqualified Audit Opinion 1066
Waste, Fraud, and Abuse 1025
Whistleblowers 1053
Witnesses, Introduction of 987
Written Statement (Ms. Fong):
2002 Farm Bill 1001
Border Security 996
Budget Request, FY 2004 1014
Commodity Distribution Programs 1012
Counterterrorism Efforts 998
Employee Integrity 1013
Farm and Foreign Agriculture Services 1002
Farm Programs 1001
Financial Integrity 1004
Food and Nutrition Service 1009
Food Safety 999
Food Stamp Program (FSP) 1010
Food, Nutrition, and Consumer Services 1009
Homeland Security 993
Information Technology 1003
Introduction and Overview 991
Marketing and Inspection Programs 1005
Natural Resources and Environment 1007
Rural Business-Cooperative Service (RBS) 1008
Rural Development 1008
Rural Housing Service (RHS) 1009
Security at USDA-Operated and -Funded Facilities 994
Special Supplemental Nutrition Program for Women, Infants and Children (WIC) 1011
Statement of Nancy S. Bryson, General Counsel 1114

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