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SENATE

{ REPORT
{ 109-266

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIA- TIONS BILL, 2007

JUNE 22, 2006.—Ordered to be printed

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

REPORT

[To accompany H.R. 5384]

The Committee on Appropriations, to which was referred the bill (H.R. 5384) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2007, and for other purposes, reports the same to the Senate with an amendment and recommends that the bill as amended do pass.

Total obligational authority, fiscal year 2007

| | |
|--|------------------|
| Total of bill as reported to the Senate ¹ | \$98,258,792,000 |
| Amount of 2006 appropriations ² | 102,897,101,000 |
| Amount of 2007 budget estimate | 93,312,118,000 |
| Amount of House allowance | 93,526,233,000 |
| Bill as recommended to Senate compared to— | |
| 2006 appropriations | – 4,638,309,000 |
| 2007 budget estimate | + 4,946,674,000 |
| House allowance | + 4,732,559,000 |

¹ Including emergency appropriations of \$4,159,000,000.

² Including emergency appropriations of \$2,169,305,000.

CONTENTS

| | Page |
|--|------|
| Summary of the Bill: | |
| Overview and Summary of the Bill | 5 |
| User Fee Legislative Proposals | 5 |
| Display of Fiscal Year 2006 Spending Levels | 6 |
| Emergency Spending | 6 |
| Reports to Congress | 6 |
| Title I: | |
| Agricultural Programs: | |
| Production, Processing, and Marketing: | |
| Office of the Secretary | 8 |
| Executive Operations | 9 |
| Office of the Chief Information Officer | 11 |
| Common Computing Environment | 12 |
| Office of the Chief Financial Officer | 12 |
| Office of the Assistant Secretary for Civil Rights | 13 |
| Office of Civil Rights | 13 |
| Office of the Assistant Secretary for Administration | 14 |
| Agriculture Buildings and Facilities and Rental Payments | 14 |
| Hazardous Materials Management | 15 |
| Departmental Administration | 15 |
| Office of the Assistant Secretary for Congressional Relations | 16 |
| Office of Communications | 16 |
| Office of Inspector General | 17 |
| Office of the General Counsel | 17 |
| Office of the Under Secretary for Research, Education, and Economics | 18 |
| Economic Research Service | 19 |
| National Agricultural Statistics Service | 19 |
| Agricultural Research Service | 20 |
| Cooperative State Research, Education, and Extension Service | 39 |
| Office of the Under Secretary for Marketing and Regulatory Programs | 51 |
| Animal and Plant Health Inspection Service | 51 |
| Agricultural Marketing Service | 63 |
| Grain Inspection, Packers and Stockyards Administration | 68 |
| Office of the Under Secretary for Food Safety | 69 |
| Food Safety and Inspection Service | 69 |
| Office of the Under Secretary for Farm and Foreign Agricultural Services | 71 |
| Farm Service Agency | 72 |
| Risk Management Agency | 76 |
| Corporations: | |
| Federal Crop Insurance Corporation Fund | 77 |
| Commodity Credit Corporation Fund | 78 |
| Title II: | |
| Conservation Programs: | |
| Office of the Under Secretary for Natural Resources and Environment | 82 |
| Natural Resources Conservation Service | 83 |
| Title III: | |
| Rural Development Programs: | |
| Office of the Under Secretary for Rural Development | 96 |
| Rural Community Advancement Program | 97 |
| Rural Housing Service | 104 |

| | Page |
|--|------|
| Title III—Continued | |
| Rural Development Programs—Continued | |
| Rural Business—Cooperative Service | 110 |
| Renewable Energy Program | 113 |
| Rural Utilities Service | 113 |
| Title IV: | |
| Domestic Food Programs: | |
| Office of the Under Secretary for Food, Nutrition, and Consumer Services | 117 |
| Food and Nutrition Service | 117 |
| Title V: | |
| Foreign Assistance and Related Programs: Foreign Agricultural Service ... | 128 |
| Title VI: | |
| Related Agencies and Food and Drug Administration: | |
| Food and Drug Administration | 136 |
| Independent Agencies: | |
| Commodity Futures Trading Commission | 148 |
| Farm Credit Administration | 148 |
| Title VII: General Provisions | 150 |
| Title VIII: Emergency Agricultural Disaster Assistance | 153 |
| Program, Project, and Activity | 153 |
| Compliance With Paragraph 7, Rule XVI of the Standing Rules of the Sen- ate | 155 |
| Compliance With Paragraph 7(c), Rule XXVI of the Standing Rules of the Senate | 156 |
| Compliance With Paragraph 12, Rule XXVI of the Standing Rules of the Senate | 156 |
| Budgetary Impact of Bill | 164 |

BREAKDOWN BY TITLE

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

| | 2006 | 2007 Committee recommendation |
|--|------------------|----------------------------------|
| Title I: Agricultural programs | \$35,403,790,000 | \$30,621,607,000 |
| Title II: Conservation programs | 994,165,000 | 991,207,000 |
| Title III: Rural economic and community development programs | 2,503,055,000 | 2,223,490,000 |
| Title IV: Domestic food programs | 58,894,142,000 | 57,106,802,000 |
| Title V: Foreign assistance and related programs | 1,468,711,000 | 1,489,168,000 |
| Title VI: Related agencies | 1,572,123,000 | 1,670,168,000 |
| Title VII: General provisions | - 42,090,000 | 157,350,000 |
| Title VIII: Emergency agricultural disaster assistance ..... | ..... | 3,999,000,000 |
| Other appropriations | 2,103,205,000 | ..... |
| Total, new budget (obligational) authority | 102,897,101,000 | 98,258,792,000 |

OVERVIEW AND SUMMARY OF THE BILL

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

The bill also provides funding for the Food and Drug Administration [FDA] and the Commodity Futures Trading Commission [CFTC], and allows the use of collected fees for administrative expenses of the Farm Credit Administration [FCA].

Given the budgetary constraints that the Committee faces, the bill as reported provides the proper amount of emphasis on agricultural and rural development programs and on other programs and activities funded by the bill. It is within the subcommittee's allocation for fiscal year 2007.

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

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

USER FEE LEGISLATIVE PROPOSALS

The fiscal year 2007 budget assumes the enactment, collection, and expenditure of user fees for the following agencies: the Animal and Plant Health Inspection Service; the Grain Inspection, Packers and Stockyards Administration; the Agricultural Marketing Service; the Food Safety and Inspection Service; and the Commodities Futures Trading Commission. The budget proposal for the aforementioned agencies includes a reduction of over \$300,000,000 from current levels, to reflect the amount assumed to be collected by the unauthorized user fees.

The Committee reminds the administration that jurisdiction for the authorization of these fees in the Senate lies with the Committee on Agriculture, Nutrition, and Forestry, not the Committee on Appropriations. Further, the U.S. Constitution requires that all revenue measures originate in the House of Representatives and to the extent that these proposals are held to be revenue measures, for which similar proposals in the past have, unilateral action by

the Senate in this matter risks violation of Constitutional principles.

The Committee notes that the legislation necessary to authorize collection of the user fees at the various USDA agencies was not submitted until May 4, 2006, approximately 3 months after the President's budget was submitted to Congress. As of June 20, 2006, the Commodities Futures Trading Commission still had not transmitted legislation authorizing its user fees to Congress. It is apparent from the leisurely pace with which the administration transmitted the user fee legislation that it is not sincere in its desire to enact these user fees. The Committee views this as disingenuous at best. The Committee respectfully requests that the administration refrain from this budget gimmickry in future fiscal years.

DISPLAY OF FISCAL YEAR 2006 SPENDING LEVELS

Section 3801 of chapter 8 of title III of division B of the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006 (Public Law 109-148) imposed, with few exceptions, a 1 percent across-the-board rescission. The 1 percent rescission applied to all discretionary accounts, with the exception of levels of budget authority provided through the collection of user fees, provided in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006 (Public Law 109-97). Accordingly, all fiscal year 2006 levels displayed in this report for which the 1 percent rescission applies reflect the 1 percent rescission.

EMERGENCY SPENDING

The congressional budget resolution agreed to by Congress for fiscal year 2006, and both the House and Senate versions of the fiscal year 2007 budget resolution, include provisions relating to emergency spending. These provisions require a statement of how the emergency provisions meet the criteria for emergency spending identified by the budget resolutions.

In title VII of this bill, the Committee recommends, and specifically identifies, emergency spending for fiscal year 2007. The spending is related to unanticipated needs and is for situations that are sudden, urgent, and unforeseen at the Veterans Administration. These events fit the specific criteria for emergencies.

In title VIII of this bill, the Committee recommends, and specifically identifies, emergency spending for fiscal year 2007. The spending is related to unanticipated needs and is for situations that are sudden, urgent, and unforeseen caused by an agricultural disaster caused by weather, fire, pestilence, crop failure, and related conditions. These events fit the specific criteria for emergencies.

REPORTS TO CONGRESS

The Committee has, throughout this report, requested agencies to provide studies and reports on various issues. The Committee utilizes these reports to evaluate program performance and make decisions on future appropriations. The Committee requests that

all studies and reports be provided as one document per Department in an agreed upon format within 120 days after the date of enactment, unless an alternative submission schedule is specifically stated in the report request.

TITLE I
 AGRICULTURAL PROGRAMS

PRODUCTION, PROCESSING, AND MARKETING

OFFICE OF THE SECRETARY

| | |
|--------------------------------|-------------|
| Appropriations, 2006 | \$5,076,000 |
| Budget estimate, 2007 | 11,540,000 |
| House allowance | 5,499,000 |
| Committee recommendation | 10,515,000 |

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

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$10,515,000 for the Office of the Secretary.

Budget Execution Report.—The Committee directs the Department to submit quarterly budget execution reports showing the status of obligations for all components of the Department. The report should include the total obligational authority appropriated (new budget authority plus unobligated carryover), amount allotted to date, current year obligations, unobligated authority (the difference between total obligational authority and current year obligations), expenditures to date, and unexpended obligations. This budget execution information is to be provided at the account level of detail. The report shall be submitted no later than 30 days after the close of each quarter.

Chesapeake Bay Watershed.—The Committee notes the need to develop partnerships to address vital resource needs in the Chesapeake Bay watershed. Section 2003 of the Farm Security and Rural Investment Act of 2002 (Public Law 107–171) provides for innovative uses of conservation funding to aid regions, such as the Chesapeake Bay, in implementing conservation practices important to protecting natural resources. The Committee expects the Department to implement a program specifically under the authorities of

section 2003 and issue a request for proposals under this program in fiscal year 2007.

Greenbook Charges.—The Committee is concerned that charges assessed to agencies by the USDA, known as greenbook charges, have grown excessively over the last few years. The disclosure of these charges to Congress is limited and may impact program delivery. The Committee directs the Government Accountability Office to review greenbook charges at USDA for all agencies funded through the Act accompanying this report. Additionally, the Committee directs the USDA to explicitly present greenbook charge information in future budget justifications, including previous and current fiscal year charges and a description of how the charges are assessed.

Provincial Reconstruction Teams.—The Committee recommendation includes \$5,000,000 for Provincial Reconstruction Teams. These funds will allow USDA employees to play a vital role in the stabilization and revitalization of the agricultural and rural sectors of Afghanistan and Iraq.

Service-disabled Veteran-owned Small Businesses.—The Committee strongly supports the Secretary's Service-disabled Veteran-owned Small Business strategic initiative that supports Executive Order 13360, signed by the President on October 21, 2004. The Committee directs the Secretary to work toward attaining or exceeding the mandated 3 percent goal for contracts awarded to service-disabled veteran-owned small businesses. The Committee encourages the Secretary to take appropriate steps necessary to increase the participation of service-disabled veteran-owned small businesses in all USDA contracting efforts, including Natural Resources Conservation Service and Farm Service Agency contracting for environmental assessments and environmental impact statements, preparation of reviews for Conservation Reserve Enhancement Programs, on-going National Environmental Policy Act training, and other environmental programs. Additionally, the Committee encourages the Secretary to review all applicable Information Technology planned contract requirements to establish a goal of an aggregate of 5 percent of the dollar value of these contracts toward the participation of service-disabled veteran-owned small businesses. The Secretary is to report to the Committee no later than 120 days after the enactment of this Act on the steps taken to increase participation of service-disabled veteran-owned small businesses in contracts at USDA.

EXECUTIVE OPERATIONS

Executive operations were established as a result of the reorganization of the Department to provide a support team for USDA policy officials and selected departmentwide services. Activities under the executive operations include the Office of the Chief Economist, the National Appeals Division, the Office of Budget and Program Analysis, and the Homeland Security Staff.

CHIEF ECONOMIST

| | |
|--------------------------------|--------------|
| Appropriations, 2006 | \$10,434,000 |
| Budget estimate, 2007 | 11,226,000 |
| House allowance | 11,226,000 |
| Committee recommendation | 11,226,000 |

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$11,226,000 for the Office of the Chief Economist. The Committee recommendation includes \$1,500,000 for preferred procurement and labeling for biobased products.

NATIONAL APPEALS DIVISION

| | |
|--------------------------------|--------------|
| Appropriations, 2006 | \$14,379,000 |
| Budget estimate, 2007 | 14,795,000 |
| House allowance | 14,795,000 |
| Committee recommendation | 14,795,000 |

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$14,795,000 for the National Appeals Division.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

| | |
|--------------------------------|-------------|
| Appropriations, 2006 | \$8,215,000 |
| Budget estimate, 2007 | 8,479,000 |
| House allowance | 8,479,000 |
| Committee recommendation | 8,479,000 |

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$8,479,000 for the Office of Budget and Program Analysis.

HOMELAND SECURITY STAFF

| | |
|--------------------------------|-----------|
| Appropriations, 2006 | \$925,000 |
| Budget estimate, 2007 | 1,114,000 |
| House allowance | 954,000 |
| Committee recommendation | 954,000 |

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$954,000 for the Homeland Security Staff.

OFFICE OF THE CHIEF INFORMATION OFFICER

| | |
|--------------------------------|--------------|
| Appropriations, 2006 | \$16,297,000 |
| Budget estimate, 2007 | 16,936,000 |
| House allowance | 16,936,000 |
| Committee recommendation | 16,936,000 |

The Office of the Chief Information Officer was established in August 1996 (40 U.S.C. 1401 et seq.), pursuant to the Clinger-Cohen Act of 1996, which required the establishment of a Chief Information Officer for major Federal agencies. This office provides policy guidance, leadership, coordination, and direction to the Department's information management and information technology investment activities in support of USDA program delivery, and is the lead office in USDA e-gov efforts. The Office provides long-range planning guidance, implements measures to ensure that technology investments are economical and effective, coordinates interagency information resources management projects, and implements standards to promote information exchange and technical interoperability. In addition, the Office of the Chief Information Officer is responsible for certain activities financed under the Department's Working Capital Fund (7 U.S.C. 2235). The Office also provides telecommunication and automated data processing [ADP] services to USDA agencies through the National Information Technology Center with locations in Fort Collins, Colorado, and Kansas City, Missouri. Direct ADP operational services are also provided to the Office of the General Counsel, Office of Communications, the Office of the Chief Financial Officer, and Executive Operations.

On November 28, 2004, the information technology staffs of the Service Center Agencies [SCA] were converged into one IT organization within the office of the Chief Information Officer; this converged organization is named Information Technology Services and

replaces a network of cross-agency teams used to coordinate IT infrastructure investment within the SCA and allows for unified management of the IT infrastructure.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$16,936,000 for the Office of the Chief Information Officer.

COMMON COMPUTING ENVIRONMENT

| | |
|--------------------------------|---------------|
| Appropriations, 2006 | \$108,971,000 |
| Budget estimate, 2007 | 108,900,000 |
| House allowance | 38,395,000 |
| Committee recommendation | |

The Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6901 et seq.) requires the Secretary of Agriculture to procure and use computer systems in a manner that enhances efficiency, productivity, and client services, and that promotes computer information sharing among agencies of the Department. The Clinger-Cohen Act of 1996 requires USDA to maximize the value of information technology acquisitions to improve the efficiency and effectiveness of USDA programs. Since its beginning in 1996, the USDA Service Center Modernization initiative has been working to restructure county field offices, modernize and integrate business approaches and replace the current, aging information systems with a modern Common Computing Environment that optimizes information sharing, customer service, and staff efficiencies.

COMMITTEE RECOMMENDATIONS

The Committee does not recommend an appropriation for the Common Computing Environment. The Committee recommendation includes funding for Common Computing Environment activities in the appropriate agency accounts.

OFFICE OF THE CHIEF FINANCIAL OFFICER

| | |
|--------------------------------|-------------|
| Appropriations, 2006 | \$5,815,000 |
| Budget estimate, 2007 | 19,931,000 |
| House allowance | 5,991,000 |
| Committee recommendation | 11,667,000 |

The Office of the Chief Financial Officer is responsible for the dual roles of chief financial management policy officer and chief financial management advisor to the Secretary and mission area heads. The Office provides leadership for all financial management, accounting, travel, Federal assistance, and performance measurement activities within the Department. The Office is also responsible for the management and operation of the National Finance Center and the Departmental Working Capital Fund. In addition, the Office provides budget, accounting, and fiscal services to the Office of the Secretary, Departmental staff offices, Office of the Chief Information Officer, Office of Communications, and Executive Operations.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$11,667,000 for the Chief Financial Officer.

National Finance Center.—The Committee encourages USDA to continue the cost-effective, cross-servicing activities currently conducted by the National Finance Center [NFC] including an integrated payroll and personnel system, financial management and administrative accounting, and management of health benefits programs.

The Committee is concerned that more than 9 months after Hurricane Katrina USDA has not restored NFC data center operations at a permanent site. Instead, NFC data center operations are still located in temporary space in Philadelphia, Pennsylvania. Therefore, the Committee directs USDA to locate a permanent site for data center operations. In addition, the Committee encourages USDA to give close consideration to the establishment of an alternate work site for continuity of operations for the NFC in the State of Louisiana.

OFFICE OF THE ASSISTANT SECRETARY FOR CIVIL RIGHTS

| | |
|--------------------------------|-----------|
| Appropriations, 2006 | \$813,000 |
| Budget estimate, 2007 | 836,000 |
| House allowance | 836,000 |
| Committee recommendation | 836,000 |

The Office of the Assistant Secretary for Civil Rights, established by Section 10704 of the Farm Security and Rural Investment Act of 2002 (Public Law 107–171), provides oversight of civil rights and related functions. This includes coordination of the administration of civil rights laws and regulations for employees of the Department of Agriculture and participants in programs of the Department, and ensuring compliance with civil rights laws.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$836,000 for the Office of the Assistant Secretary for Civil Rights.

OFFICE OF CIVIL RIGHTS

| | |
|--------------------------------|--------------|
| Appropriations, 2006 | \$19,908,000 |
| Budget estimate, 2007 | 22,650,000 |
| House allowance | 22,650,000 |
| Committee recommendation | 22,650,000 |

The Office of Civil Rights provides overall leadership responsibility for all departmentwide civil rights activities. These activities include employment opportunity as well as program non-discrimination policy development, analysis, coordination, and compliance. The Office is responsible for providing leadership in facilitating the fair and equitable treatment of Department of Agriculture [USDA] employees, and for monitoring program activities to ensure that all USDA programs are delivered in a non-discriminatory manner. The Office’s outreach functions provide 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, through information sharing, technical assistance, and training.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$22,650,000 for the Office of Civil Rights.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

| | |
|--------------------------------|-----------|
| Appropriations, 2006 | \$669,000 |
| Budget estimate, 2007 | 773,000 |
| House allowance | 736,000 |
| Committee recommendation | 681,000 |

The Office of the Assistant Secretary for Administration directs and coordinates the work of the departmental staff in carrying out the laws enacted by the Congress relating to real and personal property management, personnel management, ethics, and other general administrative functions. In addition, the Office of the Assistant Secretary for Administration is responsible for certain activities financed under the Department's Working Capital Fund (7 U.S.C. 2235).

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$681,000 for the Office of the Assistant Secretary for Administration.

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

| | |
|--------------------------------|---------------|
| Appropriations, 2006 | \$185,857,000 |
| Budget estimate, 2007 | 209,814,000 |
| House allowance | 206,669,000 |
| Committee recommendation | 209,814,000 |

Agriculture Buildings and Facilities and Rental Payments.—Department headquarters presently operates in a four-building Government-owned complex in downtown Washington, DC, and in leased buildings in the Metropolitan Washington, DC, area. Annual appropriations finance payments to the General Services Administration [GSA] for leased space and related services. Under this arrangement USDA operates, maintains, and repairs D.C. complex buildings, while GSA remains responsible for major nonrecurring repairs. GSA charges commercial rent rates pursuant to the Public Buildings Amendments of 1972, and agencies may review rate procedures and exercise rights to appeal. For the last several years the Department has implemented a strategic space plan to locate staff more efficiently, renovate its buildings, and eliminate safety hazards, particularly in the Agriculture South Building.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$209,814,000 for Agriculture Buildings and Facilities and Rental Payments.

The following table reflects the Committee's specific recommendations for this account as compared to the fiscal year 2006 and budget request levels:

[In thousands of dollars]

| | 2006 enacted | 2007 budget request | Committee recommendation |
|---------------------------|--------------|---------------------|--------------------------|
| Rental Payments | 146,257 | 155,851 | 155,851 |
| Building Operations | 39,600 | 53,963 | 53,963 |
| Total | 185,857 | 209,814 | 209,814 |

HAZARDOUS MATERIALS MANAGEMENT

| | |
|--------------------------------|--------------|
| Appropriations, 2006 | \$11,880,000 |
| Budget estimate, 2007 | 12,020,000 |
| House allowance | 12,020,000 |
| Committee recommendation | 12,020,000 |

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$12,020,000 for Hazardous Materials Management.

DEPARTMENTAL ADMINISTRATION

| | |
|--------------------------------|--------------|
| Appropriations, 2006 | \$22,872,000 |
| Budget estimate, 2007 | 28,302,000 |
| House allowance | 24,114,000 |
| Committee recommendation | 24,114,000 |

Departmental Administration is comprised of activities that provide staff support to top policy officials and overall direction and coordination of administrative functions of the Department. These activities include departmentwide programs for human resource management, ethics, occupational safety and health management, real and personal property management, procurement, contracting, motor vehicle and aircraft management, supply management, emergency preparedness, small and disadvantaged business utilization, and the regulatory hearing and administrative proceedings conducted by the Administrative Law Judges and Judicial Officer. Departmental Administration also provides administrative support to the Board of Contract Appeals. Established as an independent entity within the Department, the Board adjudicates contract claims by and against the Department, and is funded as a reimbursable activity.

Departmental Administration is also responsible for representing USDA in the development of Governmentwide policies and initiatives; and analyzing the impact of Governmentwide trends and developing appropriate USDA principles, policies, and standards. In addition, Departmental Administration engages in strategic planning and evaluates programs to ensure USDA-wide compliance with applicable laws, rules, and regulations pertaining to adminis-

trative matters for the Secretary and general officers of the Department.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$24,114,000 for Departmental Administration.

Washington Semester American Indian Program.—The Committee continues strong support for USDA participation in the Washington Internships for Native Students [WINS] program, an American Indian/Alaska Native [AI/AN] internship program. Executive Order 13270 directs Federal agencies to provide improved opportunities and resource access to tribal college and other AI/AN post-secondary education students. Consistent with this Executive Order, the Committee urges USDA to maintain the annual average number of positions placed in past summers, and expects that the Department will place no less than 25 WINS AI/AN students each summer. The Committee recommends that the Department assign responsibility for coordination of the WINS program to Departmental Administration to ensure student intern sponsorship and placement with agencies managing natural resource or community development programs benefiting AI/AN or rural disadvantaged communities.

OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS

| | |
|--------------------------------|-------------|
| Appropriations, 2006 | \$3,783,000 |
| Budget estimate, 2007 | 3,940,000 |
| House allowance | 3,940,000 |
| Committee recommendation | 3,830,000 |

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$3,830,000 for the Office of the Assistant Secretary for Congressional Relations.

The Committee allows these funds to be transferred to support congressional relations' activities at the agency level. Within 30 days from the enactment of this Act, the Secretary shall notify the House and Senate Committees on Appropriations on the allocation of these funds by USDA agency, along with an explanation for the agency-by-agency distribution of the funds as well as the staff years funded by these transfers.

OFFICE OF COMMUNICATIONS

| | |
|--------------------------------|-------------|
| Appropriations, 2006 | \$9,414,000 |
| Budget estimate, 2007 | 9,695,000 |
| House allowance | 9,695,000 |
| Committee recommendation | 9,695,000 |

The Office of Communications provides direction, leadership, and coordination in the development and delivery of useful information through all media to the public on USDA programs. The Office serves as the liaison between the Department and the many associations and organizations with an interest in USDA's mission areas.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$9,695,000 for the Office of Communications.

OFFICE OF THE INSPECTOR GENERAL

| | |
|--------------------------------|--------------|
| Appropriations, 2006 | \$79,533,000 |
| Budget estimate, 2007 | 82,493,000 |
| House allowance | 82,493,000 |
| Committee recommendation | 82,493,000 |

The Office of the Inspector General was established October 12, 1978 (Public Law 95-452), by the Inspector General Act of 1978. This Act expanded and provided specific authorities for the activities of the Office of the Inspector General which had previously been carried out under the general authorities of the Secretary of Agriculture.

The Office is administered by an inspector general who reports directly to the Secretary of Agriculture. Functions and responsibilities of this Office include direction and control of audit and investigative activities within the Department, formulation of audit and investigative policies and procedures regarding Department programs and operations, and analysis and coordination of program-related audit and investigation activities performed by other Department agencies.

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$82,493,000 for the Office of the Inspector General. The Committee recommendation includes the fiscal year 2006 level for OIG to continue to address violations of section 26 of the Animal Welfare Act (7 U.S.C. 2156) and to coordinate with State and local law enforcement personnel in this effort.

OFFICE OF THE GENERAL COUNSEL

| | |
|--------------------------------|--------------|
| Appropriations, 2006 | \$38,957,000 |
| Budget estimate, 2007 | 40,647,000 |
| House allowance | 40,455,000 |
| Committee recommendation | 40,647,000 |

The Office of the General Counsel provides all legal advice, counsel, and services to the Secretary and to all agencies, offices, and corporations of the Department. The Office represents the Department in administrative proceedings; non-litigation debt collection proceedings; State water rights adjudications; proceedings before the Environmental Protection Agency, Interstate Commerce Commission, Federal Maritime Administration, and International Trade Commission; and, in conjunction with the Department of Justice, in judicial proceedings and litigation.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$40,647,000 for the Office of the General Counsel.

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

| | |
|--------------------------------|-----------|
| Appropriations, 2006 | \$592,000 |
| Budget estimate, 2007 | 694,000 |
| House allowance | 651,000 |
| Committee recommendation | 605,000 |

The Office of the Under Secretary for Research, Education, and Economics provides direction and coordination in carrying out the laws enacted by the Congress for food and agricultural research, education, extension, and economic and statistical information. The Office has oversight and management responsibilities for the Agricultural Research Service; Cooperative State Research, Education, and Extension Service; Economic Research Service; and National Agricultural Statistics Service.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$605,000 for the Office of the Under Secretary for Research, Education, and Economics.

Special Research, Education, and Extension Activities.—The Committee is aware of the need for special research, education, and extension activities which are made available on a discretionary basis under 7 U.S.C. 450i(c) and similar authorities. These grants are necessary in order to conduct research to facilitate or expand promising breakthroughs in areas of food and agricultural sciences and to ensure that these activities are further assimilated into the food, agriculture and rural sectors through higher education and extension programs. The Committee also believes that research, education, and extension activity funds made available on a discretionary basis should be sustained by additional funding from competitively-based or private ongoing sources.

The Committee expects that specially awarded grants should be used to meet specific research, education, and extension objectives rather than primarily to supplement other funding sources on an indefinite basis. The Committee expects that prior to the receipt of an award under 7 U.S.C. 450i(c), or grants made under the Research and Education or Extension Service Federal Administration headings of the Cooperative State Research, Education, and Extension Service, the grantee must provide a report to the Committee

that describes the specific objectives for which these funds will be used, methodologies to measure performance and determine when the objectives will be met, and the expected date of completion for the stated objective. If the report fails to identify a specific date for project completion, the Committee shall assume the objectives will be complete by the end of fiscal year 2007.

The Committee has, in the past, continued funding special research grants [SRGs] in excess of the 3-year time period contemplated in the authorizing statute (7 U.S.C. 450i(c)). The Committee is concerned that this has led to stagnation in research. Additionally, the Committee believes that without regular turnover of discretionary research, the ability to facilitate or expand promising breakthroughs in areas of the food and agricultural sciences of importance to the United States is compromised. Therefore, the Committee, beginning in fiscal year 2008, will no longer fund SRGs for more than 3 years.

ECONOMIC RESEARCH SERVICE

| | |
|--------------------------------|--------------|
| Appropriations, 2006 | \$75,172,000 |
| Budget estimate, 2007 | 82,544,000 |
| House allowance | 80,963,000 |
| Committee recommendation | 75,963,000 |

The Economic Research Service [ERS] provides economic and other social science information and analysis for public and private decisions on agriculture, natural resources, food, and rural America. The information ERS produces is for use by the general public and to help the executive and legislative branches develop, administer, and evaluate agricultural and rural policies and programs.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$75,963,000 for the Economic Research Service. The Committee directs that no less than the fiscal year 2006 level be used to implement the “Organic Production and Market Data Initiative” included in section 7407 of Public Law 107–171.

NATIONAL AGRICULTURAL STATISTICS SERVICE

| | |
|--------------------------------|---------------|
| Appropriations, 2006 | \$139,293,000 |
| Budget estimate, 2007 | 152,584,000 |
| House allowance | 148,219,000 |
| Committee recommendation | 148,719,000 |

The National Agricultural Statistics Service [NASS] administers the Department’s program of collecting and publishing current national, State, and county agricultural statistics. These statistics provide accurate and timely projections of current agricultural production and measures of the economic and environmental welfare of the agricultural sector which are essential for making effective policy, production, and marketing decisions. NASS also furnishes statistical services to other USDA and Federal agencies in support of their missions, and provides consulting, technical assistance, and training to developing countries.

The Service is also responsible for administration of the Census of Agriculture, which is taken every 5 years and provides com-

prehensive data on the agricultural economy including: data on the number of farms, land use, production expenses, farm product values, value of land and buildings, farm size and characteristics of farm operators, market value of agricultural production sold, acreage of major crops, inventory of livestock and poultry, and farm irrigation practices.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$148,719,000 for the National Agricultural Statistics Service. Included in this amount is \$36,582,000 for the Census of Agriculture.

Organic Data Collection.—The Committee is pleased that NASS is working to expand the quantity of organic questions included in the Census of Agriculture, and is aware that there has been interest expressed in the need for a follow-up survey. Therefore, the Committee encourages NASS to take all necessary steps, including a follow-up survey, to collect in-depth coverage on acreage, yield, production, inventory, production practices, sales and expenses, marketing channels, and demographics of the organics industry.

Potato Objective Yield Survey.—The Committee expects NASS to continue the potato objective yield survey.

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

| | |
|--------------------------------|-----------------|
| Appropriations, 2006 | \$1,123,654,000 |
| Budget estimate, 2007 | 1,001,385,000 |
| House allowance | 1,057,603,000 |
| Committee recommendation | 1,127,553,000 |

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

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

As the U.S. Department of Agriculture's in-house agricultural research unit, ARS has major responsibilities for conducting and leading the national agricultural research effort. It provides initiative and leadership in five areas: research on broad regional and national problems, research to support Federal action and regulatory agencies, expertise to meet national emergencies, research support for international programs, and scientific resources to the executive branch and Congress.

The mission of ARS research is to develop new knowledge and technology which will ensure an abundance of high-quality agricultural commodities and products at reasonable prices to meet the increasing needs of an expanding economy and to provide for the continued improvement in the standard of living of all Americans. This

mission focuses on the development of technical information and technical products which bear directly on the need to: (1) manage and use the Nation's soil, water, air, and climate resources, and improve the Nation's environment; (2) provide an adequate supply of agricultural products by observing practices that will maintain a sustainable and effective agriculture sector; (3) improve the nutrition and well-being of the American people; (4) improve living in rural America; and (5) strengthen the Nation's balance of payments.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$1,127,553,000 for salaries and expenses of the Agricultural Research Service.

For fiscal year 2007, the Committee recommends funding increases, as specified below, for ongoing research activities. The remaining increase in appropriations from the fiscal year 2006 level is to be applied to pay and related cost increases to prevent the further erosion of the agency's capacity to maintain a viable research program at all research locations.

The Committee expects the agency to give attention to the prompt implementation and allocation of funds provided for the purposes identified by Congress.

In complying with the Committee's directives, ARS is expected not to redirect support for programs from one State to another without prior notification to and approval by the House and Senate Committees on Appropriations in accordance with the reprogramming procedures specified in this Act. Unless otherwise directed, the Agricultural Research Service shall implement appropriations by programs, projects, commodities, and activities as specified by the Appropriations Committees. Unspecified reductions necessary to carry out the provisions of this Act are to be implemented in accordance with the definitions contained in the "Program, Project, and Activity" section of this report.

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

Agricultural Information.—The Committee recommends an increase of \$540,000 for the National Agricultural Library to support library and information services, including \$150,000 to strengthen collaborative programs with tribal college libraries and \$40,000 to Drake University.

Air Quality Research.—Agricultural operations produce a variety of particulates and gases that influence air quality. Agriculture, through wind erosion, tillage and harvest operations, burning, diesel-powered machinery and animal operations, is a source of particulate matter that can cause pulmonary problems to humans. The Committee recognizes that sustained research is needed to quantify these emissions, determine emission factors, and to develop management practices for producers to address this problem. The Committee recommends an increase of \$200,000 for collaborative research with Utah State University's Space Dynamics Laboratory to develop and evaluate sensors, protocols, and statistical procedures that accurately measure particulates and gaseous emissions from agriculture operations.

APHIS Support.—U.S. agriculture is faced with increasingly diverse and severe exotic emerging animal and plant diseases. In response to these diseases, ARS works closely with APHIS in providing significant scientific research required for effective regulatory action. The Committee supports the budget request to develop diagnostic methods for emerging diseases of citrus to confirm infection for epidemiological studies and regulatory actions. The Committee recommends an increase of \$1,000,000 for the following locations for specific research studies: Fort Detrick, Maryland (Citrus Leprosis Virus) \$300,000; and Parlier, California (Asian Citrus Canker) \$300,000. In addition, the Committee supports the budget request for expanded research on Sudden Oak Death and recommends \$400,000 to Corvallis, Oregon, for this purpose.

Appalachian Fruit Research Station/Codling Moth.—The Committee recognizes the importance of fruit research carried out at the Appalachian Fruit Research Station in Kearneysville, West Virginia and recommends an increase of \$400,000 for codling moth research.

Appalachian Horticulture Research.—The Committee is aware that ornamental horticulture, floriculture and nursery crops, collectively constitute the third most important crop in the United States, surpassed only by corn and soybeans, with an average estimated value of more than \$11,000,000,000 a year. Tennessee has a vibrant nursery industry and a growing floriculture industry. The Committee recommends an increase of \$100,000 for collaborative research with the University of Tennessee and Tennessee State University, including efforts to develop resistant genes in dogwoods and other woody ornamentals, new tissue culture techniques, and techniques to enable rapid deployment of new cultivars for the marketplace. This program is managed through the ARS Poplarville, Mississippi, Research Station.

Aquaculture (Hagerman Station).—The Committee recommends an increase of \$300,000 to support an ARS scientist at the Hagerman Station, and to rear and maintain broodstock from selected strains and family lines, and to support multi-location operational and partnership activities with the University of Idaho.

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

Arbuscular Mycorrhizal Fungi.—The Committee understands that the agency conducts research on Arbuscular mycorrhizal fungi [AMF] which are beneficial microorganisms that infect the roots of most crop plants. The fungi benefit crops through increased nutrient uptake, increased resistance to disease and drought, and improved soil water holding capacity. The fungi are dependent on their plant host for sugars and other substances. Understanding the physiological relationships between AMF and their plant hosts will help scientists develop ways to mass-produce the best fungi

and apply them in the field to stimulate crop growth and yield. The Committee recommends the fiscal year 2006 funding level to the Rodale Institute's Farming Systems Trial for fungi research.

Avian Influenza.—Avian influenza presents a major disease threat to the U.S. poultry industry. The recent outbreak of H5N1 avian influenza in chickens and people in Asia, Africa, and Europe illustrates the potential public health threats faced by this country. The Committee recommends an appropriation of \$3,000,000 for expanded research on avian influenza at Athens, Georgia for the purpose of validating diagnostic technologies required for both nucleic acids and antibodies; understanding virus persistence and transmission in host reservoirs; and for developing and characterizing effective countermeasures.

Bee Genetic Resources Research.—The Committee recognizes the importance of crop pollination research carried out by ARS and recommends an increase of \$100,000 for Logan, Utah for non-Apis research.

Bioenergy Research.—Soaring energy prices, instability of petroleum exporting countries, and environmental concerns dictate the need to develop alternative domestic sources of energy from agricultural commodities. The Committee recommends an increase of \$1,800,000 which includes \$500,000 for bioenergy, bioprocessing, and bioproduct utilization research at Pullman, Washington; \$500,000 for energy sugarcane biofuel research at Houma, Louisiana; \$250,000 for biomass crop production research at Brookings, South Dakota; \$250,000 for peanut oil biofuel research at Stillwater, Oklahoma; and \$300,000 for collaborative bioenergy research with the University of Central Florida.

Bioinformatics Institute for Model Plant Species.—The Committee recommends an increase of \$300,000 to expand current agricultural genome bioinformatics research carried out by the Bioinformatics Institute for Model Plant Species, National Center for Genome Resources at Santa Fe, New Mexico.

Biomedical Materials in Plants.—Continued research is needed to carry out studies on tobacco and other plants as a medium to produce vaccines and other biomedical products for the prevention of many human and animal diseases. The Committee recommends the fiscal year 2006 funding level for cooperative research with the Biotechnology Foundation.

Biotechnology Research and Development Corporation.—The Committee directs the agency to continue its support of the Biotechnology Research and Development Corporation's research on both plants and animals at the fiscal year 2006 level.

Biotechnology Research to Improve Crops and Livestock.—Biotechnology research has opened the path for sequencing and mapping the genes of crops and livestock, marking genes for adding precision to breeding of improved plants and animals, and identifying gene products through proteomics technology. Other technological advancements can be achieved in the livestock industry through the development of imaging at the molecular level using light, heat, and/or fluorescing signatures. These biotechnology efforts generate huge volumes of data, which must be managed, transmitted electronically, and analyzed. The Committee recommends the fiscal year 2006 funding level at Stoneville, Mis-

Mississippi, to support cooperative research in genomics and bioinformatics and in the use of biophotonics for the imaging of animal physiological processes at the cellular level.

Bovine Spongiform Encephalopathy.—The Committee is aware of the serious health and economic consequences associated with bovine spongiform encephalopathy [BSE] and supports expanded research in the areas of pathogenesis, diagnostics, and intervention. The Committee recommends an increase of \$3,000,000 which includes BSE risk assessment, species susceptibility, and animal tests at Ames, Iowa (\$2,000,000); pathophysiology of BSE and feed decontamination at Albany, California (\$600,000); and research on transmissible spongiform encephalopathy [TSE] strains at Pullman, Washington (\$400,000). The Committee also recommends increases for expanded research to identify genetic variations associated with diseases susceptibility in cattle, sheep, and wildlife at Ames, Iowa (\$1,000,000) and at Clay Center, Nebraska (\$1,000,000). The Committee also recommends increases for expanded research to develop effective countermeasures to control and eradicate TSE agents at Albany, California (\$200,000); Ames, Iowa (\$600,000) and at Pullman, Washington (\$200,000).

Broiler Production in the Mid-South.—Reduced broiler production costs are essential for the industry to increase net profit and remain competitive internationally. The Committee recognizes the importance of the cooperation between the ARS Poultry Research Unit and the Mississippi Agricultural and Forestry Experiment Station at Mississippi State. This cooperation has resulted in improved bird nutrition, control of mycoplasma disease with vaccines, and overall health, vigor, and growth of the birds through improved housing environmental controls. The Committee recommends the fiscal year 2006 funding level for cooperative research on reducing ammonia levels in poultry litter, improving environmental controls, and reducing mortality in broiler flocks.

Canada Thistle.—The Committee recognizes the importance of controlling and eradicating the Canada thistle, a noxious, invasive weed that has surpassed leafy spurge in infested acreage in North Dakota. The Committee recommends the fiscal year 2006 funding level to carry out research experiments to examine the population genetics and biology of Canada thistle and to combat this weed in North Dakota and surrounding States. The research is to be conducted at the ARS research facility at Fargo, North Dakota.

Coffee and Cocoa.—The disease resistance and alternative crop research program for coffee and cocoa has important economic benefits and implications for U.S. foreign policy goals in South Central America and West Africa. As a globally marketable cash crop, cocoa can provide an alternative, environmentally beneficial choice for small farmers to abandon illegal crops. Cocoa is produced primarily by small farmers in the tropics of South Central America and West Africa that is also under severe disease pressure which threatens the stability of the world's supply of cocoa and the economies of other cocoa-producing nations. The Committee recommends the fiscal year 2006 funding level for this research on coffee and cocoa.

Cotton Ginning Laboratory.—The Committee recommends an increase of \$200,000 for ARS cotton ginning research at Stoneville, Mississippi.

Cropping Systems Research.—Crop management practices to limit erosion on the highly erodible soils of Tennessee and other southern States impacts soybean diseases, both favorably and adversely. Research is needed to optimize disease control while maintaining the best crop management practices to protect soil and water quality. The Committee recommends an increase of \$150,000 for cropping systems research at the University of Tennessee and the West Tennessee Agriculture Experiment Station.

Dairy Forage Research.—The Committee recognizes the important research on dairy forage carried out by ARS at the U.S. Dairy Forage Research Center in Madison, Wisconsin. The Committee recommends an increase of \$600,000 for expanded dairy forage research at the center.

Delta Human Nutrition Research.—The Committee recognizes the significant benefits to the health of rural populations from nutrition and dietary research at the Delta Human Nutrition Research Laboratory at Stoneville, Mississippi Center and recommends an increase of \$400,000 for that critical effort.

Drought Mitigation.—With an estimated cost to the Nation of \$6,000,000,000 to \$8,000,000,000 annually, drought is perhaps the most pervasive and devastating acts of nature. The Committee recommends an increase of \$750,000 to reduce agriculture's vulnerability to drought, which includes \$250,000 each to Phoenix, Arizona; Riverside, California; and Akron, Colorado, for specific research on wastewater irrigation.

Emerging Diseases of Crops.—Continued development of pathogen detection, exclusion, and quarantine treatment technologies is important for keeping new diseases from becoming established in the United States and for producing fruits, crops, and commodities that can be shipped and sold in markets around the world. The Committee supports the budget request and recommends an increase of \$500,000 for expanded research to mitigate the impact of citrus canker at Fort Pierce, Florida and \$300,000 for expanded research on pathogens of fruits and nursery crops at Beltsville, Maryland.

Fish Diseases.—The development of safe and effective vaccines for prevention of disease in catfish is essential to the growth of the catfish industry. There are currently only a number of approved therapeutic compounds available to support fish health. Vaccinations, successful in other animals, appear to be the best means of preventing diseases. The Committee recommends an increase of \$300,000 for the ARS Fish Disease and Parasitic Research Laboratory at Auburn, Alabama.

Floriculture and Nursery Research.—Nursery and greenhouse products rank third in production in the Nation. As the public demands more plants and trees to help clean the air, prevent water runoff and soil erosion, and improve water conservation and quality, the nursery industry is playing an expanding and significant role in enhancing environmental quality. The Committee recommends the fiscal year 2006 funding level for floriculture and nursery research aimed at reducing chemical use, improved post-harvest life of flowers and plants, disease and pest resistant flowers and plants, control of root diseases, robotics research, and control of run-off from greenhouse and nursery operations.

Food Safety.—The Committee supports the Department's request to expand research on pre- and post-harvest food safety research. Additional appropriations are provided to develop food animal surveillance and epidemiology programs for dairy animals at Beltsville, Maryland for \$250,000. An increase of \$200,000 is recommended for research on pathogens at the pre-harvest stage at College Station, Texas. The Committee also supports expanded research to develop detection and processing methodologies on liquid egg products contamination at Wyndmoor, Pennsylvania for \$250,000. The Committee is aware of the significance of the research currently underway relating to catfish and other food products at the Mississippi Center for Food Safety and Postharvest Technology and recommends an increase of \$300,000 for research on the detection of food-borne pathogens. The Committee also recommends \$350,000 to Fargo, North Dakota, for the identification of toxic chemical residues and heavy metals that pose a food security risk.

Forage and Range Research.—The Committee recommends an increase of \$300,000 to be used to establish a germplasm geneticist research position at the USDA-ARS Forage and Range Research Laboratory at Logan, Utah. The germplasm geneticist position will be responsible for developing drought-resistant turfgrasses for western States.

Genetic Resources.—The Committee supports the request for additional appropriations to preserve germplasm for traits of economic importance of livestock and poultry and to acquire, enhance, and characterize genetic resources of plants. The Committee recommends an increase of \$200,000 each to Clay Center, Nebraska for cattle, poultry, swine, and sheep, germplasm; to Raleigh, North Carolina for genetic resource enhancement of maize; and to Aberdeen, Idaho for genetic resource enhancement of barley.

Genomics Research.—The productivity of the U.S. beef industry is largely the result of the long-term genetic improvement research conducted over the last 75 years. While significant genetic change in beef output measures such as growth and meat yield and quality has been achieved, there has been virtually no change in traits directly affecting the cost of production, such as efficiency of energy utilization and reproductive rate. The Committee supports the budget request for expanded research on applied genomics for livestock production efficiency and recommends an increase of \$550,000 for Clay Center, Nebraska and \$200,000 for Miles City, Montana. In addition, an increase of \$250,000 is recommended to St. Paul, Minnesota for oat genomic research.

Grazinglands Research.—The Committee recommends an increase of \$200,000 for the Grazinglands Research Laboratory at El Reno, Oklahoma to expand important agronomic research in the efficient use of plant protein by grazing livestock.

Great Lakes Aquaculture Research.—The Committee recognizes the important research studies that ARS carries out nationwide that benefit the aquaculture industry and the American consumer. Expanded research is essential if we are to improve production technology of Great Lakes species such as whitefish, lake trout, yellow perch, walleye, and northern pike. The Committee recommends

an increase of \$250,000 for a collaborative research with the Great Lakes Aquaculture Center to support this research.

Harry Dupree National Aquaculture Research Center.—Arkansas leads the Nation in raising hybrid striped bass, as well as in producing 80 percent of the Nation's baitfish and other food fishes. The Committee understands that this Center plays a significant role in meeting the needs of the U.S. aquaculture industry by conducting research aimed at improving yields, food quality, disease control, and stress tolerance. The Committee recommends the fiscal year 2006 funding level for research on the genetic improvement of hybrid striped bass.

Hawaii Agriculture Research Center.—The Committee recommends the fiscal year 2006 funding level for the Hawaii Agriculture Research Center to enhance the competitiveness of U.S. sugarcane producers and to continue to support the expansion of new crops and products, including those from agroforestry, to complement sugarcane production in Hawaii.

Improved Crop Production Practices.—The Committee is aware of the excellent research progress on the integration of conservation tillage, precision agriculture, and management of poultry litter carried out at the National Soil Dynamics Laboratory, Auburn, Alabama. The Committee recommends an increase of \$250,000 for expanded research activities.

Improved Forage-Livestock Research.—The Committee recognizes the successful cooperation between ARS and the University of Kentucky scientists on forage-animal-based enterprises. The efficiency of nutrient use by forage animals can be improved by a better understanding of animal and microbial interaction at the Animal Rumens-forage interface, as well as to promote the health, well-being, and productivity of grazing animals by optimizing forages they consume. The Committee recommends an increase of \$300,000 to continue this important cooperative research program. The purpose is to improve productivity, profitability, competitiveness and sustainability of animal enterprises dependent on forages.

Malignant Catarrhal Fever Virus.—The Committee acknowledges the importance of research for the sheep-associated virus, Malignant Catarrhal Fever [MCF], infecting small ruminants. The Committee recommends the fiscal year 2006 funding level for research on the development of vaccines critical to the systematic eradication of MCF virus in small ruminants at the ARS laboratory at Pullman, Washington, in cooperation with the ARS sheep station at Dubois, Idaho, and Washington State University.

Medicinal and Bioactive Crops.—Increased research is needed to carry out studies on medicinal and bioactive crops as a medium to produce vaccines and other biomedical products for the prevention of many human and animal diseases. The Committee recommends an increase of \$200,000 for Oxford, Mississippi, for cooperative research with the Stephen F. Austin State University, and \$200,000 for the U.S. National Arboretum for cooperative research with the University of Maryland.

Medusahead Research.—Medusahead, and other annual grasses, are destroying the agricultural economy, ecology, and fires regimes of the Great Basin. These weeds have invaded about 27 million acres, and are spreading across the region at an alarming rate.

These weeds displace native vegetation on which much of the rural economies depend. Medusahead, and other grasses, displace habitat for important wildlife, such as sage grouse. The Committee recommends an increase of \$300,000 to ARS' Burns, Oregon research laboratory.

Michael Fields Agricultural Institute.—The Committee recommends the fiscal year 2006 funding level for ARS collaborative research with the Michael Fields Agricultural Institute. This research provides for development of high-quality corn in Wisconsin and other Midwestern States for increased nutritional value and adaptation to sustainable farming systems. Collaborative research is directed at corn breeding, analysis, corn quality, on-farm research and information dissemination.

Mosquito Biological Control (West Nile Virus).—Mosquitoes have reemerged as disease transmitters with the occurrence of West Nile Virus. Their populations are at unacceptable levels throughout the lower Mississippi River floodplain. The Committee recommends an increase of \$150,000 for research on the biological control of mosquitoes at the ARS Biological Control Laboratory at Stoneville, Mississippi. This ARS laboratory is strategically located to conduct research for biologically controlling mosquitoes.

National Cold Water Marine Aquaculture Center.—The Committee notes the importance of aquaculture research to the State of Maine, which leads the Nation in Atlantic salmon cultivation. Other important aquaculture species in Maine include shellfish and trout. Research on marine finfish is vitally important to Maine's aquaculture program. Finfish, including haddock, halibut, and cod, are primary candidates for future diversity of Maine's aquaculture industry. The Committee recommends an increase of \$250,000 for this research, which will be undertaken at the Franklin, Maine, research location.

National Nutrition Monitoring System.—Health and dietary information gathered from USDA and the Department of Health and Human Services is critical to the Nation and plays a key role in shaping national food policies and programs including food safety, food labeling, child nutrition, food assistance and dietary guidance. The Committee recommends the fiscal year 2006 funding level for the combined national nutrition monitoring program.

National Sedimentation Laboratory.—The Committee recommends an increase of \$200,000 to the National Sedimentation Laboratory to conduct research on sources and causes of water impairment in the Yazoo River Basin and to seek economically feasible Best Management Practices for attaining new water quality goals, commonly referenced as Total Maximum Daily Loads, at field, farm, watershed, and basin levels.

Northern Appalachian Experimental Watershed, Coshocton, Ohio.—The mission of the North Appalachian Experimental Watershed is to conduct research on hydrology, surface runoff, ground-water quality, and erosion for agricultural and other purposes. Conservation tillage, filter strips, crop rotations, manure management, input of high runoff generating areas, reduced input management practices, and pasture management systems are evaluated using watersheds and monolith lysimeters. Quantification of runoff and water quality risks through analysis of data and precipitation

and weather investigations are also a component of the research. A 67-year data base of measurements from rain gages, watershed flumes and weirs, and automated data collecting lysimeters along with soil and climatology data provide a long-term frame of reference which is essential in the evaluation of current experimental data. Research is designed to develop knowledge of basic water sediment, and chemical movement and to develop practical procedures and verify models describing their transport. Practical results of the research are to develop safe pesticide and nutrient management strategies while maintaining high agricultural productivity levels, and to develop practical management tools. The Committee recommends an increase of \$100,000 for this research.

Northern Great Plains Research Laboratory, Mandan, North Dakota.—This ARS research station conducts economically sustainable and environmentally sound integrated crop and livestock management systems for agricultural producers in the Northern Great Plains. In this regard, the station cooperates with the Hettinger Research and Extension Center in developing crop and livestock management systems that will increase the value of crops and animals produced in the region. The Committee recommends an increase of \$100,000 for Northern Great Plains Research Laboratory, Mandan, North Dakota, to support planned research.

National Center for Excellence in Foods and Nutrition Research.—The Committee believes there is a great potential benefit in the human nutrition work of the National Center for Excellence in Foods and Nutrition Research (NutriCore) headquartered in Indiana with regional hubs in Pennsylvania, California, Texas, Mississippi, and Iowa. The Committee recommends an increase of \$100,000 to expand this program.

Obesity Prevention.—The Economic Research Service estimates that health care costs resulting from poor nutrition and obesity cost Americans over \$200,000,000,000 annually. Two out of every three American adults are overweight and the number of overweight children has doubled in the past 20 years. The Committee recognizes the scientific expertise and core capability of the ARS Human Nutrition program to conduct food-based and multidisciplinary research strategy for reducing obesity in the United States. The Committee recommends an increase of \$3,000,000, with \$500,000 each provided to Beltsville, Maryland; Boston, Massachusetts; Grand Forks, North Dakota; Davis, California; Houston, Texas; and Little Rock.

Ogallala Aquifer.—Surface water in the Central High Plains region is severely limited and the Ogallala Aquifer, which underlies this area, has provided water for the development of a highly significant agricultural economy. However, the Ogallala Aquifer is a finite resource. The Committee recommends an increase of \$500,000 for research into the complex nature of water availability, potential uses, and costs which will help determine future water policy in this region. This research is to be based in Texas but coordinated with other affected States, including Kansas.

Onion Iris Yellow Spot Virus and Thrip Research.—The Committee recommends an increase of \$250,000 for research into treating and preventing Yellow Spot Virus, and preventing thrip infestation.

Organic Research.—The Committee notes the growing importance of organic agriculture production and processing. Accordingly, the ARS is encouraged to direct funding, as appropriate, to research activities that benefit this sector of the agricultural sector.

Papaya Ringspot Virus.—The Committee recommends the fiscal year 2006 funding level to the University of Hawaii College of Tropical Agriculture and Human Resources to monitor and refine control of the papaya ringspot virus; to induce nematode resistance, flowering control, and mealy bug wilt disease resistance in commercial pineapple varieties; and, to expand the techniques and knowledge obtained from this program to create disease and pest resistance in other tropical crops such as banana and flowers where there is strong industry support and interest in these transgenic approaches. The Committee views the development of pest and disease resistant plants as supportive of a national agricultural research agenda to minimize the application of chemical pesticides.

Poisonous Plant Research.—The USDA Poisonous Plant Research Laboratory at Logan, Utah conducts vital research on the effects of poisonous plants on livestock in support of the Nation's livestock industry. The Committee is aware of the important investigations carried out by this laboratory and the significant contributions it has made in agricultural plant and animal sciences. The Committee recommends an increase of \$125,000 to continue this important research.

Polymer Research.—The Committee is aware of the research being carried out by the Kansas Polymer Research Center [KPRC] at Pittsburgh State University on biobased polymers that have a high potential for commercialization. The KPRC is a leader in research on converting vegetable oils, principally soybean oil, to polyols for use in industrial polyurethane applications. Also, KPRC scientists have been awarded nine patents in polymer research in the last 10 years. The Committee recommends an increase of \$400,000 to Peoria, Illinois for collaborative research on polymer research with KPRC.

Poultry Production and Product Safety Research.—The Committee is aware of the poultry production and product safety research being conducted by the ARS Poultry Laboratory at Fayetteville, Arkansas, in conjunction with the Center of Excellence for Poultry Science on the University of Arkansas campus in Fayetteville. The Committee recommends the fiscal year 2006 funding level in support of this poultry research to improve the quality of poultry production and reduce production problems for the poultry industry.

Program Continuations.—The Committee directs the Agricultural Research Service to continue to fund the following areas of research in fiscal year 2007 at the same funding level recommended in fiscal year 2006: Agroforestry Research (Shiitake Mushroom), Booneville, Arkansas; Air Quality Research (PM-10), Pullman, Washington; Air Quality, Ames, Iowa, HQ (Utah State Space Dynamics Lab.); Alternative Crops and Value Added Products, Stoneville, Mississippi; Animal Health Consortium, Peoria, Illinois; Animal Vaccines, Greenport, New York; Animal Welfare Information Center; Appalachian Fruit Research Station, Kearneysville, West Virginia; Appalachian Horticulture Research (U of TN/TN State),

Poplarville, Mississippi; Appalachian Pasture Based Beef Systems (WV Univ/VA Tech), Beaver, West Virginia; Aquaculture Fisheries Center, Pine Bluff, Arkansas; Aquaculture Initiative, Harbor Branch Oceanographic Inst., Stuttgart, Arkansas; Aquaculture Research, Aberdeen, Idaho; Arbuscular Mycorrhizal Fungi (Rodale Inst.), Wyndmoor, Pennsylvania; Arctic Germplasm, Palmer, Alaska; Arid Lands, Las Cruces, New Mexico (Jornada); Barley Yellow Dwarf, West Lafayette, Indiana; Bee Research (Chalk Brood), Logan, Utah; Binational Agricultural Research and Development Program, HQ; Biological Weed Control, Sidney, Montana; Biomedical Materials in Plants (Biotech Foundation), Beltsville, Maryland; Bioremediation Research, Beltsville, Maryland; Biotechnology Research and Development Corporation, Peoria, Illinois; Biotechnology Research to Improve Crops & Livestock, Stoneville, Mississippi; Broiler Production in the Mid-South, Mississippi State, Mississippi; Canada Thistle, Fargo, North Dakota; Cereal Crops, Fargo, North Dakota; Cereal Crops Research, Madison, Wisconsin; Cereal Disease, St. Paul, Minnesota; Chronic Diseases of Children, Houston, Texas; Citrus Waste Utilization, Winter Haven, Florida; Coffee and Cocoa, Beltsville, Maryland; Coffee and Cocoa, Miami, Florida; Coffee and Cocoa (Control of Perennial and Annual Weeds), HQ; Corn Germplasm, Mississippi State, Mississippi; Corn Germplasm, Ames, Iowa; Corn Rootworm (Risk Assessment for Bt Corn), Ames, Iowa; Cotton Ginning Research, Las Cruces, New Mexico; Cotton Ginning, Stoneville, Mississippi; Cotton Pathology, Shafter, California; Cropping Systems Research, Stoneville, Mississippi (U TN/W TN Ag Expt. Sta.); Dairy Forage, Madison, Wisconsin; Delta Human Nutrition Research, Stoneville, Mississippi; Diet and Immune Function [ACNC], Little Rock, Arkansas; Diet Nutrition and Obesity Research (Pennington), New Orleans, Louisiana; Dryland Production, Akron, Colorado; Ecology of Tamarix, Reno, Nevada; Endophyte Research, Booneville, Arkansas; Flood/Control Acoustic Technology, Oxford, Mississippi; Floriculture and Nursery Crops, HQ; Food Fermentation Research, Raleigh, North Carolina; Food Safety for Listeria and E.coli, Albany, California; Forage and Range Research, Logan, Utah; Formosan Termite, New Orleans, Louisiana; Genomics of Pest Resistance in Wheat, West Lafayette, Indiana; Golden Nematode, Ithaca, New York; Grain Research, Manhattan, Kansas; Grape Genetics, Geneva, New York; Grape Rootstock, Geneva, New York; Grapefruit Juice/Drug Interaction, Winterhaven, Florida; Great Basins Rangeland, Boise, Idaho; Great Basins Rangeland, Reno, Nevada; Greenhouse and Hydroponics Research, Wooster, Ohio; Greenhouse Lettuce Germplasm, Salinas, California; Harry Dupree National Aquaculture Research Center, Stuttgart, Arkansas; Hops Research, Corvallis, Oregon; Hyperspectral Imaging, New Orleans, Louisiana; Improved Crop Practices, Auburn, Alabama; Improved Forage and Livestock Production, Lexington, Kentucky (U of KY); Integrated Farming, Ames, Iowa; Integrated Farming Systems/Dairy Forage, Madison, Wisconsin; Invasive Ludwigia Research, Davis, California; IPM for Northern Climate Crops, Fairbanks, Alaska; Irrigated Cropping Systems in the Mid-South, Stoneville, Mississippi; Jornada Experimental Range Research Station, Las Cruces, New Mexico; Karnal Bunt, Manhattan, Kansas; Lettuce Geneticist/

Breeder, Salinas, California; Livestock & Range Research/Fort Keogh, Miles City, Montana; Malignant Catarrhal Fever [MCF] Virus, Pullman, Washington; Manure Management Research (National Swine Research Center), Ames, Iowa; Medicinal and Bioactive Crops (Stephen F. Austin State Univ./Univ. MD); Medicinal Botanical Production and Processing, Beaver, West Virginia; Michael Fields Agricultural Institute, Madison, Wisconsin; Microbial Genomics, Kerrville, Texas; Microbial Genomics, Pullman, Washington; Mid-West/Mid-South Irrigation, Columbia, Missouri (Delta Center, U of MO); Minor Use Pesticide (IR-4), various locations; Mosquito Biological Control, Stoneville, Mississippi; National Center for Agricultural Law; National Cold Water Marine Aquaculture, Franklin, Maine; National Germplasm Resource Program, various locations; National Nutrition Monitoring System, Beltsville, Maryland; National Sclerotinia Initiative, Fargo, North Dakota; National Sedimentation Lab (Yazoo River Basin/TMDLs), Oxford, Mississippi; National Sedimentation Lab Acoustics, Oxford, Mississippi; National Sedimentation Laboratory Yazoo Basin, Oxford, Mississippi; National Soil Dynamics Lab (Improved Crop Production), Auburn, Alabama; National Wheat and Barley Scab Initiative, Fargo, North Dakota; National Wheat and Barley Scab Initiative, HQ; Nat'l Center for Cool & Coldwater Aquaculture, Leetown, West Virginia; Nat'l Center for Cool & Coldwater Aquaculture—Aquaculture Systems, Leetown, West Virginia; Natural Products, Oxford, Mississippi; NE Plant, Soil and Water Laboratory, Orono, Maine; Nematology Research, Tifton, Georgia; Northern Grain Insects Laboratory, Brookings, South Dakota; Northern Great Plains Ecosystem, Sidney, Montana; Northern Great Plains Research Laboratory, Mandan, North Dakota; Northern Plains Agricultural Research Lab, Sidney, Montana; Noxious Weeds in the Desert Southwest, Las Cruces, New Mexico; NutriCore (National Center for Excellence in Foods and Nutrition Research), HQ; Nutritional Requirements, Houston, Texas; NW Small Fruits Research (Eastern Filbert Blight), Corvallis, Oregon; Oat Virus, West Lafayette, Indiana; Ogallala Aquifer, Bushland, Texas (Texas A&M, Texas Tech and KSU); Olive Fruit Fly, Parlier, California; Organic Minor Crop Research, Salinas, California; Pasture Systems and Watershed Management, University Park, Pennsylvania; Peanut Production, Dawson, Georgia; Peanut Research, Dawson, Georgia; Peanut Variety, Stillwater, Oklahoma; Pear Thrips, Ithaca, New York (U of VT); Pecan Scab Research, Byron, Georgia; Pierce's Disease/Glassy-winged Sharpshooter, Davis, California; Pineapple Nematode Research, Hilo, Hawaii; Plant Genetic, Diversity and Gene Discovery, Logan, Utah; Plant Protein Grazing Livestock, El Reno, Oklahoma; Plum Pox, Frederick, Maryland; Post Harvest and Controlled Atmosphere Chamber (lettuce), Salinas, California; Potato Breeding, Aberdeen, Idaho; Prosser, Washington; Potato Research Enhancement, Prosser, Washington; Potato Storage, Madison, Wisconsin; Poultry Production and Product Safety Unit, Fayetteville, Arizona; Precision Agriculture Research, Mandan, North Dakota; Rainbow Trout, Aberdeen, Idaho; Range and Forage Management (Sage Grouse), Burns, Oregon; Rangeland Resource Management, Cheyenne, Wyoming; Rangeland Resources Research, Las Cruces, New Mexico; Residue Management in Sugarcane (Sugarcane Research),

Houma, Louisiana; Resist. Mgmt and Risk Assmt in Bt Cotton and Other Plant Inc Protectants, Stoneville, Mississippi; Rice Research, Stuttgart, Arkansas; Seafood Waste, Fairbanks, Alaska; Seasonal Grazing, Coshocton, Ohio; Sedimentation Issues in Flood Control Dam Rehabilitations, Oxford, Mississippi; Seismic and Acoustic Technologies in Soils Sed. Lab, Oxford, Mississippi; Shellfish Genetics, Newport, Oregon; Small Farms, Booneville, Arkansas; Small Fruits Research/Ornamental/Horticulture, Poplarville, Mississippi; Soil Erosion Lab, West Lafayette, Indiana; Soil Plant Nutrient Research, Fort Collins, Colorado; Sorghum Research, Little Rock, Arkansas, Manhattan, Kansas; Source Water Protection Initiatives, West Lafayette, Indiana; South Central Agricultural Research Laboratory, Lane, Oklahoma; Southeastern Fruit and Tree Nut Research, Byron, Georgia; Soybean and Nitrogen Fixation, Raleigh, North Carolina; Soybean Cyst Nematode, Stoneville, Mississippi; Soybean Genetics, Columbia, Missouri; Soybean Research in the South, Stoneville, Mississippi; Sugarbeet Research, Kimberly, Idaho; Sugarcane Variety Research, Canal Point, Florida; Sustainable Aquaculture Feeds, Aberdeen, Idaho; Sustainable Vineyards/Viticulture Practices, Davis, California; Sweet Potato, Stoneville, Mississippi; Swine Production Research (Meat-type pigs), Clay Center, Nebraska; Temperate Fruit Flies, Wapato, Washington; Termite Species in Hawaii, Hilo, Hawaii; Tree Fruit Quality Research, Wenatchee, Washington; Tropical Aquaculture Feeds (Oceanic Institute), Hilo, Hawaii; Trout Genome Mapping, Leetown, West Virginia; Turfgrass Research, Beaver, West Virginia; U.S. Pacific Basin Agricultural Research Center [HARC], Hilo, Hawaii; U.S. Vegetable Laboratory, Charleston, South Carolina; Vegetable Crops Research, Madison, Wisconsin; Virus Free Fruit Tree Cultivars, Wapato, Washington; Virus Free Potato Germplasm, Fairbanks, Alaska; Viticulture, Corvallis, Oregon, HQ; Waste Management, Bowling Green, Kentucky (W. KY Univ.); Water Management Research Laboratory, Brawley, California; Water Resources Management, Tifton, Georgia; Water Use Management Technology, Tifton, Georgia; Water Use Reduction, Dawson, Georgia; Watershed Research, Columbia, Missouri; Weed Management Research, Beltsville, Maryland; Western Grazinglands, Burns, Oregon, Reno, Nevada; Wheat Quality Research, Fargo, North Dakota; Wheat Quality Research, Wooster, Ohio; Wheat Quality Research/Western Wheat, Pullman, Washington; Winter Grain Legume, Pullman, Washington; Woody Genomics and Breeding for the Southeast, Poplarville, Mississippi; Location/Unit Closures: Animal Physiology Unit, Athens, Georgia; Biological Control of Insects Unit, Columbia, Missouri; Cotton Ginning Research Unit, Las Cruces, New Mexico; Crop Genetic and Environmental Research Unit, Gainesville, Florida; Dairy Processing and Products Research Unit, Wyndmoor, Pennsylvania; Dale Bumpers Small Farms Research Center, Booneville, Arkansas; Exotic and Invasive Weeds Unit, Reno, Nevada; Fruit Laboratory, Beltsville, Maryland; Midwest Livestock Insects Unit, Lincoln, Nebraska; North Appalachian Experimental Watershed Unit, Coshocton, Ohio; Phytonutrients Laboratory, Beltsville, Maryland; Poultry Production and Products Safety, Fayetteville, Arkansas; Subarctic Agricultural Research Unit, Fairbanks, Alaska; Swine Odor and Manure Management Unit, Ames,

Iowa; Tropical Plant Physiology, Disease and Production Unit, Hilo, Hawaii; Waste Management and Forage Unit, Mississippi State, Mississippi; Wild Rice, St. Paul, Minnesota; Wind Erosion Unit, Manhattan, Kansas.

Program Redirections.—The Committee supports increased emphasis for national high priority research in the areas of emerging diseases in plants and animals; invasive species; bovine spongiform encephalopathy [BSE]; food safety; obesity/nutrition; biobased products/bioenergy; air and water quality; genomics; and genetic resources and concurs with the redirection of the following ongoing programs to enhance these efforts: Arkansas Children's Nutrition Center; Asian Bird Influenza, Athens, Georgia; Avian Pneumovirus, Athens, Georgia; Bioinformatics Institute for Model Plant Species, Ames, Iowa; Biomass Crop Production, Brookings, South Dakota; Broomweed Biological Controls, Albany, California; Catfish Genome, Auburn, Alabama; Catfish Health, Stoneville, Mississippi; Center for Food Safety and Post-Harvest Technology, HQ; Corn Resistant to Aflatoxin, Mississippi State, Mississippi; Cotton Genomics, Breeding and Variety Development, Stoneville, Mississippi; Dairy Genetics, Beltsville, Maryland; Delta Nutrition Intervention Initiative, Little Rock, Arkansas; Feed Efficiency in Cattle, Clay Center, Nebraska; Food Safety and Engineering, Wyndmoor, Pennsylvania; Fort Pierce Horticulture Lab, Fort Pierce, Florida; Geisinger Rural Aging Study, Boston, Massachusetts; Grain Legume Plant Pathologist Position, Pullman, Washington; Grand Forks Human Nutrition Laboratory, North Dakota; Great Lakes Aquaculture Research, Madison, Wisconsin; Hides and Leather Research, Wyndmoor, Pennsylvania; Human Nutrition Center on Aging (Equipment), Boston, Massachusetts; Human Nutrition Center on Aging (Obesity), Boston, Massachusetts; John's Disease, Ames, Iowa; Livestock Genome Mapping, Clay Center, Nebraska; National Corn to Ethanol Research Pilot Plant, HQ; National Warmwater Aquaculture Center, Stoneville, Mississippi; National Wheat and Barley Scab Initiative, Manhattan, Kansas; Obesity Research, Houston, Texas; Phytoestrogen Research, New Orleans, Louisiana; Poisonous Plant Research Laboratory (Locoweed), Logan, Utah; Poultry Enteritis-Mortality Syndrome [PEMS], Athens, Georgia; Poultry Disease, Athens, Georgia; Poultry Disease, East Lansing, Michigan; Red Imported Fire Ants, Stoneville, Mississippi; Regional Grains Genotyping Research, Raleigh, North Carolina; Regional Molecular Genotyping, Manhattan, Kansas; Regional Molecular Genotyping, Fargo, North Dakota; Regional Molecular Genotyping, Pullman, Washington; Root Diseases in Wheat and Barley, Pullman, Wisconsin; Sudden Oak Disease, Davis, California; Swine Lagoon Alternatives Research, Florence, South Carolina; Transmissible Spongiform Encephalopathies, Ames, Iowa; Vaccines and Microbe Control for Fish Health/Fish Diseases, Auburn, Alabama; Wheat Quality Research, Manhattan, Kansas.

Red River Valley Agricultural Research.—The Committee supports the important research being carried out by ARS on wheat, barley, and oat production at the Red River Valley Agricultural Research Center, Fargo, North Dakota. The Committee recommends an increase of \$300,000 to expand important research on these major grain crops.

Regional Molecular Genotyping Research.—The Committee concurs with the need to accelerate the application of DNA molecular marker technology in order to accelerate plant improvement in wheat, barley, oats, and other small grains breeding programs. Regional molecular genotyping will further enhance this process by closely aligning both breeders and mappers for traits of value to particular geographical production areas and regional market needs. The Committee recommends an increase of \$200,000 to the ARS Plant Science Research Laboratory at Fargo, North Dakota.

Resistance Management and Risk Assessment in Bt Cotton and Other Plant Incorporated Protectants.—Transgenic Bt cottons have provided outstanding control of insecticide-resistant tobacco budworms and suppressed other cotton caterpillar pests. However, potential evolution of resistance in caterpillar pests to the Bt protein(s) in transgenic cotton threaten the viability of the Bt plant protectant technology. The Environmental Protection Agency has imposed strategies for managing the evolution of resistance to preserve the Bt technology, but it is important to develop data to validate these strategies. The Committee recommends the fiscal year 2006 funding level to ARS at Stoneville, Mississippi, to coordinate a national program for devising the most effective and economically sustainable production systems for ensuring the long-term integrity of Bt crop protection and resistance management.

Shellfish Genetics.—ARS has established a shellfish genetics research program that focuses on genetics, ecology and food quality to ensure that consumers are provided with shellfish of high nutritional value as well as to address food security and health risks associated with shellfish consumption. The Committee recognizes the importance of this multi-State research program on shellfish genetics research at the Oregon State University Hatfield Marine Science Center in Newport, Oregon and recommends an increase of \$150,000.

Small Fruits Research.—The Pacific Northwest is the largest blueberry production area in the world and demand for the fruit has increased dramatically in recent years. This program works to establish new and improved cultivars, which are critical to the health and continued development of the blueberry industry. The Committee recommends an increase of \$250,000 for this research at Corvallis, Oregon.

Soil Restoration and Turf Production System Program.—The Committee recommends an increase of \$300,000 for soil restoration and turfgrass production systems research at ARS' Appalachian Farming Systems Research Center, Beaver, West Virginia. This research is vital to improve the productivity of farmers to the Appalachian region.

Southern Horticultural Research.—The Committee recommends an increase of \$500,000 to support this research on small fruits, ornamentals, and vegetables and melons. The Committee recognizes the successful cooperation between ARS and Mississippi State University in economically important horticultural research carried out at Poplarville, Mississippi.

Soybean and Wheat Stem Rust.—Exotic and emerging rust diseases poses severe problems throughout the U.S. New strains of wheat stem rust have recently infected experimental wheats in the

highlands of Uganda in East Africa and potentially threaten wheat production elsewhere in the world. The economic impact of foliar diseases, such as soybean rust, can be devastating. The research on emerging rust diseases of grains and soybeans will minimize or prevent the establishment of these pathogens in the United States. The Committee supports the budget request for increased research to identify and incorporate diverse sources of genetic resistance into new grain and soybean varieties and germplasm. The Committee recommends an increase of \$2,700,000 for specific areas of research as follows: Ames, Iowa, \$300,000 for interactive data base development; St. Paul, Minnesota, \$400,000 for pathogen virulence; Beltsville, Maryland, \$300,000 for DNA markers; Aberdeen, Idaho, \$400,000 for genetics resources; St. Paul, Minnesota, \$300,000 for soybean rust resistance; Urbana, Illinois, \$300,000 for soybean rust; Raleigh, North Carolina, \$200,000 for disease management in Southeast, United States; Stoneville, Mississippi, \$300,000 for soybean rust resistance; and Manhattan, Kansas, \$200,000 for resistance and breeding. In addition, the Committee recommends an increase of \$200,000 each for expanded research to develop predictive and diagnostic technology for rust diseases at Pullman, Washington, and Frederick, Maryland, and an increase of \$200,000 each for expanded research to develop rust diseases management strategies at Stoneville, Mississippi and Raleigh, North Carolina.

Tamarisk/Cheatgrass Research.—The Committee recommends an increase of \$200,000 for research to control tamarisk, cheatgrass, and invasive plants at Reno, Nevada.

Termite Species in Hawaii.—The Committee recommends an increase of \$150,000 for termite research in Hawaii to devise and test control methods that are consistent with public health and environmental safety in Hawaii and other warm weather States.

Trout Genome Mapping.—The Committee recognizes the important tools of molecular genetics and biotechnology, and their application to solve problems facing the cool and cold water aquaculture industry, which has had a flat growth profile nationally, but is an emerging industry in the Appalachian region. The Committee recommends the fiscal year 2006 funding level for research on cool and cold water species at the National Center for Cool and Cold Water Aquaculture, in collaboration with West Virginia University.

U.S. Pacific Basin Agricultural Research Center.—The Committee recommends an increase of \$500,000 for implementation of an ARS staffing plan to strengthen collaborative programmatic activities of the U.S. Pacific Basin Agricultural Research Center with the university system and for increased tropical plant physiology, diseases, and production research at the Center.

Vegetable and Forage Crops.—The Committee recommends an increase of \$300,000 for support of a research agronomist position at the ARS Vegetable and Forage Crops Research Unit, Prosser, Washington. There is currently very limited production of oilseed crops in Washington due to a lack of crop knowledge, processing infrastructure and a limited market for oil. Washington farmers have demonstrated interest in producing oilseeds due to the agronomic benefits and consequent cost savings these crops can provide in rotation with traditional crops. A research effort that can clearly identify technical barriers and provide practical solutions to biofuel

production systems is needed to ensure success in this emerging industry. The production of oilseed crops represents a unique opportunity for Pacific Northwest farmers to provide a biodiesel feedstock for an emerging renewable energy industry. The inclusion of oilseeds in rotation offers farmers an alternative strategy to improve farm economies and gain additional benefits that improve soil and water conservation, reduce pest cycles, and diversify cropping systems.

Viticulture Research.—The Committee recommends the fiscal year 2006 funding level for viticulture research at the University of Idaho Parma Research and Extension Center, and for cooperative research agreements with University of Idaho researchers.

Waste Management Research.—The Committee recommends an increase of \$300,000 for the joint research project with Western Kentucky University. The cooperative program is located and carried out at Bowling Green, Kentucky, and is directed toward management of poultry waste as a fertilizer source for pasture, food crops, as a nutrient source for cattle, and other agricultural applications.

Watershed Research, Columbia, Missouri.—The Committee recommends the fiscal year 2006 funding level for laboratory analysis of water samples collected during implementation of, and in accordance with, the Missouri Watershed Research, Assessment, and Stewardship Project.

Weed Management.—These programs are successful components of a comprehensive approach to farming practice and policy by addressing weeds with biologically based management approaches, thus reducing the negative aspects of chemical herbicides on water, crops, air, and soil. A collaborative program with Pennsylvania State University, the Rodale Institute, and the Sustainable Agriculture Laboratory of the USDA in Beltsville, Maryland will provide for research and conduct educational outreach programs on biologically based weed management techniques to farmers. The Committee recommends an increase of \$100,000 for expanded collaborative research.

Wind Erosion Research, Kansas.—The Committee recommends an increase of \$200,000 for ongoing research on wind erosion at the ARS research station in Manhattan, Kansas that provides useful information on sustaining agriculture, protecting the environment, and conserving natural resources.

World Food Prize.—The Committee recognizes the importance of public and private contributions to relieve world hunger. Human suffering related to food shortages resulting from famine, natural disaster, civil unrest, and similar circumstances is one of the greatest tragedies of current times. The Committee is aware of the organization which annually awards the World Food Prize for outstanding work in the field of humanitarian food assistance and recommends an appropriation of \$350,000 to the Agricultural Research Service for administrative support to the world hunger organization.

BUILDINGS AND FACILITIES

| | |
|--------------------------------|---------------|
| Appropriations, 2006 | \$129,883,000 |
| Budget estimate, 2007 | 8,415,000 |
| House allowance | 140,000,000 |
| Committee recommendation | 83,400,000 |

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$83,400,000 for buildings and facilities of the Agricultural Research Service.

Due to budgetary constraints, the Committee is unable to recommend full funding to complete the construction of all ongoing projects. The Committee recommends funds for the following projects in fiscal year 2007:

Agriculture Research Center, Pullman, Washington.—The Committee recommendation includes \$2,000,000 toward construction of this center.

Alcorn State University Biotechnology Laboratory, Alcorn State, Mississippi.—The Committee recommendation includes \$2,000,000 toward construction of this facility.

Animal Bioscience Facility, Bozeman, Montana.—The Committee recommendation includes \$16,000,000 to complete construction of this facility.

Animal Waste Management Research Laboratory, Bowling Green, Kentucky.—The Committee recommendation includes \$3,000,000 toward construction of this facility.

ARS Agricultural Research Center, Logan, Utah.—The Committee recommendation includes \$2,500,000 for planning and design of this center.

Beltsville Agriculture Research Center, Beltsville, Maryland.—The Committee recommendation includes \$2,000,000 toward the modernization of this center. The Beltsville Agriculture Research Center [BARC] modernization effort has been ongoing for several years. The Agency is directed to provide a report to update the Committee on progress toward completion of the modernization plan, any changes to that plan that may have occurred, and a prioritization of funding requirements under this account to move this plan forward in the most efficient manner.

Biotechnology Laboratory, Institute, West Virginia.—The Committee recommendation includes \$2,500,000 for planning and design of this center.

Dairy Forage Agriculture Research Center, Prairie du Sac, Wisconsin.—The Committee recommendation includes \$3,900,000 for planning and design of this center.

Forage-Animal Production Research Facility, Lexington, Kentucky.—The Committee recommendation includes \$3,000,000 toward construction of this facility.

Grape Genetics Research Center, Geneva, New York.—The Committee recommendation includes \$2,000,000 toward construction of this center.

Hagerman Fish Culture Experiment Station, Hagerman, Idaho.—The Committee recommendation includes \$2,000,000 toward construction of this station.

Jamie Whitten Delta States Research Center, Stoneville, Mississippi.—The Committee recommendation includes \$8,000,000 to complete the major modernization phase of this center.

National Cold Water Marine Aquaculture Research Center, Orono, Maine.—The Committee recommendation includes \$1,000,000 toward the construction of this facility.

National Plant and Genetics Security Center, Columbia, Missouri.—The Committee recommendation includes \$5,000,000 toward construction of this facility.

Pacific Basin Agricultural Research Center, Hilo, Hawaii.—The Committee recommendation includes \$15,000,000 to complete construction of this center.

Poultry Science Research Facility, Starkville, Mississippi.—The Committee recommendation includes \$4,000,000 toward construction of this replacement facility.

Sugarcane Research Laboratory, Houma, Louisiana.—The Committee recommendation includes \$3,000,000 toward construction of this center.

Systems Biology Research Facility, Lincoln, Nebraska.—The Committee recommendation includes \$2,000,000 for planning and design of this facility.

U.S. Agriculture Research Center, Salinas, California.—The Committee recommendation includes \$3,000,000 toward construction of this center.

U.S. National Arboretum, Washington, DC.—The Committee recommendation includes \$1,500,000 toward construction of the Bladensburg Road entrance.

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE

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

RESEARCH AND EDUCATION ACTIVITIES

| | |
|--------------------------------|---------------|
| Appropriations, 2006 | \$670,081,000 |
| Budget estimate, 2007 | 566,300,000 |
| House allowance | 651,506,000 |
| Committee recommendation | 678,089,000 |

The research and education programs administered by the Cooperative State Research, Education, and Extension Service [CSREES] are the U.S. Department of Agriculture's principal entrée to the university system of the United States to support higher

education in food and agricultural sciences and to conduct agricultural research as authorized by the Hatch Act of 1887 (7 U.S.C. 361a–361i); the Cooperative Forestry Research Act of 1962 (16 U.S.C. 582a–7); Public Law 89–106, section (2) (7 U.S.C. 450i); the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.); the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301); the Agricultural Research, Extension and Education Reform Act of 1998 (7 U.S.C. 7601 et seq.); and the Farm Security and Rural Investment Act of 2002 (Public Law 107–171). Through these authorities, the U.S. Department of Agriculture participates with State and other co-operators to encourage and assist the State institutions to conduct agricultural research and education through the State agricultural experiment stations of the 50 States, the District of Columbia, and the territories; by approved schools of forestry; by the 1890 land-grant institutions, Tuskegee University, and West Virginia State University; by colleges of veterinary medicine; and by other eligible institutions.

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$678,089,000 for research and education activities of the Cooperative State Research, Education, and Extension Service.

The following table summarizes the Committee’s recommendations for research and education activities as compared to the fiscal year 2006 and budget request levels:

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

[In thousands of dollars]

| | Fiscal year 2006 enacted | Fiscal year 2007 budget | Committee rec- ommendation |
|---|-----------------------------|----------------------------|-------------------------------|
| Payments under Hatch Act | 176,969 | 176,920 | 185,817 |
| Cooperative forestry research (McIntire-Stennis) | 22,008 | 21,983 | 23,318 |
| Payments to 1890 colleges, Tuskegee University, and West Virginia State University | 37,215 | 37,868 | 39,076 |
| Special research grants (Public Law 89–106): | | | |
| Advanced computing research and education (UT) | 540 | ..... | 540 |
| Advanced genetic technologies (KY) | 639 | ..... | 639 |
| Advanced spatial technologies (MS) | 927 | ..... | 927 |
| Aegilops cylindrica (WA, ID) | 351 | ..... | 351 |
| Agricultural diversification (HI) | 219 | ..... | 219 |
| Agricultural diversity—Red River trade corridor (MN, ND) | 616 | ..... | 616 |
| Agricultural science (OH) | 564 | ..... | 564 |
| Agroecology (MD) | 402 | ..... | 402 |
| Air quality (CA) | 297 | ..... | ..... |
| Air quality (TX, KS) | 1,558 | ..... | 1,558 |
| Alliance for food protection (NE) | 155 | ..... | 155 |
| Alternative nutrient management (VT) | 180 | ..... | 180 |
| Alternative salmon products (AK) | 1,088 | ..... | 1,088 |
| Alternative uses for tobacco (MD) | 329 | ..... | 329 |
| Animal disease research (WY) | 347 | ..... | 347 |
| Animal science food safety consortium (AR, IA, KS) | 1,418 | ..... | 1,418 |
| Apple fire blight (MI, NY) | 495 | ..... | 495 |

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

[In thousands of dollars]

| | Fiscal year 2006 enacted | Fiscal year 2007 budget | Committee rec- ommendation |
|---|-----------------------------|----------------------------|-------------------------------|
| Aquaculture (AR) | 203 | ..... | 203 |
| Aquaculture (FL, CA, TX) | 594 | ..... | 594 |
| Aquaculture (ID, WA) | 756 | ..... | 756 |
| Aquaculture (LA) | 326 | ..... | 326 |
| Aquaculture (MS) | 512 | ..... | 512 |
| Aquaculture (NC) | 322 | ..... | 322 |
| Aquaculture (VA) | 198 | ..... | 198 |
| Aquaculture product and marketing development (WV) | 743 | ..... | 743 |
| Armillaria root rot (MI) | 149 | ..... | 149 |
| Asparagus technology and production (WA) | 246 | ..... | 246 |
| Avian bioscience (DE) | 99 | ..... | 99 |
| Babcock Institute (WI) | 594 | ..... | 594 |
| Barley for Rural Development (MT, ID) | 728 | ..... | 728 |
| Beef improvement research (TX, MO) | 990 | ..... | ..... |
| Beef technology transfer (MO) | 256 | ..... | 256 |
| Berry research (AK) | 1,287 | ..... | 1,287 |
| Biobased nanocomposite research (ND) | 175 | ..... | 175 |
| Biomass-based energy research (OK, MS) | 1,188 | ..... | 1,188 |
| Biotechnology (NC) | 284 | ..... | 284 |
| Biotechnology research (IL) | 99 | ..... | 99 |
| Biotechnology test production (IA) | 460 | ..... | 460 |
| Bovine tuberculosis (MI) | 352 | ..... | 352 |
| Brucellosis vaccine (MT) | 436 | ..... | 436 |
| Center for Public Lands and Rural Economies (UT) | 297 | ..... | 297 |
| Center for Rural Studies (VT) | 361 | ..... | 361 |
| Chesapeake Bay agroecology (MD) | 311 | ..... | 311 |
| Childhood obesity and nutrition (VT) | 199 | ..... | 199 |
| Citrus canker (FL) | 495 | ..... | 495 |
| Citrus tristeza (CA) | 684 | ..... | 684 |
| Competitiveness of agriculture products (WA) | 672 | ..... | 672 |
| Computational agriculture (NY) | 237 | ..... | ..... |
| Cool season legume research (ID, WA, ND) | 558 | ..... | 558 |
| Cotton insect management (GA) | 489 | ..... | 489 |
| Cranberry/blueberry (MA) | 158 | ..... | 158 |
| Cranberry/blueberry disease and breeding (NJ) | 644 | ..... | 644 |
| Crop diversification (MO) | 371 | ..... | 371 |
| Crop integration and production (SD) | 297 | ..... | 297 |
| Crop pathogens (NC) | 322 | ..... | 322 |
| Dairy and meat goat research (TX) | 149 | ..... | 149 |
| Dairy farm profitability (PA) | 495 | ..... | 495 |
| Delta rural revitalization (MS) | 248 | ..... | 248 |
| Designing foods for health (TX) | 1,980 | ..... | 1,980 |
| Diaprepes/root weevil (FL) | 495 | ..... | ..... |
| Drought management (UT) | 792 | ..... | 792 |
| Drought mitigation (NE) | 220 | ..... | 220 |
| Efficient irrigation (NM, TX) | 1,658 | ..... | 1,658 |
| Environmental biotechnology (RI) | 637 | ..... | 637 |
| Environmental research (NY) | 369 | ..... | ..... |
| Environmental risk factors/cancer (NY) | 215 | ..... | ..... |
| Environmentally-safe products (VT) | 743 | ..... | 743 |
| Ethnobotany research (AK) | 248 | ..... | ..... |
| Exotic pest diseases (CA) | 1,910 | ..... | 1,910 |
| Expanded wheat pasture (OK) | 320 | ..... | 320 |
| Feed efficiency in cattle (FL) | 396 | ..... | ..... |
| Feedstock conversion (SD) | 668 | ..... | 668 |
| Fish and shellfish technologies (VA) | 471 | ..... | 471 |
| Floriculture (HI) | 348 | ..... | 348 |
| Food and Agriculture Policy Research Institute (IA, MO) | 1,596 | ..... | 1,596 |
| Food chain economic analysis (IA) | 412 | ..... | 412 |
| Food Marketing Policy Center (CT) | 573 | ..... | 573 |
| Food quality (AK) | 272 | ..... | 272 |

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

[In thousands of dollars]

| | Fiscal year 2006 enacted | Fiscal year 2007 budget | Committee rec- ommendation |
|--|-----------------------------|----------------------------|-------------------------------|
| Food safety (AL) | 1,135 | ..... | 1,135 |
| Food safety (OK, ME) | 546 | ..... | 546 |
| Food safety (TX) | 198 | ..... | 198 |
| Food safety initiatives (ND) | 1,411 | ..... | 1,411 |
| Food safety research consortium (NY) | 990 | ..... | ..... |
| Food security (WA) | 394 | ..... | 394 |
| Food Systems Research Group (WI) | 545 | ..... | 545 |
| Forages for advancing livestock production (KY) | 386 | ..... | 386 |
| Forestry research (AR) | 456 | ..... | 456 |
| Fruit and berry crop trials for rural villages (AK) | 495 | ..... | 495 |
| Fruit and vegetable market analysis (AZ, MO) | 347 | ..... | ..... |
| Functional genomics (UT) | 1,470 | ..... | 1,470 |
| Future foods (IL) | 659 | ..... | 659 |
| Generic commodity promotions, research, and evaluation (NY) | 189 | ..... | ..... |
| Genetically enhanced plants for micro-nutrients and bio-re- newable oils (MO) | 733 | ..... | 733 |
| Genomics (MS) | 1,129 | ..... | 1,129 |
| Geographic information system | 1,784 | ..... | 1,784 |
| Global change/ultraviolet radiation | 2,162 | 2,425 | 2,162 |
| Grain sorghum (KS) | 729 | ..... | 729 |
| Grapefruit juice/drug interaction (FL) | 341 | ..... | 341 |
| Grass seed cropping systems for sustainable agriculture (ID, OR, WA) | 446 | ..... | 446 |
| Grazing research (WI) | 257 | ..... | 257 |
| Greenhouse crop production (AK) | 297 | ..... | 297 |
| Hardwood scanning (IN) | 297 | ..... | 297 |
| Horn fly research (AL) | 198 | ..... | 198 |
| Human nutrition (IA) | 644 | ..... | 644 |
| Human nutrition (LA) | 699 | ..... | 699 |
| Human nutrition (NY) | 574 | ..... | ..... |
| Hydroponic tomato production (OH) | 177 | ..... | ..... |
| Illinois-Missouri Alliance for Biotechnology | 1,158 | ..... | 1,158 |
| Improved dairy management practices (PA) | 348 | ..... | 348 |
| Improved fruit practices (MI) | 210 | ..... | 210 |
| Increasing shelf life of agricultural commodities (ID) | 854 | ..... | 854 |
| Infectious disease research (CO) | 809 | ..... | 809 |
| Institute for Biobased Products and Food Science (MT) | 557 | ..... | 557 |
| Institute for Food Science and Engineering (AR) | 1,108 | ..... | 1,108 |
| Integrated fruit and vegetable research (GA) | 253 | ..... | 253 |
| Integrated production systems (OK) | 252 | ..... | 252 |
| International arid lands consortium | 573 | ..... | 573 |
| Iowa biotechnology consortium | 1,757 | ..... | 1,757 |
| Leopold Center hypoxia project (IA) | 220 | ..... | 220 |
| Livestock and dairy policy (NY, TX) | 990 | ..... | 990 |
| Livestock genome sequencing (IL) | 807 | ..... | 807 |
| Livestock waste (IA) | 263 | ..... | 263 |
| Lowbush blueberry research (ME) | 244 | ..... | 244 |
| Maple research (VT) | 138 | ..... | 138 |
| Meadowfoam (OR) | 257 | ..... | 257 |
| Michigan biotechnology consortium | 549 | ..... | ..... |
| Midwest Advanced Food Manufacturing Alliance (NE) | 495 | ..... | 495 |
| Midwest agricultural products (IA) | 606 | ..... | 606 |
| Midwest poultry consortium (IA) | 675 | ..... | 675 |
| Milk safety (PA) | 780 | ..... | 780 |
| Minor use animal drugs | 582 | 582 | 582 |
| Molluscan shellfish (OR) | 361 | ..... | 361 |
| Montana Sheep Institute (MT) | 591 | ..... | 591 |
| Multi-commodity research (OR) | 349 | ..... | 349 |
| National beef cattle genetic evaluation consortium (NY, CO, GA) | 871 | ..... | 871 |

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

[In thousands of dollars]

| | Fiscal year 2006 enacted | Fiscal year 2007 budget | Committee rec- ommendation |
|---|-----------------------------|----------------------------|-------------------------------|
| National biological impact assessment | 261 | 251 | 251 |
| National Center for Soybean Technology (MO) | 977 | ..... | 977 |
| Nematode resistance genetic engineering (NM) | 138 | ..... | 138 |
| Nevada arid rangelands initiative | 499 | ..... | 499 |
| New crop opportunities (AK) | 439 | ..... | 439 |
| New crop opportunities (KY) | 752 | ..... | 752 |
| Oil resources from desert plants (NM) | 209 | ..... | 209 |
| Organic cropping (WA) | 355 | ..... | 355 |
| Organic waste utilization (NM) | 92 | ..... | 92 |
| Oyster post harvest treatment (FL) | 442 | ..... | ..... |
| Ozone air quality (CA) | 397 | ..... | 397 |
| Pasture and forage research (UT) | 223 | ..... | 223 |
| Peach tree short life (SC) | 275 | ..... | 275 |
| Perennial wheat (WA) | 140 | ..... | 140 |
| Pest control alternatives (SC) | 279 | ..... | 279 |
| Phytophthora research (GA) | 255 | ..... | 255 |
| Phytophthora research (MI) | 495 | ..... | 495 |
| Phytophthora root rot (NM) | 180 | ..... | 180 |
| Pierce's disease (CA) | 2,189 | ..... | 2,189 |
| Plant, drought, and disease resistance gene cataloging (NM) | 231 | ..... | 231 |
| Potato research | 1,482 | ..... | 1,482 |
| Precision agriculture (KY) | 668 | ..... | 668 |
| Preharvest food safety (KS) | 200 | ..... | 200 |
| Preservation and processing research (OK) | 248 | ..... | 248 |
| Protein utilization (IA) | 837 | ..... | 837 |
| Rangeland ecosystems (NM) | 279 | ..... | 279 |
| Regional barley gene mapping project | 675 | ..... | 675 |
| Regionalized implications of farm programs (MO, TX) | 851 | ..... | 851 |
| Rice agronomy (MO) | 248 | ..... | 248 |
| Ruminant nutrition consortium (MT, ND, SD, WY) | 489 | ..... | 489 |
| Rural development centers (ND, LA) | 228 | ..... | 228 |
| Rural obesity (NY) | 185 | ..... | ..... |
| Rural Policies Research Institute (NE, IA, MO) | 1,193 | ..... | 1,193 |
| Russian wheat aphid (CO) | 303 | ..... | 303 |
| Seafood safety (MA) | 453 | ..... | 453 |
| Seed technology (SD) | 356 | ..... | 356 |
| Small fruit research (OR, WA, ID) | 439 | ..... | 439 |
| Soil and environmental quality (DE) | 292 | ..... | 292 |
| Southwest consortium for plant genetics and water re- sources | 388 | ..... | 388 |
| Soybean cyst nematode (MO) | 794 | ..... | 794 |
| Soybean research (IL) | 1,065 | ..... | 1,065 |
| STEEP III—water quality in Pacific Northwest | 634 | ..... | 634 |
| Sudden oak death (CA) | 97 | ..... | 97 |
| Sustainable agriculture (CA) | 510 | ..... | ..... |
| Sustainable agriculture (MI) | 380 | ..... | 380 |
| Sustainable agriculture and natural resources (PA) | 188 | ..... | 188 |
| Sustainable beef supply (MT) | 974 | ..... | 974 |
| Sustainable engineered materials from renewable resources (VA) | 693 | ..... | 693 |
| Swine and other animal waste management (NC) | 484 | ..... | 484 |
| Tick borne disease prevention (RI) | 148 | ..... | 148 |
| Tillage, silviculture, and waste management (LA) | 495 | ..... | 495 |
| Tri-State joint peanut research (AL) | 585 | ..... | 585 |
| Tropical and subtropical research/T STAR | 9,453 | ..... | 9,453 |
| Tropical aquaculture (FL) | 209 | ..... | 209 |
| Uniform farm management program (MN) | 295 | ..... | 295 |
| Value-added product development from agricultural resources (MT) | 401 | ..... | 401 |
| Virtual plant database enhancement project (MO) | 698 | ..... | 698 |

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

[In thousands of dollars]

| | Fiscal year 2006 enacted | Fiscal year 2007 budget | Committee rec- ommendation |
|--|-----------------------------|----------------------------|-------------------------------|
| Viticulture consortium (NY, CA, PA) | 2,079 | ..... | 2,079 |
| Water conservation (KS) | 73 | ..... | 73 |
| Water use efficiency and water quality enhancement (GA) | 489 | ..... | 489 |
| Weed control (ND) | 380 | ..... | ..... |
| Wetland plants (LA) | 557 | ..... | 557 |
| Wheat genetic research (KS) | 340 | ..... | 340 |
| Wheat sawfly research (MT) | 516 | ..... | 516 |
| Wine grape foundation block (WA) | 319 | ..... | 319 |
| Wood utilization (AK, OR, MS, MN, NC, ME, MI, ID, TN, WV) | 6,371 | ..... | 6,371 |
| Wool research (TX, MT, WY) | 295 | ..... | 295 |
| Total, Special research grants | 126,941 | 3,258 | 119,341 |
| Improved pest control: | | | |
| Expert IPM decision support system | 155 | 175 | 155 |
| Integrated pest management | 2,396 | 2,698 | 2,396 |
| IR-4 minor crop pest management | 10,677 | 10,380 | 10,677 |
| Pest management alternatives | 1,422 | 1,603 | 1,422 |
| Total, Improved pest control | 14,650 | 14,856 | 14,650 |
| 1994 institutions research program | 1,029 | 1,067 | 2,058 |
| Alaska Native-serving and Native Hawaiian-serving institutions education grants | 3,218 | 2,967 | 3,218 |
| Animal health and disease (sec. 1433) | 5,006 | ..... | 5,006 |
| Aquaculture centers (sec. 1475) | 3,928 | 3,956 | 3,928 |
| Capacity building grants (1890 institutions) | 12,189 | 12,375 | 12,375 |
| Critical Agricultural Materials Act | 1,091 | ..... | 1,091 |
| Graduate fellowships grants | 3,701 | 4,455 | 3,701 |
| Higher education agrosecurity program ..... | ..... | 5,000 | ..... |
| Hispanic education partnership grants | 5,940 | 5,588 | 6,237 |
| Institution challenge grants | 5,423 | 5,445 | 5,423 |
| Joe Skeen Institute for Rangeland Management (NM, TX, MT) | 990 | ..... | 990 |
| Multicultural scholars program | 988 | 988 | 988 |
| National Research Initiative | 181,170 | 247,500 | 190,229 |
| National Veterinary Medical Services Act | 495 | ..... | 750 |
| Payments to the 1994 institutions | 2,228 | 2,227 | 4,456 |
| Resident Instruction Grants—Insular areas | 495 | 495 | ..... |
| Secondary agriculture education | 990 | 990 | 990 |
| Supplemental and alternative crops and products | 1,175 | ..... | 825 |
| Sustainable agriculture research and education | 12,276 | 9,138 | 12,276 |
| Federal administration: | | | |
| Agriculture based industrial lubricants (IA) | 544 | ..... | 544 |
| Agriculture development in the American Pacific | 481 | ..... | 481 |
| Agriculture waste utilization (WV) | 683 | ..... | 683 |
| Agriculture water policy (GA) | 882 | ..... | 882 |
| Alternative fuels characterization laboratory (ND) | 279 | ..... | 279 |
| Animal waste management (OK) | 392 | ..... | 392 |
| Applied agriculture and environmental research (CA) | 990 | ..... | 990 |
| Aquaculture (OH) | 891 | ..... | 891 |
| Aquaculture (PA) | 218 | ..... | 218 |
| Biodesign and processing research center (VA) | 940 | ..... | ..... |
| Biotechnology research (MS) | 680 | ..... | 680 |
| Botanical research (UT) | 891 | ..... | 891 |
| Center for Agricultural and Rural Development (IA) | 589 | ..... | 589 |
| Center for Food Industry Excellence (TX) | 1,353 | ..... | 1,353 |
| Center for Innovative Food Technology (OH) | 1,134 | ..... | ..... |
| Center for North American Studies (TX) | 990 | ..... | 990 |
| Climate forecasting (FL) | 3,566 | ..... | 3,566 |
| Cotton research (TX) | 2,475 | ..... | 2,475 |
| Council for Agriculture Science and Technology | 147 | ..... | 147 |

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

[In thousands of dollars]

| | Fiscal year 2006 enacted | Fiscal year 2007 budget | Committee rec- ommendation |
|---|-----------------------------|----------------------------|-------------------------------|
| Data information system (REEIS) | 2,561 | 2,723 | 2,723 |
| Dietary intervention (OH) | 1,237 | ..... | 1,237 |
| Electronic grants administration system | 2,030 | 2,151 | 2,151 |
| Farming and Dairy Training Instigative (UT) ¹ ..... | ..... | ..... | ..... |
| Feed efficiency (WV) | 158 | ..... | 158 |
| Global environmental management (WI) | 990 | ..... | ..... |
| Greenhouse nurseries (OH) | 719 | ..... | 719 |
| High value horticultural crops (VA) | 718 | ..... | 718 |
| Hispanic leadership in agriculture (TX) | 541 | ..... | 541 |
| Information technology (GA) | 365 | ..... | ..... |
| Livestock marketing information center (CO) | 172 | ..... | 172 |
| Mariculture (NC) | 314 | ..... | 314 |
| Mississippi Valley State University, curriculum development ... | 1,419 | ..... | 1,419 |
| Monitoring agricultural sewage sludge application (OH) | 1,274 | ..... | 1,274 |
| Northeast Center for Invasive Plants (CT, VT, ME) | 421 | ..... | 421 |
| Office of Extramural Programs | 419 | 443 | 443 |
| Ohio Center for Farmland Policy Innovation ¹ ..... | ..... | ..... | 396 |
| Pasteurization of shell eggs (MI) | 1,337 | ..... | ..... |
| Pay costs | 3,081 | 3,561 | 3,561 |
| Peer panels | 307 | 346 | 346 |
| Phytoremediation plant research (OH) | 771 | ..... | 771 |
| PM-10 air quality study (WA) | 383 | ..... | 383 |
| Precision agriculture, Tennessee Valley Research Center (AL) .. | 593 | ..... | ..... |
| Produce pricing (AZ) | 99 | ..... | ..... |
| Rio Grande/Rio Bravo physical assessment (TX) | 347 | ..... | ..... |
| Rural systems (MS) | 305 | ..... | 305 |
| Salmon quality standards (AK) | 164 | ..... | 164 |
| Shrimp aquaculture (AZ, HI, MA, MS, SC, TX) | 4,158 | ..... | 4,158 |
| Sustainable agricultural freshwater conservation (TX) | 1,832 | ..... | 1,832 |
| University of Hawaii | 2,970 | ..... | ..... |
| Urban silviculture (NY) | 267 | ..... | ..... |
| Vitis gene discovery | 602 | ..... | ..... |
| Water pollutants (WV) | 594 | ..... | 594 |
| Water quality (ND) | 495 | ..... | 495 |
| Wetland plants (WV) | 198 | ..... | ..... |
| Total, Federal administration | 49,966 | 9,224 | 41,346 |
| Total, CSREES Research and Education Activities | 670,081 | 566,300 | 678,089 |

¹In fiscal year 2006, funding was provided through section 790 of Public Law 109-97.

Agricultural Research Enhancement Awards.—The Committee remains determined to see that quality research and enhanced human resources development in the agricultural and related sciences be a nationwide commitment. Therefore, the Committee continues its direction that not less than 10 percent of the competitive research grant funds be used for USDA's agricultural research enhancement awards program (including USDA-EPSCoR), in accordance with 7 U.S.C. 450i.

Alaska Native-Serving and Native Hawaiian-Serving Institutions Education Grants.—The Committee recommends \$3,218,000 for noncompetitive grants to individual eligible institutions or consortia of eligible institutions in Alaska and in Hawaii, with grant funds to be awarded equally between Alaska and Hawaii to carry out the programs authorized in 7 U.S.C. 3242 (section 759 of Public Law 106-78). The Committee directs the agency to fully comply with the use of grant funds as authorized.

Alternative Crops.—The Committee recommends \$825,000 for alternative crop research to continue and strengthen research efforts on canola. The Committee understands that the United States does not produce enough canola to meet its consumption needs and encourages the Department to provide funds in a manner that reaches those areas most likely to see expansions in canola production.

Alternative Salmon Products.—The Committee recommendation includes \$1,088,000 for alternative salmon products research. Of this amount, \$450,000 shall be used to continue research and development of baby food containing salmon.

Berry Research.—The Committee provides \$1,287,000 for berry research. Of this amount, \$1,000,000 shall be used for neutraceutical research at the University of Alaska Fairbanks.

Biotechnology Research.—The Committee provides \$99,000 for biotechnology research at Southern Illinois University. These funds shall be used for modernization and expansion of regional biotechnology assets and research.

Classical Research.—The Committee notes the substantial increase in public and private sector research related to genomics, genetics, and other breakthrough biotechnology developments. However, this shift in emphasis has resulted in a decline in classical research in the animal and plant sciences. The Committee encourages the Department, especially in the establishment of priorities within the National Research Initiative, to give consideration to research needs related to classical plant and animal breeding and directs the Department to establish a specific category of grant application requests for classical plant and animal breeding to foster more diverse, energy efficient, and environmentally sustainable agricultural systems.

Enhancing the Prosperity of Small Farms and Rural Agricultural Communities.—The Committee is pleased to see that the Department issued a Request For Proposals in the areas of small and mid-sized farm profitability and rural economic development pursuant to section 401 of the Agricultural Research, Extension and Education Reform Act of 1998 (7 U.S.C. 7621). The Committee encourages the Department to request proposals specific to critical emerging issues related to farm income, rural economic and business and community development and farm efficiency and profitability, including the viability and competitiveness of small and medium-sized dairy, livestock, crop and other commodity operations.

Food and Agriculture Policy Research Institute.—The Committee recommends \$1,596,000 for the Food and Agriculture Policy Research Institute. Of this amount, the Committee recommends the fiscal year 2006 level to fund the Center for Agricultural and Trade Policies for the Northern Plains Region at North Dakota State University. In addition, the Committee recommends the fiscal year 2006 level be available for collaborative work between the University of Missouri and the University of Wisconsin/Madison, for an analysis of dairy policy changes, including trade related matters.

Forestry and Related Natural Resource Research.—The Committee recognizes that forestry and related natural resource research were an integral part of NRI at its inception. As NRI fund-

ing has grown, however, the allocation of NRI funds by CSREES for research on forestry and related natural resource topics has fallen behind. In the future, the Committee directs the NRI program administrator to put a greater emphasis on NRI funding for forestry and natural resources topics with a goal of eventually providing at least 10 percent of the total funds provided for NRI for forestry and natural resources related research on topics including: woody plant systems, including large scale efforts to sequence the genome for several economically important tree species, technologies for enhanced pest and disease resistance, and increased tree growth rates; management of complex forest ecosystems, including issues of forest health, productivity, economic sustainability, and restoration; assessing alternative management strategies, with emphasis on risk analysis, geospatial analysis including landscape implications, consideration of ecological services, providing decision support systems; and development of nanotechnology and biorefining technologies for the forest products sector as critical to enhancing global competitiveness and energy security.

Milk Safety.—The Committee recommendation includes \$780,000 for milk safety research at Pennsylvania State University. Of this amount, \$100,000 is for a cooperative agreement with the Pennsylvania Department of Agriculture’s Center of Dairy Excellence.

National Research Initiative.—The Committee supports the National Research Initiative Competitive Grants Program [NRI] and recommends funding of \$190,229,000 for the program. The Committee includes a general provision (section 718) to make 30 percent of these funds available for a program under the same terms and conditions as those provided in section 401 of the Agricultural Research, Extension, and Education Reform Act of 1998.

Red River Valley Research Corridor Office.—Within the amount recommended for Agricultural Diversity, the Committee recommends the fiscal year 2006 level for activities of the Red River Valley Research Corridor Office.

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND

| | |
|--------------------------------|--------------|
| Appropriations, 2006 | \$12,000,000 |
| Budget estimate, 2007 | 11,880,000 |
| House allowance | 11,880,000 |
| Committee recommendation | 11,880,000 |

The Native American Institutions Endowment Fund authorized by Public Law 103–382 provides an endowment for the 1994 land-grant institutions (33 tribally controlled colleges). This program will enhance educational opportunity for Native Americans by building educational capacity at these institutions in the areas of student recruitment and retention, curricula development, faculty preparation, instruction delivery systems, and scientific instrumentation for teaching. Income funds are also available for facility renovation, repair, construction, and maintenance. On the termination of each fiscal year, the Secretary shall withdraw the income from the endowment fund for the fiscal year, and after making adjustments for the cost of administering the endowment fund, distribute the adjusted income as follows: 60 percent of the adjusted income from these funds shall be distributed among the 1994 land-grant

institutions on a pro rata basis, the proportionate share being based on the Indian student count; and 40 percent of the adjusted income shall be distributed in equal shares to the 1994 land-grant institutions.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$11,880,000 for the Native American Institutions Endowment Fund.

EXTENSION ACTIVITIES

| | |
|--------------------------------|---------------|
| Appropriations, 2006 | \$451,395,000 |
| Budget estimate, 2007 | 430,727,000 |
| House allowance | 457,042,000 |
| Committee recommendation | 467,102,000 |

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

To fulfill the requirements of the Smith-Lever Act, State and county extension offices in each State, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Marianas, and Micronesia conduct educational programs to improve American agriculture and strengthen the Nation's families and communities.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$467,102,000 for extension activities of the Cooperative State Research, Education, and Extension Service.

The following table summarizes the Committee's recommendations for extension activities, as compared to the fiscal year 2006 and budget request levels:

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

[In thousands of dollars]

| | Fiscal year 2006 enacted | Fiscal year 2007 budget | Committee rec- ommendation |
|---|-----------------------------|----------------------------|-------------------------------|
| Smith-Lever sections 3(b) and 3(c) | 272,973 | 273,181 | 286,622 |
| Smith-Lever section 3(d): | | | |
| Farm safety | 4,517 | ..... | 4,517 |
| Food and nutrition education (EFNEP) | 62,008 | 62,280 | 63,538 |
| Indian reservation agents | 1,976 | 2,970 | 1,976 |
| New technologies for extension | 1,485 | 2,970 | 1,985 |
| Pest management | 9,860 | 10,652 | 9,860 |
| Sustainable agriculture | 4,026 | 3,754 | 4,026 |
| Youth at risk | 7,651 | 8,396 | 7,651 |
| Youth farm safety education and certification | 440 | 494 | 440 |

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE [CSREES]—EXTENSION
ACTIVITIES—Continued
[In thousands of dollars]

| | Fiscal year 2006 enacted | Fiscal year 2007 budget | Committee rec- ommendation |
|---|-----------------------------|----------------------------|-------------------------------|
| 1890 colleges, Tuskegee University, and West Virginia State University | 33,529 | 34,073 | 35,205 |
| 1890 facilities grants | 16,609 | 16,609 | 16,609 |
| Extension services at the 1994 institutions | 3,240 | 3,240 | 3,402 |
| Grants to youth organizations | 1,980 | ..... | 1,980 |
| Renewable Resources Extension Act (RREA) | 4,019 | 4,052 | 4,220 |
| Rural health and safety education | 1,946 | ..... | 1,946 |
| Subtotal | 426,259 | 422,671 | 443,977 |
| Federal administration: | | | |
| Ag in the classroom | 856 | 742 | 856 |
| Agricultural and entrepreneurship education (WI) | 248 | ..... | 248 |
| Alabama beef connection | 842 | ..... | 842 |
| Beef producers improvement (AR) | 178 | ..... | 178 |
| Conservation technology transfer (WI) | 481 | ..... | 481 |
| Dairy education (IA) | 227 | ..... | 227 |
| Dairy industry revitalization (WI) | 295 | ..... | 295 |
| Diabetes detection and prevention (WA) | 1,082 | ..... | 1,082 |
| E-commerce (MS) | 328 | ..... | 328 |
| Efficient irrigation (NM, TX) | 2,302 | ..... | 2,302 |
| Entrepreneurial alternatives (PA) | 330 | ..... | 330 |
| Extension specialist (MS) | 131 | ..... | 131 |
| Family health and wellness (PA) | 100 | ..... | 100 |
| Food Animal Residue Avoidance Databank | 798 | ..... | 798 |
| Food preparation and marketing (AK) | 328 | ..... | 328 |
| Food product development (AK) | 347 | ..... | 347 |
| General administration | 6,847 | 7,314 | 7,314 |
| Health education leadership (KY) | 835 | ..... | 835 |
| Income enhancement demonstration (OH) | 1,235 | ..... | ..... |
| Iowa Vitality Center | 246 | ..... | 246 |
| National Center for Agriculture Safety (IA) | 239 | ..... | 239 |
| National Wild Turkey Federation | 232 | ..... | 232 |
| Natural resource planning | 297 | ..... | 297 |
| Northern aquaculture demonstration (WI) | 495 | ..... | ..... |
| Nursery production (RI) | 292 | ..... | ..... |
| Nutrition enhancement (WI) | 989 | ..... | 989 |
| Ohio-Israel agriculture initiative | 587 | ..... | 587 |
| Pilot technology transfer (OK, MS) | 297 | ..... | 297 |
| Pilot technology transfer (WI) | 248 | ..... | 248 |
| Potato pest management (WI) | 396 | ..... | 396 |
| Range improvement (NM) | 242 | ..... | 242 |
| Rural business enhancement (WI) | 188 | ..... | 188 |
| Rural development (AK) | 676 | ..... | 676 |
| Rural development (NM) | 345 | ..... | 345 |
| Rural technologies (HI, WI) | 312 | ..... | 312 |
| Urban horticulture (WI) | 809 | ..... | 809 |
| Urban market development (NY) | 270 | ..... | ..... |
| Wood biomass as an alternative farm product (NY) | 186 | ..... | ..... |
| Total, Federal administration | 25,136 | 8,056 | 23,125 |
| Total, CSREES Extension Activities | 451,395 | 430,727 | 467,102 |

Ag in the Classroom.—The Committee recommends \$856,000 for Ag in the Classroom and expects that no less than \$247,000 be used to expand efforts in Illinois to promote consumption of healthy foods and proper school nutrition.

Family Health and Wellness.—The Committee recommendation includes \$100,000 for the Research Institute for Family Health and Wellness at Marywood University in Scranton, Pennsylvania.

Farm Safety.—Of the funds recommended for farm safety, the Committee recommends a funding level of \$4,517,000 for the AgrAbility project being carried out in cooperation with the National Easter Seal Society.

Food Preparation and Marketing.—The Committee provides \$400,000 for food preparation and marketing in the State of Alaska. The University of Alaska is directed to work with Alaska Grown to develop a marketing plan for Alaskan products.

Rural Development.—The Committee recommends \$676,000 for rural development extension activities in Alaska. Of this amount \$200,000 shall be used to educate rural villages on gardening techniques and how to maximize food production using the soil in villages.

INTEGRATED ACTIVITIES

| | |
|--------------------------------|--------------|
| Appropriations, 2006 | \$55,234,000 |
| Budget estimate, 2007 | 19,120,000 |
| House allowance | 58,379,000 |
| Committee recommendation | 58,704,000 |

Section 406 of the Agricultural Research, Extension, and Education Reform Act of 1998 authorizes an integrated research, education, and extension competitive grants program. Water Quality, Food Safety, and Regional Pest Management Centers programs previously funded under Research and Education and/or Extension Activities are included under this account, as well as new programs that support integrated or multifunctional projects.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$58,704,000 for integrated activities of the Cooperative State Research, Education, and Extension Service.

The following table summarizes the Committee’s recommendations for integrated activities:

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

[In thousands of dollars]

| | Fiscal year 2006 enacted | Fiscal year 2007 budget | Committee recommendation |
|--|--------------------------|-------------------------|--------------------------|
| Asian soybean rust | | 2,277 | 2,277 |
| Critical issues | 737 | 2,475 | 737 |
| Crops at risk from FQPA implementation | 1,375 | | 1,375 |
| Food safety | 14,699 | | 14,699 |
| FQPA risk mitigation program for major food crop systems | 4,419 | | 4,419 |
| Homeland security | 9,900 | 12,000 | 11,000 |
| International science and education grants | 990 | 990 | 990 |
| Methyl bromide transition | 3,075 | | 3,075 |
| Organic transition | 1,855 | | 1,948 |
| Regional pest management centers | 4,125 | | 4,125 |
| Regional rural development centers | 1,321 | 1,378 | 1,321 |
| Water quality | 12,738 | | 12,738 |
| Total | 55,234 | 19,120 | 58,704 |

OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS

| | |
|--------------------------------|-------------|
| Appropriations, 2006 | \$5,940,000 |
| Budget estimate, 2007 | 6,930,000 |
| House allowance | 7,030,000 |
| Committee recommendation | 5,940,000 |

This program is authorized under section 2501 of title XXV of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279). Grants are made to eligible community-based organizations with demonstrated experience in providing education on other agriculturally-related services to socially disadvantaged farmers and ranchers in their area of influence. Also eligible are the 1890 land-grant colleges, Tuskegee University, West Virginia State University, Indian tribal community colleges, and Hispanic-serving post-secondary education facilities.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$5,940,000 for Outreach for Socially Disadvantaged Farmers.

OFFICE OF THE UNDER SECRETARY FOR MARKETING AND REGULATORY PROGRAMS

| | |
|--------------------------------|-----------|
| Appropriations, 2006 | \$717,000 |
| Budget estimate, 2007 | 741,000 |
| House allowance | 741,000 |
| Committee recommendation | 731,000 |

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$731,000 for the Office of the Under Secretary for Marketing and Regulatory Programs.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

| | |
|--|---------------|
| Appropriations, 2006 | \$807,306,000 |
| Budget estimate, 2007 ¹ | 945,153,000 |
| House allowance | 921,616,000 |
| Committee recommendation | 900,423,000 |

¹ The budget estimate does not include proposed user fees in the amount of \$8,221,000.

The Secretary of Agriculture established the Animal and Plant Health Inspection Service [APHIS] on April 2, 1972, under the authority of reorganization plan No. 2 of 1953, and other authorities. The major objectives of APHIS are to protect the animal and plant

resources of the Nation from diseases and pests. These objectives are carried out under the major areas of activity, as follows:

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

Agricultural Quarantine Inspection [AQI].—The agency collects user fees to cover the cost of inspection and quarantine activities at U.S. ports of entry to prevent the introduction of exotic animal and plant diseases and pests.

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

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

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

Scientific and Technical Services.—The Agency performs other regulatory activities, including the development of standards for the licensing and testing of veterinary biologicals to ensure their safety and effectiveness; diagnostic activities to support the control and eradication programs in other functional components; applied research to reduce economic damage from vertebrate animals; development of new pest and animal damage control methods and tools; and regulatory oversight of genetically engineered products.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$900,423,000 for salaries and expenses of the Animal and Plant Health Inspection Service. The Committee encourages the Secretary to utilize authorities and resources of the Commodity Credit Corporation [CCC] to provide assistance in response to animal and plant health threats, and to allow compensation to certain producers for losses sustained in connection with these threats in instances when the additional assistance is deemed necessary.

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

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

[In thousands of dollars]

| | Fiscal year 2006 enacted | Fiscal year 2007 budget request | Committee rec- ommendation |
|---|-----------------------------|------------------------------------|-------------------------------|
| Pest and disease exclusion: | | | |
| Agricultural quarantine inspection | 27,249 | 25,822 | 28,360 |
| Cattle ticks | 7,551 | 7,016 | 7,016 |
| Foot-and-mouth disease/emerging foreign animal diseases | 8,656 | 15,188 | 11,979 |
| Import/export | 12,368 | 11,419 | 13,294 |
| Trade issues resolution and management | 12,457 | 17,288 | 12,608 |
| Fruit fly exclusion and detection | 59,376 | 73,841 | 60,187 |
| Screwworm | 27,720 | 30,635 | 27,788 |
| Tropical bunt tick | 422 | 426 | 426 |
| Total, pest and disease exclusion | 155,798 | 181,635 | 161,658 |
| Plant and animal health monitoring: | | | |
| Animal health monitoring and surveillance | 145,975 | 156,143 | 150,567 |
| Animal and plant health regulatory enforcement | 10,295 | 11,738 | 11,738 |
| Biosurveillance | 1,987 | 2,531 | 2,195 |
| Emergency Management System | 13,549 | 22,838 | 14,781 |
| Highly Pathogenic Avian Influenza ..... | ..... | 56,730 | 56,730 |
| Pest detection | 27,043 | 46,654 | 34,032 |
| Select Agents | 3,484 | 5,323 | 3,518 |
| Wildlife disease monitoring and surveillance ..... | ..... | 1,950 | ..... |
| Total, plant and animal health monitoring | 202,332 | 303,907 | 273,561 |
| Pest and disease management programs: | | | |
| Aquaculture | 1,249 | 1,260 | 1,260 |
| Biocontrol | 9,483 | 9,683 | 9,683 |
| Boll weevil | 38,610 | ..... | 38,200 |
| Brucellosis eradication | 10,348 | 8,957 | 10,506 |
| Chronic wasting disease | 18,523 | 15,306 | 18,092 |
| Cotton Pests ..... | ..... | 16,009 | ..... |
| Emerging plant pests | 99,215 | 126,894 | 107,405 |
| Golden nematode | 800 | 813 | 813 |
| Grasshopper | 5,499 | 4,424 | 5,565 |
| Gypsy moth | 4,770 | 4,836 | 4,836 |
| Imported fire ant | 2,132 | 2,140 | 2,140 |
| Invasive Species ..... | ..... | 9,900 | ..... |
| Johne's disease | 13,057 | 3,206 | 10,000 |
| Low pathogenic avian influenza | 13,699 | 16,715 | 13,745 |
| Noxious weeds | 1,901 | 1,142 | 1,815 |
| Pink bollworm | 5,169 | ..... | 7,169 |
| Plum pox | 2,194 | 2,203 | 2,203 |
| Pseudorabies | 4,347 | 4,402 | 4,402 |
| Scrapie eradication | 18,414 | 18,565 | 18,565 |
| Tuberculosis | 14,851 | 16,691 | 14,973 |
| Wildlife services operations | 77,148 | 75,503 | 78,692 |
| Witchweed | 1,512 | 1,518 | 1,518 |
| Total, pest and disease management | 342,921 | 340,167 | 351,582 |
| Animal care: | | | |
| Animal welfare | 17,303 | 19,142 | 19,142 |
| Horse protection | 492 | 492 | 492 |
| Total, animal care | 17,795 | 19,634 | 19,634 |
| Scientific and technical services: | | | |
| Biosecurity | 1,952 | 1,952 | 1,952 |
| Biotechnology regulatory services | 10,468 | 13,922 | 10,638 |
| Environmental compliance | 2,626 | 2,664 | 2,664 |
| Plant methods development laboratories | 8,450 | 9,654 | 8,656 |
| Veterinary biologics | 15,491 | 19,369 | 15,882 |

ANIMAL AND PLANT HEALTH INSPECTION SERVICE—Continued

[In thousands of dollars]

| | Fiscal year 2006 enacted | Fiscal year 2007 budget request | Committee rec- ommendation |
|---|-----------------------------|------------------------------------|-------------------------------|
| Veterinary diagnostics | 22,661 | 28,697 | 23,649 |
| Wildlife services methods development | 17,216 | 17,525 | 20,924 |
| Total, scientific and technical services | 78,864 | 93,783 | 84,365 |
| Contingency fund | 4,099 | 4,127 | 4,127 |
| APHIS information technology infrastructure | 4,506 | 5,029 | 4,506 |
| Physical security | 990 | 5,092 | 990 |
| Total, salaries and expenses ¹ | 807,306 | 953,374 | 900,423 |

¹ Fiscal year 2007 budget request total does include proposed user fees in the amount of \$8,221,000.

The Committee is unable to recommend the full increases requested in the President's budget for the Animal and Plant Health Inspection Services. However, the Committee does recommend increases for a number of specific animal and plant health programs. The Committee encourages the Secretary to continue use of contingency funding from Commodity Credit Corporation monies, as in past fiscal years, to cover needs as identified in the President's budget and any additional emergencies as the Secretary determines necessary.

Pest and Disease Exclusion

AQI.—For fiscal year 2007, the Committee recommends an appropriation of \$28,360,000 for the AQI appropriated account to conduct preclearance quarantine inspections of persons, baggage, cargo, and other articles destined for movement from the State of Hawaii to the continental United States, Guam, Puerto Rico, or the United States Virgin Islands. The Committee recommends an increase of \$228,000 for interline activities in Hawaii.

The Committee urges the Department to establish protocols that allow shipment of untreated fruits and vegetables grown in Hawaii to cold-weather States during winter months while maintaining reasonable assurances that potential transshipment of such produce will not jeopardize the phytosanitary standards of warm weather States. The Committee also urges the Department to follow the same scientific principles used to justify rules for foreign imports in promulgating rules for exports from Hawaii to the U.S. mainland.

The Committee continues its interest in more efficient and less disruptive inspection of passengers and cargo at Hawaii airports and, from within available funds, directs APHIS to provide not less than the number of inspectors and inspection equipment required in the APHIS-Hawaii staffing plan for fiscal year 2005. The Committee also encourages the agency to aggressively identify and evaluate flexible hiring and staff deployment arrangements, such as the Senior Environmental Employment Program, to minimize overtime rates charged to agricultural shippers. The Committee further encourages APHIS to acquire and deploy commercially available, state-of-the-art inspection technology and equipment for key ports of entry, such as Hawaii, to screen passenger luggage for

banned agricultural products to reduce the introduction of dangerous agricultural pests and diseases in the United States.

The Committee recommends \$300,000 for the Clean Vines program in Washington State.

Fruit Fly Exclusion and Detection.—The Committee recommends \$60,187,000 for the fruit fly exclusion and detection program, of which no less than the fiscal year 2006 level shall be used to enhance activities to prevent Medflies from moving into the United States as well as activities at U.S. borders. The Committee recommends \$3,563,000 for fruit fly activities in the State of Texas.

Multiple Fruit Fly Species.—The Committee directs APHIS to conduct a feasibility report on the construction of a multi-species fruit fly rearing facility in the State of Hawaii and provide a copy to the Committee within 120 days of enactment of this act. This report should include an estimate of the full construction and operational costs and describe any agreements with the State of Hawaii on joint operational cost-sharing arrangements. The report should further describe activities conducted jointly with the Hawaii Department of Agriculture and the California Department of Food and Agriculture regarding multi-species fruit fly control. The Committee recommends \$200,000 toward costs associated with the planning and design of constructing such facility.

The Committee is aware that APHIS and State cooperators participate in sterile fruit fly programs to control damage to fruit production caused primarily by the Mediterranean Fruit Fly. However, agricultural production in the State of Hawaii is also threatened by three other fruit fly species for which there is currently no sterile fly program. The Committee directs APHIS to consult with appropriate agricultural representatives in the State of Hawaii regarding this problem and report to the Committee on recommendations to control these additional pests, including the possibility of initiating sterile fly programs.

Import Inspection.—The Committee recommends \$13,294,000 for import inspection, which includes \$1,650,000 to enhance inspection and surveillance activities related to products entering the State of California.

National Germplasm and Biotechnology Laboratory.—The Committee recommends \$2,512,000 for ongoing activities at the National Germplasm and Biotechnology Laboratory.

Plant and Animal Health Monitoring

Animal Health Monitoring and Surveillance.—The Committee recommends \$150,567,000 for the Animal Health Monitoring and Surveillance account. The Committee recommends \$33,107,000 for a national animal identification program. The Committee expects the Department to consult with private industry throughout the development of an animal identification program. The Committee also expects the Department to include private industry components in any national animal identification program.

The Committee recommends \$330,000 for an animal digester in the State of Arkansas.

Bovine Spongiform Encephalopathy [BSE].—The Committee recommends \$17,243,000 to continue the ongoing BSE surveillance program. The Committee also includes \$2,475,000 for the Com-

prehensive Surveillance System which will further enhance animal surveillance.

National Animal Health Laboratory Network.—The Committee recommends \$4,381,000 for National Animal Health Laboratory Network cooperative agreements.

Animal Identification.—The Committee recommends \$33,107,000 to continue implementation of the National Animal Identification System [NAIS]. The Committee is aware of the strong interest among livestock producers, processors, and the public in the NAIS. Although the Department has worked on the development of such a system for a number of years, the direction of this system remains unclear. The Committee requests the Government Accountability Office to conduct a review of the steps taken by USDA toward the establishment of the NAIS.

The Committee recommends \$2,000,000 for a cooperative agreement with the Wisconsin Department of Agriculture, Trade and Consumer Protection to continue work carried out by the Wisconsin Livestock Identification Consortium.

The Committee recommends \$500,000 for the National Farm Animal Identification and Records Project and \$250,000 for animal tracking in the State of Washington.

The Committee recognizes the efforts and the financial commitment of the Commonwealth of Kentucky and the Southeastern Livestock Network in the development of a cooperative, regional approach to animal identification. The Committee further encourages the Secretary to consider these activities and the substantial financial investments already undertaken in this region when developing and finalizing a nationwide animal identification program.

The Committee is aware of radio frequency identification technology that is available through Digital Angel. This technology has been proven on fish and has been in use for 15 years. The Committee urges the Department to consider this technology when developing an animal identification program.

New Mexico Rapid Syndrome Validation Program.—The Committee recommends \$600,000 for the New Mexico Rapid Syndrome Validation Program to develop an early detection and reporting system for infectious animal diseases.

Bio-safety.—The Committee recommends \$350,000 to address bio-safety issues relating to antibiotic resistant strains of bacterial pathogens in the State of Vermont.

Genetically Modified Products.—The Committee recommends \$371,000 for a national institute at Iowa State University devoted to risk assessment, mitigation, and communication for genetically modified agricultural products.

Population Management Center.—The Committee recommends \$200,000 for the Population Management Center, a collaboration between the Lincoln Park Zoo and the Davee Center for Epidemiology in Chicago, Illinois. The intent of this funding is to improve techniques, processes, and systems to prevent disease transfer and ensure sustainability and maintenance of health in zoo populations nationwide.

Animal and Plant Health Regulatory Enforcement.—The Committee recommends \$11,738,000 for the animal and plant health

regulatory enforcement account to support Animal Welfare Act (7 U.S.C. 2131 et seq.) compliance inspections.

The Committee is very concerned about reports of illegal animal fighting activities and directs the Secretary to work with relevant agencies on the most effective and proper means for investigating and enforcing laws and regulations regarding these activities.

Emergency Management Systems.—The Committee recommends \$14,781,000 for the emergency management systems program. Within this total, the Committee recommends \$3,970,000 for the National Veterinary Stockpile.

Highly Pathogenic Avian Influenza.—The Committee recommends \$56,730,000 for the newly established Highly Pathogenic Avian Influenza program, as requested in the budget. The potential for the introduction and spread of this disease into the United States is taken very seriously by the Committee and full recognition is given to the important role of USDA in meeting the animal surveillance and health responsibilities associated with the threat to both agriculture and human health. In addition, the Committee expects the Secretary, if appropriate, to transfer additional funds from the Low Pathogenic Avian Influenza program making a total of \$70,475,000 available for fiscal year 2007.

In the development of this program, the Committee encourages the Department to consider the need to adequately stockpile supplies necessary to stop the spread of the disease and to ensure adequate training, outreach and communication resources are in place to maximize the efficiency of response capabilities.

Delmarva Peninsula.—The Committee is aware of the large poultry industry on the Delmarva Peninsula and the presence of live poultry markets in the Mid-Atlantic region. In preparation for a possible introduction of highly pathogenic avian influenza into the United States, the location and concentration of this industry, and its proximity to high human population centers and the Atlantic flyway for migratory birds, require serious response capabilities. Accordingly, the Committee encourages the Secretary to work with appropriate Delaware State officials and with the University of Delaware, to develop proper surveillance, diagnostic, and response systems.

Pest Detection.—The Committee recommends \$34,032,000 for pest detection activities. The Committee is concerned about continuing threats posed by the accidental or intentional introduction of pests, disease, or species into this country which could be devastating to our agricultural resources.

The Committee recommends an increase of \$169,000 to continue the California County Pest Detection Augmentation Program.

Pest and Disease Management

Aquaculture.—The Committee recommends \$1,260,000 for the aquaculture program. The Committee recommends funding at the fiscal year 2006 level to continue telemetry and population dynamics studies to develop environmentally and economically sustainable methods to help catfish farmers manage cormorant and pelican populations.

Boll Weevil.—The Committee recommends \$38,200,000 to continue the Boll Weevil Eradication Program. This funding will pro-

vide the active eradication zone areas with a 30 percent cost share and possible exceptions to address special funding requirements arising from extraordinary circumstances in some States.

Brucellosis Eradication.—The Committee recommends \$10,506,000 for the brucellosis program. Within this total, the Committee recommends \$781,000 for the State of Montana to protect the State's brucellosis-free status and operation of the bison quarantine facility and the testing of bison that surround Yellowstone National Park.

The Committee recommends \$980,000 for the Greater Yellowstone Interagency Brucellosis Committee, and encourages the coordination of Federal, State, and private actions to eliminate brucellosis from wildlife in the Greater Yellowstone area. This amount shall be equally divided between the States of Idaho, Montana, and Wyoming.

Chronic Wasting Disease [CWD].—The Committee is concerned about the number of deer and elk in different regions of the United States testing positive for chronic wasting disease and recommends \$18,092,000 for the chronic wasting disease certification and control program to include additional surveillance and disease control activities with free-ranging cervids, and to increase State testing capacity for the timely identification of the presence of this disease. Within this total, the Committee recommends \$1,750,000 for the State of Wisconsin, \$244,000 for the State of Utah, and \$245,000 for the Conservation Medicine Center of Chicago which is a collaboration between the University of Illinois College of Veterinary Medicine, Loyola University Chicago Stritch School of Medicine, and the Brookfield Zoo. The total also includes \$150,000 for the State of Colorado and \$150,000 for the State of Alaska to monitor chronic wasting disease.

The Committee is aware of confirmed reports that CWD has spread into Northeastern States and recommends \$150,000 for control of this disease in the State of Vermont.

Emerging Plant Pests.—The Committee recommends \$103,452,000 for emerging plant pests. Within this total, the Committee recommends \$24,079,000 for glassy-winged sharpshooter/Pierce's disease; \$37,371,000 for citrus disease management; \$16,890,000 for the Asian longhorn beetle program including activities in New York and New Jersey, and which also includes \$2,470,000 for activities in the State of Illinois, including the City of Chicago; \$4,055,000 for sudden oak death; \$16,293,000 for the emerald ash borer which includes \$1,975,000 for Michigan and \$1,500,000 for Illinois. The Committee expects the Secretary to make funds available from the CCC for activities related to these and other plant pests in fiscal year 2007, as necessary.

The Committee recognizes the serious impact of Citrus Canker in Florida, particularly given the emergency situation due to the spread of the disease caused by recent hurricanes, and encourages and applauds efforts to address this devastating disease.

The Committee is aware that APHIS has a compensation program in place for wheat producers, grain handlers, and facilities that karnal bunt impacts. However, the compensation provided for handlers and facilities does not adequately represent the costs these facilities incur when they receive deliveries of karnal bunt-

infected wheat. This inadequate compensation has led to many facilities refusing to participate in activities to prevent the spread of karnal bunt in the United States. Due to the serious threat that karnal bunt poses to U.S. wheat production and exports, the Committee expects APHIS to work with the grain handling industry to develop an adequate compensation plan.

The Committee notes that APHIS signed a cooperative agreement with the Washington State Department of Agriculture to survey and eradicate the citrus longhorned beetle. The Committee recognizes that the citrus longhorned beetle presents a severe threat to hardwood trees and tree fruit crops, and urges APHIS to direct the resources necessary to eradicate the citrus longhorned beetle.

Grasshopper.—The Committee recommends \$5,565,000 for the current grasshopper program. Within this total, no less than \$1,000,000 shall be for grasshopper and Mormon cricket activities in the State of Utah to prepare necessary environmental documents and continue control measures. The total also includes \$150,000 for grasshopper and Mormon cricket activities in the State of Nevada, including survey, control, and eradication of crickets.

Imported Fire Ant.—The Committee recommends \$2,140,000 for the imported fire ant account to continue sharing responsibility with the States to conduct detection and nursery surveys; compliance monitoring; enforcement for quarantine of nursery stock; and production, field release, and evaluation of promising control agents. Within this total, the Committee also recommends the fiscal year 2006 level for control activities in the State of Tennessee and the State of New Mexico.

Johne's Disease.—The Committee recommends \$10,000,000 for Johne's disease to expand the Agency's efforts to coordinate State certification programs for herd-testing, and to provide assistance to States to develop herd management plans that comply with APHIS's national standards for certification. The Committee expects APHIS to work with the Agricultural Research Service to coordinate activities to research and develop an effective diagnostic test for Johne's disease with appropriate field validation and methods development.

Low Pathogenic Avian Influenza.—The Committee recommends \$13,745,000 for detection, control and eradication of Low Pathogenic Avian Influenza [LPAI]. The Committee notes that in fiscal year 2006, \$12,000,000 in financial assistance was provided to indemnify poultry producers that experienced losses due to avian influenza. The Committee also notes that this funding has not been obligated and will be available for fiscal year 2007.

The Committee notes that APHIS has combated LPAI through both depopulation and vaccination, depending on individual circumstances. An emergency vaccination protocol was used most successfully after an outbreak on a farm in Connecticut. The Committee urges APHIS to utilize available funds to indemnify producers for costs and losses previously incurred in a successful pilot eradication program.

The Committee is concerned that APHIS has failed to indemnify California turkey producers who destroyed their flocks due to a 2002 outbreak of LPAI. Further, despite language in the Commit-

tee's fiscal year 2006 Agriculture Appropriations Report that required APHIS to provide a report on this matter within 90 days of enactment, to date no such report has been received. Therefore, the Committee expects APHIS to transmit this report immediately. Further, the Committee notes that the Department has adequate authority and funding to allow indemnification to these producers as it has for producers in similar situations, and expects APHIS to provide compensation expeditiously.

Noxious Weeds.—The Committee recommends \$1,815,000 for the noxious weeds account. Within this total, the Committee includes \$275,000 for the Nez Perce Bio-Control Center to increase the availability and distribution of biological control organisms used in an integrated weed management system. The total also includes \$297,000 for an invasive species program to prevent the spread of cogongrass in Mississippi, and requests that the Agency take necessary steps to address this invasive weed as a regional infestation problem.

The Committee directs that within funds available for State cooperative agreements, \$50,000 shall be for a weed management program with the State of Nevada.

Tuberculosis.—The Committee recommends \$14,973,000 for the tuberculosis program which includes \$5,096,000 for activities in Michigan. The Committee is concerned about the potential threats that wildlife poses for transmitting tuberculosis to domestic livestock and directs the Agency to increase technical and operational assistance to Michigan producers to prevent or reduce the transmission of tuberculosis between wildlife and cattle. The Committee also encourages the Agency to continue its research for developing methods to minimize the interaction between wildlife and livestock.

The Committee is aware of an outbreak of bovine tuberculosis in New Mexico. In response, a memorandum of understanding has been executed between USDA and the State. The Committee urges the Secretary to use authorities and resources of the Department to provide testing, monitoring, surveillance, and other services, as needed, toward the control and eradication of this disease.

Wildlife Services Operations.—The Committee recommends \$78,692,000 for Wildlife Service Operations activities. The Committee does not concur with the budget request to reduce funding in the wildlife services operations account to allow cooperators to assume a larger share of the costs associated with preventing and reducing wildlife damage. The Committee provides funding to continue cooperating with States to conduct wildlife management programs such as livestock protection, migratory bird damage to crops, invasive species damage, property damage, human health and safety, and threatened and endangered species protection.

The Committee's recommendations with respect to specific areas funded within the total for wildlife services activities are as follows:

The Committee notes the success of the oral rabies vaccination program and recommends \$25,094,000 for rabies control activities. Within this total, the Committee recommends \$100,000 for activities in Broward County, Florida and \$200,000 in Suffolk County, New York. The Committee expects a portion of the program increase to be available for rabies activities in the Appalachian re-

gion and to further progress already made along the Appalachian Ridge to control this disease.

The Committee recommends \$400,000 to control coyotes in the State of West Virginia.

The Committee recommends \$4,428,000 to continue to implement recommendations of the Aviation Safety Review Committee.

The Committee recommends an increase of \$182,000 for remote diagnostic and wildlife disease surveillance activities with North Dakota State University and Dickinson State University.

The Committee recommends \$1,213,000 for integrated predation management activities in Minnesota, Wisconsin, Michigan, Arizona, and New Mexico, no less than \$174,000 shall be available for activities in Arizona and New Mexico. A portion of the funding shall be made available to assist livestock producers who are interested in the proper use of non-lethal alternatives and best management practices in order to fully ensure that all such methods are exhausted before any lethal control occurs.

The Committee recommends \$11,500,000 to continue wildlife control activities in Western States.

The Committee recommends \$1,337,000 for the Tri-state predator control program for livestock operators in Montana, Idaho, and Wyoming. The Committee directs that \$100,000 of the funds provided to Idaho be allocated to the Idaho State Department of Agriculture. Due to the increase in federally listed endangered species, the States' operations accounts for wildlife services have suffered financially.

The Committee recommends \$619,000 for a cooperative agreement with the University of Georgia, Auburn University, and the Wildlife Services Operations in the State of Georgia to address the fluctuations in game bird and predator species resulting from recent changes in land use throughout the southeastern United States.

The Committee recommends \$400,000 for the operation of the State Wildlife Services office in Hawaii to provide on-site coordination of prevention and control activities in Hawaii and the American Pacific. The Committee directs that this increase be for enhanced coqui frog control activities. The Committee also recommends an increase of \$950,000 for activities in Hawaii and Guam related to the brown tree snake.

The Committee recommends \$742,000 for wildlife service operations with the South Dakota Department of Game, Fish, and Parks to meet the growing demands of controlling predatory, nuisance, and diseased animals.

The Committee recommends an increase of \$100,000 above the fiscal year 2006 level for beaver management and control in the State of Mississippi. The Committee expects the Agency to make the fiscal year 2007 level of funding available to all counties in the State. The Committee commends the Agency's assistance in cooperative relationships with local and Federal partners to reduce beaver damage to cropland and forests. The Committee also recommends \$223,000 for the State of Wisconsin and \$300,000 for the State of North Carolina for beaver control activities.

The Committee recommends the fiscal year 2006 level for the National Wildlife Research Center, North Dakota Field Station, for

blackbird damage reduction methods development on sunflowers. In addition, the Committee directs the Wildlife Services to continue its ongoing cattail control and other dispersal measures to help reduce blackbird damage in North and South Dakota. The Committee also recommends \$134,000 for blackbird management efforts in Louisiana. The Committee also recommends \$170,000 for blackbird management efforts in the State of Kansas.

The Committee recommends the fiscal year 2006 level for goose control in the State of New York.

The Committee also recommends the fiscal year 2006 funding level for the Jack Berryman Institute in the State of Utah.

The Committee recommends \$247,000 to continue State operations in New Hampshire and \$300,000 to continue State operations in Kentucky.

The Committee recommends \$200,000 for the livestock protection program in the State of Pennsylvania.

The Committee recommends \$200,000 to assist in the management of cormorants in the Lake Champlain Basin. The Committee also recommends \$298,000 for cormorant control in the State of Michigan. The Committee also recommends the fiscal year 2006 level for Delta States operations to control cormorants.

Animal Care

Animal Welfare.—The Committee recommends \$19,142,000 for the Animal Care Unit for enforcement of the Animal Welfare Act. The Committee does not assume collections from unauthorized animal welfare inspection user fees, as proposed in the President's budget.

Scientific and Technical Services

Veterinary Diagnostics.—The Committee recommends \$23,649,000 for the veterinary diagnostics account for fiscal year 2007. The Committee includes \$200,000 for continued activities in the State of Louisiana. The Committee also recommends \$750,000 for the National Agriculture Biosecurity Center in the State of Kansas.

Wildlife Services Methods Development.—The Committee recommends \$20,924,000 for wildlife services methods development. The Committee recommends the fiscal year 2006 level to continue existing research efforts at the National Wildlife Research Center field station located in the State of Mississippi.

The Committee also recommends the fiscal year 2006 funding level to continue the existing program at the Jack Berryman Institute for addressing wildlife damage management issues, including wildlife disease threats and wildlife economics, and facilitating a cooperative relationship with the Mississippi Agricultural and Forestry Experiment Station. The Committee emphasizes the importance of close collaboration between the Jack Berryman Institute and the National Wildlife Research Center.

Avian Influenza.—The Committee recommends \$3,200,000 for avian influenza to assess the risk of virulent subtypes of avian influenza. This funding increase will also allow USDA to conduct research for improving environmental sample diagnostics and evaluate the risk associated with feral swine.

The Committee recommends continued funding at the fiscal year 2006 level for the cooperative agreement with the Hawaii Agriculture Research Center for rodent control only in active agricultural areas.

Sericea Lespedeza.—The Committee recognizes both the importance of *sericea lespedeza* as a field crop in the Southeastern United States and the environmental challenges *sericea lespedeza* poses to ecosystems in tallgrass prairielands in the Great Plains region. The Committee recommends that APHIS provide Federal field crop designations for *sericea lespedeza* on a regional basis so that conservation programs in tallgrass prairie regions where *sericea lespedeza* is an invasive species can partner with USDA to find economically and ecologically appropriate controls.

The Committee recommends \$515,000 for the National Wildlife Research Station located in the State of Texas for activities related to emerging infectious diseases associated with wildlife populations and human health.

The Committee recommends the fiscal year 2006 funding level for ongoing activities at the Utah Predator Research Station.

In complying with the Committee’s directives, the Committee expects APHIS not to redirect support for programs and activities without prior notification to and approval by the House and Senate Committees on Appropriations in accordance with the reprogramming procedures specified in the Act. Unless otherwise directed, the Animal and Plant Health Inspection Service shall implement appropriations by programs, projects, and activities as specified by the Appropriations Committees. Unspecified reductions necessary to carry out the provisions of this Act are to be implemented in accordance with the definitions contained in the Program, project, and activity section of this report.

BUILDINGS AND FACILITIES

| | |
|--------------------------------|-------------|
| Appropriations, 2006 | \$4,946,000 |
| Budget estimate, 2007 | 6,431,000 |
| House allowance | 5,946,000 |
| Committee recommendation | 5,946,000 |

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$5,946,000 for buildings and facilities of the Animal and Plant Health Inspection Service.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

| | |
|--|--------------|
| Appropriations, 2006 | \$74,622,000 |
| Budget estimate, 2007 ¹ | 81,498,000 |
| House allowance | 77,269,000 |
| Committee recommendation | 71,170,000 |

¹ The budget estimate does not include proposed user fees in the amount of \$2,212,000.

The Agricultural Marketing Service [AMS] was established by the Secretary of Agriculture on April 2, 1972. AMS carries out programs authorized by more than 50 different statutory authorities, the primary ones being the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627); the U.S. Cotton Standards Act (7 U.S.C. 51–65); the Cotton Statistics and Estimates Act (7 U.S.C. 471–476); the Tobacco Inspection Act (7 U.S.C. 511–511q); the Perishable Agricultural Commodities Act (7 U.S.C. 499a–499s); the Egg Products Inspection Act (21 U.S.C. 1031–1056); and section 32 (15 U.S.C. 713c).

Programs administered by this Agency include the market news services, payments to States for marketing activities, the Plant Variety Protection Act (7 U.S.C. 2321 et seq.), the Federal administration of marketing agreements and orders, standardization, grading, classing, and shell egg surveillance services, transportation services, wholesale farmers and alternative market development, commodity purchases, Perishable Agricultural Commodities Act (7 U.S.C. 499a–499b), and market protection and promotion activities.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$71,170,000 for marketing services of the Agricultural Marketing Service.

Alaska Grown Program.—The State of Alaska has developed the Alaska Grown Program to promote the sale of Alaskan products in both military and civilian markets. The Committee fully supports this program and expects the Department to give full consideration to funding applications submitted for the Alaska Grown Program, which includes Alaska agricultural products and seafood harvested in the State. The Alaska Grown Program should coordinate with other regional marketing entities such as the Alaska Fisheries Development Foundation and the Lower Kuskokwim Economic Development Council.

The Committee encourages the Department to make grants to local communities in Alaska and Alaska regional marketing organizations to promote wild salmon.

Grading.—The Committee recommends \$100,000 to establish a farm-raised catfish grading system.

Horticulture Marketing.—The Committee is aware of an innovative urban horticulture planning, development, and marketing project in the State of Illinois. The Committee encourages the Department to provide appropriate technical and financial assistance to the Windy City Harvest initiative.

Organics.—The Committee recommends \$3,130,000 for the National Organic Program [NOP]. Of this amount, \$500,000 is for continuation of the National Organic Cost Share Certification Program. The Committee is encouraged that AMS has hired an Executive Director for the National Organic Standards Board [NOSB], as well as a new Director for the National Organic Program. The Committee also notes that the audits performed by the American National Standards Institute in 2004 and by the USDA Office of Inspector General in 2005 made strong recommendations about changes needed in the administration of the NOP. The Committee expects AMS to take the necessary actions to comply with these recommendations, and to provide a written report to the Com-

mittee within 120 days of enactment of this Act regarding the process in implementing these recommendations. In addition, the Committee is aware of complaints that NOP has received regarding potential violations of the organic standards, and would like to receive updates on the progress of AMS in investigating and responding to these complaints. The Committee also expects the NOP to work closely with the NOSB to implement the Peer Review Panel requirements of the Organic Foods Production Act and USDA's organic regulations. The Committee also encourages AMS to continue collection of organic price information.

Pesticide Data Program [PDP].—The Committee recommends \$15,296,000 for the Pesticide Data Program. The Committee recognizes the importance of the Pesticide Data Program [PDP] to collect reliable, scientific-based pesticide residue data that benefits consumers, food processors, crop protection, pesticide producers, and farmers. The PDP is of particular importance since the passage of the Food Quality Protection Act (7 U.S.C. 136 et seq.), which requires thorough re-evaluation of agricultural pesticides and tolerances for uses on individual crops. The PDP is an effective tool to maintain the availability of critical products which allow the production of safe and affordable foods. The Committee also recommends \$2,939,000 for the Pesticide Recordkeeping Program.

LIMITATION ON ADMINISTRATIVE EXPENSES

| | |
|--------------------------------|--------------|
| Limitation, 2006 | \$65,667,000 |
| Budget limitation, 2007 | 62,211,000 |
| House allowance | 62,211,000 |
| Committee recommendation | 62,211,000 |

The Omnibus Budget Reconciliation Act of 1981 (Public Law 97–35) initiated a system of user fees for the cost of grading and classing cotton, tobacco, naval stores, and for warehouse examination. These activities, authorized under the U.S. Cotton Standards Act (7 U.S.C. 51 et seq.), the Tobacco Inspection Act (7 U.S.C. 511 et seq.), the Naval Stores Act (7 U.S.C. 91 et seq.), the U.S. Warehouse Act (7 U.S.C. 241 et seq.), and other provisions of law are designed to facilitate commerce and to protect participants in the industry.

COMMITTEE RECOMMENDATIONS

The Committee recommends a limitation of \$62,211,000 on administrative expenses of the Agricultural Marketing Service.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY

(SECTION 32)

MARKETING AGREEMENTS AND ORDERS

| | |
|--|--------------|
| Appropriations, 2006 | \$16,055,000 |
| Budget estimate, 2007 ¹ | 4,106,000 |
| House allowance | 16,425,000 |
| Committee recommendation | 16,425,000 |

¹The budget estimate does not include proposed user fees in the amount of \$12,000,000.

Under section 32 of the Act of August 24, 1935, (7 U.S.C. 612c), an amount equal to 30 percent of customs receipts collected during

each preceding calendar year and unused balances are available for encouraging the domestic consumption and exportation of agricultural commodities. An amount equal to 30 percent of receipts collected on fishery products is transferred to the Department of Commerce. Additional transfers to the child nutrition programs of the Food and Nutrition Service have been provided in recent appropriations Acts.

The following table reflects the status of this fund for fiscal years 2005–2007:

ESTIMATED TOTAL FUNDS AVAILABLE AND BALANCE CARRIED FORWARD—FISCAL YEARS 2005–2007

| | Fiscal year 2005 estimate | Fiscal year 2006 estimate | Fiscal year 2007 estimate |
|--|------------------------------|------------------------------|------------------------------|
| Appropriation (30 percent of Customs Receipts) | \$6,052,035,538 | \$6,481,777,400 | \$7,029,269,054 |
| Rescission | – 163,000,000 | – 37,601,000 | ..... |
| Supplemental Appropriation | 90,000,000 | ..... | ..... |
| Less Transfers: | | | |
| Food and Nutrition Service | – 5,152,962,000 | – 5,187,621,000 | – 5,731,073,000 |
| Commerce Department | – 77,538,934 | – 79,284,400 | – 82,817,054 |
| Total, Transfers | – 5,230,500,934 | – 5,266,905,400 | – 5,813,890,054 |
| Budget Authority | 748,534,604 | 1,177,271,000 | 1,215,379,000 |
| Unobligated Balance Available, Start of Year | 408,050,706 | 286,159,865 | ..... |
| Recoveries of Prior Year Obligations | 25,073,881 | 50,000,000 | ..... |
| Available for Obligation | 1,181,659,191 | 1,513,430,865 | 1,215,379,000 |
| Less Obligations: | | | |
| Commodity Procurement: | | | |
| Child Nutrition Programs (Entitlement Commodities) | 399,481,824 | 465,000,000 | 465,000,000 |
| State Option Contract | 134,160 | 5,000,000 | 5,000,000 |
| Removal of Defective Commodities | 100,000 | 1,000,000 | 1,000,000 |
| Emergency Surplus Removal | 150,072,903 | 107,500,000 | ..... |
| Direct Payments | 278,763,000 | 650,000,000 | ..... |
| Disaster Relief | 40,597,491 | 34,402,509 | ..... |
| Estimated Future Needs ..... | ..... | 202,981,356 | 416,325,000 |
| Total, Commodity Procurement | 869,149,378 | 1,465,883,865 | 887,325,000 |
| Administrative Funds: | | | |
| Commodity Purchase Support | 10,847,906 | 31,492,000 | 11,629,000 |
| Marketing Agreements and Orders | 15,502,042 | 16,055,000 | 16,425,000 |
| Total, Administrative Funds | 26,349,948 | 47,547,000 | 28,054,000 |
| Total Obligations | 895,499,326 | 1,513,430,865 | 915,379,000 |
| Unobligated Balance Available, End of Year | 286,159,865 | ..... | 300,000,000 |

COMMITTEE RECOMMENDATIONS

The Committee recommends a transfer from section 32 funds of \$16,425,000 for the formulation and administration of marketing agreements and orders.

Commodity Purchases.—The Committee encourages USDA to use all existing authorities under the section 32 program through emergency surplus removal and other commodity purchases, including fruit and vegetable purchases, as mandated in the 2002 Farm bill.

The Committee is aware that section 10603 of Public Law 107-171, the Farm Security and Rural Investment Act of 2002, mandates that the Secretary must use a minimum of \$200,000,000 each fiscal year to purchase fruits, vegetables and other specialty food crops. The Committee reminds USDA of the language included in section 53 of the conference report accompanying this law and expects that these purchases will be made according to Congressional intent.

The Committee is aware that farmed salmon imports from Chile, Norway, and other countries have undercut the market for wild Alaska salmon and have created a domestic surplus of wild pink salmon. The Committee encourages the Department to use all existing authorities under the section 32 program to purchase surplus domestic salmon and stabilize the domestic salmon industry.

The Committee is aware that red raspberry imports from Chile have displaced domestic red raspberry producers, particularly in Washington State, and have created a domestic surplus. The Committee encourages the Department to use all existing authorities under the section 32 program and other programs to purchase surplus domestic red raspberries.

The Committee is aware that USDA has used its purchasing authorities in past years to help stabilize market conditions for cranberry production. As such, the Committee urges USDA to ensure that Federal cranberry purchases in fiscal year 2007 remain at least at current levels.

Section 32 Authorities.—Under the authority described in clause 3 of 7 U.S.C. 612c, the Secretary is able to direct funds from the section 32 account to increase the purchasing power of producers. This practice has been used on various occasions to provide direct assistance to producers when market forces or natural conditions adversely affect the financial condition of farmers and ranchers. The Committee notes the importance in the ability of the Secretary to utilize this authority, but believes that communication between the Department and the Congress should be improved when this practice is used. Therefore, the Committee directs the Secretary to provide notification to the Appropriations Committee in advance of any public announcement or release of section 32 funds under the specific authorities cited above.

Support of Local Agriculture in Massachusetts.—The Committee encourages the Secretary to provide technical and financial assistance to the Community in Support of Local Agriculture in Massachusetts to promote sustainable activities.

PAYMENTS TO STATES AND POSSESSIONS

| | |
|--------------------------------|-------------|
| Appropriations, 2006 | \$3,809,000 |
| Budget estimate, 2007 | 1,334,000 |
| House allowance | 1,334,000 |
| Committee recommendation | 3,834,000 |

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

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$3,834,000 for payments to States and possessions for Federal-State marketing projects and activities. The Committee directs that \$2,500,000 be provided to the Wisconsin Department of Agriculture, Trade and Consumer Protection for the development of specialty markets.

The Committee encourages the Department to work with the Pride of New York Program and the New York Farm Viability Institute to support cooperative marketing partnerships between growers, processors and retailers that will increase consumer awareness of food products grown and made in New York and address barriers to profitability confronting farm businesses in the State.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

SALARIES AND EXPENSES

| | |
|--|--------------|
| Appropriations, 2006 | \$38,059,000 |
| Budget estimate, 2007 ¹ | 21,844,000 |
| House allowance | 39,737,000 |
| Committee recommendation | 38,737,000 |

¹ The budget estimate does not include proposed user fees in the amount of \$19,663,000.

The Grain Inspection, Packers and Stockyards Administration [GIPSA] was established pursuant to the Secretary's 1994 reorganization. Grain inspection and weighing programs are carried out under the U.S. Grain Standards Act (7 U.S.C. 71 et seq.) and other programs under the authority of the Agricultural Marketing Act of 1946, including the inspection and grading of rice and grain-related products; conducting official weighing and grain inspection activities; and grading dry beans and peas, and processed grain products. Under the Packers and Stockyards Act (7 U.S.C. 181 et seq.), assurance of the financial integrity of the livestock, meat, and poultry markets is provided. The administration monitors competition in order to protect producers, consumers, and industry from deceptive and fraudulent practices which affect meat and poultry prices.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$38,737,000 for salaries and expenses of the Grain Inspection, Packers and Stockyards Administration.

Marketing of Grain.—The Committee understands that GIPSA is assessing how to facilitate the efficient marketing of grain by augmenting, not supplanting, existing market mechanisms. The Com-

mittee encourages the Department to continue the cooperative relationship with the Iowa Corn Growers Association and the Illinois Corn Growers Association, and recommends \$500,000 for an ongoing study of process verification systems and protocols.

LIMITATION ON INSPECTION AND WEIGHING SERVICES EXPENSES

| | |
|--------------------------------|--------------|
| Limitation, 2006 | \$42,463,000 |
| Budget limitation, 2007 | 42,463,000 |
| House allowance | 42,463,000 |
| Committee recommendation | 42,463,000 |

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

COMMITTEE RECOMMENDATIONS

The Committee recommends a limitation of \$42,463,000 on inspection and weighing services expenses.

OFFICE OF THE UNDER SECRETARY FOR FOOD SAFETY

| | |
|--------------------------------|-----------|
| Appropriations, 2006 | \$596,000 |
| Budget estimate, 2007 | 696,000 |
| House allowance | 656,000 |
| Committee recommendation | 607,000 |

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$607,000 for the Office of the Under Secretary for Food Safety.

FOOD SAFETY AND INSPECTION SERVICE

| | |
|--|---------------|
| Appropriations, 2006 | \$829,378,000 |
| Budget estimate, 2007 ¹ | 757,470,000 |
| House allowance | 853,249,000 |
| Committee recommendation | 865,905,000 |

¹ The budget estimate does not include proposed user fees in the amount of \$105,435,000.

The major objectives of the Food Safety and Inspection Service are to assure that meat and poultry products are wholesome, unadulterated, and properly labeled and packaged, as required by the Federal Meat Inspection Act (21 U.S.C. 601 et seq.) and the Poultry Products Inspection Act (21 U.S.C. 451 et seq.); and to provide continuous in-plant inspection to egg processing plants under the Egg Products Inspection Act.

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

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$865,905,000 for the Food Safety and Inspection Service.

The Committee recommendation includes the following increases: \$16,625,000 for cost-of-living adjustments; \$2,600,000 for risk-based inspection; \$15,816,000 for food and agricultural defense; \$600,000 to link FSIS systems into Department of Homeland Security Customs and Border Protection systems; and \$1,886,000 to support FSIS enhancement of inspector communication systems and information technology updates.

Baseline Studies.—The Committee directs that no less than \$2,000,000 be used for baseline studies. The Committee is aware that FSIS intends to update microbiology data through new nationwide baseline studies of raw beef, pork, chicken, turkey, and ground products, targeting the prevalence and levels of select foodborne pathogens and microorganism as indicators of process control.

Codex Alimentarius.—Codex Alimentarius is critical for the protection of consumer health globally and facilitating international trade. Therefore, the Committee recommends \$3,029,000 exclusively for the activities of the U.S. Codex office including international outreach and education.

Humane Slaughter.—The Committee recommends \$3,000,000 for maintenance of the Humane Animal Tracking System [HATS]. The Committee has provided \$7,000,000 total in fiscal years 2005 and 2006 for this system. Of this funding, the Committee understands that \$1,500,000 has been used to procure the software necessary to integrate HATS and FSIS public health data. The remaining \$5,500,000 will be used for computer hardware, training, and professional services to develop the integrated reporting system. As part of the Agency's public health data communications infrastructure, this reporting tool will allow inspection program personnel in the District offices and headquarters to analyze HATS data together with other food safety verification data, thereby providing the Agency with a powerful management control tool for improved and consistent enforcement of the Humane Methods of Slaughter Act [HMSA] and its public health responsibilities. The Committee is pleased that FSIS intends to have all 2,300 slaughter plants that have daily FSIS inspection connected to this system by the end of fiscal year 2006. The Committee further encourages FSIS to include funding for maintenance of this system in its budget request in future years.

The Committee recommends the amount requested in the budget to maintain the 63 full time equivalent positions which have been increased for this purpose above the fiscal year 2002 level. The Committee strongly feels that a portion of that FTE increase

should be used to allow additional FSIS personnel to continue to work cooperatively with the existing District Veterinary Medical Specialists [DVMS], whose duties are specifically tied to HMSA enforcement, in order to increase the number of facility visits by FSIS personnel with special expertise in HMSA enforcement, and to allow each DVMS better opportunities to visit facilities in other FSIS districts to enhance communication and problem solving among all districts.

Operations Maintenance.—The Committee notes that FSIS' overall budget is approximately 80 percent salaries and benefits. The fiscal year 2007 budget request includes an increase of \$16,625,000 to cover an anticipated pay increase of 2.2 percent, which the Committee recommends. However, the Committee also notes that FSIS routinely absorbs additional pay and benefit costs that are not requested in the budget. Therefore, the Committee directs FSIS to use recommended programmatic funding increases to support current activities and staff levels before entering into new agreements or engaging in new activities.

Reprogramming Authority.—The Committee recommendation includes a general provision, section 713, that requires 15 day advance notification of any reprogramming of funds for activities, programs, or projects in excess of \$500,000 or 10 percent, whichever is less. This provision is the same as section 717 of Public Law 109–97 which provided fiscal year 2006 funding for FSIS. The Committee is concerned that FSIS violated this notification requirement in fiscal year 2006 when it announced in April 2006 that it planned to reduce State inspection funding without prior notification of the Committee. Therefore, the Committee directs FSIS to provide the Committee on Appropriations notification of changes to funding allocations prior to any changes being enacted.

The following table represents the Committee's specific recommendations for the Food Safety and Inspection Service as compared to the fiscal year 2006 and budget request levels:

FOOD SAFETY AND INSPECTION SERVICE SALARIES AND EXPENSES

[In thousands of dollars]

| | Fiscal year 2006 enacted | Fiscal year 2007 budget request ¹ | Committee rec- ommendation |
|--------------------------|-----------------------------|---|-------------------------------|
| Food safety inspection: | | | |
| Federal | 745,720 | 777,189 | 777,189 |
| State | 53,252 | 56,557 | 56,557 |
| International | 19,355 | 20,780 | 20,780 |
| Codex Alimentarius | 2,972 | 3,029 | 3,029 |
| FAIM | 8,079 | 5,350 | 8,350 |
| Total | 829,378 | 862,905 | 865,905 |

¹This amount includes proposed user fees in the amount of \$105,435,000.

OFFICE OF THE UNDER SECRETARY FOR FARM AND FOREIGN
AGRICULTURAL SERVICES

| | |
|--------------------------------|-----------|
| Appropriations, 2006 | \$629,000 |
| Budget estimate, 2007 | 737,000 |
| House allowance | 691,000 |
| Committee recommendation | 640,000 |

The Office of the Under Secretary for Farm and Foreign Agricultural Services provides direction and coordination in carrying out the laws enacted by the Congress with respect to the Department's international affairs (except for foreign economics development) and commodity programs. The Office has oversight and management responsibilities for the Farm Service Agency, including the Commodity Credit Corporation, Risk Management Agency, and the Foreign Agricultural Service.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$640,000 for the Office of the Under Secretary for Farm and Foreign Agricultural Services.

Dry Milk Exports.—The Committee continues to urge the Secretary to work with representatives of the dairy industry and appropriate non-governmental organizations to increase the amount of fortified dry milk exported under humanitarian assistance programs.

Export Credit.—The Committee supports the General Sales Manager [GSM] export credit program, including the implementation of effective regional GSM programs, and expects USDA to fully utilize this program to expand markets for U.S. agricultural goods. The Committee expects USDA to set risk-based fees to cover, and not exceed, long-term operating costs and losses of the program. USDA should be flexible and implement adjustments to risk-based fees as necessary to ensure program effectiveness and enhance the competitiveness of U.S. exports. The Committee expects that USDA will seek input from the private sector when evaluating country risk. The Committee believes fee schedules and country risk determinations should be reviewed regularly and modified in response to material changes in country risk conditions.

Food Security Commodity Reserve.—The Committee urges USDA to manage the Food Security Commodity Reserve effectively to meet international food aid commitments of the United States, including supplementing Public Law 480 title II funds to meet emergency food needs.

FARM SERVICE AGENCY

The Farm Service Agency [FSA] was established October 3, 1994, pursuant to the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, Public Law 103-354. The FSA administers a variety of activities, such as the commodity price support and production adjustment programs financed by the Commodity Credit Corporation; the Conservation Reserve Program [CRP]; the Emergency Conservation Program; the Commodity Operation Programs including the warehouse examination function; farm ownership, farm operating, emergency disaster, and other loan programs; and the Noninsured Crop Disaster Assistance Program [NAP], which provides crop loss protection for growers of many crops for which crop insurance is not available. In addition, FSA currently provides certain administrative support services to the Foreign Agricultural Service [FAS] and to the Risk Management Agency [RMA].

SALARIES AND EXPENSES

(In thousands of dollars)

| | Appropriations | Transfers from program accounts | Total, FSA, salaries and expenses |
|--------------------------------|----------------|---------------------------------|-----------------------------------|
| Appropriations, 2006 | 1,019,700 | 306,551 | 1,326,251 |
| Budget estimate, 2007 | 1,091,359 | 319,294 | 1,410,653 |
| House allowance | 1,053,760 | 310,335 | 1,364,095 |
| Committee recommendation | 1,151,779 | 319,294 | 1,471,073 |

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$1,151,779,000 for salaries and expenses of the Farm Service Agency. The Committee recommendation includes \$64,702,000 for Common Computing Environment activities.

Indian Credit Outreach.—The Committee is aware of the successful partnership between the Farm Service Agency and the National Tribal Development Association [NTDA]. This partnership focuses on reducing defaults and deficiencies in Agricultural Credit Insurance Fund loan programs. The Committee strongly encourages FSA to continue this cooperative agreement with NTDA at current levels.

National Agriculture Imagery Program.—The Committee recommends \$2,000,000 for the enhancement and management of the agriculture imagery catalog repositories and data warehouses at the USDA Aerial Photography Field Office for mirrored data storage hardware and software, including content addressable storage, and integrated software which guarantees authenticity over time and provides scalability to meet future requirements.

The Committee recommends that funds be allocated to purchase high resolution satellite imagery data or products to meet programmatic requirements. The acquisition of high resolution satellite imagery will also encourage the development of second generation imagery satellites, which is key to preparing our Nation's agricultural economy to keep pace with 21st century technological innovation.

STATE MEDIATION GRANTS

| | |
|--------------------------------|-------------|
| Appropriations, 2006 | \$4,208,000 |
| Budget estimate, 2007 | 4,208,000 |
| House allowance | 4,208,000 |
| Committee recommendation | 4,208,000 |

This program is authorized under title V of the Agricultural Credit Act of 1987 (7 U.S.C. 5101 et seq.). Originally designed to address agricultural credit disputes, the program was expanded by the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (Public Law 103-354) to include other agricultural issues such as wetland determinations, conservation compliance, rural water loan programs, grazing on National Forest System lands, and pesticides. The authorization for this program was extended through fiscal year 2010 by Public Law 109-17. Grants are made to States whose mediation programs have been certified by the Farm Service Agency [FSA]. Grants will be solely for operation and administration of the State's agricultural mediation program.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$4,208,000 for State Mediation Grants.

GRASSROOTS SOURCE WATER PROTECTION PROGRAM

| | |
|--------------------------------|-------------|
| Appropriations, 2006 | \$3,713,000 |
| Budget estimate, 2007 | |
| House allowance | 3,713,000 |
| Committee recommendation | 3,713,000 |

This program is authorized under section 2502 of Public Law 107-171. It is intended to assist in the protection of groundwater through State rural water associations.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$3,713,000 for Grassroots Source Water Protection.

DAIRY INDEMNITY PROGRAM

| | |
|--------------------------------|-----------|
| Appropriations, 2006 | \$100,000 |
| Budget estimate, 2007 | 100,000 |
| House allowance | 100,000 |
| Committee recommendation | 100,000 |

Under the program, the Department makes indemnification payments to dairy farmers and manufacturers of dairy products who, through no fault of their own, suffer losses because they are directed to remove their milk from commercial markets due to contamination of their products by registered pesticides. The program also authorizes indemnity payments to dairy farmers for losses resulting from the removal of cows or dairy products from the market due to nuclear radiation or fallout. The authorization for this program was extended through fiscal year 2007 by Public Law 107-171.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$100,000 for the Dairy Indemnity Program.

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

The Agricultural Credit Insurance Fund Program Account is used to provide direct and guaranteed farm ownership, farm operating, and emergency loans to individuals, as well as the following types of loans to associations: irrigation and drainage, grazing, Indian tribe land acquisition, and boll weevil eradication.

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

The following programs are financed through this fund:

Boll Weevil Eradication Loans.—Made to assist foundations in financing the operations of the boll weevil eradication programs provided to farmers.

Credit Sales of Acquired Property.—Property is sold out of inventory and is made available to an eligible buyer by providing FSA loans.

Emergency Loans.—Made to producers to aid recovery from production and physical losses due to drought, flooding, other natural disasters, or quarantine. The loans may be used to: restore or replace essential property; pay all or part of production costs associated with the disaster year; pay essential family living expenses; reorganize the farming operation; and refinance certain debts.

Farm Operating Loans.—Provide short-to-intermediate term production or chattel credit to farmers who cannot obtain credit elsewhere, to improve their farm and home operations, and to develop or maintain a reasonable standard of living. The term of the loan varies from 1 to 7 years.

Farm Ownership Loans.—Made to borrowers who cannot obtain credit elsewhere to restructure their debts, improve or purchase farms, refinance nonfarm enterprises which supplement but do not supplant farm income, or make additions to farms. Loans are made for 40 years or less.

Indian Tribe Land Acquisition Loans.—Made to any Indian tribe recognized by the Secretary of the Interior or tribal corporation established pursuant to the Indian Reorganization Act (Public Law 93-638) which does not have adequate uncommitted funds to acquire lands or interest in lands within the tribe's reservation or Alaskan Indian community, as determined by the Secretary of the Interior, for use of the tribe or the corporation or the members thereof.

COMMITTEE RECOMMENDATIONS

The Committee recommends a total loan level of \$3,427,470,000 for programs within the Agricultural Credit Insurance Fund Program Account.

Emergency Loan Program.—The Committee recommends no new budget authority for the emergency loan program. Currently, this loan program has over \$133,000,000 available for eligible producers. Based on historical loan activity, this amount should meet all needs for emergency loans in this fiscal year.

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

by the Committee, as compared to the fiscal year 2006 and the budget request levels:

AGRICULTURAL CREDIT PROGRAMS—LOAN LEVELS

[In thousands of dollars]

| | Fiscal year 2006 enacted | Fiscal year 2007 budget | Committee recommendation |
|-------------------------------------|--------------------------|-------------------------|--------------------------|
| Farm ownership: | | | |
| Direct | 205,918 | 222,750 | 222,750 |
| Guaranteed | 1,386,000 | 1,200,000 | 1,200,000 |
| Farm operating: | | | |
| Direct | 643,500 | 643,500 | 643,500 |
| Guaranteed unsubsidized | 1,138,500 | 1,025,610 | 1,025,610 |
| Guaranteed subsidized | 271,886 | 272,250 | 272,250 |
| Indian tribe land acquisition | 2,000 | 3,960 | 3,960 |
| Boll weevil eradication | 100,000 | 59,400 | 59,400 |
| Total, farm loans | 3,747,804 | 3,427,470 | 3,427,470 |

LOAN SUBSIDIES AND ADMINISTRATIVE EXPENSES LEVELS

[In thousands of dollars]

| | Subsidies | | | Administrative expenses | | Total ACIF |
|--------------------------------|-------------|-----------------|---------|-------------------------|-----------------|------------|
| | Direct loan | Guaranteed loan | Total | Appropriations | Transfer to FSA | |
| Appropriations, 2006 | 74,652 | 75,136 | 149,788 | 7,920 | 301,545 | 309,465 |
| Budget estimate, 2007 | 86,525 | 27,387 | 113,912 | 7,920 | 311,737 | 319,657 |
| House allowance | 86,525 | 62,781 | 149,306 | 7,920 | 307,338 | 315,258 |
| Committee recommendation | 86,525 | 59,708 | 146,233 | 7,920 | 311,737 | 319,657 |

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

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

[In thousands of dollars]

| | 2006 enacted | 2007 budget | Committee recommendation |
|-------------------------------------|----------------|----------------|--------------------------|
| Loan subsidies: | | | |
| Farm ownership: | | | |
| Direct | 10,544 | 9,333 | 9,333 |
| Guaranteed | 6,653 | ..... | 6,960 |
| Farm operating: | | | |
| Direct | 64,028 | 75,225 | 75,225 |
| Guaranteed unsubsidized | 34,497 | 2,667 | 25,332 |
| Guaranteed subsidized | 33,986 | 24,720 | 27,416 |
| Indian tribe land acquisition | 80 | 838 | 838 |
| Boll weevil eradication ..... | ..... | 1,129 | 1,129 |
| Total, loan subsidies | 149,788 | 113,912 | 146,233 |
| ACIF expenses | 309,465 | 319,657 | 319,657 |

RISK MANAGEMENT AGENCY

| | |
|--------------------------------|--------------|
| Appropriations, 2006 | \$76,278,000 |
| Budget estimate, 2007 | 80,797,000 |
| House allowance | 77,197,000 |
| Committee recommendation | 78,477,000 |

The Risk Management Agency performs administrative functions relative to the Federal crop insurance program that is authorized by the Federal Crop Insurance Act (7 U.S.C. 1508), as amended by the Agricultural Risk Protection Act of 2000 [ARPA], Public Law 106–224, and the Farm Security and Rural Investment Act of 2002, Public Law 107–171.

ARPA authorized significant changes in the crop insurance program. This Act provides higher government subsidies for producer premiums to make coverage more affordable; expands research and development for new insurance products and under-served areas through contracts with the private sector; and tightens compliance. Functional areas of risk management are: research and development; insurance services; and compliance, whose functions include policy formulation and procedures and regulations development.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$78,477,000 for the Risk Management Agency.

Data Mining.—The Committee includes bill language allowing up to \$3,600,000 of the unobligated funds of the Federal Crop Insurance Corporation Fund to be used for program integrity purposes.

CORPORATIONS

FEDERAL CROP INSURANCE CORPORATION FUND

| | |
|---|-----------------|
| Appropriations, 2006 ¹ | \$3,159,379,000 |
| Budget estimate, 2007 ¹ | 4,131,035,000 |
| House allowance ¹ | 4,131,035,000 |
| Committee recommendation ¹ | 4,131,035,000 |

¹ Current estimate. Such sums as may be necessary, to remain available until expended, are provided.

The Federal Crop Insurance Act, as amended by the Federal Crop Insurance Reform Act of 1994, authorizes the payment of expenses which may include indemnity payments, loss adjustment, delivery expenses, program-related research and development, startup costs for implementing this legislation such as studies, pilot projects, data processing improvements, public outreach, and related tasks and functions.

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

Producers of insurable crops are eligible to receive a basic level of protection against catastrophic losses, which cover 50 percent of the normal yield at 55 percent of the expected price. The only cost to the producer is an administrative fee of \$100 per crop per policy.

The Agricultural Risk Protection Act of 2000 [ARPA] amended the Federal Crop Insurance Act to strengthen the safety net for agricultural producers by providing greater access to more affordable risk management tools and improved protection from production and income loss, and to improve the efficiency and integrity of the Federal crop insurance program. ARPA allows for the improvement of basic crop insurance products by implementing higher premium subsidies to make buy-up coverage more affordable for producers; make adjustments in actual production history guarantees; and revise the administrative fees for catastrophic [CAT] coverage. More

crops and commodities have become insurable through pilot programs effective with the 2001 crop year.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of such sums as may be necessary, estimated to be \$4,131,035,000 for the Federal Crop Insurance Corporation Fund.

COMMODITY CREDIT CORPORATION FUND

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

The Commodity Credit Corporation engages in buying, selling, lending, and other activities with respect to agricultural commodities, their products, food, feed, and fibers. Its purposes include stabilizing, supporting, and protecting farm income and prices; maintaining the balance and adequate supplies of selected commodities; and facilitating the orderly distribution of such commodities. In addition, the Corporation makes available materials and facilities required in connection with the storage and distribution of such commodities. The Corporation also disburses funds for sharing of costs with producers for the establishment of approved conservation practices on environmentally sensitive land and subsequent rental payments for such land for the duration of Conservation Reserve Program contracts.

Corporation activities are primarily governed by the following statutes: the Commodity Credit Corporation Charter Act (Public Law 80-806), as amended; the Agricultural Act of 1949 (Public Law 81-439), as amended (1949 Act); the Agricultural Adjustment Act of 1938 (Public Law 75-430), as amended (the 1938 Act); the Food Security Act of 1985 (Public Law 99-198), as amended (1985 Act); and the Farm Security and Rural Investment Act of 2002 (Public Law 107-171) (2002 Act), enacted May 13, 2002.

Under the 2002 Act, the Secretary is required to offer a program of direct and counter-cyclical payments and extend nonrecourse marketing assistance loans and loan deficiency payments for contract commodities (soybeans, wheat, corn, grain sorghum, barley, oats, upland cotton, rice, other oilseeds, and peanuts). The 2002 Act also provides for marketing loans for wool, mohair, honey, small chickpeas, lentils and dry peas. A national Milk Income Loss Contract [MILC] program was established by the 2002 Act, providing that producers enter into contracts extending through September 30, 2005. The authorization of the MILC program has been extended through August 2007 by Public Law 109-171. A milk price support program is also provided to support the price of milk via

purchases of butter, cheese, and nonfat dry milk. The rate of support is \$9.90 per hundredweight.

The 2002 Act directs the Secretary to operate the sugar program at no cost to the U.S. Treasury by avoiding sugar loan forfeitures in the nonrecourse loan program. The nonrecourse loan program is reauthorized through fiscal year 2007 at 18 cents per pound for raw cane sugar and 22.9 cents per pound for refined beet sugar.

In the conservation area, the 2002 Act extends and expands the conservation reserve program [CRP], the wetlands reserve program [WRP], the environmental quality incentives program [EQIP], the farmland protection program [FPP], and the wildlife habitat incentive program [WHIP]. Each of these programs is funded through the CCC.

The 2002 Act also authorizes and provides CCC funding for other conservation programs, including the conservation security program and the grassland reserve program.

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

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

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

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

REIMBURSEMENT FOR NET REALIZED LOSSES

| | |
|---|------------------|
| Appropriations, 2006 ¹ | \$25,690,000,000 |
| Budget estimate, 2007 ¹ | 19,740,000,000 |
| House allowance ¹ | 19,740,000,000 |
| Committee recommendation ¹ | 19,740,000,000 |

¹ Current estimate. Such sums as may be necessary are provided.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of such sums as may be necessary, estimated in fiscal year 2007 to be \$19,740,000,000 for the payment to reimburse the Commodity Credit Corporation for net realized losses.

CCC Inventories.—The Committee is aware that certain CCC surplus commodities have been used to supplement various programs, including support for domestic nutrition assistance. In those instances where surplus nonfat dry milk stocks have been used, information relating to the amount available and the quality of those stocks is important for program planning. The Committee directs the Department to provide monthly reports to the Committee regarding ending monthly stocks of nonfat dry milk. This report should include the amount of nonfat dry milk in stock at the end of each month; the quality of those stocks, including the quantity suitable for human consumption; detailed information on how the nonfat dry milk was distributed during the month; and the plans for distribution during the next month.

The Committee directs the USDA through the Commodity Credit Corporation to provide, as stocks become available, 15 million pounds of nonfat dry milk unsuitable for human consumption, to the U.S. farm-raised catfish industry for evaluation as a catfish feed ingredient. This product shall be provided at prices and terms consistent with existing programs supporting other U.S. agricultural industries.

HAZARDOUS WASTE MANAGEMENT

| | |
|--------------------------------|-------------|
| Limitation, 2006 | \$5,000,000 |
| Budget estimate, 2007 | 5,000,000 |
| House allowance | 5,000,000 |
| Committee recommendation | 5,000,000 |

The Commodity Credit Corporation's [CCC] hazardous waste management program is intended to ensure compliance 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.). The CCC funds operations and maintenance costs as well as site investigation and cleanup expenses. Investigative and cleanup costs associated with the management of CCC hazardous waste are also paid from USDA's hazardous waste management appropriation.

COMMITTEE RECOMMENDATIONS

The Committee recommends a limitation of \$5,000,000 for Commodity Credit Corporation hazardous waste management.

FARM STORAGE FACILITY LOANS PROGRAM ACCOUNT

| | |
|--------------------------------|-------------|
| Appropriations, 2006 | |
| Budget estimate, 2007 | \$4,560,000 |
| House allowance | |
| Committee recommendation | 4,560,000 |

The Farm Storage Facility Loan Program [FSFL], originally established in 1949, was discontinued in the early 1980's pending adequate capacity, and re-established in fiscal year 2000 to address

current storage space shortages. Federal Government subsidy costs supporting this program are estimated pursuant to the Federal Credit Reform Act [FCRA] of 1990 (Public Law 101-508, sec. 13201, et seq.) (2 U.S.C. 661, et seq.). The Farm Security and Rural Investment Act of 2002 directed the CCC to establish a Sugar Storage Facility Loan Program to provide financing for domestic processors to construct and improve sugar storage and handling facilities. Administrative expenses for this program (\$4,329,000 in fiscal year 2006) have been included in the Salaries and Expenses account of the Farm Service Agency [FSA], which administers the program. Following OMB guidance (Circular A-11), FSA recently moved these expenses to the FSFL account to comply with FCRA section 504(g) direction that all funding for an agency's administration of a direct loan or loan guarantee program shall be displayed as distinct and separately identified subaccounts within the same budget account as the program's cost (2 U.S.C. 661c).

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$4,560,000 for administration of the Farm Storage Facility Loan Program.

TITLE II
CONSERVATION PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT

| | |
|--------------------------------|-----------|
| Appropriations, 2006 | \$737,000 |
| Budget estimate, 2007 | 957,000 |
| House allowance | |
| Committee recommendation | 752,000 |

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$752,000 for the Office of the Under Secretary for Natural Resources and Environment.

Atlantic Salmon Recovery.—The Committee supports the goals of the Penobscot River Restoration Project in the State of Maine. This project will restore over 500 miles of river habitat utilized by Atlantic salmon and 10 other species of native sea-run fish. The Committee strongly encourages the NRCS to improve migratory fish habitat in this watershed, including the removal of impediments to passage, by utilizing all appropriate funding sources.

Colorado River Salinity.—The Committee is aware of continuing problems of water resource management in Western States, especially those States experiencing rapid growth in water demand, and urges the Secretary to dedicate adequate financial and technical assistance for on-farm measures to control Colorado River salinity, especially in the Price-San Rafael area of Utah.

Devils Lake.—The Committee is aware that Devils Lake in the State of North Dakota is now more than 25 feet higher than it was in 1993. The Committee encourages the NRCS, with the cooperation of the FSA, to assist locally-coordinated flood response and water management activities. NRCS and FSA should continue to utilize conservation programs in providing water holding, storage, and other innovative solutions as necessary measures in watershed management.

Klamath Basin.—The Committee recognizes that funds provided under this Act to Klamath Basin farmers and ranchers will go primarily to meet site-specific conservation goals. However, the Committee intends that on-farm conservation activities will be consistent with the broader goals for environmental restoration and

the recovery of Endangered Species Act—listed species in the Klamath Basin, and enhance the stability of operations for the Federal reclamation project.

Wetlands Reserve Program.—The Committee strongly encourages the NRCS to establish a demonstration pilot program utilizing rapid growth reforestation technology.

Wetlands Reserve Program Assessments.—In February 2006, the Secretary announced a change in the Wetlands Reserve Program that would take into account the value of recreational and similar uses in determining the appraised value of easements offered under this program. The Committee directs the Secretary to minimize the effect this change will have in regard to geographical participation in the Wetlands Reserve Program and report to the Committee within 120 days of enactment of this Act on the impact this policy change may have on utilization of this program in all regions of the country and the steps taken to minimize such change.

NATURAL RESOURCES CONSERVATION SERVICE

The Natural Resources Conservation Service [NRCS] was established pursuant to Public Law 103–354, the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962). The NRCS works with conservation districts, watershed groups, and Federal and State agencies to bring about physical adjustments in land use that will conserve soil and water resources, provide for agricultural production on a sustained basis, and reduce flood damage and sedimentation.

CONSERVATION OPERATIONS

| | |
|--------------------------------|---------------|
| Appropriations, 2006 | \$831,124,000 |
| Budget estimate, 2007 | 744,877,000 |
| House allowance | 791,498,000 |
| Committee recommendation | 835,331,000 |

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

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

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

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

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

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

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$835,331,000 for Conservation Operations. The Committee recommendation includes \$18,717,000 for Common Computing Environment activities.

For fiscal year 2007, the Committee recommends funding, as specified below, for new and ongoing conservation activities. Amounts recommended by the Committee for specific conservation measures shall be in addition to levels otherwise made available to States.

Projects identified in House Report 109–255, the conference report accompanying H.R. 2744, an Act making appropriations for agriculture, rural development, food and drug administration, and related agencies programs for the fiscal year ending September 30, 2006, and for other purposes, that were directed to be funded in fiscal year 2006 are not funded in fiscal year 2007, unless specifically mentioned herein.

Agricultural Development and Resource Conservation.—The Committee recommendation includes \$911,000 to expand the agricultural development and resource conservation program currently serving the Island of Molokai. These funds are to be shared equally among Hawaii, Oahu, Maui, and Kauai Counties in the State of Hawaii.

Agricultural Waste Remediation.—The Committee recommendation includes \$292,000 to continue agricultural waste remediation in the Lake Pontchartrain Basin of Louisiana.

Alabama Association of Conservation Districts.—The Committee recommendation includes \$99,000 for a cooperative agreement with the Alabama Association of Conservation Districts.

Alaska Association of Conservation Districts.—The Committee recommendation includes \$1,473,000 for a cooperative agreement with the Alaska Association of Conservation Districts. The cooperative agreement shall limit administrative expenses to no more than 10 percent of the appropriated funds.

Alluvial Floodplain Conservation.—The Committee recommendation includes \$743,000 for alluvial floodplain conservation in the State of Mississippi.

Altamaha River Basin Water Quality.—The Committee recommendation includes \$99,000 for a cooperative agreement with Georgia Southern University for the Altamaha River Basin water quality project.

Appalachian Small Farmer Outreach.—The Committee recommendation includes \$851,000 to continue the Appalachian small farmer outreach program in the State of West Virginia.

Big Sandy Tri-State Watershed.—The Committee recommendation includes \$200,000 for the Big Sandy Tri-State Watershed inventory and analysis for McDowell, Mingo, and Logan Counties in West Virginia.

Carson City Erosion Control.—The Committee recommendation includes \$450,000 for the Carson City erosion control project in the State of Nevada.

Certified Environmental Management Systems.—The Committee recommendation includes \$428,000 to continue the Certified Environmental Management Systems for Agriculture in cooperation with the Iowa Soybean Association.

Chesapeake Bay.—The Committee supports continuing activities of the Chesapeake Bay Program and urges the agency to provide ongoing support to provide technical assistance to farmers and local governments throughout the Bay Watershed.

Coastal Urban Wetland Restoration.—The Committee recommendation includes \$500,000 for restoration activities associated with coastal urban wetlands in Louisiana.

Cold Region Plant Materials and Seeds.—The Committee recommendation includes \$297,000 to obtain and evaluate plant materials and seeds native to regions north of 52 degrees north latitude and equivalent vegetated regions in the southern hemisphere. The Committee directs the agency to continue working in conjunction with the Alaska Division of Agriculture.

Conservation Education.—The Committee recommendation includes \$442,000 for a cooperative agreement between the Alabama Department of Conservation and Natural Resources and the Alabama Wildlife Federation for conservation education in Millbrook, Alabama.

Conservation Land Internship.—The Committee recommendation includes \$119,000 for the conservation land internship program in the State of Wisconsin.

Conservation Planning, Florida.—The Committee recommendation includes \$347,000 to provide expedited conservation planning of the Lake Okechobee Watershed project in the State of Florida. The Committee expects the agency to work in cooperation with the Florida Department of Agriculture and Consumer Services.

Conservation Planning, Massachusetts and Wisconsin.—The Committee recommendation includes \$594,000 to continue conservation planning related to cranberry production in the States of Massachusetts and Wisconsin.

Conservation Practices and Agricultural Diversification.—The Committee recommendation includes \$495,000 for a cooperative agreement with Tufts University to conduct pilot programs in the State of Connecticut to improve conservation practices and enhance the diversification of agricultural production in the area.

Conservation Technology Transfer.—The Committee recommendation includes \$297,000 for a cooperative agreement with the University of Wisconsin for the conservation technology transfer project.

Dairy Waste Management.—The Committee expects the NRCS to work in conjunction with the Agricultural Research Service Dairy Forage Laboratory in Madison, Wisconsin, regarding dairy waste management and in the development of a working arrangement regarding planned expansion of the Dairy Forage Laboratory activities at Marshfield, Wisconsin, and the establishment of a NRCS Waste Management Institute at that location.

Delta Conservation Demonstration.—The Committee recommendation includes \$1,375,000 for the Delta Conservation Demonstration Center in Washington County, Mississippi.

Delta Water Resources Study.—The Committee recommendation includes \$687,000 to continue the delta water resources study in the State of Mississippi.

Devils Lake Water Utilization.—The Committee recommendation includes \$347,000 for a cooperative agreement with the North Central Planning Council to continue the Devils Lake water utilization test project in the State of North Dakota to determine to what extent excess water from Devils Lake can be used to irrigate land for beneficial use.

Driftless Area Conservation.—The Committee recommendation includes \$260,000 for conservation in the Driftless area in the States of Wisconsin and Minnesota.

Environmental Compliance.—The Committee recommendation includes \$250,000 for a cooperative agreement with the Wisconsin Dairy Business Association to help livestock producers comply with recently enacted livestock siting requirements. Technical assistance provided through this agreement will help producers interested in practices that minimize odor, manage waste, and address smart-growth planning concerns.

Farm Viability.—The Committee recommendation includes \$297,000 to continue a pilot farm viability program project in the State of Vermont.

Flint Hills of Kansas.—The Committee supports the preservation of the last tallgrass prairie in North America, most of which is located in the Flint Hills region of Kansas. The Committee recognizes that the tallgrass prairie provides rich ranching lands, open spaces, and habitat for a diverse assemblage of plants and animals. The Committee urges the agency to give consideration to the use of all appropriate funding sources for projects in Kansas that will preserve and protect this unique area.

Geographic Information System Center of Excellence.—The Committee recommendation includes \$4,455,000 for the geographic information system center of excellence at West Virginia University.

Georgia Soil and Water Conservation Commission.—The Committee recommendation includes \$3,663,000 for a cooperative agreement with the Georgia Soil and Water Conservation Commission.

Grazing Land Conservation, Wisconsin.—The Committee recommendation includes \$941,000 for grazing land conservation activities in the State of Wisconsin.

Grazing Lands Conservation Initiative.—The Committee recommendation includes \$27,255,000 for the grazing lands conservation initiative. The Committee expects that NRCS continue fiscal year 2006 levels to manage and prevent the spread of invasive spe-

cies. The Committee encourages the agency to make western range lands a priority when allocating funding.

Great Lakes Basin Soil and Erosion Control.—The Committee recommendation includes \$2,475,000 for the Great Lakes Basin program for soil and erosion control.

Green River Water Quality and Biological Diversity.—The Committee recommendation includes \$392,000 for a cooperative agreement with Western Kentucky University to monitor water quality and biological diversity of the Green River and surrounding watersheds.

Hardwood Forest Restoration.—The Committee recommendation includes \$396,000 for hardwood forest restoration through the Operation Oak program.

Hazardous Fuels.—The Committee recommendation includes \$200,000 for activities related to hazardous fuels reduction in Nevada.

High Plains Aquifer.—The Committee recognizes that the High Plains aquifer, with the Ogallala aquifer as its most important component, lies beneath eight States and is the primary source of water for all reported uses in western Kansas. The Committee is aware that the aquifer is depleting at alarming rates and absent conservation efforts could be dry within two decades. The Committee urges the agency to give consideration to the use of ground and surface water funding for projects in Kansas that will conserve this aquifer.

Illinois River Agricultural Water Conservation.—The Committee recommendation includes \$240,000 for the Illinois River Agricultural Water Conservation Project in the State of Illinois, in conjunction with Ducks Unlimited.

Illinois River Watershed.—The Committee recommendation includes \$173,000 to assist in planning and operations in the Illinois River watershed.

Invasive Species, Hawaii.—The Committee continues to be concerned about the serious threat to Hawaiian pastures and forest watersheds resulting from the introduction of invasive species, such as gorse and miconia, and encourages the NRCS to work with the Hawaii Department of Agriculture and the Animal and Plant Health Inspection Service to develop holistic approaches to controlling and eradicating these invasive alien pests and to provide funding as appropriate.

Kentucky Association of Conservation Districts.—The Committee recommendation includes \$990,000 for a cooperative agreement with the Kentucky Association of Conservation Districts.

Lake Erie Wetlands Conservation Corridors.—The Committee recommendation includes \$124,000 for the Lake Erie wetlands conservation corridors project in the State of Ohio.

Land Use Change.—The Committee recommendation includes \$1,178,000 for a study to characterize the on-site consequences, estimate off-site impacts, and develop strategies to facilitate land use change while preserving critical natural resources. The agency is directed to work in cooperation with Clemson University.

Loess Hills Soil Erosion.—The Committee recommendation includes \$1,188,000 to address soil erosion in the Loess Hills area in the State of Iowa.

Long Island Sound Watershed Initiative.—The Committee recommendation includes \$198,000 for the Long Island Sound watershed initiative in the State of New York.

Mississippi Conservation Initiative.—The Committee recommendation includes \$9,900,000 for the Mississippi Conservation Initiative.

Mississippi River Alluvial Floodplain.—The Committee directs the agency to maintain a national priority area pilot program under the guidelines of the Environmental Quality Incentives Program in the alluvial floodplain of the Mississippi River.

Molokai Agriculture Development and Resource Conservation.—The Committee recommendation includes \$230,000 to continue the agriculture development and resources conservation program on the Island of Molokai, Hawaii.

Montana Association of Conservation Districts.—The Committee recommendation includes \$250,000 for a cooperative agreement with the Montana Association of Conservation Districts.

Narragansett Bay.—The Committee recommendation includes \$150,000 for nitrate control in watersheds affecting the Narragansett Bay in Rhode Island.

National Fish and Wildlife Foundation.—The Committee recommendation includes \$2,970,000 to maintain a partnership between USDA and the National Fish and Wildlife Foundation.

Native Plant Materials Commercialization.—The Committee recommendation includes \$297,000 for commercialization of native plant materials in the State of Alaska.

Native Vegetation Utilization.—The Committee recommendation includes \$442,000 for a cooperative agreement with the University of Northern Iowa.

Natural Resource Inventory, Alaska.—The Committee recommendation includes \$495,000 to continue Natural Resource Inventory pilot activity development in Alaska. The agency shall provide the Committee with a report detailing its progress on these activities.

Nitrogen Removal.—The Committee recommendation includes \$1,188,000 for a cooperative agreement with the Sand County Foundation in the State of Wisconsin to carry out an expanded nitrogen removal test project.

Nutrient Application and Water Quality.—The Committee recommendation includes \$158,000 to conduct nitrogen soil tests and plant-available nitrogen tests, and to demonstrate poultry litter and wood composting in an effort to improve farmers' economic returns and minimize potential water quality conditions resulting from excess application of nutrients from manure and fertilizers on West Virginia's cropland.

Nutrient Management, Arkansas.—The Committee recommendation includes \$223,000 for the Ozark nutrient management project in the State of Arkansas.

Nutrient Management, Mississippi.—The Committee recommendation includes \$884,000 for cattle and nutrient management in stream crossings in cooperation with Mississippi Association of Conservation Districts.

On Farm Management Systems Evaluation Network.—The Committee recommendation includes \$248,000 for assistance for an On Farm Management Systems Evaluation Network.

Phosphorous Application.—The Committee recommendation includes \$446,000 to address concerns with the application of phosphorous on agricultural lands in the State of North Carolina.

Phosphorus Loading in Lake Champlain.—The Committee recommendation includes \$297,000 for the testing of emerging alternative technology in the State of Vermont to reduce phosphorus loading in Lake Champlain.

Pioneer Farm.—The Committee recommendation includes \$297,000 for a cooperative agreement with the University of Wisconsin-Platteville for the Pioneer Farm project.

Pioneers in Conservation.—The Committee recommendation includes \$200,000 for a cooperative agreement with the Washington State Conservation Commission to carry out the Puget Sound Pioneers in Conservation program.

Plant Materials Centers.—The Committee recommendation includes \$10,678,000 for NRCS plant material centers.

Potomac and Ohio River Basins Soil Nutrient Characterization.—The Committee recommendation includes \$297,000 to continue the expansion of the Potomac and Ohio River Basins Soil Nutrient Project to include Jefferson, Berkeley, and Greenbrier Counties. This funding will enable the NRCS, in cooperation with West Virginia University, Appalachian Small Farming Research Center, and the Natural Soil Survey Laboratory in Lincoln, Nebraska, to identify and characterize phosphorous movement in soils, to determine appropriate transportation, the holding capacity, and the management of phosphorous. This information is critical in helping Appalachian farmers deal with nutrient loading issues and in protecting the Chesapeake Bay from eutrophication and the Ohio River, Mississippi River, and Gulf of Mexico from depletion of life-sustaining oxygen.

Potomac River Tributary Program.—The Committee recommendation includes \$250,000 to NRCS to assist agricultural producers in the Potomac Highlands to develop comprehensive nutrient management plans to address water quality issues in the Chesapeake Bay watershed.

Range Revegetation.—The Committee recommendation includes \$495,000 for range revegetation at Fort Hood in the State of Texas.

Resource and Regulatory Compliance.—The Committee recommendation includes \$198,000 for the continued development of comprehensive resource and regulatory compliance tools in the State of Idaho.

Riparian Restoration.—The Committee recommendation includes \$532,000 to carry out riparian restoration activities along the Rio Grande, Canadian, and Pecos Rivers in the State of New Mexico.

Sage Grouse.—The Committee encourages the Secretary to utilize no less than \$5,000,000 from all appropriate funding sources to support sage grouse habitat conservation in States within the current range of the greater sage grouse.

Sharkey Soils.—The Committee directs the agency to work with soil scientists at regional land-grant universities to continue the pilot project in Washington, Sharkey and Yazoo Counties, Mis-

Mississippi, to determine the proper classification and taxonomic characteristics of Sharkey soils.

Small Farm Outreach and Water Management Center.—The Committee recommendation includes \$124,000 for a cooperative agreement with the Small Farm Outreach and Water Management Center at the University of Arkansas-Pine Bluff.

Snow Survey and Water Supply Forecasting.—The Committee recommendation includes \$10,698,000 for snow survey and water supply forecasting.

Soil Erosion and Water Quality.—The Committee recommendation includes \$190,000 for a cooperative agreement with Alcorn State University for the analysis of soil erosion and water quality in the State of Mississippi.

Soil Productivity and Water Quality.—The Committee recommendation includes \$990,000 to address soil productivity and water quality issues in the State of New Jersey.

Soil Survey.—The Committee recommendation includes \$89,291,000 for nationwide soil surveys.

Soil Surveys, Kentucky.—The Committee recommendation includes \$2,970,000 to provide technical assistance for the Kentucky Soil Erosion Control/Soil Survey Program.

Soil Surveys, Rhode Island.—The Committee recommendation includes \$99,000 to continue soil surveys in the State of Rhode Island.

Soil Surveys, Wyoming.—The Committee recommendation includes \$297,000 to continue soil surveys in the State of Wyoming.

Tribal Conservation.—The Committee recommendation includes \$297,000 for a cooperative agreement with the Wisconsin Tribal Conservation Advisory Committee for conservation and sustainable agricultural activities.

Union-Lincoln Parish Regional Water Conservation.—The Committee recommendation includes \$124,000 for the Union-Lincoln Parish regional water conservation project in the State of Louisiana.

Utah Conservation Initiative.—The Committee recommendation includes \$4,950,000 to continue the Utah Conservation Initiative.

Vegetation Manipulation Study.—The Committee recommendation includes \$792,000 for a cooperative agreement with Utah State University to examine the effect of vegetation manipulation on water yields and other watershed functions.

Water Conservation and Efficient Irrigation, California.—The Committee recommendation includes \$198,000 for a water conservation and efficient irrigation project with the Municipal Water District of Orange County, California.

Water Conservation and Efficient Irrigation, Idaho.—The Committee recommendation includes \$250,000 for a cooperative agreement with the Little Wood River Irrigation District in the State of Idaho.

Water Conservation.—The Committee recommendation includes \$500,000 for a cooperative agreement with the Central Colorado Water Conservancy District in the State of Colorado.

Water Conveyance Efficiency.—The Committee recommendation includes \$2,970,000 to improve water conveyance efficiency through the Washington Fields project in the State of Utah.

Water Quality Best Management Practices.—The Committee recommendation includes \$396,000 for a study on the effectiveness of agriculture and forestry best management practices on water quality. The Committee directs the agency to work in cooperation with Louisiana State University.

Water Quality, Utah.—The Committee recommendation includes \$297,000 to improve water quality through the Utah confined animal feed operation/animal feeding operation pilot project.

Watershed Management, Iowa.—The Committee recommendation includes \$543,000 for watershed management and demonstration projects in cooperation with the National Pork Producers Council and Iowa Soybean Association.

Wildlife Habitat Improvement.—The Committee recommendation includes \$240,000 for wildlife habitat improvement through the Energy for Wildlife program in the State of Illinois.

Wildlife Habitat Management Institute.—The Committee recommendation includes \$2,970,000 for the Wildlife Habitat Management Institute [WHMI]. The Committee recognizes the unique attributes and contributions made by the WHMI toward wildlife conservation goals of the Nation. As such, the Committee encourages the NRCS to continue a competitive grants process with a goal of leveraging innovative habitat conservation efforts on private lands.

Wildlife Management on Private Lands.—The Committee recommendation includes \$198,000 for a cooperative agreement with Alaska Village Initiatives for a private lands wildlife management program in the State of Alaska.

WATERSHED SURVEYS AND PLANNING

| | |
|--------------------------------|-------------|
| Appropriations, 2006 | \$6,022,000 |
| Budget estimate, 2007 | |
| House allowance | 6,022,000 |
| Committee recommendation | 6,022,000 |

The Watershed Protection and Flood Prevention Act, Public Law 83-566, August 4, 1954, provided for the establishment of the Small Watershed Program (16 U.S.C. 1001-1008), and section 6 of the act provided for the establishment of the River Basin Surveys and Investigation Program (16 U.S.C. 1006-1009). A separate appropriation funded the two programs until fiscal year 1996 when they were combined into a single appropriation, watershed surveys and planning.

River basin activities provide for cooperation with other Federal, State, and local agencies in making investigations and surveys of the watersheds of rivers and other waterways as a basis for the development of coordinated programs. Reports of the investigations and surveys are prepared to serve as a guide for the development of agricultural, rural, and upstream watershed aspects of water and related land resources, and as a basis for coordination of this development with downstream and other phases of water development.

Watershed planning activities provide for cooperation between the Federal Government and the States and their political subdivisions in a program of watershed planning. Watershed plans form the basis for installing works of improvement for floodwater retardation, erosion control, and reduction of sedimentation in the wa-

tersheds of rivers and streams and to further the conservation, development, utilization, and disposal of water. The work of the Department in watershed planning consists of assisting local organizations to develop their watershed work plan by making investigations and surveys in response to requests made by sponsoring local organizations. These plans describe the soil erosion, water management, and sedimentation problems in a watershed and works of improvement proposed to alleviate these problems. Plans also include estimated benefits and costs, cost-sharing and operating and maintenance arrangements, and other appropriate information necessary to justify Federal assistance for carrying out the plan.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$6,022,000 for Watershed Surveys and Planning.

The Committee is concerned that additional watershed surveys and planning work is being initiated at a time when ongoing planning is not being completed in a timely manner, and the backlog for watershed project implementation and construction continues to mount. As such, the Committee does not recommend funding for any new planning starts. The Committee directs the Chief of NRCS to evaluate and rank existing planning efforts currently underway in order to fund and complete the most promising projects, based upon merit, and notify the Committee of the selected watershed projects.

WATERSHED AND FLOOD PREVENTION OPERATIONS

| | |
|--------------------------------|--------------|
| Appropriations, 2006 | \$74,250,000 |
| Budget estimate, 2007 ..... | ..... |
| House allowance | 40,000,000 |
| Committee recommendation | 62,070,000 |

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

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$62,070,000 for Watershed and Flood Prevention Operations.

Arkabutla Watershed.—The Committee recommendation includes funding for NRCS to stabilize stream banks in the Arkabutla watershed in the State of Mississippi.

Coal Creek.—The Committee recommendation includes funding for NRCS to complete the Coal Creek project in the State of Utah.

Hawaii Watershed Projects.—The Committee recommendation includes funding for NRCS to complete the next phase of the Lahaina Watershed, Lower Hamakua Ditch Watershed, Manoa Watershed, Upcountry Maui Watershed, and Wailuku-Alenaio Watershed projects in the State of Hawaii.

Iowa Watershed Projects.—The Committee recommendation includes funding for NRCS to complete the next phase of the 12-Mile Creek, A&T Longbranch, Bear Creek, East Fork of Grand River, Hacklebarney, Little River, Little Sioux River, Mill Creek, Mill-Pacauyne, Mosquito of Harrison, Soap Creek, Troublesome Creek, Turkey Creek, West Fork of Big Creek, and West Tarkio Creek projects in the State of Iowa.

Little Red River.—The Committee recommendation includes funding for NRCS to complete the next phase of the Little Red River irrigation project in the State of Arkansas.

Little Whitestick Watershed.—The Committee recommendation includes funding for NRCS to complete the Little Whitestick watershed project in the State of West Virginia.

Long Beach Watershed.—The Committee recommendation includes funding for NRCS to make channel improvements in the Long Beach Watershed, Canal 2-3, Harrison County, Mississippi.

Lost River.—The Committee recommendation includes funding for NRCS to complete the next phase of the Lost River watershed project in the State of West Virginia.

Matanuska River.—The Committee recommendation includes funding for NRCS to complete the next phase of the Matanuska River erosion control project in the State of Alaska.

Missouri Watershed Projects.—The Committee recommendation includes funding for NRCS to complete the next phase of the Big Creek-Hurricane Creek, East Locust Creek, Little Otter Creek, and West Fork of Big Creek projects in the State of Missouri.

Pine Barren Watershed.—The Committee recommendation includes funding to NRCS to complete the next phase of the Pine Barren watershed project in the State of Alabama.

Potomac Headwaters.—The Committee recommendation includes funding for NRCS to complete the next phase of the Potomac Headwaters land treatment project in the State of West Virginia.

Town Creek Watershed.—The Committee recommendation includes funding for NRCS to complete the next phase of the Town Creek watershed project, Lee County, Mississippi.

Upper Deckers Creek.—The Committee recommendation includes funding for NRCS to continue the next phase of the Upper Deckers Creek watershed project in the State of West Virginia.

Upper Tallahatchie Watershed.—The Committee recommendation includes funding for NRCS for channel grade control in the Upper Tallahatchie watershed, Union and Tippah Counties, Mississippi.

Upper Tygart.—The Committee recommendation includes funding for NRCS to continue the next phase of the Upper Tygart project in the State of West Virginia.

West Branch DuPage River Watershed.—The Committee recommendation includes funding for NRCS to complete the next phase of the West Branch DuPage River watershed project in the State of Illinois.

Yadkin County 5–D project.—The Committee recommendation includes funding for NRCS to initiate the next phase of the Yadkin County 5–D project in the State of North Carolina.

WATERSHED REHABILITATION PROGRAM

| | |
|--------------------------------|--------------|
| Appropriations, 2006 | \$31,245,000 |
| Budget estimate, 2007 | 15,300,000 |
| House allowance | 31,245,000 |
| Committee recommendation | 31,245,000 |

The watershed rehabilitation program account provides for technical and financial assistance to carry out rehabilitation of structural measures, in accordance with section 14 of the Watershed Protection and Flood Prevention Act, approved August 4, 1954 (16 U.S.C. 1012, U.S.C. 1001, et seq.), as amended by section 313 of Public Law 106–472, November 9, 2000, and by section 2505 of the Farm Security and Rural Investment Act of 2002 (Public Law 107–171).

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$31,245,000 for the Watershed Rehabilitation Program.

The Committee directs that funding under this program be provided for rehabilitation of structures determined to be of high priority need in order to protect property and ensure public safety.

RESOURCE CONSERVATION AND DEVELOPMENT

| | |
|--------------------------------|--------------|
| Appropriations, 2006 | \$50,787,000 |
| Budget estimate, 2007 | 25,933,000 |
| House allowance | 50,787,000 |
| Committee recommendation | 50,787,000 |

The Natural Resources Conservation Service has general responsibility under provisions of section 102, title I of the Food and Agriculture Act of 1962 (7 U.S.C. 1010 et seq.), for developing overall work plans for resource conservation and development projects in cooperation with local sponsors; to help develop local programs of land conservation and utilization; to assist local groups and individuals in carrying out such plans and programs; to conduct surveys and investigations relating to the conditions and factors affecting such work on private lands; and to make loans to project sponsors for conservation and development purposes and to individual operators for establishing soil and water conservation practices.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$50,787,000 for Resource Conservation and Development.

HEALTHY FORESTS RESERVE PROGRAM

| | |
|---|-------------|
| Appropriations, 2006 ¹ | \$2,475,000 |
| Budget estimate, 2007 | 2,475,000 |
| House allowance | |
| Committee recommendation | 5,000,000 |

¹ In fiscal year 2006, funding was provided through section 771 of Public Law 109-97.

The healthy forests reserve program [HFRP] was authorized by title V of Public Law 108-148 (16 U.S.C. 6571-6578). The purpose of the HFRP is to restore and enhance forest ecosystems to promote the recovery of threatened and endangered species; to improve biodiversity; and to enhance carbon sequestration. The program operates on a voluntary basis with private landowners utilizing cost-share agreements or easements of varying duration. The Federal Government assists participating landowners with the cost of the approved conservation practices.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$5,000,000 for the Healthy Forest Reserve Program.

TITLE III

RURAL DEVELOPMENT PROGRAMS

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

OFFICE OF THE UNDER SECRETARY FOR RURAL DEVELOPMENT

| | |
|--------------------------------|-----------|
| Appropriations, 2006 | \$629,000 |
| Budget estimate, 2007 | 823,000 |
| House allowance | 692,000 |
| Committee recommendation | 640,000 |

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$640,000 for the Office of the Under Secretary for Rural Development.

Broadband Service.—The Committee is concerned that significant portions of rural America remain without broadband service, thus limiting economic opportunity in those areas. The Committee directs that RUS revise its rules and procedures to reduce the burdensome application process and make the program requirements more reasonable, particularly in regard to cash-on-hand requirements.

Denali Commission.—The Committee has included a general provision which recommends \$750,000 for the Denali Commission to address deficiencies in solid waste management in the State of Alaska. The Committee directs the Commission to work with the State of Alaska to develop a legal framework for a solid waste management authority that can become self-sustaining and is authorized to establish a revolving loan fund to support solid waste projects.

Interoperable Emergency Communication Equipment.—The Committee notes that the community facilities program provides funding for essential services for rural residents to address the public health, safety, and emergency needs of small rural communities. The Committee encourages the Secretary to give priority consideration to funding requests made for interoperable emergency communications equipment to further enhance these efforts.

National Rural Development Partnership [NRDP].—The Committee is aware the Department has previously provided funding for the National Rural Development Partnership [NRDP]. The NRDP, and its associated State Rural Development Councils, provide technical support and guidance for rural development at the State and local level. The Committee encourages the Department to continue support for this important organization from within available funds.

Renewable Energy.—The Committee strongly encourages the Department to continue to extend support to agricultural producers and cooperatives, especially rural small businesses and small agricultural producers for the development of renewable fuels from the full range of its business lending and investment programs.

Rural-Business Cooperative Service.—The Committee recommends continued staffing and operations of the Rural Business-Cooperative Service office in Hilo, Hawaii to address the increasing demand for marketing and purchasing cooperatives by an expanding diversified agriculture sector in Hawaii.

Stationary Fuel Cells.—The Committee is aware of the potential economic and environmental benefits of using ethanol as a feedstock to power fuel cells, and encourages the Secretary to establish new criteria for the Biomass Research and Development Program authorized by Public Law 106–224 (7 U.S.C. 7624 note) for competitive solicitations to initiate a demonstration program for such purposes.

Technical Assistance.—The Committee recognizes that Eastern Oregon University and the communities of Tchula, Mississippi and Libby, Montana have requested technical and programmatic assistance for housing, business, telecommunication, and other essential community needs. The Committee expects the Secretary to provide additional resources, and encourages the use of available national reserve funds.

RURAL COMMUNITY ADVANCEMENT PROGRAM

| | |
|--------------------------------|---------------|
| Appropriations, 2006 | \$694,922,000 |
| Budget estimate, 2007 | 600,762,000 |
| House allowance | 704,893,000 |
| Committee recommendation | 714,958,000 |

The Rural Community Advancement Program [RCAP], authorized by the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104–127), consolidates funding for the following programs: direct and guaranteed water and waste disposal loans, water and waste disposal grants, emergency community water assistance grants, solid waste management grants, direct and guaranteed community facility loans, community facility grants, direct and guaranteed business and industry loans, rural business enterprise grants, and rural business opportunity grants. This proposal

is in accordance with the provisions set forth in the Federal Agriculture Improvement and Reform Act of 1996, Public Law 104–127. Consolidating funding for these 12 rural development loan and grant programs under RCAP provides greater flexibility to tailor financial assistance to applicant needs.

With the exception of the 10 percent in the “National office reserve” account, funding is allocated to rural development State directors for their priority setting on a State-by-State basis. State directors are authorized to transfer not more than 25 percent of the amount in the account that is allocated for the State for the fiscal year to any other account in which amounts are allocated for the State for the fiscal year, with up to 10 percent of funds allowed to be reallocated nationwide.

Community facility loans were created by the Rural Development Act of 1972 (7 U.S.C. 1926 et seq.) to finance a variety of rural community facilities. Loans are made to organizations, including certain Indian tribes and corporations not operated for profit and public and quasipublic agencies, to construct, enlarge, extend, or otherwise improve community facilities providing essential services to rural residents. Such facilities include those providing or supporting overall community development, such as fire and rescue services, health care, transportation, traffic control, and community, social, cultural, and recreational benefits. Loans are made for facilities which primarily serve rural residents of open country and rural towns and villages of not more than 20,000 people. Health care and fire and rescue facilities are the priorities of the program and receive the majority of available funds.

The Community Facility Grant Program authorized in the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104–127), is used in conjunction with the existing direct and guaranteed loan programs for the development of community facilities, such as hospitals, fire stations, and community centers. Grants are targeted to the lowest income communities. Communities that have lower population and income levels receive a higher cost-share contribution through these grants, to a maximum contribution of 75 percent of the cost of developing the facility.

The Rural Business and Industry Loans Program was created by the Rural Development Act of 1972, and finances a variety of rural industrial development loans. Loans are made for rural industrialization and rural community facilities under Rural Development Act amendments to the Consolidated Farm and Rural Development Act (7 U.S.C. 1932 et seq.) authorities. Business and industrial loans are made to public, private, or cooperative organizations organized for profit, to certain Indian tribes, or to individuals for the purpose of improving, developing or financing business, industry, and employment or improving the economic and environmental climate in rural areas. Such purposes include financing business and industrial acquisition, construction, enlargement, repair or modernization, financing the purchase and development of land, easements, rights-of-way, buildings, payment of startup costs, and supplying working capital. Industrial development loans may be made in any area that is not within the outer boundary of any city having a population of 50,000 or more and its immediately adjacent urbanized and urbanizing areas with a population density of more

than 100 persons per square mile. Special consideration for such loans is given to rural areas and cities having a population of less than 25,000.

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

Rural business opportunity grants are authorized under section 306(a)(11) of the Consolidated Farm and Rural Development Act, as amended. Grants may be made to public bodies and private nonprofit community development corporations or entities. Grants are made to identify and analyze business opportunities that will use local rural economic and human resources; to identify, train, and provide technical assistance to rural entrepreneurs and managers; to establish business support centers; to conduct economic development planning and coordination, and leadership development; and to establish centers for training, technology, and trade that will provide training to rural businesses in the utilization of interactive communications technologies.

The water and waste disposal program is authorized by sections 306, 306A, 309A, 306C, 306D, and 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq., as amended). This program makes loans for water and waste development costs. Development loans are made to associations, including corporations operating on a nonprofit basis, municipalities and similar organizations, generally designated as public or quasipublic agencies, that propose projects for the development, storage, treatment, purification, and distribution of domestic water or the collection, treatment, or disposal of waste in rural areas. Such grants may not exceed 75 percent of the development cost of the projects and can supplement other funds borrowed or furnished by applicants to pay development costs.

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$714,958,000 for the Rural Community Advancement Program.

Subsidy Costs.—The Committee notes that the subsidy costs for many programs in the Rural Community Advancement Program have increased substantially. However, even with budgetary constraints, the Committee has recommended adequate funding for these national and regional programs.

The following table provides the Committee's recommendations, as compared to the fiscal year 2006 and budget request levels:

RURAL COMMUNITY ADVANCEMENT PROGRAM

[Budget authority in thousands of dollars]

| | Fiscal year— | | Committee recommendation |
|---|--------------------|---------------------|--------------------------|
| | 2006 appropriation | 2007 budget request | |
| Community: | | | |
| Community facility direct loan | 9,950 | 19,038 | 19,038 |
| Community facility guaranteed loan | 748 | 7,609 | 7,609 |
| Community facility grants | 16,830 | 16,830 | 16,830 |
| Economic impact initiative grants | 17,820 | ..... | 21,000 |
| High energy costs grants | 25,740 | ..... | 26,000 |
| Rural community development initiative | 6,287 | ..... | 6,287 |
| Tribal college grants | 4,419 | ..... | 5,000 |
| Subtotal, community | 81,794 | 43,477 | 101,764 |
| Business: | | | |
| Business and industry guaranteed loan subsidies | 43,779 | 43,164 | 43,164 |
| Rural business enterprise grants | 39,600 | ..... | 39,600 |
| Rural business opportunity grants | 2,970 | ..... | 2,970 |
| Delta Regional Authority | 1,980 | ..... | 2,500 |
| Subtotal, business | 88,329 | 43,164 | 88,234 |
| Utilities: | | | |
| Water and waste disposal direct loan subsidies | 68,409 | 164,736 | 80,000 |
| Water and waste disposal grants | 437,748 | 345,920 | 440,000 |
| Solid waste management grants | 3,465 | 3,465 | 3,465 |
| Emergency community water assistance grants | 13,692 | ..... | ..... |
| Well system grants | 990 | ..... | 1,000 |
| Water and wastewater revolving funds | 495 | ..... | 495 |
| Subtotal, utilities | 524,799 | 514,121 | 524,960 |
| Total, loan subsidies and grants | 694,922 | 600,762 | 714,958 |

Rural Community Advancement Program.—The Committee recommends \$500,000 for transportation technical assistance.

The Committee directs the Department to continue the Rural Economic Area Partnership [REAP] initiative.

The Committee directs that of the \$26,000,000 recommended for loans and grants to benefit Federally Recognized Native American Tribes, \$250,000 be used to implement an American Indian and Alaska Native passenger transportation development and assistance initiative.

Consideration to applications.—The Committee is aware of and encourages the Department to give consideration to applications relating to community facilities for the following: Armstrong County Planning & Development—Kittanning Campus Reuse, Pennsylvania; Bergland Township Community/Senior Center and Fire Truck Garage, Michigan; Bladen County Agri-Industrial Expo Center, North Carolina; Central Kentucky Agriculture and Exposition Center, Kentucky; Central Michigan University Center for Children with Low-Incidence Disabilities; City of Bastrop—Multi-purpose Tech Center, Louisiana; City of Munising Fire and Police Building, Michigan; City of Opelousas Community Improvements, Louisiana; Claiborne Parish Fire District No. 3 Central Fire Station, Louisiana; East Feliciana Parish Police Jury's Council on Aging Program, Louisiana; Esmeralda Rural School Fire Preven-

tion, Nevada; Japonski Island Infrastructure Project, Alaska; Lafourche Regional Agricultural Center, Louisiana; Lamar Dixon Agricultural Community Center, Ascension Parish, Louisiana; Larose Civic Center Waterproofing Project, Louisiana; Mackinac Straits Hospital and Health Center, St. Ignace, Michigan; Northern Utah 800 MHz Radio System Expansion; Northwest Commission—Multi-Region Wireless Infrastructure Project, Pennsylvania; Rapides Parish Police Jury Weirs & Pumps, Louisiana; Rural Education Transportation Demonstration Project, Nevada; School Wellness and Nutrition Facilities Upgrades, Vermont; St. Ignace Fire Department Fire Station, Michigan; St. Mary Parish—Water Infrastructure, Louisiana; The Wakefield Memorial Community Building Foundation, Michigan; Town of Fort Edward Community Health Care Center, New York; and the Yolo County—Clarksburg Fire Station, California.

Economic Impact Initiative Grants.—The Committee includes statutory language to provide \$21,000,000 for the Rural Community Facilities Grant Program for areas of extreme unemployment or severe economic depression.

High Energy Cost Grants.—The Committee includes statutory language to provide \$26,000,000 for the Rural Community Advancement Program for communities with extremely high energy costs which is to be administered by the Rural Utilities Service. The Committee directs that these funds shall be transferred within 30 days of enactment of this Act.

Rural Business Opportunity Grants [RBOG].—The Committee encourages the Department to give consideration to applications for rural business opportunity grants for the following: Accelerating Micro-Enterprise Development, Louisiana; Gadsden County Rural Business Initiative, Florida; Lenawee Chamber Economic Diversification Strategic Modeling for Micropolitan Communities Project, Michigan; Made by American Indian Marketing Outreach and Economic Development Program, Montana; Northwest Agriculture Business Center, Washington; Northwest Commission—Multi-Region Wireless Infrastructure Project, Pennsylvania; Northwest Michigan Council of Governments Rural Rail Freight Assessment; Rhode Island Farmways Agritourism Program; San Luis Valley Sustainable Environment and Economic Development Park, Colorado; and the Chippewa Cree Tribal Ethanol & Wheat Gluten Facility, Montana.

Rural Business Enterprise Grants [RBEG].—The Committee is also aware of and encourages the Department to give consideration to applications for rural business enterprise grants for the following: Agriculture Innovation and Energy Development Program, Montana; Calaveras County—Healthy Impact Product Solutions [CHIPS], California; Grambling Catfish Revitalization Program, Louisiana; Maryland Agricultural and Resource-Based Industry Development Corporation; Rhode Island Farmways Agritourism Program; Rural Michigan Technology Center, Michigan; Saint Mary Parish Industrial Park and Business Incubator, Louisiana; and the Women in Technology in Wisconsin and Hawaii.

Business and Industry Guaranteed Loans [B&I].—The Committee encourages the Department to give consideration to applications for business and industry loans for the following: Agrium

Blue Sky Project, Alaska; Lake Providence Dry-Mill Ethanol Plant, Louisiana.

Water and Waste Disposal Loans and Grants.—The Committee is aware of and encourages the Department to consider applications for water and waste disposal loans and grants for the following projects: Alamo Navajo, New Mexico; Baton Rouge Water Well, Louisiana; Cameron Parish—Water Infrastructure, Louisiana; Canyon Improvement and Service District Water Project, Wyoming; Chaparral, New Mexico; Charter Township of Breitung Water Infrastructure Project, Michigan; City of Big Bear Lake Water Development—Lake Williams Interconnect, California; City of Coburg Waste Water Project, Oregon; City of Grambling Wastewater Collection, Louisiana; City of Greenwood—Water System, Louisiana; City of Perkins Water/Sewer System Upgrades, Oklahoma; City of Portsmouth Clarifiers Replacement Project, Ohio; City of Richwood—Water System, Louisiana; Cochiti Pueblo, New Mexico; Company Canal Pump Station Project, Louisiana; Eagle Harbor Water System Infrastructure Replacement Project, Michigan; Eunice Water Upgrades, New Mexico; Gogebic Range Water Authority Ironwood Township Water System Improvements, Michigan; Germfask Township Water System Extension, Michigan; Hamilton County Rural Utilities Improvements, Florida; Hobbs Water Treatment Plant, New Mexico; Hull and Griggsville Water Projects, Illinois; Jal Water Upgrades, New Mexico; Kenockee Township Avoca Innovative Waste Water Treatment System, Michigan; Lake County Full Circle, California; Lovington Utility Improvements, New Mexico; Mendocino County Integrated Water Resources Management Plan, California; Milagro, New Mexico; Montana Vista, New Mexico; Navajo Mountain Water System, Utah; Owenton Raw Water Intake Project, Kentucky; Ozark Mountain Regional Public Water Authority, Arkansas; Plumas County Chester Storm Drain Improvements, California; Ramah Navajo, New Mexico; Red Rock Rural Water Wastewater Facility, New Mexico; San Ildefonso Pueblo, New Mexico; SE Washington County Water Project Arkansas; Three Rivers Wet Weather Demonstration Program, Pennsylvania; Vaughn, Water System Improvements, New Mexico; Village of Downsville Wastewater Treatment, Louisiana; and the Village of Emmett Waste Water Collection and Treatment System, Michigan.

The Committee includes statutory language to make up to \$25,000,000 in water and waste disposal loans and grants available for village safe water for the development of water systems for rural communities and native villages in Alaska. In addition, the Committee is aware of and encourages the Department to consider applications to the national program from small, regional hub villages in Alaska with a populations less than 5,000 which are not able to compete for village safe water funding; \$25,000,000 for water and waste systems for the Colonias along the United States-Mexico border; and \$26,000,000 for water and waste disposal systems for Federally Recognized Native American Tribes. In addition, the Committee makes up to \$13,750,000 available for the circuit rider program.

The Committee directs the Department to use a portion of the funds recommended for the Alaska Village Safe Water Program for the preparation or completion of comprehensive community plans

by rural communities in Alaska. No more than 5 percent of the total amount of the grant may be made available for this purpose and the amount allocated shall not exceed \$35,000 per eligible Alaska community.

The Committee encourages the RUS to increase its efforts towards the use of innovative and alternative methods of collecting and treating waste water in very small communities. Many technologies exist that lower both construction and operating costs, allowing the RUS to further benefit communities which in many cases have no central waste treatment. The RUS should consider supporting State and regional efforts to promote such alternative efforts as well as individual projects.

Individually Owned Household Water Well Program.—The Committee recommends \$1,000,000 to continue the Individually Owned Household Water Well Program as authorized in section 6012 of Public Law 107–171. The Committee encourages the Department to give consideration to the Wellcare Model Project in the State of Georgia.

Water and Waste Technical Assistance Training Grants.—The Committee recommends a significant increase in the technical assistance account for water and waste systems and expects the Secretary to provide an increase in grant funding to the National Drinking Water Clearinghouse. The Committee is aware of and encourages the Department to consider applications from the Alaska Village Safe Water Program to provide statewide training in water and waste systems operation and maintenance.

The Committee encourages the Department to provide technical assistance to the Alachua County Critical Rural Services Initiative (Florida).

Solid Waste Management Grants.—The Committee recommends \$3,465,000 for grants for solid waste management.

The Committee expects the Department to consider only those applications judged meritorious when subjected to the established review process.

RURAL DEVELOPMENT SALARIES AND EXPENSES

[In thousands of dollars]

| | Fiscal year— | | Committee recommendation |
|--|--------------------|---------------------|--------------------------|
| | 2006 appropriation | 2007 budget request | |
| Appropriation | 162,979 | 170,741 | 176,522 |
| Transfer from: | | | |
| Rural Housing Insurance Fund Loan Program Account | 450,261 | 455,776 | 455,776 |
| Rural Electrification and Telecommunications Loans Program Account | 38,396 | 39,600 | 39,600 |
| Rural Telephone Bank Program Account | 2,475 | ..... | ..... |
| Rural Development Loan Fund Program Account | 4,745 | 4,950 | 4,950 |
| Total, RD salaries and expenses | 658,856 | 671,067 | 676,848 |

These funds are used to administer the loan and grant programs of the Rural Utilities Service, the Rural Housing Service, and the Rural Business—Cooperative Service, including reviewing applications, making and collecting loans and providing technical assist-

ance and guidance to borrowers; and to assist in extending other Federal programs to people in rural areas.

Under credit reform, administrative costs associated with loan programs are appropriated to the program accounts. Appropriations to the salaries and expenses account will be for costs associated with grant programs.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$676,848,000 for salaries and expenses of Rural Development. The Committee recommendation includes \$5,781,000 for Common Computing Environment activities.

Inherent Function of Government.—The Committee expects that none of the funds recommended for Rural Development, Salaries and Expenses should be used to enter into or renew a contract for any activity that is best suited as an inherent function of Government, without prior approval from the Committees on Appropriations of the House and Senate. Such activities may include, but are not limited to, any function that affects eligibility determination, disbursement, collection or accounting for Government subsidies provided under any of the direct or guaranteed loan programs of the Rural Development mission area or the Farm Service Agency.

RURAL HOUSING SERVICE

The Rural Housing Service [RHS] was established under Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, dated October 13, 1994.

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

COMMITTEE RECOMMENDATIONS

The Committee recommends a loan and grant level of \$5,516,238,000 for the Rural Housing Service.

Section 515/Multifamily Housing Revitalization Program.—The Committee recommends \$28,000,000 to continue the Department's efforts to address the preservation of the section 515 portfolio through financial options to project owners, including vouchers. The Committee provided funding and this authority in two separate accounts in fiscal year 2006. The Committee recommends \$10,000,000 for rural housing vouchers, \$3,000,000 for the multifamily revolving loan demonstration program, and \$15,000,000 to

restructure existing section 515 loans. The Committee provides statutory language to allow the Secretary to transfer funding between the programs to meet existing need. The Committee recognizes that the Department has authorizing language currently under consideration by Congress and provides the Secretary, upon enactment, the authority to transfer funds made available under this heading to carry out such legislation with prior approval of the Committee on Appropriations of both Houses of Congress.

The Committee recommends \$100,000,000 for the section 515 program and encourages the Secretary to give priority in awarding new construction 515 financing to eligible communities that have projects that have been accepted for prepayment and where the housing market reflects a continued need for affordable low-income rental housing.

Housing Set-asides and Partnerships.—The Committee encourages the Department to continue to set-aside funds within rural housing programs to support self-help housing, home ownership partnerships, housing preservation and State rental assistance, and other related activities that facilitate the development of housing in rural areas.

The following table presents loan and grant program levels recommended by the Committee, as compared to the fiscal year 2006 levels and the 2007 budget request:

LOAN AND GRANT LEVELS
[In thousands of dollars]

| | Fiscal year— | | Committee recommendation |
|---|--------------|--------------|--------------------------|
| | 2006 | 2007 request | |
| Rural Housing Insurance Fund Program Account loan levels: | | | |
| Single family housing (sec. 502): | | | |
| Direct | 1,129,391 | 1,237,498 | 1,129,391 |
| Unsubsidized guaranteed | 3,644,224 | 3,564,238 | 3,644,223 |
| Housing repair (sec. 504) | 34,652 | 36,382 | 34,652 |
| Multifamily housing guarantees (sec. 538) | 99,000 | 197,997 | 100,000 |
| Rental housing (sec. 515) | 99,000 | ..... | 100,000 |
| Site loans (sec. 524) | 5,000 | 5,045 | 5,000 |
| Credit sales of acquired property | 11,485 | 11,482 | 11,482 |
| Self-help housing land development fund | 4,998 | 4,980 | 4,980 |
| Total, RHIF | 5,027,750 | 5,057,622 | 5,029,728 |
| Farm Labor Program: | | | |
| Farm labor housing loan level | 38,117 | 41,580 | 35,000 |
| Farm labor housing grants | 13,860 | 13,860 | 13,860 |
| Total, Farm Labor Program | 51,977 | 55,440 | 48,860 |
| Grants and payments: | | | |
| Rural housing voucher program | 15,840 | ..... | ..... |
| Multifamily housing preservation | 8,910 | ..... | ..... |
| Multifamily Housing Revitalization Program ..... | ..... | 74,250 | 28,000 |
| Mutual and self-help housing | 33,660 | 37,620 | 33,660 |
| Rental assistance | 646,571 | 486,320 | 335,400 |
| Rural housing assistance grants (RHAG) | 43,536 | 40,590 | 40,590 |
| Total, rural housing grants and payments | 748,517 | 638,780 | 437,650 |
| Total, RHS loans and grants | 5,828,244 | 5,751,842 | 5,516,238 |

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

This fund was established in 1965 (Public Law 89–117) pursuant to section 517 of title V of the Housing Act of 1949 (42 U.S.C. 517(d)), as amended. This fund may be used to insure or guarantee rural housing loans for single-family homes, rental and cooperative housing, and rural housing sites. Rural housing loans are made to construct, improve, alter, repair, or replace dwellings and essential farm service buildings that are modest in size, design, and cost. Rental housing insured loans are made to individuals, corporations, associations, trusts, or partnerships to provide moderate-cost rental housing and related facilities for elderly persons in rural areas. These loans are repayable in not to exceed 30 years. Loan programs are limited to rural areas, which include towns, villages, and other places of not more than 10,000 population, which are not part of an urban area. Loans may also be made in areas with a population in excess of 10,000, but less than 20,000, if the area is not included in a standard metropolitan statistical area and has a serious lack of mortgage credit for low- and moderate-income borrowers.

An increased priority should be placed on long term rehabilitation needs within the existing multi-family housing portfolio including increased equity loan activity and financial and technical assistance support for acquisition of existing projects.

LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

The Federal Credit Reform Act of 1990 (Public Law 101–508) established the program account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated and loan guarantees committed in 2007, as well as for administrative expenses. The following table presents the loan subsidy levels as compared to the 2006 levels and the 2007 budget request:

[In thousands of dollars]

| | Fiscal year— | | Committee recommendation |
|--|--------------|--------------|--------------------------|
| | 2006 level | 2007 request | |
| Loan subsidies: | | | |
| Single family (sec. 502): | | | |
| Direct | 128,638 | 124,121 | 113,278 |
| Unsubsidized guaranteed | 40,491 | 7,772 | 42,641 |
| Housing repair (sec. 504) | 10,136 | 10,751 | 10,240 |
| Multi-family housing guarantees (sec. 538) | 5,366 | 15,325 | 7,740 |
| Rental housing (sec. 515) | 45,421 | ..... | 45,880 |
| Site loans (sec. 524) ¹ ..... | ..... | ..... | ..... |
| Credit sales of acquired property | 674 | 720 | 720 |
| Multifamily housing preservation | 8,910 | ..... | ..... |
| Self-help housing land development fund | 51 | 123 | 123 |
| Total, loan subsidies | 239,687 | 158,812 | 220,622 |
| Administrative expenses | 450,261 | 455,776 | 455,776 |

¹ Negative subsidy rates for fiscal years 2006 and 2007 are calculated for this program.

RENTAL ASSISTANCE PROGRAM

| | |
|--------------------------------|---------------|
| Appropriations, 2006 | \$646,571,000 |
| Budget estimate, 2007 | 486,320,000 |
| House allowance | 335,400,000 |
| Committee recommendation | 335,400,000 |

The Housing and Community Development Act of 1974 (42 U.S.C. 1490a) established a rural rental assistance program to be administered through the rural housing loans program. The objective of the program is to reduce rents paid by low-income families living in Rural Housing Service financed rental projects and farm labor housing projects. Under this program, low-income tenants will contribute the higher of: (1) 30 percent of monthly adjusted income; (2) 10 percent of monthly income; or (3) designated housing payments from a welfare agency.

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

The program is administered in tandem with Rural Housing Service section 515 rural rental and cooperative housing programs and the farm labor loan and grant programs. Priority is given to existing projects for units occupied by rent over burdened low-income families and projects experiencing financial difficulties beyond the control of the owner; any remaining authority will be used for projects receiving new construction commitments under sections 514, 515, or 516 for very low-income families with certain limitations.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$335,400,000 for the Rental Assistance Program.

Rental Assistance.—The Committee provides funding to meet the needs of expiring and new rental assistance contracts for section 515 and 514/516 multi-family housing projects. The Committee includes statutory language requiring that contracts renewed or entered into shall be for a one-year period. The Committee also includes statutory language regarding the use of rental assistance in section 514/516 projects.

RURAL HOUSING VOUCHER PROGRAM

| | |
|---|--------------|
| Appropriations, 2006 | \$15,840,000 |
| Budget estimate, 2007 | |
| House allowance | |
| Committee recommendation ¹ | |

¹Funding for this program is provided under the Multifamily Housing Revitalization Program Account.

MUTUAL AND SELF-HELP HOUSING GRANTS

| | |
|--------------------------------|--------------|
| Appropriations, 2006 | \$33,660,000 |
| Budget estimate, 2007 | 37,620,000 |
| House allowance | 37,620,000 |
| Committee recommendation | 33,660,000 |

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

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$33,660,000 for Mutual and Self-help Housing Grants.

The Committee encourages the Department to give consideration to a grant application from the Livingston Self-help Housing Program in Montana.

RURAL HOUSING ASSISTANCE GRANTS

| | |
|--------------------------------|--------------|
| Appropriations, 2006 | \$43,536,000 |
| Budget estimate, 2007 | 40,590,000 |
| House allowance | 40,590,000 |
| Committee recommendation | 40,590,000 |

This program consolidates funding for rural housing grant programs. This consolidation of housing grant funding provides greater flexibility to tailor financial assistance to applicant needs.

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

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

No assistance can be extended to any one individual in the form of a loan, grant, or combined loans and grants in excess of \$27,500, and grant assistance is limited to persons, or families headed by persons who are 62 years of age or older.

Supervisory and Technical Assistance Grants.—Supervisory and technical assistance grants are made to public and private non-profit organizations for packaging loan applications for housing assistance under sections 502, 504, 514/516, 515, and 533 of the Housing Act of 1949. The assistance is directed to very low-income families in underserved areas where at least 20 percent of the population is below the poverty level and at least 10 percent or more of the population resides in substandard housing. In fiscal year 1994 a Homebuyer Education Program was implemented under this authority. This program provides low-income individuals and families education and counseling on obtaining and/or maintaining occupancy of adequate housing and supervised credit assistance to become successful homeowners.

Compensation for Construction Defects.—Compensation for construction defects provides funds for grants to eligible section 502 borrowers to correct structural defects, or to pay claims of owners arising from such defects on a newly constructed dwelling purchased with RHS financial assistance. Claims are not paid until provisions under the builder’s warranty have been fully pursued. Requests for compensation for construction defects must be made by the owner of the property within 18 months after the date financial assistance was granted.

Rural Housing Preservation Grants.—Rural housing preservation grants (section 522) of the Housing and Urban-Rural Recovery Act of 1983 (42 U.S.C. 1490m) authorizes the Rural Housing Service to administer a program of home repair directed at low- and very low-income people.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$40,590,000 for the Rural Housing Assistance Grants Program.

The following table compares the grant program levels recommended by the Committee to the fiscal year 2006 levels and the budget request:

RURAL HOUSING ASSISTANCE GRANTS

[In thousands of dollars]

| | Fiscal year— | | Committee recommendation |
|---|--------------|--------------|--------------------------|
| | 2006 level | 2007 request | |
| Very low-income housing repair grants | 29,700 | 29,700 | 29,700 |
| Supervisory and technical assistance | 990 | 990 | 990 |
| Rural housing preservation grants | 9,900 | 9,900 | 9,900 |
| Multi-family housing preservation | 2,946 | ..... | ..... |
| Total | 43,536 | 40,590 | 40,590 |

FARM LABOR PROGRAM ACCOUNT

[In thousands of dollars]

| | Loan level | Subsidy level | Grants |
|--------------------------------|------------|---------------|--------|
| Appropriations, 2006 | 38,117 | 16,996 | 13,860 |
| Budget estimate, 2007 | 41,580 | 19,938 | 13,860 |
| Committee recommendation | 35,000 | 16,783 | 13,860 |

The direct farm labor housing loan program is authorized under section 514 and the rural housing for domestic farm labor housing grant program is authorized under section 516 of the Housing Act of 1949, as amended. The loans, grants, and contracts are made to public and private nonprofit organizations for low-rent housing and related facilities for domestic farm labor. Grant assistance may not exceed 90 percent of the cost of a project. Loans and grants may be used for construction of new structures, site acquisition and development, rehabilitation of existing structures, and purchase of furnishings and equipment for dwellings, dining halls, community rooms, and infirmaries.

Under credit reform, administrative costs associated with loan programs are appropriated to the program accounts. Appropria-

tions to the salaries and expenses account will be for costs associated with grant programs.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$30,643,000 for the cost of Direct Farm Labor Housing Loans and Grants.

RURAL BUSINESS—COOPERATIVE SERVICE

The Rural Business—Cooperative Service [RBS] was established by Public Law 103-354, Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, dated October 13, 1994. Its programs were previously administered by the Rural Development Administration, the Rural Electrification Administration, and the Agricultural Cooperative Service.

The mission of the Rural Business-Cooperative Service is to enhance the quality of life for all rural residents by assisting new and existing cooperatives and other businesses through partnership with rural communities. The goals and objectives are to: (1) promote a stable business environment in rural America through financial assistance, sound business planning, technical assistance, appropriate research, education, and information; (2) support environmentally sensitive economic growth that meets the needs of the entire community; and (3) assure that the Service benefits are available to all segments of the rural community, with emphasis on those most in need.

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

[In thousands of dollars]

| | Fiscal year— | | Committee recommendation |
|-------------------------------|--------------|--------------|--------------------------|
| | 2006 level | 2007 request | |
| Estimated loan level | 33,870 | 33,925 | 33,925 |
| Direct loan subsidy | 14,571 | 14,951 | 14,951 |
| Administrative expenses | 4,745 | 4,950 | 4,950 |

The rural development (intermediary relending) loan program was originally authorized by the Economic Opportunity Act of 1964 (Public Law 88-452). The making of rural development loans by the Department of Agriculture was reauthorized by Public Law 99-425, the Human Services Reauthorization Act of 1986.

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

The Federal Credit Reform Act of 1990 established the program account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated in 2004, as well as for administrative expenses.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$33,925,000 for Rural Development (intermediary relending) loans.

RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

(In thousands of dollars)

| | Fiscal year— | | Committee recommendation |
|--|--------------|--------------|--------------------------|
| | 2006 level | 2007 request | |
| Estimated loan level | 24,752 | 34,652 | 34,652 |
| Direct loan subsidy ¹ | 4,943 | 7,568 | 7,568 |

¹ Offset by a rescission from interest on the cushion of credit payments as authorized by section 313 of the Rural Electrification Act of 1936.

The rural economic development loans program was established by the Reconciliation Act of December 1987 (Public Law 100–203), which amended the Rural Electrification Act of 1936 (Act of May 20, 1936), by establishing a new section 313. This section of the Rural Electrification Act (7 U.S.C. 901) established a cushion of credits payment program and created the rural economic development subaccount. The Administrator of RUS is authorized under the act to utilize funds in this program to provide zero interest loans to electric and telecommunications borrowers for the purpose of promoting rural economic development and job creation projects, including funding for feasibility studies, startup costs, and other reasonable expenses for the purpose of fostering rural economic development.

COMMITTEE RECOMMENDATION

The Committee recommends a direct loan subsidy appropriation of \$7,568,000 for Rural Economic Development Loans. As proposed in the budget, the \$7,568,000 recommended is derived by transfer from interest on the cushion of credit payments.

RURAL COOPERATIVE DEVELOPMENT GRANTS

| | |
|--------------------------------|--------------|
| Appropriations, 2006 | \$29,193,000 |
| Budget estimate, 2007 | 27,225,000 |
| House allowance | 9,913,000 |
| Committee recommendation | 29,500,000 |

Rural cooperative development grants are authorized under section 310B(e) of the Consolidated Farm and Rural Development Act, as amended. Grants are made to fund the establishment and operation centers for rural cooperative development with their primary purpose being the improvement of economic conditions in rural areas. Grants may be made to nonprofit institutions or institutions of higher education. Grants may be used to pay up to 75 percent of the cost of the project and associated administrative costs. The applicant must contribute at least 25 percent from non-Federal sources, except 1994 institutions, which only need to provide 5 percent. Grants are competitive and are awarded based on specific selection criteria.

Cooperative research agreements are authorized by 7 U.S.C. 2204b. The funds are used for cooperative research agreements, primarily with colleges and universities, on critical operational, organizational, and structural issues facing cooperatives.

Cooperative agreements are authorized under 7 U.S.C. 2201 to any qualified State departments of agriculture, university, and other State entity to conduct research that will strengthen and en-

hance the operations of agricultural marketing cooperatives in rural areas.

The Appropriate Technology Transfer for Rural Areas [ATTRA] program was first authorized by the Food Security Act of 1985. The program provides information and technical assistance to agricultural producers to adopt sustainable agricultural practices that are environmentally friendly and lower production costs.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$29,500,000 for Rural Cooperative Development Grants.

Of the funds recommended, \$2,500,000 is for the Appropriate Technology Transfer for Rural Areas program through a cooperative agreement with the National Center for Appropriate Technology.

The Committee recommends \$500,000 for a research agreement on the economic impact of cooperatives to be conducted by a qualified academic institution.

The Committee has included language in the bill that not more than \$1,500,000 shall be made available to cooperatives or associations of cooperatives whose primary focus is to provide assistance to small, minority producers.

Value Added.—The Committee recommends \$20,000,000 for value-added agricultural product market development grants and encourages the Department to give consideration to applications for the following: Iowa Agriculture Innovations Center; Penobscot Bay Commercial Kitchen, Maine; Rhode Island Farmways Agritourism Program; Rhode Island Grown Agricultural Product Development; Upper Valley—Oil Extrusion Processor, Maine; and the York County Food Business Incubator, Maine.

RURAL EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES GRANTS

| | |
|--------------------------------|--------------|
| Appropriations, 2006 | \$11,088,000 |
| Budget estimate, 2007 | |
| House allowance | 11,088,000 |
| Committee recommendation | 10,000,000 |

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$10,000,000 for Rural Empowerment Zones and Enterprise Communities Grants which includes \$1,000,000 for Round III.

Outmigration.—The Committee is concerned that rural empowerment zones, particularly zones selected because of outmigration, are having a difficult time successfully competing for USDA Rural Development programs due primarily to the fact that many programs are tied to household income levels. Often, household income levels have very little to do with the reasons for outmigration. Economic development efforts in these zones cannot advance without additional funding from competitive grant programs to supplement the funding that the Committee has earmarked for the zones for the last several years. USDA is directed to provide a report to the Committee with suggestions on how to revise competitive grant-making criteria to take into consideration outmigration when making awards to rural empowerment zones.

RENEWABLE ENERGY PROGRAM

| | |
|--------------------------------|--------------|
| Appropriations, 2006 | \$22,770,000 |
| Budget estimate, 2007 | 10,163,000 |
| House allowance | 20,000,000 |
| Committee recommendation | 25,000,000 |

Renewable Energy Systems and Energy Efficiency Improvements is authorized under 7 U.S.C. 8106. This program may provide direct loans, loan guarantees, and grants to farmers, ranchers, and small rural businesses for the purchase of renewable energy systems and for energy efficiency improvements.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$25,000,000 for the Renewable Energy Program.

Consideration to applications.—The Committee encourages the Department to give consideration to applications for loans and grants for the renewable energy program for the following: Ag Utilization Research Institute, Minnesota; Baker County Integrated Wood Utilization Center, Oregon; Borough of Lewistown—Wastewater Bio-solids Anaerobic Digestion Project, Pennsylvania; Cellulose/Biomass to Ethanol Pilot Project, Center for Rural Life Stewardship, Utah; City of Connell Energy Independence Initiative, Washington; Kauai Bagasse to Ethanol Project, Hawaii; and the Stationary Fuel Cell Demonstration Project, South Dakota.

RURAL UTILITIES SERVICE

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

The mission of the RUS is to serve a leading role in improving the quality of life in rural America by administering its electric, telecommunications, and water and waste programs in a service oriented, forward looking, and financially responsible manner. All three programs have the common goal of modernizing and revitalizing rural communities. RUS provides funding and support service for utilities serving rural areas. The public-private partnerships established by RUS and local utilities assist rural communities in modernizing local infrastructure. RUS programs are also characterized by the substantial amount of private investment which is leveraged by the public funds invested into infrastructure and technology, resulting in the creation of new sources of employment.

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS PROGRAM
ACCOUNT

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

The Federal Credit Reform Act of 1990 (Public Law 101–508) established the program account. An appropriation to this account will be used to cover the lifetime subsidy costs associated with the

direct loans obligated and loan guarantees committed in 2004, as well as for administrative expenses.

COMMITTEE RECOMMENDATIONS

The following table reflects the Committee's recommendation for the rural electrification and telecommunications loans program account, the loan subsidy and administrative expenses, as compared to the fiscal year 2006 and budget request levels:

(In thousands of dollars)

| | Fiscal year— | | Committee recommendation |
|--|--------------|--------------|--------------------------|
| | 2006 level | 2007 request | |
| Loan authorizations: | | | |
| Electric: | | | |
| Direct, 5 percent | 99,000 | 99,018 | 99,000 |
| Direct, Muni | 99,000 | 39,602 | 99,000 |
| Direct, FFB | 2,600,000 | 3,000,000 | 5,000,000 |
| Direct, Treasury rate | 990,000 | 700,000 | 990,000 |
| Guaranteed | 99,000 | ..... | 99,000 |
| Guaranteed, Underwriting | 1,500,000 | ..... | 1,500,000 |
| Subtotal | 5,387,000 | 3,838,620 | 7,787,000 |
| Telecommunications: | | | |
| Direct, 5 percent | 145,000 | 143,513 | 143,513 |
| Direct, Treasury rate | 419,760 | 246,666 | 419,760 |
| Direct, FFB | 125,000 | 299,000 | 299,000 |
| Subtotal | 689,760 | 689,179 | 862,273 |
| Total, loan authorizations | 6,076,760 | 4,527,799 | 8,649,273 |
| Loan Subsidies: | | | |
| Electric: | | | |
| Direct, 5 percent | 911 | 2,119 | 2,119 |
| Direct, Muni | 5,000 | 598 | 1,495 |
| Direct, FFB ..... | ..... | ..... | ..... |
| Direct, Treasury rate | 99 | ..... | ..... |
| Guaranteed | 89 | ..... | 89 |
| Guaranteed, Underwriting ..... | ..... | ..... | ..... |
| Subtotal | 6,099 | 2,717 | 3,703 |
| Telecommunications: | | | |
| Direct, 5 percent ..... | ..... | 531 | 531 |
| Direct, Treasury rate | 210 | 74 | 126 |
| Direct, FFB ..... | ..... | ..... | ..... |
| Subtotal | 210 | 605 | 657 |
| Total, loan subsidies | 6,309 | 3,322 | 4,360 |
| Administrative expenses | 38,396 | 39,600 | 39,600 |
| Total, Rural Electrification and Telecommunications Loans Programs Account | 44,705 | 42,922 | 43,960 |
| (Loan authorization) | 6,076,760 | 4,527,799 | 8,649,273 |

Consideration to applications.—The Committee strongly encourages the Rural Utilities Service to evaluate and give priority consideration to any proposal submitted which would connect a community in the State of Alaska to the Black Bear Hydropower Grid.

DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND PROGRAM

LOANS AND GRANT LEVELS

(In thousands of dollars)

| | Fiscal year— | | Committee recommendation |
|--|--------------|--------------|--------------------------|
| | 2006 level | 2007 request | |
| Loan and Grant Levels: | | | |
| Distance Learning and Telemedicine Program: | | | |
| Direct loans | 24,750 | ..... | ..... |
| Grants | 29,700 | 24,750 | 30,000 |
| Broadband Program: | | | |
| Direct loans ..... | ..... | 29,699 | ..... |
| Treasury rate loans | 495,000 | 297,023 | 500,000 |
| Guaranteed loans ..... | ..... | 29,697 | ..... |
| Grants | 8,910 | ..... | 10,000 |
| Total, DLTB grants and loan authorizations | 558,360 | 381,169 | 540,000 |

DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND PROGRAM

LOANS AND GRANTS

(Budget authority in thousands of dollars)

| | Fiscal year— | | Committee recommendation |
|---|--------------|--------------|--------------------------|
| | 2006 level | 2007 request | |
| Distance Learning and Telemedicine Program: | | | |
| Direct loan subsidies | 371 | ..... | ..... |
| Grants | 29,700 | 24,750 | 30,000 |
| Broadband Program: | | | |
| Direct loan subsidies ..... | ..... | 3,065 | ..... |
| Treasury subsidies | 10,643 | 6,386 | 10,750 |
| Guaranteed subsidies ..... | ..... | 1,375 | ..... |
| Grants | 8,910 | ..... | 10,000 |
| Total, grants and loan subsidies | 49,624 | 35,576 | 50,750 |

The Distance Learning, Telemedicine, and Broadband Program is authorized by the Food, Agriculture, Conservation and Trade Act of 1990 (7 U.S.C. 950aaa et seq.), as amended by the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104-127). This program provides incentives to improve the quality of phone services, to provide access to advanced telecommunications services and computer networks, and to improve rural opportunities.

This program provides the facilities and equipment to link rural education and medical facilities with more urban centers and other facilities providing rural residents access to better health care through technology and increasing educational opportunities for rural students. These funds are available for loans and grants.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$50,750,000 for the Distance Learning, Telemedicine, and Broadband Program. Of this amount, the Committee has recommended \$5,000,000 for public broadcasting systems grants to allow noncommercial educational television broadcast stations that serve rural areas to convert from analog to digital operations.

Broadband Grants.—In addition, of the funds recommended, \$10,000,000 in grants shall be made available to support broadband transmission and local dial-up Internet services for rural areas. The Department should continue to provide financial support in addition to the Distance Learning, Telemedicine, and Broadband grant and loan accounts.

Consideration to applications.—The Committee is aware of and encourages the Department to give consideration to the following applications for grants and loans: Agricultural Broadband Testbed, Ohio; Day Kimball Hospital Geriatric Telemedicine Network, Putnam, Connecticut; North Country Connectivity Initiative, New Hampshire; Northern Michigan University Operation UP Link, Michigan; Southeastern Oklahoma State University Learning Center Project, Oklahoma; Southern University eCenter for Rural Health Research and Services, Louisiana; and the Telehealth Access and Infrastructure, Colorado.

Remote Telemedicine Services.—The Committee is aware of and encourages the Secretary to support the utilization of remote telemedicine services capable of transmitting medical information in both real-time and stored scenarios for diagnosis, medical monitoring, and emergency purposes. Furthermore, the Committee recognizes the need for integration and interoperability of real-time remote mobile medical technology with other devices, systems, and services which together offer increased capabilities, functionality, and levels of care.

TITLE IV
DOMESTIC FOOD PROGRAMS

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

| | |
|--------------------------------|-----------|
| Appropriations, 2006 | \$593,000 |
| Budget estimate, 2007 | 732,000 |
| House allowance | 652,000 |
| Committee recommendation | 604,000 |

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$604,000 for the Office of the Under Secretary for Food, Nutrition and Consumer Services.

Fresh Fruits and Vegetables Recovery.—The Committee is aware of efforts by groups such as Farm Share in Florida, and Farmers Against Hunger in New Jersey, whose mission is to collect and distribute fresh fruits and vegetables from local farms to organizations and social service agencies dedicated to helping feed people. The Committee believes these activities are an innovative and important tool in the fight against hunger, and strongly encourages USDA to support their efforts.

Nutrition Information.—The Committee is aware of the work of national groups such as the Hispanic Communications Network, as well as local groups such as the Children’s Hunger Alliance in Ohio, to address the growing prevalence of obesity among our Nation’s children by providing culturally and age appropriate nutrition materials to children and adults alike. The Committee supports the efforts of groups such as these, and strongly encourages USDA to work with them, including providing financial support, to assist in their efforts.

FOOD AND NUTRITION SERVICE

The Food and Nutrition Service represents an organizational effort to eliminate hunger and malnutrition in this country. Nutrition assistance programs provide access to a nutritionally adequate diet for families and persons with low incomes and encourage better eating patterns among the Nation’s children. These programs include:

Child Nutrition Programs.—The National School Lunch and School Breakfast, Summer Food Service, and Child and Adult Care

Food programs provide funding to the States, Puerto Rico, the Virgin Islands, American Samoa, and Guam for use in serving nutritious lunches and breakfasts to children attending schools of high school grades and under, to children of preschool age in child care centers, and to children in other institutions in order to improve the health and well-being of the Nation's children, and broaden the markets for agricultural food commodities. Through the Special Milk Program, assistance is provided to the States for making reimbursement payments to eligible schools and child care institutions which institute or expand milk service in order to increase the consumption of fluid milk by children. Funds for this program are provided by direct appropriation and transfer from section 32.

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

Food Stamp Program.—This program seeks to improve nutritional standards of needy persons and families. Assistance is provided to eligible households to enable them to obtain a better diet by increasing their food purchasing capability, usually by furnishing benefits in the form of electronic access to funds. The program also includes Nutrition Assistance to Puerto Rico. The Farm Security and Rural Investment Act of 2002 (Public Law 107-171) authorizes block grants for Nutrition Assistance to Puerto Rico and American Samoa, which provide broad flexibility in establishing nutrition assistance programs specifically tailored to the needs of their low-income households.

The program also includes the Food Distribution Program on Indian Reservations, which provides nutritious agricultural commodities to low-income persons living on or near Indian reservations who choose not to participate in the Food Stamp Program.

The Farm Security and Rural Investment Act of 2002, Public Law 107-171, enacted May 13, 2002, provides that \$140,000,000 from funds appropriated in the Food Stamp account be used to purchase commodities for The Emergency Food Assistance Program [TEFAP].

Commodity Assistance Program [CAP].—This program provides funding for the Commodity Supplemental Food Program [CSFP], the Farmers' Market Nutrition Program, Disaster Assistance, Pacific Island Assistance, and administrative expenses for TEFAP.

CSFP provides supplemental foods to infants and children up to age 6, and to pregnant, post partum, and breast-feeding women with low incomes, and who reside in approved project areas. In addition, this program operates commodity distribution projects directed at low-income elderly persons.

TEFAP provides commodities and grant funds to State agencies to assist in the cost of storage and distribution of donated commodities. The Soup Kitchen/Food Bank Program was absorbed into TEFAP under the Personal Responsibility and Work Opportunity

Reconciliation Act of 1996 (Public Law 104–193), by an amendment to section 201A of the Emergency Food Assistance Act.

Nutritious agricultural commodities are provided to residents of the Federated States of Micronesia and the Marshall Islands. Cash assistance is provided to distributing agencies to assist them in meeting administrative expenses incurred. It also provides funding for use in non-Presidentially declared disasters, and for FNS' administrative costs in connection with relief for all disasters. Funds for this program are provided by direct appropriation.

Nutrition Programs Administration.—Most salaries and Federal operating expenses of the Food and Nutrition Service are funded from this account. Also included is the Center for Nutrition Policy and Promotion [CNPP] which oversees improvements in and revisions to the food guidance systems, and serves as the focal point for advancing and coordinating nutrition promotion and education policy to improve the health of all Americans.

CHILD NUTRITION PROGRAMS

[In thousands of dollars]

| | Appropriation | Section 32 transfers | Contingency reserve | Total |
|--------------------------------|---------------|----------------------|---------------------|------------|
| Appropriations, 2006 | 7,473,208 | 5,187,621 | ..... | 12,660,829 |
| Budget estimate, 2007 | 7,763,200 | 5,582,287 | 300,000 | 13,645,487 |
| House allowance | 7,610,897 | 5,734,590 | ..... | 13,345,487 |
| Committee recommendation | 7,623,414 | 5,731,073 | 300,000 | 13,654,487 |

The Child Nutrition Programs, authorized by the Richard B. Russell National School Lunch Act (Public Law 79–396) and the Child Nutrition Act of 1966 (Public Law 89–642), provide Federal assistance to State agencies in the form of cash and commodities for use in preparing and serving nutritious meals to children while they are attending school, residing in service institutions, or participating in other organized activities away from home. The purpose of these programs is to help maintain the health and proper physical development of America's children. Milk is provided to children either free or at a low cost, depending on their family income level. FNS provides cash subsidies to States for administering the programs and directly administers the program in the States which choose not to do so. Grants are also made for nutritional training and surveys and for State administrative expenses. Under current law, most of these payments are made on the basis of reimbursement rates established by law and applied to lunches and breakfasts actually served by the States. The reimbursement rates are adjusted annually to reflect changes in the Consumer Price Index for food away from home.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$7,923,414,000, plus transfers from section 32 of \$5,731,073,000, for a total of \$13,654,487,000 for the Child Nutrition Programs. This amount includes a contingency reserve of \$300,000,000 as requested in the budget.

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

TOTAL OBLIGATIONAL AUTHORITY
[In thousands of dollars]

| Child nutrition programs | 2006 estimate | 2007 budget | Committee recommendation |
|---|---------------|-------------|--------------------------|
| School Lunch Program | 7,421,220 | 7,760,857 | 7,760,857 |
| School Breakfast Program | 2,082,855 | 2,251,275 | 2,251,275 |
| State administrative expenses | 156,061 | 165,481 | 165,481 |
| Summer Food Service Program | 290,201 | 305,897 | 305,897 |
| Child and Adult Care Food Program | 2,156,445 | 2,272,053 | 2,272,053 |
| Special Milk Program | 14,998 | 13,988 | 13,988 |
| Commodity procurement, processing, and computer support | 522,708 | 559,567 | 559,567 |
| Coordinated review system | 5,231 | 5,335 | 5,335 |
| Team nutrition | 10,038 | 10,027 | 10,027 |
| Food safety education | 1,001 | 1,007 | 1,007 |
| Fruit and Vegetable Pilot Program | 6,000 | ..... | 9,000 |
| Contingency reserve ..... | ..... | 300,000 | 300,000 |

The Committee recommends \$10,027,000 for TEAM nutrition. Included in this amount is \$4,000,000 for food service training grants to States; \$1,600,000 for technical assistance materials; \$800,000 for National Food Service Management Institute cooperative agreements; \$400,000 for print and electronic food service resource systems; and \$3,227,000 for other activities.

The Committee expects FNS to utilize the National Food Service Management Institute to carry out the food safety education program.

Farm to Cafeteria.—The Committee is aware of interest in the Farm to Cafeteria program, which links farms and schools to bring locally-grown food into the school lunch program. This program was authorized in the Child Nutrition Reauthorization Act of 2004. However, no funding was provided then, and funding has not yet been requested in the administration's budget. The Committee supports the intent of this program, and strongly encourages USDA to work to identify funding sources through which Farm to Cafeteria grants can begin to be made. The Committee notes growing interest in local procurement among school food service systems across the country. Local procurement can help farmers capture a bigger share of food expenditures and strengthen local food systems. The Committee encourages the Department to work with school lunch administrators and local food advocates to identify opportunities for growth in local procurement, and directs FNS to study ways to enhance local procurement in school food service and report back to the Committee within 120 days of enactment of this act.

Fruit and Vegetable Pilot Program.—The Committee recommends \$9,000,000 for expansion of the Fresh Fruit and Vegetable Pilot Program to all States receiving funding through Public Law 109–97, as well as Arkansas, California and Georgia. The Committee understands that there is significant interest in greater expansion of this program, but notes that this program was authorized as a pilot program in 2003, and based upon initial reviews, expansion was authorized in the Child Nutrition Reauthorization Act of 2004. Funding recommended in this bill will allow a total of 16 States and three Indian tribal organizations to participate in this program, and the Committee does not believe the program should be expanded further until the full evaluation, required by law to be completed by December 31, 2008, is complete. At that time, the

Committee would strongly encourage the appropriate authorizing committees of the House and Senate to determine whether expansion to all 50 States is appropriate, and if so, to provide the necessary mandatory funding.

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

| | |
|--------------------------------|-----------------|
| Appropriations, 2006 | \$5,204,430,000 |
| Budget estimate, 2007 | 5,200,000,000 |
| House allowance | 5,244,000,000 |
| Committee recommendation | 5,264,000,000 |

The special supplemental nutrition program for women, infants, and children [WIC] is authorized by section 17 of the Child Nutrition Act of 1966. Its purpose is to safeguard the health of pregnant, breast-feeding and post partum women and infants, and children up to age 5 who are at nutritional risk because of inadequate nutrition and inadequate income. The budget estimate assumes an average monthly participation of 8.2 million participants at an average food cost of \$39.30 per person per month in fiscal year 2007.

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

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$5,264,000,000 for the Special Supplemental Food Program for Women, Infants, and Children [WIC].

The Committee recommends no less than \$15,000,000 for breastfeeding support initiatives, and \$20,000,000 for State management information systems.

Estimates.—The Committee recommendation of \$5,264,000,000 takes into account several changes from the budget request.

First, The Committee recommendation does not include a limitation on State nutrition services and administration [NSA] grants as proposed in the budget. The budget request included a reduction of \$152,000,000 associated with this limitation. The Committee is concerned that the proposed limitation on NSA grants is shortsighted and does not take into account the positive experience the Federal Government has had since a similar approach was abandoned nineteen years ago. Establishing a cap on NSA grants will not only reduce essential nutrition services, but it will also serve as a disincentive for States to contain food costs which could cost the Federal Government significantly more over time.

Second, since the budget request was submitted in February 2006, the estimates for food costs and participation are trending downward. As a result, expected carryover funds from fiscal year

2006 to 2007 will be higher than estimated and program needs will be lower in fiscal year 2007 than estimated. In addition, current estimates show an unobligated balance of \$142,600,000 in the contingency reserve. This amount is \$17,600,000 above the contingency reserve appropriation of \$125,000,000. The Committee recommendation includes a provision to allow the unobligated balance over \$125,000,000 to be used for program needs.

Third, the Committee recommends an appropriation for the Commodity Supplemental Food Program [CSFP], which was eliminated in the budget request. The budget request assumes increased participation in WIC because of the elimination of CSFP. Because the Committee recommendation does not eliminate CSFP, the additional funding included in WIC is no longer necessary.

The Committee recommendation for WIC is currently estimated to be sufficient to meet program needs. The Committee will continue to monitor food costs, participation and carryover funds, and take additional action as necessary to ensure that funding provided in fiscal year 2007 is sufficient to serve all eligible applicants.

Food Package.—In April 2005, the Institute of Medicine released a report that recommended revisions to the food package offered to WIC participants. In accordance with the Child Nutrition and WIC Reauthorization Act of 2004, the Department is to issue a final rule within 18 months of the publication of this report modifying the WIC food package. The Committee expects the Department to meet the mandated deadline and directs the Department to move expeditiously in consultation with stakeholders to finalize the rule.

Health Care Services Referral.—While the Committee continues to support and encourage State and local agency efforts to utilize WIC as an important means of participation referral to other health care services, it also continues to recognize the constraints that WIC programs are experiencing as a result of expanding health care priorities and continuing demand for core WIC program activities. The Committee wishes to clarify that while WIC plays an important role in screening and referral to other health care services, it was never the Committee's intention that WIC should perform aggressive screening, referral and assessment functions in such a manner that supplants the responsibilities of other programs, nor was it the Committee's intention that WIC State and local agencies should assume the burden of entering into and negotiating appropriate cost sharing agreements. The Committee again includes language in the bill to preserve WIC funding for WIC services authorized by law to ensure that WIC funds are not used to pay the expenses or to coordinate operations or activities other than those allowable pursuant to section 17 of the Child Nutrition Act of 1996, unless fully reimbursed by the appropriate Federal agency.

FOOD STAMP PROGRAM

(In thousands of dollars)

| | Expenses | Amount in re- serve | Puerto Rico and American Samoa | TEFAP com- modity pur- chases | CSFP expenses | Total |
|-------------------------------------|------------|------------------------|--------------------------------------|-------------------------------------|---------------|------------|
| Appropriations, 2006 | 36,048,996 | 3,000,000 | 1,522,369 | 140,000 | ..... | 40,711,365 |
| Budget estimate, 2007 .. | 33,187,215 | 3,000,000 | 1,565,016 | 140,000 | 42,000 | 37,934,231 |
| House allowance | 33,160,215 | 3,000,000 | 1,565,016 | 140,000 | ..... | 37,865,231 |
| Committee recommenda- tion | 33,160,215 | 3,000,000 | 1,565,016 | 140,000 | ..... | 37,865,231 |

The Food Stamp Program, authorized by the Food Stamp Act of 1977 (Public Law 88–525), attempts to alleviate hunger and malnutrition among low-income persons by increasing their food purchasing power. Eligible households receive food stamp benefits with which they can purchase food through regular retail stores. They are thus enabled to obtain a more nutritious diet than would be possible without food stamp assistance. The Farm Security and Rural Investment Act of 2002, Public Law 107–171, enacted May 13, 2002, reauthorizes the Food Stamp Program through fiscal year 2007.

The Food Stamp Program is currently in operation in all 50 States, the District of Columbia, the Virgin Islands, and Guam. Participating households receive food benefits, the value of which is determined by household size and income. The cost of the benefits is paid by the Federal Government. As required by law, the Food and Nutrition Service annually revises household stamp allotments to reflect changes in the cost of the thrifty food plan.

At the authorized retail store, the recipient presents his/her card and enters a unique personal identification number into a terminal that debits the household's account for the amount of purchases. Federal funds are shifted from the Federal Reserve to the EBT processor's financial institution so that it may reimburse the grocer's account for the amount of purchases. The grocer's account at a designated bank is credited for the amount of purchases. The associated benefit cost is accounted for in the same manner as those benefit costs that result from issuance of coupons.

Nutrition Assistance to Puerto Rico.—The Farm Security and Rural Investment Act of 2002, Public Law 107–171, authorized block grants for Nutrition Assistance to Puerto Rico and American Samoa which gives the Commonwealth broad flexibility to establish a nutrition assistance program that is specifically tailored to the needs of its low-income households. However, the Commonwealth must submit its annual plan of operation to the Secretary for approval. The Farm Security and Rural Investment Act of 2002, Public Law 107–171, enacted May 13, 2002, reauthorizes appropriations through fiscal year 2007. In addition to the provision of direct benefits to the needy, a portion of the grant may be used to fund up to 50 percent of the cost of administering the program. The grant may also be used to fund projects to improve agriculture and food distribution in Puerto Rico.

The program also includes the Food Distribution Program on Indian Reservations which provides nutritious agricultural commodities to low-income persons living on or near Indian reservations who choose not to participate in the Food Stamp Program.

Administrative Costs.—All direct and indirect administrative costs incurred for certification of households, issuance of benefits, quality control, outreach, and fair hearing efforts are shared by the Federal Government and the States on a 50–50 basis. The Farm Security and Rural Investment Act of 2002, (Public Law 107–171), substantially revised the performance requirements for States under the Quality Control [QC] System. States with poor performance over 2 years face sanctions. States that demonstrate a high degree of accuracy or substantial improvement in their degree of accuracy under the QC system are eligible to share in a \$48,000,000 “bonus fund” established by Congress to reward States for good performance.

State Antifraud Activities.—Under the provisions of the Food Stamp Act of 1977, as amended by the Mickey Leland Childhood Hunger Relief Act of 1993 (Public Law 103–66), States are eligible to be reimbursed for 50 percent of the costs of their food stamp fraud investigations and prosecutions.

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$37,865,231,000 for the Food Stamp Program. Of the amount recommended, \$3,000,000,000 is made available as a contingency reserve. The Committee recommendation includes language that permits the Food and Nutrition Service to conduct studies and evaluations consistent with the budget request.

Commodity Supplemental Food Program.—The Committee recommendation does not include a provision, requested in the budget, that would provide transitional benefits to Commodity Supplemental Food Program [CSFP] participants. The Committee recommends an appropriation for CSFP in the Commodity Assistance Program which makes the provision in the Food Stamp Program unnecessary.

Food Distribution Program on Indian Reservations.—The Committee encourages the Secretary to continue the purchase of bison from producer-owned and Native American owned cooperatives for the Food Distribution Program on Indian Reservations. Although funding is not provided specifically for bison purchase, historically these purchases have been important for the Native American population both economically and nutritionally.

Military Pay Exclusion.—The Committee recommendation includes statutory language to exclude special pay for military personnel deployed to designated combat areas when determining food stamp eligibility. This provision will ensure that food stamp participants will not be eliminated from the program due to special or supplemental military pay.

COMMODITY ASSISTANCE PROGRAM

| | |
|--------------------------------|---------------|
| Appropriations, 2006 | \$177,572,000 |
| Budget estimate, 2007 | 70,370,000 |
| House allowance | 189,370,000 |
| Committee recommendation | 179,366,000 |

The Commodity Assistance Program includes funding for the Commodity Supplemental Food Program and funding to pay expenses associated with the storage and distribution of commodities through The Emergency Food Assistance Program.

The Commodity Supplemental Food Program [CSFP].—Authorized by section 4(a) of the Agricultural and Consumer Protection Act of 1973 (7 U.S.C. 612c note), as amended in 1981 by Public Law 97–98, this program provides supplemental food to infants and children up to age 6, and to pregnant, post partum, and breast-feeding women who have low incomes, and reside in approved project areas. In addition, the program operates commodity distribution projects directed at low-income elderly persons 60 years of age or older.

The foods for CSFP are provided by the Department of Agriculture for distribution through State agencies. The authorized commodities include: iron-fortified infant formula, rice cereal, cheese, canned juice, evaporated milk and/or nonfat dry milk, canned vegetables or fruits, canned meat or poultry, egg mix, dehydrated potatoes, farina, and peanut butter and dry beans. Elderly participants may receive all commodities except iron-fortified infant formula and rice cereal.

The Farm Security and Rural Investment Act of 2002 (2002 Farm Bill), reauthorizes the program through fiscal year 2007 and establishes a specific administrative funding level for each caseload slot assigned, adjusted each year for inflation.

The Emergency Food Assistance Program [TEFAP].—Authorized by the Emergency Food Assistance Act of 1983 (7 U.S.C. 7501 et seq.), as amended, the program provides nutrition assistance to low-income people through prepared meals served on site and through the distribution of commodities to low-income households for home consumption. The commodities are provided by USDA to State agencies for distribution through State-established networks. State agencies make the commodities available to local organizations, such as soup kitchens, food pantries, food banks, and community action agencies, for their use in providing nutrition assistance to those in need.

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

The Farm Security and Rural Investment Act of 2002 permits State and local agencies to pay costs associated with the storage and distribution of USDA commodities and commodities secured from other sources. At the request of the State, these funds can be used by USDA to purchase additional commodities. The Farm Security and Rural Investment Act of 2002 increases funding available for the purchase of TEFAP commodities from \$100,000,000 to \$140,000,000. In addition to the commodities purchased specifically

for TEFAP, commodities obtained under agriculture support and surplus removal programs are donated to States for distribution through TEFAP.

Pacific Island Assistance.—This program provides funding for assistance to the nuclear-affected islands in the form of commodities and administrative funds. It also provides funding for use in non-Presidentially declared disasters and for FNS' administrative costs in connection with relief for all disasters.

Farmers' Market Nutrition Program.—The Farmers' Market Nutrition Program [FMNP] provides WIC or WIC-eligible participants with coupons to purchase fresh, nutritious, unprepared foods, such as fruits and vegetables, from farmers' markets. This benefits both participants and local farmers by increasing the awareness and use of farmers' markets by low-income households.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$179,366,000 for the Commodity Assistance Program. The Committee continues to encourage the Department to distribute Commodity Assistance Program funds equitably among the States, based on an assessment of the needs and priorities of each State and the State's preference to receive commodity allocations through each of the programs funded under this account.

Commodity Supplemental Food Program.—The Committee recommends \$108,285,000 for the Commodity Supplemental Food Program. The Committee encourages the Secretary to utilize all possible resources (including section 32) to maintain the higher caseloads provided for States impacted by Hurricanes Katrina and Rita without altering caseload allocations to other areas.

Farmers' Market Nutrition Program.—The Committee is aware that the Farmers' Market Nutrition Program provides fresh fruits and vegetables to low-income mothers and children, benefiting not only WIC participants, but local farmers as well. Therefore, the Committee recommends \$20,000,000 for the Farmers' Market Nutrition Program and directs the Secretary to obligate these funds within 45 days.

Senior Farmers' Market Nutrition Program.—The Committee recognizes the success of the Senior Farmers' Market Nutrition Program, which is expected to provide fresh fruits and vegetables to more than 800,000 low-income senior citizens and benefit almost 19,000 farmers, farmers' markets, roadside stands and community supported agriculture programs in fiscal year 2007. The Committee notes that \$15,000,000 in funding is available annually for the program through fiscal year 2007 by the Farm Security and Rural Investment Act of 2002.

The Emergency Food Assistance Program.—The Farm Security and Rural Investment Act of 2002 provides \$140,000,000 for TEFAP commodities to be purchased with food stamp funds. The Committee recommends \$50,000,000 for TEFAP administrative funding. In addition, the Committee recommendation grants the Secretary authority to transfer up to an additional \$10,000,000 from TEFAP commodities for this purpose.

NUTRITION PROGRAMS ADMINISTRATION

| | |
|--------------------------------|---------------|
| Appropriations, 2006 | \$139,353,000 |
| Budget estimate, 2007 | 160,429,000 |
| House allowance | 142,314,000 |
| Committee recommendation | 143,114,000 |

The Nutrition Programs Administration appropriation provides for most of the Federal operating expenses of the Food and Nutrition Service, which includes the Child Nutrition Programs; Special Milk Program; Special Supplemental Nutrition Program for Women, Infants, and Children [WIC]; Food Stamp Program; Nutrition Assistance for Puerto Rico; the Commodity Assistance Program, including the Commodity Supplemental Food Program and the Emergency Food Assistance Program; and Farmers' Market Nutrition Program and Pacific Island Assistance.

The major objective of Nutrition Programs Administration is to efficiently and effectively carry out the nutrition assistance programs mandated by law. This is to be accomplished by the following: (1) giving clear and consistent guidance and supervision to State agencies and other cooperators; (2) assisting the States and other cooperators by providing program, managerial, financial, and other advice and expertise; (3) measuring, reviewing, and analyzing the progress being made toward achieving program objectives; and (4) carrying out regular staff support functions.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$143,114,000 for Nutrition Programs Administration. The Committee recommendation includes an increase of \$2,761,000 for pay and an increase of \$1,000,000 to promote the initiatives requested in the budget for the Center for Nutrition Policy and Promotion.

TITLE V
FOREIGN ASSISTANCE AND RELATED PROGRAMS
FOREIGN AGRICULTURAL SERVICE
SALARIES AND EXPENSES

[In thousands of dollars]

| | Appropriations | Transfers from loan accounts | Total |
|--------------------------------|----------------|---------------------------------|---------|
| Appropriations, 2006 | 146,422 | 3,572 | 149,994 |
| Budget estimate, 2007 | 157,486 | 4,985 | 162,471 |
| House allowance | 156,486 | 4,985 | 161,471 |
| Committee recommendation | 156,186 | 4,985 | 161,171 |

The Foreign Agricultural Service [FAS] was established March 10, 1953, by Secretary's Memorandum No. 1320, supplement 1. Public Law 83-690, approved August 28, 1954, transferred the agricultural attachés from the Department of State to the Foreign Agricultural Service.

The Agency maintains a worldwide agricultural intelligence and reporting service to provide U.S. farmers and traders with information on world agricultural production and trade that they can use to adjust to changes in world demand for U.S. agricultural products. This is accomplished through a continuous program of reporting by 61 posts located throughout the world covering some 130 countries.

The Foreign Agricultural Service analyzes agricultural information essential to the assessment of foreign supply and demand conditions in order to provide estimates of the current situation and to forecast the export potential for specific U.S. agricultural commodities. Published economic data about commodities are combined with attaché reports and subjected to analysis through advanced econometric techniques to generate these estimates.

In addition, the Service is now using advanced techniques for identifying, delineating, and assessing the impact of events which may affect the condition and expected production of foreign crops of economic importance to the United States. The crop condition activity relies heavily on computer-aided analysis of satellite, meteorological, agricultural, and related data.

The mission of FAS overseas is to represent U.S. agricultural interests, to promote export of domestic farm products, improve world trade conditions, and report on agricultural production and trade in foreign countries. FAS staff are stationed at 77 offices around the world where they provide expertise in agricultural economics and marketing, as well as provide attaché services.

The Foreign Agricultural Service works in conjunction with market development cooperators, trade associations, State departments

of agriculture and their affiliates, and U.S. sales teams to develop foreign markets for U.S. farm products. FAS sponsors overseas trade exhibits to promote U.S. agricultural products, provides information about foreign importers, and performs a wide range of market development activities.

FAS carries out several export assistance programs to counter the adverse effects of unfair trade practices by competitors on U.S. agricultural trade. The Export Enhancement Program uses CCC-owned commodities as export bonuses to provide export enhancements to U.S. producers. The Market Access Program [MAP] conducts both generic and brand-identified promotional programs in conjunction with nonprofit agricultural associations and private firms financed through reimbursable CCC payments.

These programs are supplemented by the Cooperator Program, a joint FAS-nonprofit private trade and producer association partnership program developing strategies for U.S. agriculture export expansion. In addition, GSM credit guarantee programs play an integral role in the recent progress of American agriculture in the world marketplace.

The Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) includes authority to establish up to 25 agricultural trade offices. Currently, 16 such offices are in operation at key foreign trading centers to assist U.S. exporters, trade groups, and State export marketing officials in trade promotion.

The Service initiates, directs, and coordinates the Department's formulation of trade policies and programs with the goal of maintaining and expanding world markets for U.S. agricultural products. It monitors international compliance with bilateral and multilateral trade agreements. It identifies restrictive tariff and trade practices which act as barriers to the import of U.S. agricultural commodities, then supports negotiations to remove them. It acts to counter and eliminate unfair trade practices by other countries that hinder U.S. agricultural exports to third markets.

FAS also carries out the mission of the former Office of International Cooperation and Development [OICD] to promote U.S. agriculture and to advance the agriculture of developing countries as parts of a complementary global agricultural system capable of providing ample food and fiber for all people. To accomplish this mission, FAS applies USDA policies and U.S. agricultural perspectives in its programs of international agricultural cooperation and development, and in its work with foreign countries, international organizations, U.S. universities and other institutions, agencies of the U.S. Government, and the U.S. private sector.

The General Sales Manager was established pursuant to section 5(f) of the charter of the Commodity Credit Corporation and 15 U.S.C. 714-714p. The funds allocated to the General Sales Manager are used for conducting the following programs: (1) CCC Export Credit Guarantee Program (GSM-102), including supplier credit guarantees and facilities financing guarantees, (2) Intermediate Credit Guarantee Program (GSM-103), (3) Public Law 480, (4) section 416 Overseas Donations Program, (5) Export Enhancement Program, (6) Market Access Program, and (7) programs authorized by the Commodity Credit Corporation Charter Act including barter, export sales of most CCC-owned commodities, ex-

port payments, and other programs as assigned to encourage and enhance the export of U.S. agricultural commodities.

A provision in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriation Act, 2003, Division A of Public Law 108-7, made permanent a prohibition on the use of agency funds to promote the sale or export of tobacco or tobacco products.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$156,186,000 for the Foreign Agricultural Service.

Alaska Salmon.—The Committee encourages the Foreign Agricultural Service to assist the Alaska Seafood Marketing Institute in marketing Alaska salmon and other seafood to overseas markets.

Biotechnology.—To promote the export of domestic farm products and improve world agriculture trade conditions, the Foreign Agricultural Service must increase its efforts to improve the understanding among trading partners of the safety of biotechnology and the thoroughness of the U.S. regulatory oversight of biotechnology. As trading partners construct regulatory systems for biotechnology and commodity trade, FAS is frequently requested to provide experts for the purpose of educating foreign government officials on the U.S. regulatory system. If the United States fails to participate in such discussions, those attempting to limit the access to foreign markets by U.S. producers will be presented an opportunity to undermine confidence in the benefits and safety of the technology while reducing trade opportunities for American producers. The Committee directs FAS to allocate adequate funding to meet the needs of our trading partners so that officials from the Department of Agriculture may, when requested, educate foreign regulators on the safety of the technology and the thoroughness of the U.S. regulatory process.

Capital Security Cost Sharing.—The Committee recommends \$2,907,000 for Capital Security Cost Sharing [CSCS], as proposed in the budget. The Committee funds the fiscal year 2007 CSCS assessment at the level requested by FAS with the understanding that space assignments made by the Department of State in newly constructed embassies will meet current and projected FAS space requirements.

Cochran Fellowship Program.—The Committee recommends \$5,000,000 for the Cochran Fellowship Program. The Committee encourages the Secretary to continue to provide additional support for the program through the Commodity Credit Corporation Emerging Markets Program.

Commodity Forecasting.—The Committee notes the role that the crop assessment division plays in worldwide commodity forecasting and the value of this information in maintaining and improving the U.S. market share in key agricultural commodities. The Committee recognizes that substantial investments will be needed to further develop and deploy advanced forecasting technologies and to maintain the USDA position as the global commodities forecasting standard.

Currency Exchange Rates.—The Committee continues to include language in a general provision in the bill, as requested in the budget, to allow up to \$2,000,000 of the amount appropriated to the FAS to remain available until expended solely for the purpose of offsetting fluctuations in international currency exchange rates, subject to documentation.

Food Aid Quality.—The Committee recommends \$700,000 to implement section 3013 of the Farm Security and Rural Investment Act of 2002 (Public Law 107–171) for the Food Aid Quality Enhancement Project, to improve the quality of food commodities purchased by the Department of Agriculture for the government’s domestic and foreign food assistance programs.

Foreign Market Development Cooperator Program.—The Committee expects the FAS to fund the Foreign Market Development Cooperator Program at no less than the fiscal year 2006 level.

Specialty Crops.—The Committee is aware of FAS activities to provide technical assistance for the promotion of specialty crop exports, consistent with section 3205 of the Farm Security and Rural Investment Act of 2002. The Committee recommends an increase of \$200,000 to support these activities.

Trade Adjustment Act.—The Trade Adjustment Assistance for Farmers Act [TAAF] (19 U.S.C. 2401 et seq.) requires that technical assistance be provided to farmers negatively impacted by imports. This technical assistance is an education program that helps farmers develop marketing opportunities, increase production efficiency and seek alternatives to offset losses created by imports. The Committee directs that from the funds made available by the Trade Adjustment Act that \$3,000,000 be available to the Digital Center for Risk Management Education to coordinate an intensive technical assistance program for farmers using available funds consistent with that Act.

PUBLIC LAW 480 TITLE I PROGRAM ACCOUNT

(In thousands of dollars)

| | Credit level | Loan subsidy | Administrative expenses |
|--------------------------------|--------------|--------------|-------------------------|
| Appropriations, 2006 | 74,032 | 64,390 | 3,351 |
| Budget estimate, 2007 ..... | ..... | ..... | 2,651 |
| House allowance ..... | ..... | ..... | 2,651 |
| Committee recommendation ..... | ..... | ..... | 2,651 |

Public Law 480 title I authorizes the financing of sales to developing countries for local currencies and for dollars on credit terms. Sales for dollars or local currency may be made to foreign governments. The legislation provides for repayment terms either in local currencies or U.S. dollars on credit terms of up to 30 years, with a grace period of up to 5 years.

Local currencies under title I sales agreements may be used in carrying out activities under section 104 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1704), as amended. Activities in the recipient country for which these local currencies may be used include developing new markets for U.S. agricultural commodities, paying U.S. obligations, and supporting agricultural development and research.

Title I appropriated funds may also be used under the Food for Progress Act of 1985 to furnish commodities on credit terms or on a grant basis to assist developing countries and countries that are emerging democracies that have a commitment to introduce and expand free enterprise elements in their agricultural economies.

COMMITTEE RECOMMENDATIONS

The Committee does not recommend an appropriation for Public Law 480, title I. The Committee recommends an appropriation of \$2,651,000 for administrative expenses to continue servicing existing agreements.

The Committee notes the significant decline in the use of title I activities over the past number of years at a time when the demand for title II has substantially increased. While the Committee does not recommend an appropriation for title I program subsidies at this time, there does remain available \$75,000,000 in unobligated funds for this purpose. This amount is nearly \$11,000,000 more than the amount appropriated for title I program subsidies in fiscal year 2006. The Committee believes these funds, in addition to title I administrative funds recommended for fiscal year 2007, will be adequate to meet any title I requirements for the coming year.

The Committee recognizes the successful history of the Public Law 480 program that has been in place for more than 50 years. As noted above, there are \$75,000,000 in unobligated funds in the title I program and an additional \$18,000,000 will be provided from reimbursements from the Maritime Administration. The Committee expects the Secretary to use the available funds, as described above, for title I requirements, including concessional sales, and report to the Committee within 120 days of enactment of this Act and quarterly thereafter on applications for, and commitments and obligations of these funds.

PUBLIC LAW 480 TITLE I OCEAN FREIGHT DIFFERENTIAL GRANTS

| | |
|--------------------------------|--------------|
| Appropriations, 2006 | \$11,821,000 |
| Budget estimate, 2007 | |
| House allowance | |
| Committee recommendation | |

Ocean Freight Differential Costs in Connection With Commodity Sales Financed for Local Currencies or U.S. Dollars (Title I).—The Commodity Credit Corporation pays ocean freight differential costs on shipments under this title. These costs are the difference between foreign flag and U.S. flag shipping costs.

COMMITTEE RECOMMENDATIONS

The Committee does not recommend an appropriation for Public Law 480 ocean freight differential costs.

PUBLIC LAW 480 TITLE II GRANTS

| | |
|--------------------------------|-----------------|
| Appropriations, 2006 | \$1,138,500,000 |
| Budget estimate, 2007 | 1,218,500,000 |
| House allowance | 1,223,100,000 |
| Committee recommendation | 1,225,000,000 |

The Committee recognizes the important mission of the Public Law 480 Program to combat hunger and malnutrition; promote broad-based equitable and sustainable development; expand international trade; develop and expand export markets for U.S. agricultural commodities; and to foster and encourage the development of private enterprise and democratic participation in developing countries. The Committee strongly supports the continued efficient operation of this important program.

Commodities Supplied in Connection With Dispositions Abroad (Title II) (7 U.S.C. 1721–1726).—Commodities are supplied without cost through foreign governments to combat malnutrition and to meet famine and other emergency requirements. Commodities are also supplied for nonemergencies through public and private agencies, including intergovernmental organizations. The Commodity Credit Corporation pays ocean freight on shipments under this title, and may also pay overland transportation costs to a landlocked country, as well as internal distribution costs in emergency situations. The funds appropriated for title II are made available to private voluntary organizations and cooperatives to assist these organizations in meeting administrative and related costs.

Commodities Supplied in Connection With Dispositions Abroad (Title III).—Commodities are supplied without cost to least developed countries through foreign governments for direct feeding, development of emergency food reserves, or may be sold with the proceeds of such sale used by the recipient country for specific economic development purposes. The Commodity Credit Corporation may pay ocean freight on shipments under this title, and may also pay overland transportation costs to a landlocked country, as well as internal distribution costs.

COMMITTEE RECOMMENDATIONS

The Committee recommends a program level of \$1,225,000,000 for title II. The Committee does not agree with the administration's proposal to shift up to 25 percent of the Public Law 480 title II program level to USAID to be used for direct cash purchases of commodities and other purposes as well as the proposal to lift the requirement that Public Law 480 funds be used to meet sub-minimum tonnage requirements designed to meet the challenge of chronic world hunger. The Committee is committed to meeting needs related to emergency food shortages, long-term food security, and special conditions such as mitigating the effects of the Human Immunodeficiency Virus and Acquired Immune Deficiency Syndrome on individuals, households, and communities.

Feeding Program.—The Committee supports the use of title II funds in fiscal year 2007 to continue the fiscal year 2006 level of funding for the orphan feeding program in Haiti.

Monetization.—The Committee directs the administration not to place arbitrary limits on monetization under the Public Law 480 title II program. In food-deficit, import-reliant countries, monetization stimulates the economy and allows needed commodities to be provided in the marketplace. Food aid proposals should be approved based on the merits of the program plan to promote food security and improve people's lives, not on the level of monetization.

Non-emergency Assistance.—The Farm Security and Rural Investment Act of 2002 increased the level of Public Law 480 title II non-emergency assistance to 1,875,000 metric tons. Congress provided this level to help address the underlying causes of hunger in the world, which leads to weakened immune systems, higher rates of chronic disease and poverty, and the inability of entire populations to achieve economic and social independence. The Committee expects that funding for Public Law 480 title II will be used for its intended purpose and not for ad hoc emergency assistance. In the event of additional emergency needs, the Committee reminds the Department of the availability of the Bill Emerson Humanitarian Trust.

Russian Far East.—The Committee notes the extraordinary effort made by the people of Alaska through Rotary International, the Interfaith Council, the Municipality of Anchorage, and other groups to collect and distribute food and other assistance to people living in the Russian Far East. The Committee urges the Administration to work with these entities to take advantage of their volunteer efforts in feeding people in the Russian Far East, particularly abandoned children living in orphanages and hospitals.

MC GOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM GRANTS

| | |
|--------------------------------|--------------|
| Appropriations, 2006 | \$99,000,000 |
| Budget estimate, 2007 | 99,000,000 |
| House allowance | 100,000,000 |
| Committee recommendation | 100,000,000 |

Authorized in the Farm Security and Rural Investment Act of 2002, Public Law 107–171, the McGovern-Dole International Food for Education and Child Nutrition Program helps support education, child development, and food security for some of the world’s poorest children. The program provides for donations of U.S. agricultural products, as well as financial and technical assistance, for school feeding and maternal and child nutrition projects in low-income, food-deficit countries that are committed to universal education. Commodities made available for donation through agreements with private voluntary organizations, cooperatives, intergovernmental organizations, and foreign governments may be donated for direct feeding or for local sale to generate proceeds to support school feeding and nutrition projects.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$100,000,000 for the McGovern-Dole International Food for Education and Child Nutrition Program.

COMMODITY CREDIT CORPORATION EXPORT LOANS PROGRAM ACCOUNT
(EXPORT CREDIT PROGRAMS AND GSM-102)

[In thousands of dollars]

| | Guaranteed loan levels ¹ | Guaranteed loan subsidy ¹ | Administrative expenses |
|--------------------------------|-------------------------------------|--------------------------------------|-------------------------|
| Appropriations, 2006 | 3,107,000 | 128,448 | 5,227 |
| Budget estimate, 2007 | 3,167,000 | 114,625 | 5,331 |
| House allowance | 3,167,000 | 114,625 | 5,331 |
| Committee recommendation | 3,167,000 | 114,625 | 5,331 |

¹ No appropriation required since export credit authorizations are permanent authority.

In 1980, the Commodity Credit Corporation [CCC] instituted the Export Credit Guarantee Program (GSM-102) under its charter authority. With this program, CCC guarantees, for a fee, payments due U.S. exporters under deferred payment sales contracts (up to 36 months) for defaults due to commercial as well as noncommercial risks. The risk to CCC extends from the date of export to the end of the deferred payment period covered in the export sales contract and covers only that portion of the payments agreed to in the assurance agreement. Operation of this program is based on criteria which will assure that it is used only where it is determined that it will develop new market opportunities and maintain and expand existing world markets for U.S. agricultural commodities. The program encourages U.S. financial institutions to provide financing to those areas where the institutions would be unwilling to provide financing in the absence of the CCC guarantees. Other credit activities may also be financed under the Export Credit Guarantee programs including supplier credit guarantee, under which CCC guarantees payments due to importers under short term financing (up to 180 days) that exporters extend directly to importers for the purchase of U.S. agricultural products. CCC also provides facilities financing guarantees.

The Federal Credit Reform Act of 1990 establishes the program account. The subsidy costs of the CCC export guarantee programs are exempt from the requirement of advance appropriations of budget authority according to section 504(c)(2) of the Federal Credit Reform Act of 1990, Public Law 101-508. Appropriations to this account will be used for administrative expenses.

TITLE VI
RELATED AGENCIES AND FOOD AND DRUG
ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES
FOOD AND DRUG ADMINISTRATION

The Food and Drug Administration [FDA] is a scientific regulatory agency whose mission is to promote and protect the public health and safety of Americans. FDA's work is a blending of science and law. The Food and Drug Administration Modernization Act of 1997 [FDAMA] (Public Law 105-115) reaffirmed the responsibilities of the FDA: to ensure safe and effective products reach the market to a timely way, and to monitor products for continued safety after they are in use. In addition, FDA is entrusted with two critical functions in the Nation's war on terrorism: preventing willful contamination of all regulated products, including food, and improving the availability of medications to prevent or treat injuries caused by biological, chemical or nuclear agents.

The FDA Foods program has the primary responsibility for assuring that the food supply, quality of foods, food ingredients and dietary supplements are safe, sanitary, nutritious, wholesome, and honestly labeled, and that cosmetic products are safe and properly labeled. The variety and complexity of the food supply has grown dramatically while new and more complex safety issues, such as emerging microbial pathogens, natural toxins, and technological innovations in production and processing, have developed. This program plays a major role in keeping the United States food supply among the safest in the world.

The FDA Drugs programs are comprised of three separate areas, Human Drugs, Animal Drugs and Biologics. FDA is responsible for the life cycle of the product, including premarket review and postmarket surveillance of human, animal and biological products to ensure their safety and efficacy. For Human Drugs this includes assuring that all drug products used for the prevention, diagnosis and treatment of disease are safe and effective. Additional procedures include the review of investigational new drug applications; evaluation of market applications for new and generic drugs, labeling and composition of prescription and over-the-counter drugs; monitoring the quality and safety of products manufactured in, or imported into, the United States; and, regulating the advertising and promotion of prescription drugs. The Animal Drugs and Feeds Program ensures only safe and beneficial veterinary drugs, intended for the treatment and/or prevention of diseases in animals and the improved production of food-producing animals, are approved for marketing.

The FDA Biologics program assures that blood and blood products, blood test kits, vaccines, and therapeutics are pure, potent, safe, effective, and properly labeled. The program inspects blood banks and blood processors, licenses and inspects firms collecting human source plasma, evaluates and licenses biologics manufacturing firms and products; lot releases licensed products; and monitors adverse events associated with vaccine immunization.

The FDA Devices and Radiological program ensures the safety and effectiveness of medical devices and eliminates unnecessary human exposure to manmade radiation from medical, occupational, and consumer products. In addition, the program enforces quality standards under the Mammography Quality Standards Act (Public Law 108-365). Medical devices include thousands of products from thermometers and contact lenses to heart pacemakers, hearing aids, MRIs, microwave ovens, and video display terminals.

FDA's National Center for Toxicological Research in Jefferson, Arkansas, serves as a specialized resource, conducting peer-review scientific research that provides the basis for FDA to make sound science-based regulatory decisions through its premarket review and postmarket surveillance. The research is designed to define and understand the biological mechanisms of action underlying the toxicity of products and developing methods to improve assessment of human exposure, susceptibility and risk of those products regulated by FDA.

SALARIES AND EXPENSES

(In thousands of dollars)

| | Appropriation | Prescription drug user fees | Medical device user fees | Animal drug user fees | Mammography clinics inspection fees | Export and certification fees | Total |
|--------------------------------|---------------|-----------------------------|--------------------------|-----------------------|-------------------------------------|-------------------------------|-----------|
| Appropriations, 2006 | 1,466,801 | 305,332 | 40,300 | 11,318 | 17,173 | 7,640 | 1,848,564 |
| Budget estimate, 2007 | 1,540,399 | 320,600 | 43,726 | 11,604 | 17,522 | 8,481 | 1,942,332 |
| House allowance | 1,538,452 | 320,600 | 43,726 | 11,604 | 17,522 | 8,481 | 1,937,385 |
| Committee recommendation | 1,565,716 | 320,600 | 43,726 | 11,604 | 17,522 | 8,481 | 1,967,649 |

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$1,565,716,000 for FDA salaries and expenses. The Committee also recommends \$320,600,000 in Prescription Drug User Fee Act user fee collections, \$43,726,000 in Medical Device User Fee and Modernization Act user fee collections, \$11,604,000 in Animal Drug User Fee Act user fee collections, \$17,522,000 in Mammography Quality Standards Act fee collections, and \$8,481,000 in export and certification fees, as assumed in the President's budget. The Committee recommendation includes bill language which prohibits FDA from developing, establishing, or operating any program of user fees authorized by 31 U.S.C. 9701.

The following table reflects the Committee's recommendations, as compared to the fiscal year 2006 and budget request levels:

FOOD AND DRUG ADMINISTRATION SALARIES AND EXPENSES

[In thousands of dollars]

| | Fiscal year— | | Committee recommendation |
|--|--------------|--------------|--------------------------|
| | 2006 enacted | 2007 request | |
| Centers and related field activities: | | | |
| Foods | 438,721 | 449,687 | 457,936 |
| Center for Food Safety and Applied Nutrition [CFSAN] | 153,568 | 148,363 | 162,687 |
| Field activities | 285,153 | 301,324 | 295,249 |
| Human drugs | 297,716 | 305,003 | 315,003 |
| Center for Drug Evaluation and Research [CDER] | 217,797 | 225,209 | 235,209 |
| Field activities | 79,919 | 79,794 | 79,794 |
| Biologics | 121,016 | 150,582 | 150,582 |
| Center for Biologics Evaluation and Research [CBER] | 95,132 | 121,806 | 121,806 |
| Field activities | 25,884 | 28,776 | 28,776 |
| Animal drugs | 89,581 | 95,494 | 95,494 |
| Center for Veterinary Medicine [CVM] | 54,739 | 59,716 | 59,716 |
| Field activities | 34,842 | 35,778 | 35,778 |
| Medical and radiological devices | 220,564 | 229,334 | 230,549 |
| Center for Devices and Radiological Health [CDRH] | 165,204 | 170,977 | 172,192 |
| Field activities | 55,360 | 58,357 | 58,357 |
| National Center for Toxicological Research [NCTR] | 40,740 | 34,240 | 41,273 |
| Other activities | 84,905 | 88,236 | 87,056 |
| Office of the Commissioner | 29,353 | 31,217 | 31,217 |
| Office of Management | 36,870 | 37,980 | 36,800 |
| Office of External Relations | 6,804 | 6,890 | 6,890 |
| Office of Policy and Planning | 5,123 | 5,394 | 5,394 |
| Central services | 6,755 | 6,755 | 6,755 |
| Rent and related activities | 57,155 | 60,952 | 60,952 |
| Rental payments to GSA | 116,403 | 126,871 | 126,871 |
| Total, FDA salaries and expenses, new budget authority | 1,466,801 | 1,540,399 | 1,565,716 |

The Committee recommends the following increases in budget authority for FDA salaries and expenses activities: \$20,267,000 for cost of living adjustments; \$5,475,000 for counterterrorism activities related to food safety; \$8,640,000 for increased medical device and animal drug review; \$3,960,000 for drug safety; \$50,490,000 for pandemic influenza preparedness; \$5,940,000 for the critical path initiative; \$2,475,000 for tissue safety; \$10,000,000 for generic drug review; \$3,797,000 for FDA's consolidation at the White Oak campus; and \$10,468,000 for rental payments to the General Services Administration. The Committee recommendation also restores \$29,680,000 in base program reductions assumed in the budget request.

Advisory Committee Member Conflicts of Interest.—The Committee recommendation includes a general provision regarding the issuance of conflict of interest waivers for advisory committee mem-

bers and new appointments to advisory committees. The Committee believes that FDA should try to find sufficiently qualified candidates for its advisory committees with minimal or no potential conflicts of interest and requests a semi-annual report on FDA's efforts to find such candidates. In cases where individuals are appointed that have medium or high involvement as specified in the FDA Waiver Criteria 2000 document, the Committee requests that FDA provide a rationale for the appointment, including: the lack of other available experts; the individual offers considerably more expertise than other willing candidates; or there are no willing candidates who have no or low involvement as specified in the FDA Waiver Criteria 2000 document. In addition, the report should include information on the number of meetings held and waivers issued for product specific meetings and meetings about particular matters of general applicability.

Agricultural Products Food Safety Laboratory.—The Committee recommends no less than the fiscal year 2006 amount for the FDA's contract with New Mexico State University's Physical Sciences Laboratory to operate the Food Technology Evaluation Laboratory, which conducts evaluation and development of rapid screening methodologies, technologies, and instrumentation; and provides technology deployment, modeling, and data analysis for food safety and product safety, including advanced risk-based systems for screening and inspection, to facilitate FDA's regulations and responsibilities in food safety, product safety, homeland security, bioterrorism, and other initiatives.

Authorized Generics.—The Committee is aware that amendments to the Hatch-Waxman Act (Public Law 98-417) provided 180 day marketing exclusivity to a generic drug that successfully challenges the patent of a name brand pharmaceutical company, and that the purpose of this exclusivity was to provide incentives to bring lower cost generic drugs to the market as quickly as possible. The Committee has been informed that "authorized" generics are entering the market at the same time as generic drugs, and is concerned that this practice may have the ultimate effect of decreasing the number of generic drugs that enter the market, keeping prices ultimately higher for the consumer. Therefore, the Committee strongly encourages FDA to work to ensure that incentives for generic drugs, which are currently written into law, are protected, and that consumers continue to have access to safe, effective generic drugs at the earliest possible time.

Base Reductions.—The Committee recommendation restores \$29,680,000 of the \$52,277,000 reduction in base funding proposed in the budget request. During the month of May 2006, the Committee held a series of briefings to discuss the impact of the proposed budget reductions on FDA's core mission areas. As a result of these briefings, the Committee recommendation restores the proposed reductions for the Center for Food Safety and Applied Nutrition, field activities related to the foods program, and the National Center for Toxicological Research. These program areas would be the most negatively affected if the reductions are enacted, and as a result of the proposed reduction, have already initiated hiring freezes, buy-outs, and other cost saving measures during this fiscal year. The Committee believes that FDA should not abandon core

food safety and research activities to fund other activities and is deeply concerned that the Agency took this approach in its fiscal year 2007 budget request.

The funding level in the Committee recommendation will permit the foods program to continue fiscal year 2006 activities including, but not limited to, facility inspection (including reinspection), the food contact notification program, review of food and color additive petitions, active participation in *Codex Alimentarius*, the cosmetics program, export certification, and monitoring for chemical contaminants. Further, the Committee recommendation will permit the National Center for Toxicological Research to maintain scientific expertise and continue important research to support the Critical Path initiative, biohazard identification, and the safety of FDA-regulated compounds.

Bovine Spongiform Encephalopathy.—The Committee recommends \$29,566,000 for Bovine Spongiform Encephalopathy [BSE]. The Committee understands that this funding will be used to conduct yearly inspections of all renderers and feed mills processing products containing prohibited materials; extend BSE inspections into targeted segments of industries subject to the BSE Feed regulation but previously minimally inspected; validate test methods for the detection of bovine-derived proteins in animal feed; and continue to conduct research on Transmissible Spongiform Encephalopathies in FDA's product centers.

Budget Justification.—The Committee directs the Agency to submit the fiscal year 2008 budget request in a format that follows the same account structure as the fiscal year 2007 budget request unless otherwise approved by the Committee.

Carcinogens.—The Committee believes that the FDA should conduct consumer testing on the wording and location of the current warning label on indoor tanning equipment and any proposed changes to the warning label to ensure that the appropriate risk information is being conveyed to consumers using sunbeds and sunlamps. This testing should take into account that exposure to sunbeds and sunlamps has been acknowledged as a known human carcinogen. In addition, the Committee believes it is important to receive public input on the labeling and any proposed changes and would encourage the FDA to hold public hearings on the issue. The Committee directs the FDA to conduct the above actions and to report back to Congress their findings within 120 days of enactment of this Act.

Chloramphenicol.—The Committee continues to have serious concerns regarding seafood safety issues posed by banned antibiotic contamination in farm-raised shrimp imports. In addition, the Committee is concerned that the FDA inspects less than 2 percent of shrimp being imported into the United States. Therefore, the Committee strongly encourages the FDA to develop, in cooperation with State testing programs, a program for increasing the inspection of imported shrimp, possibly including cold-storage inventories, for banned antibiotics, including chloramphenicol.

Citizen Petitions.—The Committee notes that the FDA report received in May 2006 regarding the Agency's citizen petition improvement efforts stated that the number of citizen petitions is increasing significantly. In fact, CDER recorded a nearly 50 percent in-

crease in the number of citizen petitions received in calendar year 2004 over the number received in calendar year 2003. The report also stated that many of these citizen petitions might reasonably appear to have been filed in an attempt to delay approval of a generic version of a drug that is not yet subject to generic competition. The report reiterated FDA's intention to send petitions that may warrant an investigation into anti-competitive activities to the Federal Trade Commission, and the Committee strongly supports this intention.

In addition, the Committee is aware of the importance of properly and clearly responding to citizen petitions in a timely fashion, as these responses may often be required as part of FDA's legal response to a challenge to a drug approval. Therefore, the Committee is pleased with the steps FDA has taken to improve Agency response to citizen petitions, including earlier and more frequent communication between FDA offices, increased coordination and faster turnaround goal times, and organizational changes made within the Office of Generic Drugs, which has dedicated a group of scientists who will be responsible for addressing citizen petition processes. The Committee notes that FDA is currently undertaking an initial review of its citizen petition improvement efforts, and directs FDA to report, within 120 days of the enactment of this Act, on its findings, including any need for additional funding.

Codex Alimentarius.—Within the total funding available, at least \$2,500,000 is for FDA activities in support of *Codex Alimentarius*.

Collaborative Drug Safety Research.—The Committee commends FDA for its work in developing the Critical Path Initiative to foster collaboration with outside researchers and develop new tools to both promote drug safety and accelerate the development of innovative new therapies. The Committee further commends the C-Path Institute, founded by the University of Arizona, for its innovative research efforts to develop more efficient tools for medical product development and drug safety. For this important effort, the Committee recommends no less than the fiscal year 2006 amount to support collaborative research with the C-Path Institute and the University of Utah on cardiovascular biomarkers predictive of safety and clinical outcomes. The Committee understands the research would involve identifying candidate genes and proteins in University of Utah databases, designing and conducting genomic and proteomic biomarker validation experiments by the C-Path Institute, the University of Utah, FDA and manufacturers, determining which biomarkers identify heart failure patients who are most likely to respond favorably to drug therapy and those at highest risk of adverse events. The Committee expects that this research will enhance patient safety, reduce the number of patients necessary for clinical testing, and enable manufacturers to accelerate drug development and bring safer, innovative life-saving drugs to market more quickly.

Congressional Reports.—The Committee is concerned that, to date, FDA has transmitted only 5 of the approximately 13 reports requested in the Senate and conference reports accompanying the fiscal year 2006 appropriations bill. All of these reports should have been received by May 10, 2006. The Committee reminds FDA that reports to Congress play an important role in the Committee's

decision making process. The Committee understands that FDA is aware of these concerns and has begun implementing a new process for preparing reports. The Committee directs FDA to take all necessary action to provide reports in a timely fashion.

Dietary Supplements.—The Committee recommends total funding of approximately \$5,306,000 for the CFSAN Adverse Events Reporting System [CAERS], of which approximately \$1,500,000 is for dietary supplements. This is \$1,000,000 more than the amount in the budget request.

The Committee is encouraged by FDA's activities to enforce provisions contained within the Dietary Supplement Health and Education Act of 1994 [DSHEA] (Public Law 103-417). The Committee has recommended funding to continue enforcement of the provisions contained in DSHEA. It is the Committee's intent that these funds be prioritized by the agency to step up activities against products that are clearly in violation of DSHEA. In addition, the Committee is concerned that Current Good Manufacturing Practice [CGMP] regulations, which have been under development for some time, have not been issued. Accordingly, the Committee directs FDA to issue the dietary supplement CGMP regulations.

FDA has indicated that the ability to identify and analyze specific components in ingredients, including botanical ingredients, is an essential component of research and regulatory programs directed at ensuring the safety and effectiveness of dietary supplements. The Committee recommends no less than the fiscal year 2006 amount for review of botanicals in dietary supplements. This work is being carried out by FDA in collaboration with the National Center for Natural Products Research, Oxford, Mississippi.

Expedited filing.—The Committee directs FDA to expedite and support the filing, review, and final action on new drug applications or a supplement to a new drug application seeking approval of a reformulated active ingredient, or combination of active ingredients, previously approved as safe and effective that would replace or provide a therapeutic alternative to a currently marketed drug product that contains an active ingredient that is the subject of diversion and/or abuse outside regulated channels of commerce.

Food Labeling.—In a report issued September 28, 2005, regarding qualified health claims, FDA noted that qualifying statements on food labels that used only words were confusing to consumers, and statements presented in a "report card" style were somewhat clearer. Further the report stated that qualifying statements had unexpected effects on consumers' judgments about the health benefits and overall healthfulness of the product bearing the claim. The Committee notes that FDA when approving qualified health claims is required to take into consideration the effect upon consumers' ability to understand labeling, and encourages the Agency to continue to do so.

The Committee also notes that as part of FDA's labeling compliance program, FDA investigators routinely review selected food labels during regularly scheduled food manufacturer inspections performed under the agency's food safety compliance programs. Approximately 28,000 field examinations of domestic and imported food labels were conducted between October 1, 2005 and December 6, 2005. The Committee believes that State food and drug officials

can help supplement FDA enforcement efforts, and encourages FDA to consult with the States to leverage the training and enforcement activities conducted by each entity.

Foodborne Illness.—The Committee is aware of the effective work of the Partnership for Food Safety Education to provide information to the general public about simple, commonsense suggestions regarding safe food preparation and handling. Currently, the Partnership for Food Safety Education is working to develop a public education campaign aimed at populations vulnerable to listeria, including pregnant women and adults with weakened immune systems. The Committee believes this is a worthwhile effort, and encourages FDA to continue working with the Partnership for Food Safety Education in executing this education campaign. In addition, the Committee encourages the FDA to provide funding, as appropriate, to support this collaborative effort.

Generic Drugs.—The Committee recommends \$74,663,000 for the generic drugs program at FDA, of which \$39,079,000 is for the Office of Generic Drugs. This is an increase of \$10,000,000 above the budget request. The Committee is aware that generic drug applications have increased significantly in recent years, and that this trend is expected to continue. Further, the Committee understands that the current FDA policy is to review generic drug applications in the order in which they are received at the agency, with certain exceptions, such as drug shortages. The Committee has been informed that FDA is looking at alternatives to the current policy to better serve consumers, including giving priority status to generic drugs that would be the first generic to enter the market upon approval. On April 26, 2006, FDA published a paper noting that while the first generic drug to enter the market is normally priced approximately six percent below its comparative brand name drug, the second generic drug reduces prices more significantly, nearly in half. The Committee is supportive of FDA's efforts to improve its generic drug approval process, and strongly encourages the agency to take into account this information when making those decisions. The Committee requests a report within 120 days of enactment of this Act on any changes that have been made, or are being proposed, either in statute or through administrative procedures, for the generic drug approval process.

Human Drug Compounding.—The Committee acknowledges the important and increasing role that compounding pharmacists play in providing health care to consumers. The Committee also acknowledges the important role the United States Pharmacopeia [USP] and Pharmacy Compounding Accreditation Board [PCAB] play in promoting consumer health through activities directed at promoting quality pharmacy compounding practices and products. The Committee encourages FDA to work with, including providing funding if available, USP and PCAB to develop monographs for commonly prescribed or critically needed compounded preparations. The Committee encourages USP and PCAB to consult with compounding pharmacists to identify commonly prescribed or critically needed compounded preparations for monograph development and to encourage participation in the PCAB accreditation program. The Committee makes clear that the development of monographs will not limit or infringe upon the current practice of compounding

pharmacists in preparing and dispensing prescriptions, or alter the existing State and Federal regulatory roles regarding compounding.

Influenza.—The Committee recommendation includes an increase of \$50,490,000 for pandemic influenza preparedness. Included in this amount is \$20,000,000 to annualize the funding provided in the fiscal year 2006 supplemental and \$30,490,000 to enhance FDA's pandemic influenza efforts in fiscal year 2007. In addition, the Committee understands that almost three-quarters of the way through the fiscal year FDA has obligated approximately \$7,000,000 of the \$20,000,000 provided in the fiscal year 2006 supplemental. Because this funding is available until September 30, 2007, FDA will be able to utilize supplemental funding not spent in fiscal year 2006 in addition to the \$50,490,000 included in the Committee recommendation throughout fiscal year 2007. Including base resources, the estimated fiscal year 2007 amount available for pandemic influenza preparedness is in excess of \$60,000,000.

Mammography.—The Committee recommends no less than \$10,600,000 in appropriated funds for activities related to the Mammography Quality Standards Act. Appropriations for this program fund research grants and various activities to develop and enforce quality standards for mammography services, including a Federal advisory committee, accreditation bodies, inspections of government entities and facilities that provided 50 percent or more mammography screenings with grants provided through the Center for Disease Control's National Breast and Cervical Cancer Early Detection Program, issuance and renewal of certificates, appeal procedures, certification of personnel, and imposing sanctions for noncompliance.

The Committee is aware that the Institute of Medicine released a report entitled "Breast Imaging Quality Standards" on May 23, 2005. Further, the Committee is aware that the Government Accountability Office is scheduled to soon release a report dealing with mammography access and an assessment of states that act as both accrediting and certifying bodies. The Committee directs FDA to provide a report within 120 days of enactment of this Act on how it plans to respond to recommendations contained in these reports.

Medical Device Application Review.—The Committee recommendation includes an appropriated amount of \$230,549,000 for the Devices and Radiological Health Program. This amount is sufficient to meet the triggers as defined in the Medical Device User Fee and Modernization Act (Public Law 107–250) and the Medical Device User Fee Stabilization Act (Public Law 109–43). The Committee notes with concern that this is the second year in a row that the inflation rate assumed in the budget request is not sufficient to meet the mandated trigger amount.

National Antimicrobial Resistance Monitoring System.—The Committee supports the work of the National Antimicrobial Resistance Monitoring System [NARMS] and its collaborative relationship between FDA, USDA, and the Centers for Disease Control and Prevention. The Committee expects the coordination of activities among these three areas of government to result in the most unbiased presentation of timely, accurate data in the best interest of public health, and encourages FDA to equally divide research funding among the three branches of the program.

National Center for Food Safety and Technology.—With the growing threat of foodborne illness to the public health, the Committee believes that collaborative research in food safety should continue among Government, academia, and private industry. The national model for that collaboration has been the National Center for Food Safety and Technology [NCFST] in Summit-Argo, Illinois. The Committee recommends \$3,000,000 for NCFST to continue the important work done there. This funding should be exclusive of any initiative funds which the FDA may provide in addition to NCFST.

Office of Women's Health.—The Committee believes that it is imperative for FDA to pay sufficient attention to gender-based research, ensuring that products approved by the FDA are safe and effective for women as well as men. The Committee notes that in the budget request, the Office of Women's Health at FDA is funded at not less than \$4,000,000 for program operation and oversight. The Committee encourages FDA to ensure that the Office of Women's Health is sufficiently funded to carry out its activities, and to enhance its funding if necessary.

Operations Maintenance.—The Committee notes that FDA's overall budget is approximately 60 percent salaries and benefits. Further, in FDA's field organization, front-line inspection staff for imports and manufacturing facilities, salaries and benefits is approximately 80 percent of the budget. The fiscal year 2007 budget request includes an increase of \$20,267,000 to cover an anticipated pay increase of 2.2 percent, which the Committee recommends. However, the Committee also notes that FDA routinely absorbs additional pay and benefit costs that are not requested in the budget. Therefore, the Committee directs the FDA to use the recommended programmatic funding increases to support current activities and staff levels before entering into new agreements or engaging in new activities.

Orphan Products Grants.—The Committee recommends \$14,696,000 for the Orphan Products Grants Program within the Center for Drug Evaluation and Research.

Perchlorate.—The Committee directs the FDA to report to Congress the results of the 2004 and 2005 perchlorate food surveys that included over 1,000 samples of milk (including milk collected at farms), bottled water, fruits, vegetables, grain products, fish, infant foods, and infant formulas within 120 days after the enactment of this Act. The Committee also directs FDA to report to Congress the perchlorate results from the 2006 Total Diet Study of both infant and adult food as soon as practicable. The Committee believes it is important to continue to include perchlorate as part of the Total Diet Study of both infant and adult food in order to determine the need for risk management strategies.

Personalized Medicine.—The Committee is aware that, with the completion of the Human Genome Project, pharmaceutical and biologics research is moving rapidly into an era of personalized medicine. Developing products that are tailored to the specific genetic make-up of the individual patient promises to improve effectiveness, reduce adverse events, and save money currently wasted on treatment modalities that are less safe and less effective than desired. Specific targeting of drugs based on an individual's genotype will create new review issues for FDA and for industry. In March

2005, the FDA issued guidance for industry on the agency's current thinking with regard to pharmacogenomics and on data submission. As the science matures, FDA will need to regularly review and update its position. The Committee encourages FDA to work closely with government, academic, and industry researchers to assure that its actions serve to bring balance to a field of research that will ultimately enhance the public's health.

Prescription Drug Monographs.—The Committee is interested in ensuring that FDA adopts a uniform and transparent system for regulating pharmaceuticals that have been marketed for a material extent and for a material amount of time without documented safety problems and outside of the current new drug approval process. Last year, the Committee requested a report on an alternative approach that provides for the uniform and transparent regulation of these products. To date, the Committee has not received this report. Therefore, the Committee directs the FDA to devise an approach that provides for the uniform and transparent regulation of these drugs. The Committee encourages the agency to ensure that enforcement resources are prioritized to address safety and effectiveness concerns.

Seafood Safety.—The Committee supports the ongoing work of the Interstate Shellfish Sanitation Conference [ISSC] and its joint efforts with the FDA and the shellfish industry to formulate shellfish safety regulations through the National Shellfish Sanitation Program. The Committee recommends no less than \$200,000 be directed through the Office of Seafood Inspection to continue these activities and \$250,000 be directed to the ISSC for the *Vibrio Vulnificus* Education Program.

The Committee is concerned that FDA has not taken effective action to address foodborne illness risks from the consumption of raw shellfish. In particular, the Committee is concerned that ISSC's proposed steps to reduce the rates of death and illness due to consumption of *Vibrio Vulnificus*-contaminated raw shellfish may not effectively address public health concerns.

The Committee also continues its concern with the agency's failure to bring FDA-regulated seafood into compliance with Hazard Analysis Critical Control Point [HACCP] standards. However, the Committee is aware that special or unique circumstances may exist for particular seafood processors. While ultimate HACCP compliance is not in question, the Committee is specifically aware of Hawaii's lengthy and culturally important history of hook-and-line fisheries, auction markets, and the high consumption of raw tuna and other pelagic fish in Hawaii, and strongly encourages the Agency to take into account both the history and the industry's practical experience in approving a plan that is consistent with healthy seafood products and national standards for seafood safety.

The Committee has been advised that farmed salmon imported from overseas is fed feed with chemical additives to change the color of its flesh or the flesh is artificially dyed. A lawsuit was filed against national grocery chains alleging they do not adequately label the fish which are dyed. The Committee directs the Food and Drug Administration to continue to monitor information concerning the safety of the use of such additives and dyes in seafood and to

more aggressively enforce the clear and conspicuous disclosure of such additives and dyes to consumers on consumer packaging.

In addition, the funding recommended for food safety will ensure the continuation of food contract inspections in the State of Alaska. Specifically, it will allow the FDA to renew its contract with the State of Alaska for inspections of food and seafood processors operating in Alaska. The contract funds at least 292 inspections, approximately 272 seafood/HACCP inspections and 20 other food inspections. The establishments to be inspected will be mutually agreed upon by FDA and the State of Alaska.

Standards of Identity.—The Committee is aware of the ongoing debate surrounding increased importation and use of milk protein concentrate. The Committee remains concerned with FDA’s current lack of enforcement of standards of identity as it relates to the potential use of milk protein concentrate in standardized cheese and the labeling thereof.

Unified Financial Management System.—The Committee recommendation includes no more than \$13,026,000 for the Unified Financial Management System. Of this amount, \$9,720,000 is for development and implementation, and \$3,306,000 is for operations and maintenance. The Committee reminds FDA that these amounts are subject to the reprogramming requirements outlined in the general provisions of this Act.

Waste Management Education and Research Consortium.—The Committee recommends no less than the fiscal year 2006 amount for the FDA to continue its support for the Waste Management Education and Research Consortium and its work in food safety technology verification and education.

BUILDINGS AND FACILITIES

| | |
|--------------------------------|-------------|
| Appropriations, 2006 | \$7,920,000 |
| Budget estimate, 2007 | 4,950,000 |
| House allowance | 4,950,000 |
| Committee recommendation | 4,950,000 |

FDA maintains offices and staff in 49 States and in the District of Columbia and Puerto Rico, including field laboratories and specialized facilities, as well as the National Center for Toxicological Research complex. Repairs, modifications, improvements, and construction to FDA headquarters and field facilities must be made to preserve the properties, ensure employee safety, meet changing program requirements, and permit the Agency to keep its laboratory methods up to date.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$4,950,000 for FDA buildings and facilities.

INDEPENDENT AGENCIES

COMMODITY FUTURES TRADING COMMISSION

| | |
|--|--------------|
| Appropriations, 2006 | \$97,402,000 |
| Budget estimate, 2007 ¹ ..... | ..... |
| House allowance | 109,402,000 |
| Committee recommendation | 99,502,000 |

¹The budget estimate proposed a user fee of \$127,000,000.

The Commodity Futures Trading Commission [CFTC] was established as an independent agency by the Commodity Futures Trading Commission Act of 1974 (88 Stat. 1389; 7 U.S.C. 4a).

The Commission administers the Commodity Exchange Act, 7 U.S.C. section 1, et seq. The 1974 Act brought under Federal regulation futures trading in all goods, articles, services, rights, and interests; commodity options trading; and leverage trading in gold and silver bullion and coins; and otherwise strengthened the regulation of the commodity futures trading industry. It established a comprehensive regulatory structure to oversee the volatile futures trading complex.

The purpose of the Commission is to protect and further the economic utility of futures and commodity options markets by encouraging their efficiency, assuring their integrity, and protecting participants against manipulation, abusive trade practices, fraud, and deceit. The objective is to enable the markets to better serve their designated functions of providing a price discovery mechanism and providing price risk insurance. In properly serving these functions, the futures and commodity options markets contribute toward better production and financial planning, more efficient distribution and consumption, and more economical marketing.

Programs in support of the overall mission include market surveillance analysis and research; registration, audits, and contract markets; enforcement; reparations; proceedings; legal counsel; agency direction; and administrative support services. CFTC activities are carried out in Washington, DC; two regional offices located in Chicago and New York; and smaller offices in Kansas City, Los Angeles, and Minneapolis.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$99,502,000 for the Commodity Futures Trading Commission.

FARM CREDIT ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

| | |
|--------------------------------|--------------|
| Limitation, 2006 | \$44,250,000 |
| Budget estimate, 2007 ..... | ..... |
| House allowance | 44,250,000 |
| Committee recommendation | 44,250,000 |

The Farm Credit Administration [FCA] is the independent agency in the executive branch of the Government responsible for the examination and regulation of the banks, associations, and other institutions of the Farm Credit System.

Activities of the Farm Credit Administration include the planning and execution of examinations of Farm Credit System institutions and the preparation of examination reports. FCA also establishes standards, enforces rules and regulations, and approves certain actions of the institutions.

The administration and the institutions under its jurisdiction now operate under authorities contained in the Farm Credit Act of 1971, Public Law 92-181, effective December 10, 1971. Public Law 99-205, effective December 23, 1985, restructured FCA and gave the agency regulatory authorities and enforcement powers.

The act provides for the farmer-owned cooperative system to make sound, adequate, and constructive credit available to farmers and ranchers and their cooperatives, rural residences, and associations and other entities upon which farming operations are dependent, and to modernize existing farm credit law to meet current and future rural credit needs.

The Agricultural Credit Act of 1987 authorized the formation of the Federal Agricultural Mortgage Corporation [FAMC] to operate a secondary market for agricultural and rural housing mortgages. The Farm Credit Administration, under section 8.11 of the Farm Credit Act of 1971, as amended, is assigned the responsibility of regulating this entity and assuring its safe and sound operation.

Expenses of the Farm Credit Administration are paid by assessments collected from the Farm Credit System institutions and by assessments to the Federal Agricultural Mortgage Corporation.

COMMITTEE RECOMMENDATIONS

The Committee recommends a limitation of \$44,250,000 on administrative expenses of the Farm Credit Administration [FCA]. The Committee recommendation that the limitation does not apply to expenses associated with receiverships.

TITLE VII
GENERAL PROVISIONS

The Committee recommends the following provisions:

Section 701. This section makes funds available for the purchase, replacement, and hire of passenger motor vehicles.

Section 702. This section makes funds for certain accounts within the Department of Agriculture available until expended.

Section 703. This section gives the Secretary of Agriculture authority to transfer unobligated balances to the Working Capital Fund.

Section 704. This section limits the funding provided in the bill to 1 year, unless otherwise specified.

Section 705. This section limits negotiated indirect costs on cooperative agreements between the Department of Agriculture and nonprofit organizations to 10 percent.

Section 706. This section limits indirect costs charged to certain grant awards issued by the Cooperative State Research, Education, and Extension Service to 20 percent of total Federal funds.

Section 707. This section makes appropriations to the Department of Agriculture for the cost of direct guaranteed loans available until expended to disburse obligations for certain Rural Development programs.

Section 708. This section makes funds available for the expenses and activities of certain advisory committees, panels, commissions, and task forces at the Department of Agriculture.

Section 709. This section prohibits the use of funds to establish an inspection panel at the Department of Agriculture.

Section 710. This section requires Department of Agriculture agencies to provide reimbursement to other Department of Agriculture agencies for employees detailed for longer than 30 days.

Section 711. This section prohibits the Department of Agriculture and the Department of Health and Human Services from transmitting questions or responses as a result of the appropriations hearing process to non-Department employees.

Section 712. This section prohibits the purchase of new information technology equipment and equipment in excess of \$25,000 without the prior approval of the Chief Information Officer.

Section 713. This section prohibits the reprogramming of funds for programs, projects, or activities in excess of \$500,000 or 10 percent, whichever is less without the prior notification of the Committee on Appropriations.

Section 714. This section requires the Natural Resources and Conservation Service to provide financial and technical assistance for certain projects.

Section 715. This section prohibits the closing of the Food and Drug Administration's St. Louis, Missouri laboratory.

Section 716. This section provides funding for Bill Emerson and Mickey Leland Hunger Fellowships.

Section 717. This section provides funding for the National Sheep Industry Improvement Center.

Section 718. This section permits 30 percent of the funds available for competitive research grants to be used to carry out a competitive grants program under section 401 of the Agricultural Research, Extension, and Education Reform Act of 1998.

Section 719. This section prohibits the use of funds for the dam rehabilitation program.

Section 720. This section provides a funding limitation for renewable energy systems.

Section 721. This section provides a funding limitation for the environmental quality incentives program.

Section 722. This section provides a funding limitation for broadband telecommunications services.

Section 723. This section limits the amount of funding available to reimburse the Commodity Credit Corporation for the release of commodities under the Bill Emerson Humanitarian Trust.

Section 724. This section provides a funding limitation for value-added market development grants.

Section 725. This section modifies the guaranteed underwriting loan program.

Section 726. This section provides funding for the Denali Commission.

Section 727. This section provides a funding limitation for the wildlife habitat incentives program.

Section 728. This section provides a funding limitation for the farmland protection program.

Section 729. This section provides a funding limitation for the ground and surface water conservation program.

Section 730. This section prohibits the promulgation of a final rule related to animal and plant health programs.

Section 731. This section makes funds for certain conservation programs available until expended to disburse certain obligations made in the current fiscal year. This section also makes fiscal years 2004–2007 funds for the Agricultural Management Assistance Program available until expended to disburse obligations.

Section 732. This section makes certain locations eligible for certain rural development programs.

Section 733. This section gives the Secretary of Agriculture the authority to make funding and other assistance available for damage to non-Federal lands damaged by fires initiated by the Federal Government, and waives cost-sharing requirements.

Section 734. This section prohibits the Department of Agriculture from requiring the recertification of rural Status for each electric and telecommunications borrower for certain Rural Utilities Service programs.

Section 735. This section gives the Secretary of Agriculture authority to use unobligated funds in certain Rural Utilities Service programs for the purpose of expanding 9–1–1 access.

Section 736. This section provides funding for specialty crop block grants.

Section 737. This section gives the Secretary of Agriculture authorization to transfer land to the City of Elkhart, Kansas.

Section 738. This section expands the Simplified Summer Food Service Program.

Section 739. This section prohibits the use of funds to conduct competitive sourcing activities in rural development and farm loan programs.

Section 740. This section provides a funding limitation for section 32.

Section 741. This section prohibits funds from being used to pay the administrative expenses of a State agency that authorizes new WIC-only vendors. The section also permits the Secretary of Agriculture to approve new WIC-only vendors under certain circumstances.

Section 742. This section requires FDA to meet certain disclosure requirements before advisory committee meeting are held where waivers are issued for conflicts of interest. The section also requires FDA to submit a semi-annual report on conflicts of interest.

Section 743. This section expands eligibility to agricultural processing workers for the Farm Labor Housing program.

Section 744. This section directs the Secretary of Agriculture to administer the Farm and Ranchland Protection Program in accordance with 7 CFR Part 1491.

Section 745. This section provides that certain locations shall be considered eligible for certain rural development programs.

Section 746. This section provides base funding for all institutions participating in the expanded food nutrition education program.

Section 747. This section provides funding for the National Center for Natural Products Research.

Section 748. This section establishes a transfer limit on the Animal and Plant Health Inspection Service.

Section 749. This section provides funding to continue a tribal housing demonstration project.

Section 750. This section makes certain service areas eligible for financing through the Rural Utilities Service.

Section 751. This section extends the authorization for an education grants program to Alaska native serving and Native Hawaiian serving institutions.

Section 752. This section modifies export credit programs.

Section 753. This section makes commercial fisherman eligible for certain Farm Service Agency loans.

Section 754. This section extends the authority of the Secretary of Agriculture to pay storage, handling, and other associated costs for peanuts.

Section 755. This section facilitates travel related to licensed sales of agricultural and medical goods to Cuba.

Section 756. This section provides emergency appropriations for the Veterans Administration.

Section 757. This section expresses a sense of the Senate regarding U.S. beef exports to Japan.

TITLE VIII
EMERGENCY AGRICULTURAL DISASTER ASSISTANCE
COMMODITY CREDIT CORPORATION FUND
CROP DISASTER ASSISTANCE

The Committee recommends emergency spending of such sums as are necessary of the funds of the Commodity Credit Corporation, estimated in fiscal year 2007 to be \$1,016,000,000, to make emergency financial assistance to producers on a farm that incurred qualifying losses for the 2005 crop due to damaging weather or damage that occurred due to Mormon Crickets in Nevada and other insect infestations in other States. Crop losses for the 2006 crop lost due to flooding in California, Hawaii and Vermont that occurred prior to the date of enactment are also covered.

LIVESTOCK ASSISTANCE

The Committee recommends emergency spending of such sums as are necessary of the funds of the Commodity Credit Corporation, estimated in fiscal year 2007 to be \$1,020,000,000 to provide a Livestock Compensation Program and Livestock Indemnity Payments for losses during calendar years 2005 and 2006 that occurred prior to the date of enactment due to a disaster, such as wildfire losses in Texas and other States, and drought losses in New Mexico and other States. Only producers in designated disaster counties are eligible. The Committee recommendation also includes emergency spending of \$13,000,000 for a Ewe Lamb Replacement and Retention Program.

FLOODED CROP AND GRAZING LAND

The Committee recommends emergency spending of \$6,000,000 of the funds of the Commodity Credit Corporation to assist eligible owners of flooded farmland that has been unable to be used for the 2 preceding crop years in the Devils Lake basin and the McHugh, Lake Laretta, and Rose Lake areas of North Dakota.

SUGAR BEET DISASTER ASSISTANCE

The Committee recommends emergency spending of \$24,000,000 of the funds of the Commodity Credit Corporation to assist sugar beet producers that suffered production and quality losses in the 2005 crop year.

The Committee recommends emergency spending of \$6,000,000 of the funds of the Commodity Credit Corporation to assist an agricultural transportation cooperative in Hawaii.

BOVINE TUBERCULOSIS HERD INDEMNIFICATION

The Committee recommends emergency spending of \$2,000,000 of the funds of the Commodity Credit Corporation to indemnify producers that suffered losses to herds of cattle due to bovine tuberculosis during 2005.

REPLINISHMENT OF SECTION 32

The Committee recommends emergency spending of \$100,000,000 of the funds of the Commodity Credit Corporation to make grants to each State to promote and support specialty crop production.

SUPPLEMENTAL ECONOMIC LOSS PAYMENTS

The Committee recommends emergency spending of such sums as are necessary of the funds of the Commodity Credit Corporation, estimated in fiscal year 2007 to be \$1,728,000,000, provides a supplemental economic loss payment to producers of program crops and dairy producers.

EMERGENCY WATERSHED PROTECTION PROGRAM

The Committee recommends an emergency appropriation of \$53,600,000 of the funds of the Commodity Credit Corporation to carry out emergency measures identified by the Chief of the Natural Resources Conservation Service through the Emergency Watershed Protection Program.

EMERGENCY CONSERVATION PROGRAM

The Committee recommends an emergency appropriation of \$17,000,000 of the funds of the Commodity Credit Corporation to carry out emergency measures in New Mexico and other States that are identified by the Administrator of the Farm Service Agency through the Emergency Conservation Program.

FUNDING FOR ADDITIONAL PERSONNEL

The Committee recommends an emergency appropriation of \$13,400,000 of the funds of the Commodity Credit Corporation to hire additional County Farm Service Agency personnel to expedite the implementation of the programs funded through this title.

PROGRAM, PROJECT, AND ACTIVITY

During fiscal year 2007, for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177) or the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100–119), the following information provides the definition of the term “program, project, and activity” for departments and agencies under the jurisdiction of the Agriculture, Rural Development, and Related Agencies Subcommittee. The term “program, project, and activity” shall include the most specific level of budget items identified in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2007, the House and Senate Committee reports, and the conference report and accompanying joint explanatory statement of the managers of the committee of conference.

If a sequestration order is necessary, in implementing the Presidential order, departments and agencies shall apply any percentage reduction required for fiscal year 2007 pursuant to the provisions of Public Law 99–177 or Public Law 100–119 to all items specified in the explanatory notes submitted to the Committees on Appropriations of the House and Senate in support of the fiscal year 2007 budget estimates, as amended, for such departments and agencies, as modified by congressional action, and in addition:

For the Agricultural Research Service the definition shall include specific research locations as identified in the explanatory notes and lines of research specifically identified in the reports of the House and Senate Appropriations Committees.

For the Natural Resources Conservation Service the definition shall include individual flood prevention projects as identified in the explanatory notes and individual operational watershed projects as summarized in the notes.

For the Farm Service Agency the definition shall include individual, regional, State, district, and county offices.

COMPLIANCE WITH PARAGRAPH 7, RULE XVI OF THE STANDING RULES OF THE SENATE

Paragraph 7 of rule XVI requires that Committee reports accompanying general appropriations bills identify each recommended amendment which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session.

The Committee recommends funding for the following programs which currently lack authorization for fiscal year 2007:

- Commodity Futures Trading Commission;
- Food and Nutrition Service, Child and Adult Care Food Program;
- Food and Drug Administration, Orphan Product Grants; and

—Food and Drug Administration, Sections 310 and 311 of the Public Health Security and Bioterrorism Preparedness and Response Act of 2002.

COMPLIANCE WITH PARAGRAPH 7(C), RULE XXVI OF THE
STANDING RULES OF THE SENATE

Pursuant to paragraph 7(c) of rule XXVI, on June 22, 2006, the Committee ordered reported, en bloc, H.R. 5384, making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for the fiscal year ending September 30, 2007, and for other purposes, with an amendment in the nature of a substitute, and H.R. 5521, making appropriations for the Legislative Branch for the fiscal year ending September 30, 2007, and for other purposes, with an amendment in the nature of a substitute, with each bill subject to further amendment and subject to the budget allocation, by a recorded vote of 28–0, a quorum being present. The vote was as follows:

| Yeas | Nays |
|------------------|------|
| Chairman Cochran | |
| Mr. Stevens | |
| Mr. Specter | |
| Mr. Domenici | |
| Mr. Bond | |
| Mr. McConnell | |
| Mr. Burns | |
| Mr. Shelby | |
| Mr. Gregg | |
| Mr. Bennett | |
| Mr. Craig | |
| Mrs. Hutchison | |
| Mr. DeWine | |
| Mr. Brownback | |
| Mr. Allard | |
| Mr. Byrd | |
| Mr. Inouye | |
| Mr. Leahy | |
| Mr. Harkin | |
| Ms. Mikulski | |
| Mr. Reid | |
| Mr. Kohl | |
| Mrs. Murray | |
| Mr. Dorgan | |
| Mrs. Feinstein | |
| Mr. Durbin | |
| Mr. Johnson | |
| Ms. Landrieu | |

COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE
STANDING RULES OF THE SENATE

Paragraph 12 of rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include “(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of

that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee.”

In compliance with this rule, the following changes in existing law proposed to be made by the bill are shown as follows: existing law to be omitted is enclosed in black brackets; new matter is printed in italics; and existing law in which no change is proposed is shown in roman.

TITLE 7—AGRICULTURE

* * * * *

CHAPTER 50—AGRICULTURAL CREDIT

* * * * *

SUBCHAPTER IV—ADMINISTRATIVE PROVISIONS

* * * * *

§ 1991. Definitions

(a) As used in this chapter:

(1) The term “farmer” includes a person who is engaged in, or who, with assistance afforded under this chapter, intends to engage in, fish farming *and, in the case of subtitle B, commercial fishing.*

(2) The term “farming” shall be deemed to include fish farming *and, in the case of subtitle B, commercial fishing.*

* * * * *

(b) * * *

* * * * *

(4) * * *

(c) *DEFINITION OF FARM.—In subtitle B, the term “farm” includes a commercial fishing enterprise.*

* * * * *

CHAPTER 64—AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING

* * * * *

SUBCHAPTER VII—PROGRAMS FOR HISPANIC, ALASKA NATIVE, AND NATIVEHAWAIIAN SERVING INSTITUTIONS

* * * * *

§ 3242. Education grants to Alaska Native serving institutions and Native Hawaiian serving institutions

(a) * * *

(1) * * *

* * * * *

(3) Authorization of appropriations

There are authorized to be appropriated to make grants under this subsection \$10,000,000 in fiscal years 2001 through **2006** 2011.

* * * * *

(b) * * *

(1) * * *

* * * * *

(3) Authorization of appropriations

There are authorized to be appropriated to make grants under this subsection \$10,000,000 for each of fiscal years 2001 through **2006** 2011.

* * * * *

CHAPTER 87—EXPORT PROMOTION

* * * * *

SUBCHAPTER II—AGRICULTURAL EXPORT PROGRAMS

* * * * *

PART A—PROGRAMS

* * * * *

SEC. 5622. EXPORT CREDIT GUARANTEE PROGRAM

(a) SHORT-TERM CREDIT GUARANTEES.—

* * * * *

[(b) INTERMEDIATE-TERM CREDIT GUARANTEES.—Subject to the provisions of subsection (c) of this section, the Commodity Credit Corporation may guarantee the repayment of credit made available by financial institutions in the United States to finance commercial export sales of agricultural commodities, including processed agricultural products and high-value agricultural products, from privately owned stocks on credit terms that are for not less than a 3-year period nor for more than a 10-year period in a manner that will directly benefit United States agricultural producers.]

[(c) REQUIRED DETERMINATIONS.—The Commodity Credit Corporation shall not guarantee under subsection (b) of this section the repayment of credit made available to finance an export sale unless the Secretary determines that such sale will—

[(1) develop, expand, or maintain the importing country as a foreign market, on a long-term basis, for the commercial sale and export of United States agricultural commodities, without displacing normal commercial sales;

[(2) improve the capability of the importing country to purchase and use, on a long-term basis, United States agricultural commodities; or

[(3) otherwise promote the export of United States agricultural commodities.

[The reference in paragraphs (1) and (2) to “on a long-term basis” shall not apply in the case of determinations with respect to sales to the independent states of the former Soviet Union.]

[(d)] (b) PURPOSE OF PROGRAM.—The Commodity Credit Corporation may use export credit guarantees authorized under this section—

- (1) to increase exports of agricultural commodities;
- (2) to compete against foreign agricultural exports; *and*
- (3) to assist countries in meeting their food and fiber needs, particularly—

(A) developing countries; and

(B) countries that are emerging markets that have committed to carry out, or are carrying out, policies that promote economic freedom, private domestic production of food commodities for domestic consumption, and the creation and expansion of efficient domestic markets for the purchase and sale of agricultural [commodities; and] *commodities*.

[(4) for such other purposes as the Secretary determines appropriate, consistent with the provisions of subsection (c) of this section.]

[(e)] (c) RESTRICTIONS ON USE OF CREDIT GUARANTEES.—Export credit guarantees authorized by this section shall not be used for foreign aid, foreign policy, or debt rescheduling purposes. The provisions of the cargo preference laws shall not apply to export sales with respect to which credit is guaranteed under this section.

[(f)] (d) RESTRICTIONS.—

[(1) IN GENERAL.—]The Commodity Credit Corporation shall not make credit guarantees available in connection with sales of agricultural commodities to any country that the Secretary determines cannot adequately service the debt associated with such sale.

[(2) CRITERIA FOR DETERMINATION.—In making the determination required under paragraph (1) with respect to credit guarantees under subsection (b) of this section for a country, the Secretary may consider, in addition to financial, macroeconomic, and monetary indicators—

[(A) whether an International Monetary Fund standby agreement, Paris Club rescheduling plan, or other economic restructuring plan is in place with respect to the country;

[(B) whether the country is addressing issues such as—

[(i) the convertibility of the currency of the country;

[(ii) adequate legal protection for foreign investments;

[(iii) the viability of the financial markets of the country; and

[(iv) adequate legal protection for the private property rights of citizens of the country; or

【(C) any other factors that are relevant to the ability of the country to service the debt of the country.】

【(g)】 *(e)* TERMS.—Export credit guarantees issued pursuant to this section shall contain such terms and conditions as the Commodity Credit Corporation determines to be necessary.

【(h)】 *(f)* UNITED STATES AGRICULTURAL COMMODITIES.—The Commodity Credit Corporation shall finance or guarantee under this section only United States agricultural commodities.

【(i)】 *(g)* INELIGIBILITY OF FINANCIAL INSTITUTIONS.—

(1) IN GENERAL.—A financial institution shall be ineligible to receive an assignment of a credit guarantee issued by the Commodity Credit Corporation under this section if it is determined by the Corporation, at the time of the assignment, that such financial institution—

(A) is the financial institution issuing the letter of credit or a subsidiary of such institution; or

(B) is owned or controlled by an entity that owns or controls that financial institution issuing the letter of credit.

(2) THIRD COUNTRY BANKS.—The Commodity Credit Corporation may guarantee under 【subsections (a) and (b)】 *subsection (a)* of this section the repayment of credit made available to finance an export sale irrespective of whether the obligor is located in the country to which the export sale is destined.

【(j)】 *(h)* CONDITIONS FOR FISH AND PROCESSED FISH PRODUCTS.—In making available any guarantees of credit under this section in connection with sales of fish and processed fish products, the Secretary shall make such guarantees available under terms and conditions that are comparable to the terms and conditions that apply to guarantees provided with respect to sales of other agricultural commodities under this section.

【(k)】 *(i)* PROCESSED AND HIGH-VALUE PRODUCTS.—

(1) IN GENERAL.—In issuing export credit guarantees under this section, the Commodity Credit Corporation shall, subject to paragraph (2), ensure that not less than 25 percent for each of fiscal years 1996 and 1997, 30 percent for each of fiscal years 1998 and 1999, and 35 percent for each of fiscal years 2000 through 2007, of the total amount of credit guarantees issued for a fiscal year is issued to promote the export of processed or high-value agricultural products and that the balance is issued to promote the export of bulk or raw agricultural commodities.

(2) LIMITATION.—The percentage requirement of paragraph (1) shall apply for a fiscal year to the extent that a reduction in the total amount of credit guarantees issued for the fiscal year is not required to meet the percentage requirement.

【(l)】 *(j)* CONSULTATION ON AGRICULTURAL EXPORT CREDIT PROGRAMS.—The Secretary and the United States Trade Representative shall consult on a regular basis with the Committee on Agriculture, and the Committee on International Relations, of the House of Representatives and the Committee on Agriculture, Nutri-

tion, and Forestry of the Senate on the status of multilateral negotiations regarding agricultural export credit programs.

* * * * *

PART B—IMPLEMENTATION

* * * * *

SEC. 5641. FUNDING LEVELS

* * * * *

(a) **DIRECT CREDIT PROGRAMS.**—The Commodity Credit Corporation may make available for each fiscal year such funds of the Commodity Credit Corporation as it determines necessary to carry out any direct credit program established under section 5621 of this title.

(b) **EXPORT CREDIT GUARANTEE PROGRAMS.**—

[(1) **EXPORT CREDIT GUARANTEES.**—]The Commodity Credit Corporation shall make available for each of fiscal years 1996 through 2007 not less than \$5,500,000,000 in credit guarantees under [subsections (a) and (b)] *subsection (a)* of section 5622 of this title.

[(2) **LIMITATION ON ORIGINATION FEE.**—Notwithstanding any other provision of law, the Secretary may not charge an origination fee with respect to any credit guarantee transaction under section 5622(a) of this title in excess of an amount equal to 1 percent of the amount of credit to be guaranteed under the transaction, except with respect to an export credit guarantee transaction pursuant to section 1542(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 7 U.S.C. 5622 note).]

* * * * *

CHAPTER 106—COMMODITY PROGRAMS

* * * * *

SUBCHAPTER III—PEANUTS

* * * * *

§ 7957. Marketing assistance loans and loan deficiency payments for peanuts

(a) Nonrecourse loans available

(1) Availability * * *

* * * * *

(6) Payment of peanut storage costs

Effective for the 2002 through [2006] 2007 crops of peanuts, to ensure proper storage of peanuts for which a loan is made under this section, the Secretary shall use the funds of the Commodity Credit Corporation to pay storage, handling, and other associated costs. This authority terminates beginning with the [2007] 2008 crop of peanuts.

* * * * *

TITLE 22—FOREIGN RELATIONS AND INTERCOURSE

* * * * *

CHAPTER 79—TRADE SANCTIONS REFORM AND EXPORT ENHANCEMENT

* * * * *

§ 7209. Requirements relating to certain travel-related transactions with Cuba

[(a) Authorization of travel relating to commercial sale of agricultural commodities

【The Secretary of the Treasury shall promulgate regulations under which the travel-related transactions listed in subsection (c) of section 515.560 of title 31, Code of Federal Regulations, may be authorized on a case-by-case basis by a specific license for travel to, from, or within Cuba for the commercial export sale of agricultural commodities pursuant to the provisions of this chapter.】

(a) AUTHORIZATION OF TRAVEL RELATING TO COMMERCIAL SALES OF AGRICULTURAL AND MEDICAL GOODS.—The Secretary of the Treasury shall promulgate regulations under which the travel-related transactions listed in paragraph (c) of section 515.560 of title 31, Code of Federal Regulations, are authorized by general license for travel to, from, or within Cuba for the purpose of conferring, exhibiting, marketing, planning, sales negotiation, delivery, expediting, facilitating, or servicing commercial export sale of agricultural and medical goods pursuant to the provisions of this title.

* * * * *

RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT

* * * * *

PILOT PROJECTS

SEC. 18. (a) * * *

* * * * *

(f) SIMPLIFIED SUMMER FOOD PROGRAMS.—

(1) DEFINITION OF ELIGIBLE STATE.—In this subsection, the term “eligible State” means—

(A) a State participating in the program under this subsection as of May 1, [2004] 2006; and

(B) a State in which (based on data available in [June 2005] May 2006)—

(i) the percentage obtained by dividing—

(I) the sum of—

(aa) the average daily number of children attending the summer food service program in the State in July 2003; and

(bb) the average daily number of children receiving free or reduced price meals under the school lunch program in the State in July 2003; by

(II) the average daily number of children receiving free or reduced price meals under the school lunch program in the State in March 2003; is less than
(ii) [75] 78 percent of the percentage obtained by dividing—

* * * * *

HOUSING ACT OF 1949

* * * * *

PART X—RURAL HOUSING

* * * * *

TITLE V—FARM HOUSING

INSURANCE OF LOANS FOR THE PROVISION OF HOUSING AND RELATED FACILITIES FOR DOMESTIC FARM LABOR

SEC. 514. (a) * * *

* * * * *

(f) As used in this section—

(1) * * *

* * * * *

(3) the term “domestic farm labor” means any person (and the family of such person) who receives a substantial portion of his or her income from primary production of agricultural or aquacultural commodities or the handling of such commodities in the unprocessed stage or the processing of such commodities, without respect to the source of employment, except that—

* * * * *

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2000, PUBLIC LAW 106-78

* * * * *

TITLE VII—GENERAL PROVISIONS

SEC. 759. EDUCATION GRANTS TO ALASKA NATIVE SERVING INSTITUTIONS AND NATIVE HAWAIIAN SERVING INSTITUTIONS. (a) EDUCATION GRANTS PROGRAM FOR ALASKA NATIVE SERVING INSTITUTIONS.—

(1) * * *

* * * * *

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to make grants under this subsection \$10,000,000 in fiscal years 2001 through [2006] 2011.

(b) * * *

(1) * * *

* * * * *

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to make grants under this subsection \$10,000,000 for each of fiscal years 2001 through ~~2006~~ 2011.

BUDGETARY IMPACT OF BILL

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

[In millions of dollars]

| | Budget authority | | Outlays | |
|--|-----------------------------------|----------------|-----------------------------------|---------------------|
| | Committee allocation ¹ | Amount of bill | Committee allocation ¹ | Amount of bill |
| Comparison of amounts in the bill with Committee allocations to its subcommittees of budget totals for 2007: Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies: | | | | |
| Mandatory | 70,945 | 70,945 | NA | 52,946 |
| Discretionary | 18,200 | 18,200 | NA | ¹ 61,942 |
| Projections of outlays associated with the recommendation: | | | | |
| 2007 | | | | ² 61,942 |
| 2008 | | | | 10,458 |
| 2009 | | | | 845 |
| 2010 | | | | 237 |
| 2011 and future years | | | | 131 |
| Financial assistance to State and local governments for 2007 | NA | 25,316 | NA | 22,934 |

¹ Includes outlays from prior-year budget authority.

² Excludes outlays from prior-year budget authority.

NA: Not applicable.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2006 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2007
 (In thousands of dollars)

| Item | 2006 appropriation | Budget estimate | House allowance | Committee recommendation | Senate Committee recommendation compared with (+ or -) | | |
|--|--------------------|-----------------|-----------------|--------------------------|--|-----------------|-----------------|
| | | | | | 2006 appropriation | Budget estimate | House allowance |
| TITLE I—AGRICULTURAL PROGRAMS | | | | | | | |
| Production, Processing, and Marketing | | | | | | | |
| Office of the Secretary | 5,076 | 11,540 | 5,499 | 10,515 | +5,439 | -1,025 | +5,016 |
| Executive Operations: | | | | | | | |
| Chief Economist | 10,434 | 11,226 | 11,226 | 11,226 | +792 | ..... | ..... |
| National Appeals Division | 14,379 | 14,795 | 14,795 | 14,795 | +416 | ..... | ..... |
| Office of Budget and Program Analysis | 8,215 | 8,479 | 8,479 | 8,479 | +264 | ..... | ..... |
| Homeland Security staff | 925 | 1,114 | 954 | 954 | +29 | -160 | ..... |
| Office of the Chief Information Officer | 16,297 | 16,936 | 16,936 | 16,936 | +639 | ..... | ..... |
| Common computing environment | 108,971 | 108,900 | 38,395 | ..... | -108,971 | -108,900 | -38,395 |
| Office of the Chief Financial Officer | 5,815 | 19,931 | 5,991 | 11,667 | +5,852 | -8,264 | +5,676 |
| Total, Executive Operations | 165,036 | 181,381 | 96,776 | 64,057 | -100,979 | -117,324 | -32,719 |
| Office of the Assistant Secretary for Civil Rights | 813 | 836 | 836 | 836 | +23 | ..... | ..... |
| Office of Civil Rights | 19,908 | 22,650 | 22,650 | 22,650 | +2,742 | ..... | ..... |
| Office of the Assistant Secretary for Administration | 669 | 773 | 736 | 681 | +12 | -92 | -55 |
| Agriculture buildings and facilities and rental payments | (185,857) | (209,814) | (206,669) | (209,814) | (+23,957) | ..... | (+3,145) |
| Payments to GSA | 146,257 | 155,851 | 155,851 | 155,851 | +9,594 | ..... | ..... |
| Building operations and maintenance | 39,600 | 53,963 | 50,818 | 53,963 | +14,363 | ..... | +3,145 |
| Hazardous materials management | 11,880 | 12,020 | 12,020 | 12,020 | +140 | ..... | ..... |
| Departmental administration | 22,872 | 28,302 | 24,114 | 24,114 | +1,242 | -4,188 | ..... |
| Office of the Assistant Secretary for Congressional Relations | 3,783 | 3,940 | 3,940 | 3,830 | +47 | -110 | ..... |
| Office of Communications | 9,414 | 9,695 | 9,695 | 9,695 | +281 | ..... | ..... |
| Office of the Inspector General | 79,533 | 82,493 | 82,493 | 82,493 | +2,960 | ..... | ..... |
| Office of the General Counsel | 38,957 | 40,647 | 40,455 | 40,647 | +1,690 | ..... | +192 |
| Office of the Under Secretary for Research, Education, and Economics | 592 | 694 | 651 | 605 | +13 | -89 | -46 |
| Economic Research Service | 75,172 | 82,544 | 80,963 | 75,963 | +791 | -6,581 | -5,000 |
| National Agricultural Statistics Service | 139,293 | 152,584 | 148,219 | 148,719 | +9,426 | -3,865 | +500 |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2006 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2007—Continued

(In thousands of dollars)

| Item | 2006 appropriation | Budget estimate | House allowance | Committee recommendation | Senate Committee recommendation compared with (+ or -) | | |
|--|--------------------|-----------------|-----------------|--------------------------|--|-----------------|-----------------|
| | | | | | 2006 appropriation | Budget estimate | House allowance |
| Census of Agriculture | (28,824) | (36,582) | (36,582) | (36,582) | (+ 7,758) | ..... | ..... |
| Agricultural Research Service: | | | | | | | |
| Salaries and expenses | 1,123,654 | 1,001,385 | 1,057,603 | 1,127,553 | + 3,899 | + 126,168 | + 69,950 |
| Buildings and facilities | 129,883 | 8,415 | 140,000 | 83,400 | -46,483 | + 74,985 | - 56,600 |
| Total, Agricultural Research Service | 1,253,537 | 1,009,800 | 1,197,603 | 1,210,953 | -42,584 | + 201,153 | + 13,350 |
| Cooperative State Research, Education, and Extension Service: | | | | | | | |
| Research and education activities | 670,081 | 566,300 | 651,506 | 678,089 | + 8,008 | + 111,789 | + 26,583 |
| Native American Institutions Endowment Fund | (12,000) | (11,880) | (11,880) | (11,880) | (- 120) | ..... | ..... |
| Extension activities | 451,395 | 430,727 | 457,042 | 467,102 | + 15,707 | + 36,375 | + 10,060 |
| Integrated activities | 55,234 | 19,120 | 58,379 | 58,704 | + 3,470 | + 39,584 | + 325 |
| Outreach for socially disadvantaged farmers | 5,940 | 6,830 | 7,030 | 5,940 | ..... | - 990 | - 1,090 |
| Total, Cooperative State Research, Education, and Extension Service | 1,182,650 | 1,023,077 | 1,173,957 | 1,209,835 | + 27,185 | + 186,758 | + 35,878 |
| Office of the Under Secretary for Marketing and Regulatory Programs | 717 | 741 | 741 | 731 | + 14 | - 10 | - 10 |
| Animal and Plant Health Inspection Service: | | | | | | | |
| Salaries and expenses | 807,306 | 945,153 | 921,616 | 900,423 | + 93,117 | - 44,730 | - 21,193 |
| Animal welfare (user fees) (leg. proposal) NA ..... | ..... | (8,221) | ..... | ..... | ..... | (- 8,221) | ..... |
| Buildings and facilities | 4,946 | 6,431 | 5,946 | 5,946 | + 1,000 | - 485 | ..... |
| Total, Animal and Plant Health Inspection Service | 812,252 | 951,584 | 927,562 | 906,369 | + 94,117 | - 45,215 | - 21,193 |
| Agricultural Marketing Service: | | | | | | | |
| Marketing Services | 74,622 | 81,498 | 77,269 | 71,170 | - 3,452 | - 10,328 | - 6,099 |
| Standardization (user fees) (leg. proposal) NA ..... | ..... | (2,212) | ..... | ..... | ..... | (- 2,212) | ..... |
| (Limitation on administrative expenses, from fees collected) | (65,667) | (62,211) | (62,211) | (62,211) | (- 3,456) | ..... | ..... |
| Funds for strengthening markets, income, and supply (transfer from section 32) | 16,055 | 4,106 | 16,425 | 16,425 | + 370 | + 12,319 | ..... |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2006 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
 FOR FISCAL YEAR 2007—Continued
 [In thousands of dollars]

| Item | 2006 appropriation | Budget estimate | House allowance | Committee recommendation | Senate Committee recommendation compared with (+ or -) | | |
|---|--------------------|-----------------|-----------------|--------------------------|--|-----------------|-----------------|
| | | | | | 2006 appropriation | Budget estimate | House allowance |
| Dairy indemnity program | 100 | 100 | 100 | 100 | | | |
| Subtotal, Farm Service Agency | 1,027,721 | 1,095,667 | 1,061,781 | 1,159,800 | + 132,079 | + 64,133 | + 98,019 |
| Agricultural Credit Insurance Fund Program Account: | | | | | | | |
| Loan authorizations: | | | | | | | |
| Farm ownership loans: | | | | | | | |
| Direct | (205,918) | (222,750) | (222,750) | (222,750) | (+ 16,832) | | |
| Guaranteed | (1,386,000) | (1,200,000) | (1,200,000) | (1,200,000) | (- 186,000) | | |
| Subtotal | (1,591,918) | (1,422,750) | (1,422,750) | (1,422,750) | (- 169,168) | | |
| Farm operating loans: | | | | | | | |
| Direct | (643,500) | (643,500) | (643,500) | (643,500) | | | |
| Unsubsidized guaranteed | (1,138,500) | (1,025,610) | (1,150,000) | (1,025,610) | (- 112,890) | | (- 124,390) |
| Subsidized guaranteed | (271,886) | (272,250) | (272,254) | (272,250) | (+ 364) | | (- 4) |
| Subtotal | (2,053,886) | (1,941,360) | (2,065,754) | (1,941,360) | (- 112,526) | | (- 124,394) |
| Indian tribe land acquisition loans | (2,000) | (3,960) | (3,960) | (3,960) | (+ 1,960) | | |
| Boll weevil eradication loans | (100,000) | (59,400) | (59,400) | (59,400) | (- 40,600) | | |
| Total, Loan authorizations | (3,747,804) | (3,427,470) | (3,551,864) | (3,427,470) | (- 320,334) | | (- 124,394) |
| Loan subsidies: | | | | | | | |
| Farm ownership loans: | | | | | | | |
| Direct | 10,544 | 9,333 | 9,333 | 9,333 | - 1,211 | | |
| Guaranteed | 6,653 | | 6,960 | 6,960 | + 307 | + 6,960 | |
| Subtotal | 17,197 | 9,333 | 16,293 | 16,293 | - 904 | + 6,960 | |
| Farm operating loans: | | | | | | | |
| Direct | 64,028 | 75,225 | 75,225 | 75,225 | + 11,197 | | |
| Unsubsidized guaranteed | 34,497 | 2,667 | 28,405 | 25,332 | - 9,165 | + 22,665 | - 3,073 |

| | | | | | | | |
|---|-------------|-------------|-------------|-------------|------------|----------|------------|
| Subsidized guaranteed | 33,986 | 24,720 | 27,416 | 27,416 | -6,570 | +2,696 | ..... |
| Subtotal | 132,511 | 102,612 | 131,046 | 127,973 | -4,538 | +25,361 | -3,073 |
| Indian tribe land acquisition | 80 | 838 | 838 | 838 | +758 | ..... | ..... |
| Boll weevil eradication loans ..... | ..... | 1,129 | 1,129 | 1,129 | +1,129 | ..... | ..... |
| Total, Loan subsidies | 149,788 | 113,912 | 149,306 | 146,233 | -3,555 | +32,321 | -3,073 |
| ACIF expenses: | | | | | | | |
| Salaries and expense (transfer to FSA) | 301,545 | 311,737 | 307,338 | 311,737 | +10,192 | ..... | +4,399 |
| Administrative expenses | 7,920 | 7,920 | 7,920 | 7,920 | ..... | ..... | ..... |
| Total, ACIF expenses | 309,465 | 319,657 | 315,258 | 319,657 | +10,192 | ..... | +4,399 |
| Total, Agricultural Credit Insurance Fund | 459,253 | 433,569 | 464,564 | 465,890 | +6,637 | +32,321 | +1,326 |
| (Loan authorization) | (3,747,804) | (3,427,470) | (3,551,864) | (3,427,470) | (-320,334) | ..... | (-124,394) |
| Total, Farm Service Agency | 1,486,974 | 1,529,236 | 1,526,345 | 1,625,690 | +138,716 | +96,454 | +99,345 |
| Risk Management Agency | 76,278 | 80,797 | 77,197 | 78,477 | +2,199 | -2,320 | +1,280 |
| Total, Farm Assistance Programs | 1,563,881 | 1,610,770 | 1,604,233 | 1,704,807 | +140,926 | +94,037 | +100,574 |
| Corporations | | | | | | | |
| Federal Crop Insurance Corporation: | | | | | | | |
| Federal crop insurance corporation fund | 3,159,379 | 4,131,035 | 4,131,035 | 4,131,035 | +971,656 | ..... | ..... |
| Commodity Credit Corporation Fund: | | | | | | | |
| Reimbursement for net realized losses | 25,690,000 | 19,740,000 | 19,740,000 | 19,740,000 | -5,950,000 | ..... | ..... |
| Hazardous waste management (limitation on expenses) | (5,000) | (5,000) | (5,000) | (5,000) | ..... | ..... | ..... |
| Farm Storage Facility Loans Program Account: | | | | | | | |
| Salaries and expenses: | | | | | | | |
| Farm Service Agency (transfer to FSA) ..... | ..... | 4,560 | ..... | 4,560 | +4,560 | ..... | +4,560 |
| Total, Corporations | 28,849,379 | 23,875,595 | 23,871,035 | 23,875,595 | -4,973,784 | ..... | +4,560 |
| Total, title I, Agricultural Programs | 35,403,790 | 30,178,428 | 30,509,417 | 30,621,607 | -4,782,183 | +443,179 | +112,190 |
| (By transfer) | (306,551) | (319,294) | (310,335) | (319,294) | (+12,743) | ..... | (+8,959) |
| (Loan authorization) | (3,747,804) | (3,427,470) | (3,551,864) | (3,427,470) | (-320,334) | ..... | (-124,394) |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2006 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2007—Continued
 (In thousands of dollars)

| Item | 2006 appropriation | Budget estimate | House allowance | Committee recommendation | Senate Committee recommendation compared with (+ or -) | | |
|---|--------------------|-----------------|-----------------|--------------------------|--|-----------------|-----------------|
| | | | | | 2006 appropriation | Budget estimate | House allowance |
| (Limitation on administrative expenses) | (113,130) | (109,674) | (109,674) | (109,674) | (-3,456) | | |
| TITLE II—CONSERVATION PROGRAMS | | | | | | | |
| Office of the Under Secretary for Natural Resources and Environment | 737 | 957 | | 752 | +15 | -205 | +752 |
| Natural Resources Conservation Service: | | | | | | | |
| Conservation operations | 831,124 | 744,877 | 791,498 | 835,331 | +4,207 | +90,454 | +43,833 |
| Watershed surveys and planning | 6,022 | 6,022 | 6,022 | 6,022 | | +6,022 | |
| Watershed and flood prevention operations | 74,250 | 40,000 | 40,000 | 62,070 | -12,180 | +62,070 | +22,070 |
| Watershed rehabilitation program | 31,245 | 15,300 | 31,245 | 31,245 | | +15,945 | |
| Resource conservation and development | 50,787 | 25,933 | 50,787 | 50,787 | | +24,854 | |
| Healthy forests reserve program | | 2,475 | | 5,000 | +5,000 | +2,525 | +5,000 |
| Total, Natural Resources Conservation Service | 993,428 | 788,585 | 919,552 | 990,455 | -2,973 | +201,870 | +70,903 |
| Total, title II, Conservation Programs | 994,165 | 789,542 | 919,552 | 991,207 | -2,958 | +201,665 | +71,655 |
| TITLE III—RURAL DEVELOPMENT PROGRAMS | | | | | | | |
| Office of the Under Secretary for Rural Development | 629 | 823 | 692 | 640 | +11 | -183 | -52 |
| Rural Development: | | | | | | | |
| Rural community advancement program | 694,922 | 600,762 | 704,893 | 714,958 | +20,036 | +114,196 | +10,065 |
| (Transfer out) | (-25,740) | | | (-26,000) | (-260) | (-26,000) | (-26,000) |
| Total, Rural community advancement program | 694,922 | 600,762 | 704,893 | 714,958 | +20,036 | +114,196 | +10,065 |
| RD expenses: | | | | | | | |
| Salaries and expenses | 162,979 | 170,741 | 182,860 | 176,522 | +13,543 | +5,781 | -6,338 |
| (Transfer from RHF) | (450,261) | (455,776) | (430,080) | (455,776) | (+5,515) | | (+25,696) |
| (Transfer from MHRP) | | | (990) | | | | (-990) |
| (Transfer from RDLFP) | (4,745) | (4,950) | (4,780) | (4,950) | (+205) | | (+170) |

| | | | | | | | |
|--|-------------|-------------|-------------|-------------|------------|-------------|------------|
| (Transfer from RETLP) | (38,396) | (39,600) | (39,101) | (39,600) | (+1,204) | ..... | (+ 499) |
| (Transfer from RTB) | (2,475) | ..... | ..... | ..... | (-2,475) | ..... | ..... |
| Subtotal, Transfers from program accounts | (495,877) | (500,326) | (474,951) | (500,326) | (+ 4,449) | ..... | (+ 25,375) |
| Total, RD expenses | (658,856) | (671,067) | (657,811) | (676,848) | (+ 17,992) | (+ 5,781) | (+ 19,037) |
| Total, Rural Development | 857,901 | 771,503 | 887,753 | 891,480 | + 33,579 | + 119,977 | + 3,727 |
| Rural Housing Service: | | | | | | | |
| Rural Housing Insurance Fund Program Account: | | | | | | | |
| Loan authorizations: | | | | | | | |
| Single family direct (sec. 502) | (1,129,391) | (1,237,498) | (1,237,498) | (1,129,391) | ..... | (-108,107) | (-108,107) |
| Unsubsidized guaranteed | (3,644,224) | (3,564,238) | (3,564,238) | (3,644,223) | (-1) | (+ 79,985) | (+ 79,985) |
| Subtotal, Single family | (4,773,615) | (4,801,736) | (4,801,736) | (4,773,614) | (-1) | (-28,122) | (-28,122) |
| Housing repair (sec. 504) | (34,652) | (36,382) | (36,382) | (34,652) | ..... | (-1,730) | (-1,730) |
| Rental housing (sec. 515) | (99,000) | (100,000) | (100,000) | (100,000) | (+ 1,000) | (+ 100,000) | (-45) |
| Site loans (sec. 524) | (5,000) | (5,045) | (5,045) | (5,000) | ..... | (-45) | (-45) |
| Multi-family housing guarantees (sec. 538) | (99,000) | (197,997) | (100,000) | (100,000) | (+ 1,000) | (-97,997) | ..... |
| Multi-family housing credit sales | (1,485) | (1,482) | (1,482) | (1,482) | (-3) | ..... | ..... |
| Single family housing credit sales | (10,000) | (10,000) | (10,000) | (10,000) | ..... | ..... | ..... |
| Self-help housing/land develop. (sec. 523) | (4,998) | (4,980) | (4,980) | (4,980) | (-18) | ..... | ..... |
| Total, Loan authorizations | (5,027,750) | (5,057,622) | (5,059,625) | (5,029,728) | (+ 1,978) | (-27,894) | (-29,897) |
| Loan subsidies: | | | | | | | |
| Single family direct (sec. 502) | 128,638 | 124,121 | 124,121 | 113,278 | -15,360 | -10,843 | -10,843 |
| Unsubsidized guaranteed | 40,491 | 7,772 | 7,772 | 42,641 | + 2,150 | + 34,869 | + 34,869 |
| Subtotal, Single family | 169,129 | 131,893 | 131,893 | 155,919 | -13,210 | + 24,026 | + 24,026 |
| Housing repair (sec. 504) | 10,136 | 10,751 | 10,751 | 10,240 | + 104 | -511 | -511 |
| Rental housing (sec. 515) | 45,421 | 45,670 | 45,670 | 45,880 | + 459 | + 45,880 | + 210 |
| Multi-family housing guarantees (sec. 538) | 5,366 | 15,325 | 7,740 | 7,740 | + 2,374 | -7,585 | ..... |
| Multi-family housing credit sales | 674 | 672 | 672 | 672 | -2 | ..... | ..... |
| Single family housing credit sales ..... | ..... | 48 | 48 | 48 | + 48 | ..... | ..... |
| Self-help housing/land develop. (sec. 523) | 51 | 123 | 123 | 123 | + 72 | ..... | ..... |
| Multi-family housing preservation | 8,910 | ..... | ..... | ..... | -8,910 | ..... | ..... |
| Total, Loan subsidies | 239,687 | 158,812 | 196,897 | 220,622 | -19,065 | + 61,810 | + 23,725 |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2006 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2007—Continued
 (In thousands of dollars)

| Item | 2006 appropriation | Budget estimate | House allowance | Committee recommendation | Senate Committee recommendation compared with (+ or -) | | |
|--|--------------------|-----------------|-----------------|--------------------------|--|-----------------|-----------------|
| | | | | | 2006 appropriation | Budget estimate | House allowance |
| RHF administrative expenses (transfer to RD) | 450,261 | 455,776 | 430,080 | 455,776 | +5,515 | ..... | +25,696 |
| Rental assistance program: | | | | | | | |
| (Sec. 521) | 638,651 | 486,320 | 329,500 | 329,500 | -309,151 | -156,820 | ..... |
| (Sec. 502(c)(5)(D)) | 7,920 | ..... | 5,900 | 5,900 | -2,020 | +5,900 | ..... |
| Total. Rental assistance program | 646,571 | 486,320 | 335,400 | 335,400 | -311,171 | -150,920 | ..... |
| Total. Rural Housing Insurance Fund | 1,336,519 | 1,100,908 | 962,377 | 1,011,798 | -324,721 | -89,110 | +49,421 |
| (Loan authorization) | (5,027,750) | (5,057,622) | (5,059,625) | (5,029,728) | (+1,978) | (-27,894) | (-29,897) |
| Rural housing voucher program | 15,840 | 74,250 | 28,000 | ..... | -15,840 | ..... | ..... |
| Multifamily housing revitalization program account ..... | ..... | ..... | 28,000 | 28,000 | +28,000 | -46,250 | ..... |
| MHRP administrative expenses (transfer to RD) ..... | ..... | ..... | 990 | ..... | ..... | ..... | -990 |
| Total. Multifamily housing revitalization ..... | ..... | 74,250 | 28,990 | 28,000 | +28,000 | -46,250 | -990 |
| Mutual and self-help housing grants | 33,660 | 37,620 | 37,620 | 33,660 | ..... | -3,960 | -3,960 |
| Rural housing assistance grants | 43,536 | 40,590 | 40,590 | 40,590 | -2,946 | ..... | ..... |
| Farm labor program account | 30,856 | 33,798 | 47,525 | 30,643 | -213 | -3,155 | -16,882 |
| Subtotal, grants and payments | 108,052 | 112,008 | 125,735 | 104,893 | -3,159 | -7,115 | -20,842 |
| Total, Rural Housing Service | 1,460,411 | 1,287,166 | 1,117,102 | 1,144,691 | -315,720 | -142,475 | +27,589 |
| (Loan authorization) | (5,027,750) | (5,057,622) | (5,059,625) | (5,029,728) | (+1,978) | (-27,894) | (-29,897) |
| Rural Business-Cooperative Service: | | | | | | | |
| Rural Development Loan Fund Program Account: | | | | | | | |
| (Loan authorization) | (33,870) | (33,925) | (33,925) | (33,925) | (+55) | ..... | ..... |
| Loan subsidy | 14,571 | 14,951 | 14,951 | 14,951 | +380 | ..... | ..... |
| Administrative expenses (transfer to RD) | 4,745 | 4,950 | 4,780 | 4,950 | +205 | ..... | +170 |

| | | | | | | | |
|---|-------------|-------------|-------------|-------------|---------------|---------------|---------------|
| Total, Rural Development Loan Fund | 19,316 | 19,901 | 19,731 | 19,901 | + 585 | ..... | + 170 |
| Rural Economic Development Loans Program Account: | | | | | | | |
| (Loan authorization) | (24,752) | (34,652) | (34,652) | (34,652) | (+ 9,900) | ..... | ..... |
| Direct subsidy | 4,943 | 7,568 | 7,568 | 7,568 | + 2,625 | ..... | ..... |
| Rural cooperative development grants | 29,193 | 27,225 | 9,913 | 29,500 | + 307 | + 2,275 | + 19,587 |
| Rural empowerment zones and enterprise communities grants | 11,088 | ..... | 11,088 | 10,000 | - 1,088 | + 10,000 | - 1,088 |
| Renewable energy program | 22,770 | 10,163 | 20,000 | 25,000 | + 2,230 | + 14,837 | + 5,000 |
| Total, Rural Business-Cooperative Service | 87,310 | 64,857 | 68,300 | 91,969 | + 4,659 | + 27,112 | + 23,669 |
| (Loan authorization) | (58,622) | (68,577) | (68,577) | (68,577) | (+ 9,955) | ..... | ..... |
| Rural Utilities Service: | | | | | | | |
| Rural Electrification and Telecommunications Loans Program Account: | | | | | | | |
| Loan authorizations: | | | | | | | |
| Electric: | | | | | | | |
| Direct, 5 percent | (99,000) | (99,018) | (99,018) | (99,000) | ..... | (- 18) | (- 18) |
| Direct, Municipal rate | (99,000) | (39,602) | (99,000) | (99,000) | ..... | (+ 59,398) | (+ 59,398) |
| Direct, FFB | (2,600,000) | (3,000,000) | (3,000,000) | (5,000,000) | (+ 2,400,000) | (+ 2,000,000) | (+ 2,000,000) |
| Direct, Treasury rate | (990,000) | (700,000) | (990,000) | (990,000) | ..... | (+ 290,000) | (+ 290,000) |
| Guaranteed electric | (99,000) | ..... | ..... | (99,000) | ..... | (+ 99,000) | (+ 99,000) |
| Guaranteed underwriting | (1,500,000) | ..... | (500,000) | (1,500,000) | ..... | (+ 1,500,000) | (+ 1,000,000) |
| Subtotal, Electric | (5,387,000) | (3,838,620) | (4,688,018) | (7,787,000) | (+ 2,400,000) | (+ 3,948,380) | (+ 3,098,982) |
| Telecommunications: | | | | | | | |
| Direct, 5 percent | (145,000) | (143,513) | (143,513) | (143,513) | (- 1,487) | ..... | ..... |
| Direct, Treasury rate | (419,760) | (246,666) | (246,666) | (419,760) | ..... | (+ 173,094) | (+ 173,094) |
| Direct, FFB | (125,000) | (299,000) | (299,000) | (299,000) | (+ 174,000) | ..... | ..... |
| Subtotal, Telecommunications | (689,760) | (689,179) | (689,179) | (862,273) | (+ 172,513) | (+ 173,094) | (+ 173,094) |
| Total, Loan authorizations | (6,076,760) | (4,527,799) | (5,377,197) | (8,649,273) | (+ 2,572,513) | (+ 4,121,474) | (+ 3,272,076) |
| Loan subsidies: | | | | | | | |
| Electric: | | | | | | | |
| Direct, 5 percent | 911 | 2,119 | 2,119 | 2,119 | + 1,208 | ..... | ..... |
| Direct, Municipal rate | 5,000 | 598 | 1,495 | 1,495 | - 3,505 | + 897 | + 897 |
| Guaranteed electric | 89 | ..... | ..... | 89 | ..... | + 89 | + 89 |
| Direct, Treasury rate | 99 | ..... | ..... | ..... | - 99 | ..... | ..... |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2006 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2007—Continued
 [In thousands of dollars]

| Item | 2006 appropriation | Budget estimate | House allowance | Committee recommendation | Senate Committee recommendation compared with (+ or -) | | |
|---|--------------------|-----------------|-----------------|--------------------------|--|-----------------|-----------------|
| | | | | | 2006 appropriation | Budget estimate | House allowance |
| Subtotal, Electric | 6,099 | 2,717 | 3,614 | 3,703 | -2,396 | +986 | +89 |
| Telecommunications: | | | | | | | |
| Direct, 5 percent | | 531 | 531 | 531 | +531 | | |
| Direct, Treasury rate | 210 | 74 | 74 | 126 | -84 | +52 | +52 |
| Subtotal, Telecommunications | 210 | 605 | 605 | 657 | +447 | +52 | +52 |
| Total, Loan subsidies | 6,309 | 3,322 | 4,219 | 4,360 | -1,949 | +1,038 | +141 |
| RETLP administrative expenses (transfer to RD) | 38,396 | 39,600 | 39,101 | 39,600 | +1,204 | | +499 |
| Total, Rural Electrification and Telecommunications Loans Program Account | 44,705 | 42,922 | 43,320 | 43,960 | -745 | +1,038 | +640 |
| (Loan authorization) | (6,076,760) | (4,527,799) | (5,377,197) | (8,649,273) | (+2,572,513) | (+4,121,474) | (+3,272,076) |
| Rural Telephone Bank Program Account: | | | | | | | |
| RTB administrative expenses (transfer to RD) | 2,475 | | | | -2,475 | | |
| Total, Rural Telephone Bank Program Account | 2,475 | | | | -2,475 | | |
| High energy costs grants (by transfer) | (26,000) | | | (26,000) | | (+26,000) | (+26,000) |
| Distance learning, telemedicine, and broadband program: | | | | | | | |
| Loan authorizations: | | | | | | | |
| Distance learning and telemedicine | (24,750) | | | | (-24,750) | | |
| Broadband telecommunications | (495,000) | (356,419) | (503,535) | (500,000) | (+5,000) | (+143,581) | (-3,535) |
| Total, Loan authorizations | (519,750) | (356,419) | (503,535) | (500,000) | (-19,750) | (+143,581) | (-3,535) |
| Loan subsidies: | | | | | | | |
| Distance learning and telemedicine: | | | | | | | |
| Direct | 371 | | | | -371 | | |
| Grants | 29,700 | 24,750 | 24,750 | 30,000 | +300 | +5,250 | +5,250 |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2006 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2007—Continued
(In thousands of dollars)

| Item | 2006 appropriation | Budget estimate | House allowance | Committee recommendation | Senate Committee recommendation compared with (+ or -) | | |
|--|--------------------|-----------------|-----------------|--------------------------|--|-----------------|-----------------|
| | | | | | 2006 appropriation | Budget estimate | House allowance |
| Commodity assistance program | 177,572 | 70,370 | 189,370 | 179,366 | +1,794 | +108,996 | -10,004 |
| Nutrition programs administration | 139,353 | 160,429 | 142,314 | 143,114 | +3,761 | -17,315 | +800 |
| Total, Food and Nutrition Service | 58,893,549 | 57,010,517 | 56,786,402 | 57,106,198 | -1,787,351 | +95,681 | +319,796 |
| Total, title IV, Domestic Food Programs | 58,894,142 | 57,011,249 | 56,787,054 | 57,106,802 | -1,787,340 | +95,553 | +319,748 |
| TITLE V—FOREIGN ASSISTANCE AND RELATED PROGRAMS | | | | | | | |
| Foreign Agricultural Service: | | | | | | | |
| Salaries and expenses, direct appropriation | 146,422 | 157,486 | 156,486 | 156,186 | +9,764 | -1,300 | -300 |
| (Transfer from export loans) | (3,406) | (4,985) | (4,985) | (4,985) | (+1,579) | | |
| (Transfer from Public Law 480) | (166) | | | | (-166) | | |
| Total, Salaries and expenses program level | (149,994) | (162,471) | (161,471) | (161,171) | (+1,177) | (-1,300) | (-300) |
| Public Law 480 Program and Grant Accounts: | | | | | | | |
| Program account: | | | | | | | |
| Loan authorization, direct | (74,032) | | | | (-74,032) | | |
| Loan subsidies | 64,390 | | | | -64,390 | | |
| Ocean freight differential grants | 11,821 | | | | -11,821 | | |
| Title II—Commodities for disposition abroad: | | | | | | | |
| Program level | (1,138,500) | (1,218,500) | (1,223,100) | (1,225,000) | (+86,500) | (+6,500) | (+1,900) |
| Appropriation | 1,138,500 | 1,218,500 | 1,223,100 | 1,225,000 | +86,500 | +6,500 | +1,900 |
| Salaries and expenses: | | | | | | | |
| Foreign Agricultural Service (transfer to FAS) | 166 | | | | -166 | | |
| Farm Service Agency (transfer to FSA) | 3,185 | | | | -534 | | |
| Subtotal | 3,351 | 2,651 | 2,651 | 2,651 | -700 | | |
| Total, Public Law 480: | (1,138,500) | (1,218,500) | (1,223,100) | (1,225,000) | (+86,500) | (+6,500) | (+1,900) |
| Program level | | | | | | | |

| | 1,218,062 | 1,221,151 | 1,225,751 | 1,227,651 | + 9,589 | + 6,500 | + 1,900 |
|---|-------------------|-------------------|-------------------|-------------------|--------------------|-------------|------------|
| Appropriation | | | | | | | |
| CCC Export Loans Program Account (administrative expenses): | | | | | | | |
| Salaries and expenses (Export Loans): | | | | | | | |
| General Sales Manager (transfer to FAS) | 3,406 | 4,985 | 4,985 | 4,985 | + 1,579 | | |
| Farm Service Agency (transfer to FSA) | 1,821 | 346 | 346 | 346 | - 1,475 | | |
| Total, CCC Export Loans Program Account | 5,227 | 5,331 | 5,331 | 5,331 | + 104 | | |
| McGovern-Dole international food for education and child nutrition program grants | 99,000 | 99,000 | 100,000 | 100,000 | + 1,000 | | |
| Total, title V, Foreign Assistance and Related Programs (By transfer) | 1,468,711 (3,572) | 1,482,968 (4,985) | 1,487,568 (4,985) | 1,489,168 (4,985) | + 20,457 (+ 1,413) | + 6,200 | + 1,600 |
| TITLE VI—RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION | | | | | | | |
| DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | | | | |
| Food and Drug Administration | | | | | | | |
| Salaries and expenses, direct appropriation | 1,466,801 | 1,540,399 | 1,538,452 | 1,565,716 | + 98,915 | + 25,317 | + 27,264 |
| Prescription Drug User Fee Act | (305,332) | (320,600) | (320,600) | (320,600) | (+ 15,268) | | |
| Medical Device User Fee Act | (40,300) | (43,726) | (43,726) | (43,726) | (+ 3,426) | | |
| Animal Drug User Fee Act | (11,318) | (11,604) | (11,604) | (11,604) | (+ 286) | | |
| Reinspection fees (user fees) (leg. prop) NA | | (22,000) | | | | (- 22,000) | |
| Food export fees (user fees) (leg. prop) NA | | (3,536) | | | | (- 3,536) | |
| Subtotal | (1,823,751) | (1,916,329) | (1,914,382) | (1,941,646) | (+ 117,895) | (+ 25,317) | (+ 27,264) |
| Mammography clinics user fee (outlay savings) | (17,173) | (17,522) | (17,522) | (17,522) | (+ 349) | | |
| Export and color certification | (7,640) | (8,481) | (8,481) | (8,481) | (+ 841) | | |
| Payments to GSA | (134,853) | (146,013) | (146,013) | (146,013) | (+ 11,160) | | |
| Buildings and facilities | 7,920 | 4,950 | 4,950 | 4,950 | - 2,970 | | |
| Total, Food and Drug Administration | 1,474,721 | 1,545,349 | 1,543,402 | 1,570,666 | + 95,945 | + 25,317 | + 27,264 |
| INDEPENDENT AGENCIES | | | | | | | |
| Commodity Futures Trading Commission | 97,402 | 127,000 | 109,402 | 99,502 | + 2,100 | - 27,498 | - 9,900 |
| Transaction fees (user fees) (leg. prop) NA | | (127,000) | | | | (- 127,000) | |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2006 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2007—Continued
 [In thousands of dollars]

| Item | 2006 appropriation | Budget estimate | House allowance | Committee recommendation | Senate Committee recommendation compared with (+ or -) | | |
|--|--------------------|-----------------|-----------------|--------------------------|--|-----------------|-----------------|
| | | | | | 2006 appropriation | Budget estimate | House allowance |
| Farm Credit Administration (limitation on administrative expenses) | (44,250) | | (44,250) | | (+ 44,250) | | |
| Total, title VI, Related Agencies and Food and Drug Administration | 1,572,123 | 1,672,349 | 1,652,804 | 1,670,168 | -2,181 | +17,364 | |
| TITLE VII—GENERAL PROVISIONS | | | | | | | |
| Hunger fellowships (sec. 716) | 2,500 | | 2,500 | 2,500 | +2,500 | | |
| National Sheep Industry Improvement Center revolving fund (sec. 717) | 1,238 | | 250 | 1,000 | +1,000 | +750 | |
| Denali Commission | 743 | | | 750 | +750 | +750 | |
| Section 32 (rescission) (sec. 740) | -37,601 | | -9,900 | -9,900 | -9,900 | | |
| Milk processing and packaging facilities | 644 | | | | | | |
| Alaska private lands wildlife management | 198 | | | | | | |
| Livestock Expo Center | 990 | | | | | | |
| Wisconsin Federation of Cooperatives | 2,228 | | | | | | |
| WIC contingency reserve (rescission) | -32,000 | | | | | | |
| Specialty crop grants (sec. 736) | 6,930 | | 15,600 | 10,000 | +3,070 | -5,600 | |
| SFSP Summer food service program | 1,000 | | | | -1,000 | | |
| Healthy Forest Reserve | 2,475 | | | | -2,475 | | |
| Fruit and vegetable pilot program (sec. 738) | 6,000 | | 25,000 | | -6,000 | -25,000 | |
| World food prize | 347 | | | | -347 | | |
| Utah State | 198 | | | | -198 | | |
| University of Nevada | 139 | | | | -139 | | |
| Ohio State University | 396 | | | | -396 | | |
| Nueces County | 495 | | | | -495 | | |
| IPP Choctaw | 990 | | | 1,000 | +10 | +1,000 | |
| High energy cost grants (rescission) (sec. 744) | | -25,265 | -25,265 | | +25,265 | +25,265 | |
| MILC extension (sec. 752) | | | | | | | |
| National Center for Natural Products Research | | | | 4,000 | +4,000 | +4,000 | |
| Export credit (rescission) | | | | -12,000 | -12,000 | -12,000 | |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2006 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
 FOR FISCAL YEAR 2007—Continued
 [In thousands of dollars]

| Item | 2006 appropriation | Budget estimate | House allowance | Committee recommendation | Senate Committee recommendation compared with (+ or -) | |
|--|--------------------|-----------------|-----------------|--------------------------|--|-----------------|
| | | | | | 2006 appropriation | Budget estimate | House allowance |
| Rural Utilities Service | | | | | | |
| Rural electrification and telecom (emergency) | 8,000 | ..... | ..... | ..... | - 8,000 | ..... |
| Food and Nutrition Service | | | | | | |
| Commodity assistance program (emergency) | 4,000 | ..... | ..... | ..... | - 4,000 | ..... |
| The emergency food assistance program (emergency) | 6,000 | ..... | ..... | ..... | - 6,000 | ..... |
| General Provisions | | | | | | |
| Emergency conservation program (emergency) | 199,800 | ..... | ..... | ..... | - 199,800 | ..... |
| Watershed and flood prevention operations (emergency) | 300,000 | ..... | ..... | ..... | - 300,000 | ..... |
| Emergency forestry conservation reserve program | 50,000 | ..... | ..... | ..... | - 50,000 | ..... |
| Total, Title I, Chapter 1 (emergency) | 722,000 | ..... | ..... | ..... | - 722,000 | ..... |
| TITLE II, CHAPTER 1 | | | | | | |
| Department of Agriculture | | | | | | |
| Office of the Secretary (emergency) | 11,350 | ..... | ..... | ..... | - 11,350 | ..... |
| Agricultural Research Service | | | | | | |
| Salaries and expenses (emergency) | 7,000 | ..... | ..... | ..... | - 7,000 | ..... |
| Cooperative State Research, Education, and Extension Service | | | | | | |
| Research and educational activities (emergency) | 1,500 | ..... | ..... | ..... | - 1,500 | ..... |
| Animal and Plant Health Inspection Service | | | | | | |
| Salaries and expenses (emergency) | 71,500 | ..... | ..... | ..... | - 71,500 | ..... |
| Department of Health and Human Services | | | | | | |
| Salaries and expenses (emergency) | 20,000 | ..... | ..... | ..... | - 20,000 | ..... |

| | | | | | | | | |
|---|-------------|--|--|--|--|-------------|--|--|
| Total, Title II, Chapter 1 (emergency) | 111,350 | | | | | - 111,350 | | |
| TITLE III, CHAPTER 1 | | | | | | | | |
| Department of Agriculture | | | | | | | | |
| Natural Resources Conservation Service: Conservation Operations (re- | - 10,000 | | | | | + 10,000 | | |
| scission) | | | | | | | | |
| Rural Utilities Service | | | | | | | | |
| Distance Learning, Telemedicine, and Broadband direct loan financing | - 9,900 | | | | | + 9,900 | | |
| (rescission) | | | | | | | | |
| Food and Nutrition Service: Food Stamp Program (rescission) | - 11,200 | | | | | + 11,200 | | |
| Foreign Agricultural Service | | | | | | | | |
| Public Law 480 Title I Ocean Freight Differential Grants (rescission) ... | - 35,000 | | | | | + 35,000 | | |
| Total, Title III, Chapter 1 (rescissions) | - 66,100 | | | | | + 66,100 | | |
| Total, Public Law 109-148 | 767,250 | | | | | - 767,250 | | |
| Emergency appropriations | 833,350 | | | | | - 833,350 | | |
| (Rescissions) | (- 66,100) | | | | | (+ 66,100) | | |
| EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT THE GLOBAL WAR | | | | | | | | |
| ON TERROR AND HURRICANE RELIEF, 2006 | | | | | | | | |
| Title I—The Golbal War on Terror Supplemental | | | | | | | | |
| Department of Agriculture | | | | | | | | |
| Foreign Agricultural Service | | | | | | | | |
| Public Law 480 Title II Grants(emergency appropriation) | 350,000 | | | | | - 350,000 | | |
| Title II—Further Hurricane Disaster Relief Recovery | | | | | | | | |
| Chapter 1 | | | | | | | | |
| Department of Agriculture | | | | | | | | |
| Executive Operations | | | | | | | | |
| Working Capital fund (emergency appropriations) | 25,000 | | | | | - 25,000 | | |
| Office of the Inspector General | | | | | | | | |
| Salaries and expenses (emergency appropriations) | 445,000 | | | | | - 445,000 | | |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2006 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2007—Continued
 [In thousands of dollars]

| Item | 2006 appropriation | Budget estimate | House allowance | Committee recommendation | Senate Committee recommendation compared with (+ or -) | | |
|---|--------------------|-----------------|-----------------|--------------------------|--|-----------------|-----------------|
| | | | | | 2006 appropriation | Budget estimate | House allowance |
| Agricultural Research Service | | | | | | | |
| Salaries and expenses (emergency appropriations) | 10,000 | | | | -10,000 | | |
| Buildings and facilities (emergency appropriations) | 20,000 | | | | -20,000 | | |
| Subtotal | 30,000 | | | | -30,000 | | |
| Natural Resources Conservation Service | | | | | | | |
| Emergency Watershed Protection Program (emergency appropriations) | 50,955 | | | | -50,955 | | |
| Rural Development | | | | | | | |
| Salaries and expenses (emergency appropriations) | 1,000 | | | | -1,000 | | |
| Rural Community Advancement Program (emergency appropriations) .. | 25,000 | | | | -25,000 | | |
| Subtotal | 26,000 | | | | -26,000 | | |
| Title III—Emergency Agricultural Disaster Assistance | | | | | | | |
| Department of Agriculture | | | | | | | |
| Corporations | | | | | | | |
| Commodity Credit Corporation Fund: | | | | | | | |
| Emergency Agricultural Disaster (emergency appropriations) | 409,000 | | | | -409,000 | | |
| Total, Public Law 109-234 | 1,335,955 | | | | -1,335,955 | | |
| Total, Other appropriations | 2,103,205 | | | | -2,103,205 | | |
| Grand total | 102,897,101 | 93,312,118 | 93,526,233 | 98,258,792 | -4,638,309 | +4,946,674 | +4,732,559 |
| Appropriations | (100,863,497) | (93,337,383) | (93,561,398) | (94,121,692) | (-6,741,805) | (+784,309) | (+560,294) |
| Emergency Appropriations | 2,169,305 | | | 4,159,000 | +1,989,695 | +4,159,000 | +4,159,000 |
| Rescissions | (-135,701) | (-25,265) | (-35,165) | (-21,900) | (+113,801) | (+3,365) | (+13,265) |

| | | | | | | | |
|---|--------------|--------------|--------------|--------------|---------------|---------------|---------------|
| (By transfer) | (832,000) | (824,605) | (790,271) | (850,605) | (+ 18,605) | (+ 26,000) | (+ 60,334) |
| (Loan authorization) | (15,504,718) | (13,437,887) | (14,560,798) | (17,675,048) | (+ 2,170,330) | (+ 4,237,161) | (+ 3,114,250) |
| (Limitation on administrative expenses) | (157,380) | (109,674) | (153,924) | (153,924) | (- 3,456) | (+ 44,250) | ..... |
| RECAPITULATION | | | | | | | |
| Title I—Agricultural programs | 35,403,790 | 30,178,428 | 30,509,417 | 30,621,607 | - 4,782,183 | + 443,179 | + 112,190 |
| Mandatory | (28,865,534) | (23,875,241) | (23,887,560) | (23,887,560) | (- 4,977,974) | (+ 12,319) | ..... |
| Discretionary | (6,538,256) | (6,303,187) | (6,621,857) | (6,734,047) | (+ 195,791) | (+ 430,860) | (+ 112,190) |
| Title II—Conservation programs (discretionary) | 994,165 | 789,542 | 919,552 | 991,207 | - 2,958 | + 201,665 | + 71,655 |
| Title III—Rural economic and community development programs (discretionary) | 2,503,055 | 2,202,847 | 2,161,653 | 2,223,490 | - 279,565 | + 20,643 | + 61,837 |
| Title IV—Domestic food programs (discretionary) | 58,894,142 | 57,011,249 | 56,787,054 | 57,106,802 | - 1,787,340 | + 95,553 | + 319,748 |
| Mandatory | (53,368,224) | (51,536,718) | (51,209,718) | (51,509,718) | (- 1,858,506) | (- 27,000) | (+ 300,000) |
| Discretionary | (5,525,918) | (5,474,531) | (5,577,336) | (5,597,084) | (+ 71,166) | (+ 122,553) | (+ 19,748) |
| Title V—Foreign assistance and related programs (discretionary) | 1,468,711 | 1,482,968 | 1,487,568 | 1,489,168 | + 20,457 | + 6,200 | + 1,600 |
| Title VI—Related agencies and Food and Drug Administration (discretionary) | 1,572,123 | 1,672,349 | 1,652,804 | 1,670,168 | + 98,045 | - 2,181 | + 17,364 |
| Title VII—General provisions (discretionary) | - 42,090 | - 25,265 | 8,185 | 157,350 | + 199,440 | + 182,615 | + 149,165 |
| Title VIII—Emergency Agricultural Disaster Assistance (discretionary) ..... | ..... | ..... | ..... | 3,999,000 | + 3,999,000 | + 3,999,000 | + 3,999,000 |
| Other appropriations (discretionary) | 2,103,205 | | | | - 2,103,205 | | |
| Total | 102,897,101 | 93,312,118 | 93,526,233 | 98,258,792 | - 4,638,309 | + 4,946,674 | + 4,732,559 |

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