

Calendar No. 282

110TH CONGRESS }
1st Session }

SENATE

{ REPORT
110-134

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG
ADMINISTRATION, AND RELATED AGENCIES APPROPRIA-
TIONS BILL, 2008

JULY 24, 2007.—Ordered to be printed

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

REPORT

[To accompany S. 1859]

The Committee on Appropriations reports the bill (S. 1859) mak-
ing appropriations for Agriculture, Rural Development, Food and
Drug Administration, and Related Agencies programs for the fiscal
year ending September 30, 2008, and for other purposes, reports fa-
vorably thereon and recommends that the bill do pass.

Total obligational authority, fiscal year 2008

Total of bill as reported to the Senate	\$90,605,092,000
Amount of 2007 appropriations	97,425,472,000
Amount of 2008 budget estimate	89,736,689,000
Bill as recommended to Senate compared to—	
2007 appropriations	– 6,820,380,000
2008 budget estimate	+ 868,403,000

CONTENTS

	Page
Summary of the Bill:	
Overview and Summary of the Bill	5
Reports to Congress	5
Transparency in Congressional Directives	5
Title I:	
Agricultural Programs:	
Production, Processing, and Marketing:	
Office of the Secretary	7
Executive Operations	8
Office of the Chief Information Officer	10
Common Computing Environment	11
Office of the Chief Financial Officer	11
Office of the Assistant Secretary for Civil Rights	12
Office of Civil Rights	12
Office of the Assistant Secretary for Administration	12
Agriculture Buildings and Facilities and Rental Payments	13
Hazardous Materials Management	13
Departmental Administration	14
Office of the Assistant Secretary for Congressional Relations	14
Office of Communications	15
Office of Inspector General	15
Office of the General Counsel	16
Office of the Under Secretary for Research, Education, and Economics	16
Economic Research Service	16
National Agricultural Statistics Service	17
Agricultural Research Service	17
Cooperative State Research, Education, and Extension Service	22
Office of the Under Secretary for Marketing and Regulatory Programs	49
Animal and Plant Health Inspection Service	50
Agricultural Marketing Service	63
Grain Inspection, Packers and Stockyards Administration	67
Office of the Under Secretary for Food Safety	68
Food Safety and Inspection Service	68
Office of the Under Secretary for Farm and Foreign Agricultural Services	71
Farm Service Agency	72
Risk Management Agency	75
Corporations:	
Federal Crop Insurance Corporation Fund	76
Commodity Credit Corporation Fund	77
Title II:	
Conservation Programs:	
Office of the Under Secretary for Natural Resources and Environment	80
Natural Resources Conservation Service	80
Title III:	
Rural Development Programs:	
Office of the Under Secretary for Rural Development	92
Rural Community Advancement Program	93
Rural Housing Service	94
Rural Business—Cooperative Service	102
Rural Utilities Service	107

	Page
Title IV:	
Domestic Food Programs:	
Office of the Under Secretary for Food, Nutrition, and Consumer Services	114
Food and Nutrition Service	114
Title V:	
Foreign Assistance and Related Programs: Foreign Agricultural Service ...	125
Title VI:	
Related Agencies and Food and Drug Administration:	
Food and Drug Administration	130
Independent Agencies:	
Farm Credit Administration	142
Title VII: General Provisions	143
Program, Project, and Activity	146
Compliance With Paragraph 7, Rule XVI of the Standing Rules of the Senate	146
Compliance With Paragraph 7(c), Rule XXVI of the Standing Rules of the Senate	147
Compliance With Paragraph 12, Rule XXVI of the Standing Rules of the Senate	147
Budgetary Impact of Bill	151

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.

[In thousands]

	2007	2008 Committee recommendation
Title I: Agricultural programs	34,030,339	24,590,017
Title II: Conservation programs	852,555	972,853
Title III: Rural economic and community development programs	2,499,975	2,358,007
Title IV: Domestic food programs	57,029,981	59,743,619
Title V: Foreign assistance and related programs	1,477,080	1,494,874
Title VI: Related agencies	1,574,194	1,760,085
Title VII: General provisions	- 38,652	- 314,363
Total, new budget (obligational) authority	97,425,472	90,605,092

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 telecommunication 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 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 2008.

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, 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.

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.

TRANSPARENCY IN CONGRESSIONAL DIRECTIVES

On January 18, 2007, the Senate passed S. 1, The Legislative Transparency and Accountability Act of 2007, by a vote of 96–2. While the Committee awaits final action on this legislation, the chairman and ranking member of the Committee issued interim requirements to ensure that the goals of S. 1 are in place for the appropriations bills for fiscal year 2008.

The Constitution vests in the Congress the power of the purse. The Committee believes strongly that Congress should make the decisions on how to allocate the people's money. In order to improve transparency and accountability in the process of approving earmarks (as defined in S. 1) in appropriations measures, each Committee report includes, for each earmark:

- (1) the name of the Member(s) making the request, and where appropriate, the President;
- (2) the name and location of the intended recipient or, if there is no specifically intended recipient, the intended location of the activity; and
- (3) the purpose of such earmark.

The term “congressional earmark” means a provision or report language included primarily at the request of a Senator, providing, authorizing, or recommending a specific amount of discretionary budget authority, credit authority, or other spending authority for a contract, loan, loan guarantee, grant, loan authority, or other expenditure with or to an entity, or targeted to a specific state, locality or congressional district, other than through a statutory or administrative, formula-driven, or competitive award process.

For each earmark, a Member is required to provide a certification that neither the Member (nor his or her spouse) has a pecuniary interest in such earmark, consistent with Senate Rule XXXVII(4). Such certifications are available to the public at <http://appropriations.senate.gov/senators.cfm> or go to appropriations.senate.gov and click on “Members”.

TITLE I
 AGRICULTURAL PROGRAMS
 PRODUCTION, PROCESSING, AND MARKETING
 OFFICE OF THE SECRETARY

Appropriations, 2007	\$5,097,000
Budget estimate, 2008	18,355,000
Committee recommendation	5,309,000

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 \$5,309,000 for the Office of the Secretary.

Animal Fighting.—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.

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.

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.

International Humanitarian Food Assistance.—The Committee strongly supports programs that provide emergency food assistance throughout the world and that also work to achieve sustainable food security. Because of the differing nutritional needs of populations, especially in areas with high incidents of HIV/AIDS and other diseases, the composition and quality of foods available through programs such as Public Law 480 and the McGovern-Dole Food for Education Program have become increasingly important. The Secretary is directed to consult with the Administrator of the U.S. Agency for International Development and to provide a report to the Committee by March 1, 2008, on steps taken and plans formulated to improve the quality of items provided through USDA food assistance programs. In addition, the Secretary is encouraged to work cooperatively with organizations that recognize leadership and promote international anti-hunger education and related efforts.

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 Econ-

omist, the National Appeals Division, the Office of Budget and Program Analysis, and the Homeland Security Staff.

CHIEF ECONOMIST

Appropriations, 2007	\$10,487,000
Budget estimate, 2008	11,347,000
Committee recommendation	10,847,000

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 \$10,847,000 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, 2007	\$14,466,000
Budget estimate, 2008	15,056,000
Committee recommendation	15,056,000

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 \$15,056,000 for the National Appeals Division.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

Appropriations, 2007	\$8,270,000
Budget estimate, 2008	9,035,000
Committee recommendation	9,035,000

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 \$9,035,000 for the Office of Budget and Program Analysis.

HOMELAND SECURITY STAFF

Appropriations, 2007	\$931,000
Budget estimate, 2008	2,412,000
Committee recommendation	2,252,000

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 \$2,252,000 for the Homeland Security Staff.

OFFICE OF THE CHIEF INFORMATION OFFICER

Appropriations, 2007	\$16,361,000
Budget estimate, 2008	17,024,000
Committee recommendation	16,723,000

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 in-

infrastructure investment within the SCA and allows for unified management of the IT infrastructure.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$16,723,000 for the Office of the Chief Information Officer.

COMMON COMPUTING ENVIRONMENT

Appropriations, 2007	\$107,971,000
Budget estimate, 2008	
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, 2007	\$5,850,000
Budget estimate, 2008	30,863,000
Committee recommendation	6,076,000

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 \$6,076,000 for the Chief Financial Officer.

OFFICE OF THE ASSISTANT SECRETARY FOR CIVIL RIGHTS

Appropriations, 2007	\$818,000
Budget estimate, 2008	897,000
Committee recommendation	861,000

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 \$861,000 for the Office of the Assistant Secretary for Civil Rights.

OFFICE OF CIVIL RIGHTS

Appropriations, 2007	\$20,020,000
Budget estimate, 2008	23,147,000
Committee recommendation	20,706,000

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 \$20,706,000 for the Office of Civil Rights.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

Appropriations, 2007	\$673,000
Budget estimate, 2008	739,000
Committee recommendation	709,000

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 \$709,000 for the Office of the Assistant Secretary for Administration.

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

Appropriations, 2007	\$185,919,000
Budget estimate, 2008	216,837,000
Committee recommendation	199,016,000

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 \$199,016,000 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 2007 and budget request levels:

[In thousands of dollars]

	2007 enacted	2008 budget request	Committee recommendation
Rental Payments	146,257	156,590	156,590
Building Operations	39,662	60,247	42,426
Total	185,919	216,837	199,016

HAZARDOUS MATERIALS MANAGEMENT

Appropriations, 2007	\$11,887,000
Budget estimate, 2008	12,200,000
Committee recommendation	5,200,000

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 \$5,200,000 for Hazardous Materials Management.

DEPARTMENTAL ADMINISTRATION

Appropriations, 2007	\$23,008,000
Budget estimate, 2008	24,608,000
Committee recommendation	23,913,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$23,913,000 for Departmental Administration.

OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS

Appropriations, 2007	\$3,795,000
Budget estimate, 2008	4,099,000
Committee recommendation	3,936,000

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 \$3,936,000 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, 2007	\$9,474,000
Budget estimate, 2008	9,720,000
Committee recommendation	9,720,000

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 \$9,720,000 for the Office of Communications.

OFFICE OF THE INSPECTOR GENERAL

Appropriations, 2007	\$80,052,000
Budget estimate, 2008	83,998,000
Committee recommendation	81,627,000

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 \$81,627,000 for the Office of the Inspector General. The Committee recommendation includes the fiscal year 2007 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, 2007	\$39,227,000
Budget estimate, 2008	41,721,000
Committee recommendation	40,764,000

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 \$40,764,000 for the Office of the General Counsel.

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

Appropriations, 2007	\$596,000
Budget estimate, 2008	654,000
Committee recommendation	626,000

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 \$626,000 for the Office of the Under Secretary for Research, Education, and Economics.

ECONOMIC RESEARCH SERVICE

Appropriations, 2007	\$75,193,000
Budget estimate, 2008	82,544,000
Committee recommendation	76,532,000

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 \$76,532,000 for the Economic Research Service. The Committee directs that no less than the fiscal year 2007 level be used to implement the “Organic

Production and Market Data Initiative” included in section 7407 of Public Law 107–171.

Canned Fruits and Vegetables.—The Committee requests the Economic Research Service to prepare and publish a report regarding consumer perceptions and consumption of canned fruits and vegetables.

NATIONAL AGRICULTURAL STATISTICS SERVICE

Appropriations, 2007	\$147,253,000
Budget estimate, 2008	167,699,000
Committee recommendation	167,699,000

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 comprehensive 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 \$167,699,000 for the National Agricultural Statistics Service. Included in this amount is \$54,325,000 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, 2007	\$1,128,943,000
Budget estimate, 2008	1,021,517,000
Committee recommendation	1,154,174,000

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 \$1,154,174,000 for salaries and expenses of the Agricultural Research Service.

The Committee recognizes the successful history of ARS, the premier in-house USDA research agency, and strongly supports ongoing research activities vital to protecting this Nation's food supply, environment, rural communities, and to work toward energy independence. The Committee is aware of the redirection and modification of program resources implemented by the agency during fiscal year 2007 and has no objection to such action with the following exceptions.

The Committee does not agree with proposed redirection of the following research activities and instead recommends funding for specific items as described below:

Agricultural Law.—The laws and regulations impacting agriculture are changing rapidly and farmers need access to thoughtful analysis of the changing legal requirements they face. The Committee recommendation includes \$701,034 for agricultural law (Harkin, Lincoln, Pryor/Iowa, Arkansas);

Agroforestry.—The goals of the Center for Agroforestry are to create new income opportunities and markets for farm and forest

landowners; to protect the environment by reducing non-point source pollution; to create and improve natural habitats for wildlife; and to mitigate the impacts of periodic flooding in rural and urban areas. The Committee recommendation includes \$707,706 for agroforestry (Bond/Arkansas);

Animal Health.—The Animal Health Consortium uses stakeholder input to administer and fund investigations of a wide range of livestock diseases important to the livestock industry and homeland security. The Committee recommendation includes \$879,430 for animal health (Durbin/Illinois);

Aquaculture Research.—The mission of the Aquaculture Systems Research Unit is to evaluate and develop new components of aquaculture production systems to improve the efficiency of freshwater fish farming including cultural and processing methods to enhance and sustain product quality. The Committee recommendation includes \$1,048,000 for aquaculture research (Lincoln, Pryor/Arkansas);

Biotechnology Research and Development Center.—There is a need to facilitate the transfer and development of technologies to the private sector that have been generated with public funds. The Committee recommendation includes \$2,684,737 for the Biotechnology Research and Development Center (Durbin/Illinois);

Delta Nutrition.—Further research is needed to understand the linkage between food security, environmental factors, and overall nutritional health. Continued research and intervention mechanisms are especially critical to the Delta Region of the Mid-South. The Committee recommendation includes \$4,222,502 for delta nutrition (Cochran, Landrieu, Lincoln, Pryor/Mississippi, Louisiana, Arkansas);

National Corn to Ethanol.—A state-of-the-art pilot ethanol plant is necessary to provide researchers the ability to develop more efficient production of ethanol and to decrease the cost of feedstock conversion. The Committee recommendation includes \$385,522 for national corn to ethanol (Durbin, Obama/Illinois);

Tropical Aquaculture.—Research is needed to define nutritional requirements and optimal feed management, ingredients, and processing methods for cost-effective, sustainable, and environmentally sound tropical aquaculture. The Committee recommendation includes \$1,541,561 for tropical aquaculture (Inouye, Akaka/Hawaii).

In addition, the Committee does not agree with proposed redirection of the following research activities and instead does not recommend funding for specific items as described below:

The Committee does not agree with funding for Chloroplast Genetic Engineering Research; Medicinal and Bioactive Crops; Lyme Disease 4 Poster Project; or Salmonella, Listeria, E coli and other Food Pathogens.

The Committee also recommends the following amounts, consistent with the President's budget, for increased funding in fiscal year 2008:

Crop Protection.—U.S. agriculture is faced with increasingly diverse and severe exotic emerging plant diseases which, in many cases, can move swiftly, completely destroy crops, and pose risks to a stable food supply. The Committee recommendation includes \$1,500,000 for increased research in this area.

Food Safety.—Accidental or intentional introduction of a small number of contaminants into some part of the food chain could seriously affect public confidence and harm the Nation's economy. Regulatory agencies have identified areas of critical importance for investigation relating to food safety that include detection, prevention, response, and recovery. The Committee recommendation includes \$1,750,000 for increased research in this area.

Human Nutrition.—Obesity is the Nation's fastest growing public health problem, affecting every segment of the American population. Two of three adults are overweight and the number of overweight children has doubled in the past 20 years. The Committee recommendation includes \$1,000,000 for increased research in this area.

Livestock Protection.—Exotic and transmissible animal diseases, such as Foot-and-Mouth Disease and Avian Influenza hold potential for significant animal and human health risks and economic disruption. The Committee recommendation includes \$2,250,000 for increased funding in this area and to work toward meeting the 2015 goals outlined in a January 2005 Department of Homeland Security report.

Pollinator Recovery.—The Committee is extremely concerned by widespread reports of Colony Collapse Disorder [CCD] and other threats to bee colonies and other pollinators that could seriously disrupt food production with implications for national security. While the President's budget did not expressly request funding for this research, the Committee believes that such oversight was due to the recent development of CCD and related threats. The Committee does believe that this research is consistent with the ARS goal of protecting the Nation's food supply and natural resources. The Committee also believes that the Department is aware of this serious threat and would have included funds in the budget if it had been aware of the problem in advance of formulation of the fiscal year 2008 budget. Therefore, the Committee recommends \$1,500,000 for CCD and related pollinator threats to be directed to the best suited locations. In addition, due to the seriousness posed by CCD, the Committee directs the Secretary to provide a report within 30 days of enactment regarding the use of these funds and an overall strategy by the Department for protecting pollinator species in this country.

Renewable Energy.—America's dependence of foreign oil for energy and chemical substances is a threat to the Nation's security and adversely affects the country's economy. Research is needed to identify feedstocks that can be produced domestically to help offset the rising demand and costs of energy. The Committee recommendation includes \$1,750,000 to increase research in this area.

Viral Hemorrhagic Septicemia [VHS].—The Committee is aware of the presence of VHS in the Great Lakes and the threat it poses to aquatic species and to interstate and international commerce. The Secretary is directed to provide a report on steps taken by ARS to control and eradicate this disease from American and international waters.

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.

BUILDINGS AND FACILITIES

Appropriations, 2007 .....	.....
Budget estimate, 2008	\$16,000,000
Committee recommendation	40,100,000

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 \$40,100,000 for buildings and facilities of the Agricultural Research Service.

Modern research facilities are an important part of the ability of ARS to meet the objectives of its mission purpose, and the Committee recommends funding to ensure that modernization and upgrades of facilities are achieved.

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 2008:

Agriculture Research Center, Pullman, Washington.—The Committee recommendation includes \$1,600,000 toward construction of this center. (Murray, Cantwell)

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

Animal Bioscience Facility, Bozeman, Montana.—The Committee recommendation includes \$1,600,000 toward construction of this facility. (Baucus, Tester)

Animal Waste Management Research Laboratory, Bowling Green, Kentucky.—The Committee recommendation includes \$2,000,000 toward construction of this facility. (McConnell)

Appalachian Fruit Laboratory, Kearneysville, West Virginia.—The Committee recommendation includes \$2,200,000 for facility renovations at this location. (Byrd)

ARS Agricultural Research Center, Logan, Utah.—The Committee recommendation includes \$8,000,000 for planning, design, and construction of this center. (Bennett)

Dairy Forage Agriculture Research Center, Prairie du Sac, Wisconsin.—The Committee recommendation includes \$3,600,000 for planning and design of this center. (Kohl)

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

Hagerman Fish Culture Experiment Station, Hagerman, Idaho.—The Committee recommendation includes \$1,000,000 toward construction of this station. (Craig, Crapo)

Jamie Whitten Delta States Research Center, Stoneville, Mississippi.—The Committee recommendation includes \$4,000,000 toward the major modernization phase of this center. (Cochran)

National Plant and Genetics Security Center, Columbia, Missouri.—The Committee recommendation includes \$3,000,000 toward construction of this facility. (Bond)

Pacific Basin Agricultural Research Center, Hilo, Hawaii.—The Committee recommendation includes \$2,500,000 toward construction of this center. (Inouye, Akaka)

Poultry Science Research Facility, Starkville, Mississippi.—The Committee recommendation includes \$2,000,000 toward construction of this replacement facility. (Cochran)

Sugarcane Research Laboratory, Houma, Louisiana.—The Committee recommendation includes \$1,600,000 toward construction of this center. (Landrieu, Vitter)

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

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, 2007	\$671,419,000
Budget estimate, 2008	562,518,000
Committee recommendation	700,849,000

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 entree 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 \$700,849,000 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:

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

[In thousands of dollars]

	Committee recommendation
Payments under Hatch Act	214,924
Cooperative forestry research (McIntire-Stennis)	30,008
Payments to 1890 Institutions	40,680
Special research grants (Public Law 89–106)	67,734
Improved pest control:	
Expert IPM decision support system	155
Integrated pest management	2,396
IR–4 minor crop pest management	10,896
Pest management alternatives	1,422
Total, Improved pest control	14,869
1994 institutions research program	1,544
Agriculture and Rural Policy Research	2,780
Alaska Native-serving and Native Hawaiian-serving institutions education grants	3,218
Alternative crops	825
Animal health and disease (sec. 1433)	5,006
Aquaculture centers (sec. 1475)	3,928
Capacity building grants (1890 institutions)	12,375
Critical Agricultural Materials Act	1,091
Graduate fellowships grants	3,701
Hispanic education partnership grants	5,940
Institution challenge grants	5,423
Joe Skeen Institute for Rangeland Management (NM, TX, MT)	990
Multicultural scholars program	988
National Research Initiative	244,000
Payments to the 1994 institutions	3,342
Secondary agriculture education	990
Sustainable agriculture research and education	15,000
Veterinary Medical Services Act	750
Federal administration:	20,843
Total, CSREES Research and Education Activities	700,849

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.

Agriculture and Rural Policy Research.—The Secretary is authorized to make grants and take other actions under 7 U.S.C. 3155 for research and related activities concerning public policy and trade agreements and their effect on the farm and agricultural sector; the environment; rural families, households, and economies; and consumers, food, and nutrition. The Committee recommends \$2,780,000 for activities under this authority.

Of the amount available for Agriculture and Rural Policy Research [ARPR], \$1,600,000 is provided for the Food and Agriculture Policy Institute [FAPRI]. Of the amount made available for FAPRI, \$240,000 shall be provided to continue a cooperative agreement with the University of Wisconsin relating to dairy policy and \$200,000 shall be provided to the University of Nevada at Reno relating to the marketing of commodities produced in the Western United States. (Kohl, Harkin, Bond, Reid, Grassley/University of Wisconsin, Iowa State University, University of Missouri, University of Nevada at Reno)

In addition, of the amount available for ARPR, \$1,180,000 shall be available for the Rural Policies Research Institute. (Harkin, Nelson, Ben, Hagel/Iowa State University, University of Nebraska, University of Missouri)

Alaska Native-Serving and Native Hawaiian-Serving Institutions Education Grants.—The Committee recommends \$3,218,000 for 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.

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, in-

cluding the viability and competitiveness of small and medium-sized dairy, livestock, crop and other commodity operations.

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 funding 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.

National Research Initiative.—The Committee recommends \$244,000,000 for the National Research Initiative [NRI] and directs that specific programs previously funded under Integrated Activities [IA] be included under the NRI for fiscal year 2008, as proposed in the budget. The Committee notes that the indirect cost limitations for programs funded under IA are the same as under the NRI and expects that extension-led activities will continue to be a central element once such programs are incorporated into the NRI. The Committee further expects that water quality activities should benefit from the enhanced pool of funds made possible by these transfers.

National Veterinary Medical Services Act.—The Committee remains concerned by the growing demand for large animal veterinarians in many parts of the country and the vital role they play in maintaining animal health and rural security. The Committee continues to support the goals of the National Veterinary Medical Services Act but is disappointed in the lack of progress by the Department in implementing a program under this authority. The Committee directs the Secretary to provide a report on the status of and a timetable for implementation of the act.

Special Research Grants.—The Committee recognizes the vital relationships between Federal research activities and land grant institutions and firmly supports the importance of congressionally-recognized research priorities. The Special Research Grants program was authorized by the Congress to promote research among these partners in specific areas of need to meet emerging and long-term national and regional challenges.

The Secretary is authorized to make grants to eligible institutions under 7 U.S.C. 450i(c), commonly referred to as Special Research Grants. These grants are authorized for the purpose of con-

ducting research and related activities to facilitate or expand promising breakthroughs in areas of the food and agricultural sciences of the United States. The authorizing statute directs that these grants be provided through State-Federal partnerships to promote excellence of such activities on a regional or national level, to promote the development of regional research centers, and to generally support these activities among the States, the regions, and the Nation. In addition, the law requires that these grants can only be awarded if the proposed activity has undergone scientific peer review and that the grantee submit an annual report to the Secretary describing the results of the research or related activity and the merits of the results.

Over the past few years, the Committee has made clear its intentions to employ a heightened level of scrutiny to grants awarded under 7 U.S.C. 450i(c). These indications have included requirements of detailed reports by grantees, in-depth explanations of prospective research objectives, and an understanding that grantees should not expect indefinite fiscal assistance from the Committee under this authority. In addition, the Committee has previously expressed concern that ongoing, long-term Federal commitments to specific research projects may reduce the opportunity to focus on emerging important research priorities and result in a less efficient Federal investment in agricultural and related research.

For fiscal year 2008, the Committee continues its responsibility of expressing congressional interest and intervention in setting research priorities through the investment of Federal funds. As the Committee has expressed in previous years, specific problems require specific objectives and specific attention. Therefore, the individual research activities described in this report are intended to accomplish the objectives set forth in this report and are not intended to extend into ongoing, long-term, indefinite research endeavors. The Secretary is encouraged to work with grantees to ensure that research conducted with these funds is set to achieve specific objectives and to refrain from undertaking research of an indefinite nature. The Committee directs the Secretary to provide a report by March 1, 2008 regarding the status of grant awards for fiscal year 2008 and the specific objectives to be sought in each case.

The following identifies and describes the Committee recommendations:

Advanced Genetic Technologies.—The Committee recommendation includes \$645,000 to support high throughput genetic research and to improve capacity for competitively awarded grants related to genome sciences. (McConnell/University of Kentucky)

Advancing Biofuel Production.—While production of ethanol from corn is well understood, additional research is needed to develop optimal cellulosic biofuel production technologies for sorghum. The Committee recommendation includes \$200,000 to investigate the use of sorghum in production of cellulosic biofuel. (Hutchison/Baylor University)

Aegilops Cylindrica/Biomass.—*Aegilops cylindrica* is a grassy plant with potential as an alternative crop and a suitable renewable fuel feedstock for biomass production, especially in the Western region. The Committee recommendation includes \$200,000 to

develop the potential of this feedstock which would require low inputs, be efficient in water usage, and be resistant to pests and disease. (Murray, Cantwell/Washington State University)

Agricultural Diversity.—The Northern Great Plains region of North Dakota and Minnesota requires economic development and diversity tied to its agricultural base to slow the trend of out-migration and other economic and social conditions harmful to the region. The Committee recommendation includes \$500,000 to be used through the Red River Valley Research Corridor to develop the region's capacity to produce and transmit renewable energy to other markets, to improve the region's capacity to meet the Nation's growing demand for organic products, and to enhance the region's overall research and development capabilities. (Dorgan, Conrad/University of Minnesota-Crookston)

Agricultural Entrepreneurial Alternatives for Small Farmers.—The goal of the Entrepreneurial Alternatives program is to help agricultural producers evaluate and implement new business plans for existing business ventures or to transition to new agriculture-related business opportunities. The Committee recommendation includes \$333,000 for this program. (Specter, Casey/Penn State University)

Agricultural Marketing.—Lucrative niche markets may be promising opportunities, but limited access to markets, the high cost of market intelligence, and scale-related inefficiencies are inherent barriers to entry for small to mid-sized value-added food enterprises. The Committee recommendation includes \$250,000 to develop and disseminate marketing information technology for food and agricultural entrepreneurs to identify and develop new and profitable markets and improve the efficiency and profitability of food systems in the United States and globally. (Durbin/University of Illinois)

Air Quality.—Concentrated animal feeding operations in the Southern Great Plains States currently face air quality challenges and concerns related to odor, dust/particulate matter, and gaseous emissions such as ammonia, hydrogen sulfide, volatile organic compounds, including reactive, non-reactive, and greenhouse gases. The Committee recommendation includes \$300,000 to carry out this research and to provide science-based estimates and assessments by public agencies and the private sector. (Hutchison, Roberts, Cornyn/Texas Agricultural Experiment Station, Kansas State University)

Alliance for Food Protection.—Changing trends in food production and processing require advanced testing protocols to ensure food safety. The Committee recommendation includes \$175,000 for research to support the development of new, highly sensitive tests for allergens in food and enhanced grains and to provide risk assessments of crops and livestock produced through agricultural biotechnology. (Nelson, Ben; Hagel/University of Nebraska, University of Georgia)

Alternative Salmon Products.—The Committee recommendation includes \$1,099,000 for the development of alternative salmon products, including nutritional supplements. (Stevens/University of Alaska)

Animal and Poultry Waste Management.—Disposal of animal wastes from concentrated animal agriculture production areas poses serious challenges. Currently, implemented technologies for animal waste management have drawbacks including odors, acreage needed for disposal, air pollution, pathogens, and potential water contamination due to rainfall and flooding. The Committee recommendation includes \$500,000 for the development, evaluation and testing of technologies that are environmentally superior and more cost effective than current animal waste management practices. Co-production of energy will also be evaluated, as well as improving the cost and efficiency of technologies currently available. (Burr, Dole/North Carolina State University)

Animal Health.—Animal disease prevention and control is crucial to the marketing of agricultural animals and the protection of public health on local, State, national, and global levels. The Committee recommendation includes \$390,000 to develop electronic submission methodologies for animal health events submitted to veterinary diagnostic laboratories. (McConnell/University of Kentucky)

Animal Science Food Safety Consortium.—There is a serious need to develop technology for faster identification of infectious agents and toxins to achieve “real time” detection of food-borne threats to the meat animal food supply. The Committee recommendation includes \$1,000,000 to develop statistical tools necessary to prioritize potential health risks and provide economic information for implementation of intervention strategies relating to microbiological or chemical hazards; potential hazards in the distribution chain, and develop better technology to reduce the hazards and improve the quality of animal food products, which will complement the development of HACCP programs by USDA. (Harkin, Grassley, Roberts, Lincoln, Pryor/University of Arkansas, Iowa State University, Kansas State University)

Apple Fire Blight.—Fire blight is a serious bacterial disease of apples and pears and is one of the most damaging diseases affecting apple trees across the Nation, with crop and tree losses and related costs exceeding \$100,000,000 annually. The Committee recommendation includes \$200,000 to understand and manage the apple fire blight disease by investigating the molecular basis of disease resistance in apples and developing disease resistant apple varieties and rootstocks. (Clinton, Levin, Schumer, Stabenow/Cornell University, Michigan State University)

Aquaculture, Louisiana.—The Committee recommendation includes \$200,000 for research to improve production efficiencies, fish health, water quality, and other aspects of aquaculture production in Louisiana. (Landrieu, Vitter/Louisiana State University)

Aquaculture, Mississippi.—The Committee recommendation includes \$517,000 for research into optimum protein and vitamin levels in practical fish feeds, identifying substitutes for fishmeal in catfish feeds, enhancing phosphorus retention by fish, and identifying cost-effective feeding strategies. (Cochran/Mississippi State University)

Aquaculture, North Carolina.—The Committee recommendation includes \$325,000 to improve commercial aquaculture techniques

and introduce new species into the commercial aquaculture sector in the Southeast. (Burr, Dole/North Carolina State University)

Aquaculture Product and Marketing Development.—Areas of Appalachia have great potential for aquaculture production. There is a need to identify efficient production and delivery systems and to develop effective marketing strategies. The Committee recommendation includes \$700,000 for research in this area. (Byrd/West Virginia University)

Armillaria Root Rot.—*Armillaria* root rot permanently renders orchards unsuitable for cherry production resulting in reduced farm profitability, farmland conversion to non-agricultural uses, and has the potential to devastate the fruit industry of Michigan and other States. The Committee recommendation includes \$140,000 to conduct field tests and research to speed detection of the fungus, and evaluate new biological and chemical controls. (Levin, Stabenow/Michigan State University)

Asparagus Technology and Production.—Half of the current asparagus production costs are composed of labor costs associated with the harvesting of the product. The Committee recommendation includes \$200,000 for research and development of technologies to reduce the cost of asparagus production. (Murray, Cantwell/Washington State University)

Avian Influenza.—The Delmarva Peninsula is an area of significant poultry production and an area where avian influenza outbreaks have occurred in the past. Work is needed for the development of information systems and other mechanisms to check any future outbreaks and to learn more about ways to manage and control this serious disease. The Committee recommendation includes \$100,000 to carry out these activities. (Biden, Carper/University of Delaware)

Barley Research.—Development of specialty barley varieties for use in the human diet and animal feed will expand marketing potential for producers. The Committee recommendation includes \$735,000 to produce specialty barley varieties. (Craig, Crapo/University of Idaho)

Berry Research.—The Committee recommendation includes \$1,300,000 for research into best crop management techniques, basic biology and chemistry of berries, as well as basic berry processing information. The Committee encourages the University to partner with entities to train and educate rural areas on efforts to create a viable and sustainable berry industry. (Stevens/University of Alaska)

Biodesign and Bioprocessing Research Center.—The Biodesign and Bioprocessing Research Center [BBRC] will enhance the capabilities and economic viability of farmers by conducting basic and applied research on the design, production, and recovery of industrial enzymes, pharmaceuticals, and biofuels from transgenic and alternative specialty crops, and for conversion of agricultural wastes to value-added products. The Committee recommendation includes \$300,000 for the BBRC. (Warner, Webb/Virginia Tech)

Bioenergy.—The Committee recommendation includes \$200,000 to conduct an inventory of potential bioenergy feedstocks, including plant species and industrial byproducts, in the State of Connecticut. (Lieberman/University of Connecticut)

Botanical Research Center.—The Utah Botanical Center serves as a regional learning center and supports production and integration of low water-use plants in sustainable home landscapes for high-desert environments. The Center conducts research by collecting native plant seeds, conducting trials of promising species, including rare and endangered species, and advancing nursery production methods. The Committee recommendation includes \$900,000 for this initiative. (Bennett/Utah State University)

CAST.—The Council for Agricultural Science and Technology [CAST] develops a variety of food and agricultural publications that are important for policy makers and the agricultural sector. The Committee recommendation includes \$150,000 to continue these activities. (Harkin/Iowa State University)

Cataloging Genes Associated With Drought and Disease Resistance.—Drought episodes are increasing around the globe and the availability of water is decreasing with increasing human populations and development. The development of drought resistant crops is necessary to ensure sufficient food supplies. The Committee recommendation includes \$250,000 for the discovery of genetic markers for use in breeding plants for drought and disease resistance and for the characterization of drought-adaptive mechanisms found in wild relatives of cultivated plants. (Domenici, Bingaman/New Mexico State University)

Center for North American Studies.—The growth in North American trade and associated economic integration has created the need and opportunity for cooperation to address pressing agricultural trade and food issues. Examples include economic and trade relationships for food and agricultural products, international trade policies, assessing impacts of food and agricultural bio-terrorism, natural resource and environmental problems, food safety and nutrition, food marketing and distribution, plant and animal production technology, and potentially conflicting domestic farm policies. The Committee recommendation includes \$200,000 for research performed by the Center for North American Studies. (Hutchison/Texas Agricultural Experiment Station)

Center for Public Lands and Rural Economies.—The Center for Public Lands and Rural Economies conducts research related to the effects that public lands have on rural communities. Research in the past has centered on the presence of public land and its effect on services that rural communities provide such as health care, education, and social services. The Committee recommendation includes \$300,000 to continue this research. (Bennett/Utah State University)

Center for Rural Studies.—The sustainability of rural communities requires information to assist regional planning through the identification and prioritization of needs and for improved application of resources. The Committee recommendation includes \$350,000 for research and data development related to demographic changes in rural areas. (Leahy/University of Vermont)

Childhood Obesity and Nutrition.—Rising national childhood obesity rates result in significant illness and disabilities for children. The Committee recommendation includes \$150,000 to develop intervention strategies for use in day care centers through a combination of basic research, health care, public health, and edu-

cational initiatives focused on children, families, and communities. (Leahy/University of Vermont)

Citrus Disease.—The Committee recommendation includes \$200,000 to develop methods to control and manage citrus canker and citrus greening in the State of Florida. (Martinez; Nelson, Bill/University of Florida)

Competitiveness of Agriculture Products.—Agriculture is increasingly dependent on global markets, and improving the competitiveness of U.S. exports in the global marketplace is important to the long-term health of the agricultural sector. The Committee recommendation includes \$350,000 for research to better understand the changing global agricultural trade environment. (Murray, Cantwell/Washington State University)

Cool Season Legume Research.—This research project focuses on the genetic identification of superior characteristics in legumes; nematode, insect, and disease management; soil erosion and water quality; and market and product development. The Committee recommendation includes \$250,000 for legume research. (Dorgan, Murray, Craig, Johnson, Cantwell, Conrad, Crapo/University of Idaho, Washington State University, North Dakota State University)

Cotton Insect Management and Fiber Quality.—The Committee recommendation includes \$494,000 for research that seeks to reduce the impacts of cotton pests on cotton fiber quality. (Chambliss, Isakson/University of Georgia)

Cranberry Research.—New methods for pest control in cranberry bogs need to be developed to maintain production levels and to maintain protection of the environment. The Committee recommendation includes \$150,000 for research for this purpose. (Kennedy, Kerry/University of Massachusetts)

Cranberry/Blueberry Disease and Breeding.—Compounds in blueberries and cranberries provide significant human health benefits and have potential in treatments to help prevent cancer, coronary heart disease and arthritis. The Committee recommendation includes \$550,000 for research to develop new cultivars, identify health attributes, investigate new and value-added uses, and provide new and improved blueberry and cranberry varieties. (Lautenberg/Rutgers University)

Crop Integration and Production.—There is a need in the upper plains States to develop production systems that allow farmers to diversify the crops they produce and, thereby, reduce production input costs. The Committee recommendation includes \$300,000 to develop best management practices and examine the feed value of pulse crops. (Johnson, Thune/South Dakota State University)

Dairy and Meat Goat Research.—The primary objective of this project is to generate and disseminate technical information to improve the quantity of products derived from goats. The program enables small goat producers to increase their profitability through genetic mapping, conservation, maintenance, enhancements and access to genetic resources. The Committee recommendation includes \$100,000 for dairy and meat goat research. (Hutchison/Prairie View A&M University)

Dairy Farm Profitability.—The Committee recommendation includes \$500,000 for research to develop and disseminate knowledge

and technologies that increase efficiency and profitability of dairy production. (Specter, Casey/Penn State University)

Delta Revitalization Project.—The Committee recommendation includes \$250,000 to create and implement innovative strategies that will help advance the long-term economic and sustainable development of the Mississippi Delta Region. (Cochran/Mississippi State University)

Designing Foods for Health.—The Committee recommendation includes \$500,000 to research the prevention of diseases through fruits and vegetables by optimizing bioactive compounds and conducting studies in cell cultures, animal studies, and clinical trials. (Hutchison/Texas Agricultural Experiment Station)

Detection and Food Safety.—The Committee recommendation includes \$2,500,000 to research new technologies for real-time bacterial, chemical, and surface contamination detection and information technologies for traceability and inventory control. (Shelby/Auburn University)

Displacing Imported Petroleum With Renewables.—The Committee recommendation includes \$200,000 for research into the conversion of renewable biomass into fuels. (Martinez; Nelson, Bill/University of Florida)

Drought Management Initiative.—Utah and the Intermountain West experience periodic drought that has severely limited water supplies, damaged agriculture, and threatens future economic growth. This initiative seeks to develop accurate prediction of water yield, improved agricultural irrigation, better management of urban water demand, and innovative water policies. The Committee recommendation includes \$900,000 for this initiative. (Bennett/Utah State University)

Efficient Irrigation for Water Conservation.—The surface flows of the Rio Grande are inadequate to meet growing demands of agriculture, development growth, drought cycles, and compact agreements. Agriculture is a major industry in most areas of the Rio Grande basin, particularly the irrigated valleys. Voluntary measures based on scientific knowledge will help secure the agricultural economy and heritage of the basin. The Committee recommendation includes \$475,000 for New Mexico State University and \$100,000 for Texas A&M University for research and education activities that improve irrigation efficiency and water conservation throughout the Rio Grande basin. (Domenici, Hutchison, Bingaman, Cornyn/New Mexico State University, Texas A&M University)

Environmentally Safe Products.—Research is needed to develop agriculturally-based products that have both economic and environmental values. The Committee recommendation includes \$450,000 to carry out this activity. (Leahy/University of Vermont)

Farmland Preservation.—Ohio is losing farm acreage to development at a high rate. The Committee recommendation includes \$150,000 for research to determine the best policy mechanisms to slow this trend. (Brown, Voinovich/Ohio State University)

Floriculture.—The Hawaii tropical cut flower and foliage industry is a major contributor to the State and national economies and it faces many challenges from rising costs of production, new invasive pests, and increased foreign competition. The Committee

recommendation includes \$300,000 to carry out a competitive grants program to maintain and further develop new anthurium, orchid and protea germplasm. (Inouye, Akaka/University of Hawaii)

Food and Fuel Initiative.—An important element of the biofuels industry is to find ways to make biofuel co-products a preferred feed for livestock. The Committee recommendation includes \$400,000 for research to ensure feed and food safety by removing potential accumulation of toxins, and protecting the environment. (Harkin, Grassley/Iowa State University)

Food Safety.—Irradiation is currently being used to destroy pathogens in food and destroy insect and pests in fruits and vegetables. The Committee recommendation includes \$100,000 to continue the advancement of science and technology in irradiation technologies. (Hutchison/Texas Agricultural Experiment Station)

Fresh Produce Food Safety.—Recent incidents of E. coli O157:H7 and other microbial contaminants in spinach and leafy greens resulted in serious illnesses and several deaths, and have shaken consumer confidence and cost growers millions of dollars. The Committee recommendation includes \$700,000 to establish a competitive grants program to research the effects of the recent E. coli outbreak, sources and channels of contamination by pathogenic microbes, and other concerns related to food safety. (Feinstein, Boxer/University of California)

Functional Genomics in Nature.—This program expands the study of functional genomics to determine genome regulation, protein interaction, and metabolite flow as organisms interact in the environment. The Committee recommendation includes \$1,600,000 for this research. (Bennett/Utah State University)

Future Foods.—Research is needed to promote optimal human health by studying bioactive attributes of food. The Committee recommendation includes \$450,000 to determine the relationships between functional compounds in foods and reduced incidence of chronic diseases in humans. Outcomes will provide insight into properties to serve as anticancer agents and to guard against obesity. This research also has a significant global outreach component, focused on food, nutrition, and health education in developing countries and will assist in the fight against HIV/AIDS. (Durbin/University of Illinois)

Genomics for Southern Crop Stress and Disease.—This research focuses on the use of genomics for the identification of pathogens and stress resistance in Southern corn and soybean crops. In particular for corn and soybeans, genetic stocks are predominantly tested under Midwestern conditions and many perform poorly in the South due to differing environmental stresses and pathogens. The Committee recommendation includes \$1,140,000 for this research. (Cochran/Mississippi State University)

Global Change/Ultraviolet Radiation.—High levels of ultraviolet radiation from the Sun are known to have harmful effects on agricultural crops, forest ecosystems, humans and livestock. The Committee recommendation includes \$1,500,000 to measure ultraviolet and visible radiation across the entire United States to help research that assesses the potential crop and forests impacts from in-

creasing levels of ultraviolet radiation. (Johnson, Salazar/Colorado State University)

Grass Seed Cropping Systems.—The grass seed industry is based in rural communities and contributes to the economic well being of those communities, but the industry is facing some critical environmental and economic challenges including: public pressure to phase out open-field burning; and alleviation of smoke, dust, and chemical trespass from crop production areas. The Committee recommendation includes \$150,000 to develop new grass seed cropping systems that meet environmental regulations and are economically viable for farmers. (Murray, Craig, Cantwell, Smith, Wyden, Crapo/University of Idaho, Oregon State University, Washington State University)

Great Plains Sorghum Improvement and Utilization Center.—The Committee recommendation includes \$736,000 to conduct research on improving the yields, quality, and uses of grain sorghum. (Brownback, Hutchison, Roberts/Kansas State University, Texas A&M University, Texas Tech University)

Hardwood Scanning Center.—The sustainability of the hardwood lumber industry depends on further improvements in efficiency, primarily in terms of the volume of higher grades of lumber produced from a given volume of logs. The next technology needed to improve lumber-grade yield is log scanning. This would help the ability of sawyers to “see” the defects inside a log and convert logs into lumber, based on knowing where the defects are located. Past studies indicate a potential 30–40 percent increase in lumber-grade yield in the conversion of tree trunks into logs and up to 30 percent in the conversion of logs into lumber. The Committee recommendation includes \$500,000 to develop and commercialize scanning technology needed to improve hardwood lumber-grade yield. (Lugar/Purdue University)

High Performance Computing.—This program will assist the USDA with expanded capabilities in high performance computing and numerical methods for agricultural and natural resources management. The Committee recommendation includes \$750,000 for this project. (Bennett/Utah State University)

Human Nutrition.—This research project tests the hypothesis that individuals with a predisposition to becoming obese have altered metabolic and genetic patterns of response to diets high in fat or high in calories. The current research objective is to characterize baseline biochemical, endocrine and anthropometric predictors for fat storage in healthy men and women eating diets altered in percent fat. The Committee recommendation includes \$706,000 to carry out this research. (Landrieu, Vitter/Pennington Biomedical Research Center)

Improving Safety and Shelf Life of Agricultural Commodities.—Bioelectronic detectors have the potential to be highly sensitive, easy to use and manufacture, while also providing near real-time diagnosis of food contamination. These features will allow for the quick detection of microorganisms thereby allowing for the development of new methods of shelf-life preservation as well as preventing distribution of contaminated food products. The Committee recommendation includes \$863,000 for the development of bioelectronic detectors that can quickly detect the presence of microbial

pathogens in foods and food products. (Craig, Crapo/University of Idaho)

Joint U.S.-China Biotechnology Research and Extension.—In collaboration with the Ministry of Science and Technology [MOST] of the People's Republic of China, Utah State University [USU] and Xiamen University have agreed to develop joint research programs in animal models for the study of infectious diseases, natural bioactive compound development, and cellular communication networks. Also, MOST, USU, and the Northwest Sci-Tech University of Agriculture and Forestry have agreed to develop joint research programs in the biotechnology of forages (especially alfalfa), livestock cloning and genetics, crop production, and water resources and irrigation. Funding would be used for professional exchanges, joint research programs, intensive short courses, graduate training, and internships. The Committee recommendation includes \$600,000 for this project. (Bennett/Utah State University)

Leopold Center Hypoxia.—One of the most effective ways to reduce the hypoxia zone in the Gulf of Mexico is to increase the acreage of perennial grasses in the Midwest. The Committee recommendation includes \$150,000 to investigate land use issues that may have an impact of reducing the hypoxia zone. (Harkin/Iowa State University)

Livestock and Dairy Policy.—The Committee recommendation includes \$200,000 for economic and policy analyses of programs relating to dairy, beef cattle, sheep, and goat raisers. (Hutchison/Texas Agricultural Experiment Station)

Livestock Waste.—Research is needed to investigate air quality impairments from livestock and poultry operations in order to evaluate the effectiveness of mitigation strategies. The Committee recommendation includes \$250,000 to carry out these activities. (Harkin, Grassley/Iowa State University)

Low Bush Wild Blueberry.—The Committee recommendation includes \$246,000 for the development of integrated crop management programs; research into the potential health benefits of wild low-bush blueberries; determination of low bush blueberry water requirements; and the improvement of processed product quality and value-added food processing. (Collins, Snowe/Wild Blueberry Commission of Maine)

Maple Research.—The process of making maple requires research to avoid product contamination that either affects the flavor or renders it unsafe for human consumption. The Committee recommendation includes \$130,000 to conduct research for equipment and processing techniques to reduce exposure of sap and syrup to contaminants. (Leahy/University of Vermont)

Midwest Advanced Food Manufacturing.—Research is needed to improve food processes, safety, quality, and health benefits. The Committee recommendation includes \$490,000 for a competitive grants program to carry out this research. (Nelson, Ben; Hagel/University of Nebraska)

Midwest Poultry.—The recent price impacts on grain due to increased renewable fuels production has negatively impacted the profit margins for poultry producers. The Committee recommends \$250,000 for research to improve the sustainability, efficiency, and

profitability of poultry production. (Harkin, Klobuchar, Grassley/Iowa State University)

Milk Safety.—This project focuses on enhancing the safety of the dairy food supply. The Committee recommendation includes \$788,000 for peer reviewed research into milk and dairy products safety. (Specter, Casey/Penn State University)

Missouri River Sedimentation.—Research is needed to measure the effect of erosion along the Missouri River which is affecting riparian properties. The Committee recommendation includes \$450,000 for this effort. (Johnson/South Dakota State University)

Montana Sheep Institute.—Research is needed to develop a ranging strategy whereby small ruminants such as sheep can be used to control noxious weeds and return a profit to the producer. The Committee recommendation includes \$200,000 for this research. (Baucus, Tester/Montana State University)

National Beef Cattle Evaluation Consortium [NBCEC].—The NBCEC is comprised of researchers from Colorado State University, Cornell University, and the University of Georgia who focus on the genetics of beef cattle. The Committee recommendation includes \$880,000 for the NBCEC to continue its collection, interpretation, and distribution of genetic data to beef cattle breeders to develop and enhance sound and economically viable beef production systems. (Allard, Salazar, Chambliss/Colorado State University, University of Georgia)

National Center for Soybean Biotechnology.—The Committee recommendation includes \$987,000 to better understand the genetic control of yield, seed composition, environmental stress tolerance, and disease resistance in soybeans. Funds will also be used for the development of value-added soybeans such as improved oil content/quality, enhanced nutritional values, and biofuel uses. (Bond/University of Missouri-Columbia)

National Drought Mitigation Center [NDMC].—The NDMC conducts research and outreach activities on drought mitigation and preparedness technologies; works to improve coordination of drought-related activities between levels of government; and assists in the development, dissemination, and implementation of appropriate mitigation and preparedness technologies in the public and private sectors. The Committee recommendation includes \$500,000 for the NDMC to continue drought monitoring, mitigation and planning. (Nelson, Ben; Hagel/University of Nebraska-Lincoln)

Nematode Resistance Genetic Engineering.—Development of more efficient and less environmentally damaging methods for controlling pests and diseases is essential for maintaining agricultural production levels necessary to support the future food and trade needs of the United States. The Committee recommendation includes \$300,000 to limit agricultural production losses caused by pests and disease through the application of biotechnology. (Domenici, Bingaman/New Mexico State University)

Nevada Arid Rangelands.—Nevada has a higher percentage of arid rangeland than any other State and in recent years has experienced severe wildfire, invasive species, prolonged drought, and habitat decline. The Committee recommendation includes \$490,000 for rangelands restoration and protection research. (Reid/University of Nevada Reno)

New Century Farm.—Corn alone cannot support all the renewable energy requirements of the country. A variety of annual and perennial cellulosic crops must be grown to complement corn and soybean production. The Committee recommendation includes \$300,000 for research into integrated and sustainable biofuel feedstock production, including: crop production; germplasm development; environmental impact; harvest, transport, and storage; and processing. (Harkin, Grassley/Iowa State University)

New Crop Opportunities, Alaska.—The Committee recommendation includes \$443,000 for the development of new opportunities and uses for Alaska grown crops and livestock. (Stevens/University of Alaska)

New Crop Opportunities, Kentucky.—Agricultural production is an important part of Kentucky's economy, and tobacco has played a major role. With the termination of the Federal tobacco program, there is a need for research to help Kentucky farmers diversify their operations in order to survive. The Committee recommendation includes \$750,000 to accelerate the transition from a tobacco-based farm economy through crop diversification. The project provides production and marketing information on new crops and value-added versions of current crops. (McConnell/University of Kentucky)

New Satellite and Computer-Based Technology for Agriculture.—Significant progress has been made in numerous areas of spatial technology and precision agriculture. Variable rate technology research has shown the ability to significantly reduce the volume of pesticides utilized, apply fertilizer within highly variable fields to achieve maximum benefits, and identify potential insect, disease, and environmental stress problems well in advance of traditional scouting methods. The Committee recommendation includes \$936,000 for spatial technology research. (Cochran/Mississippi State University)

Northwest Center for Small Fruit Research [NCSFR].—The primary goal of the NCSFR is to enhance the profitability and sustainability of the small fruits industry in the Pacific Northwest. The Committee recommendation includes \$300,000 for peer reviewed and competitively awarded small fruits research. (Craig, Murray, Smith, Wyden, Crapo/Northwest Center for Small Fruit Research)

Oil Resources from Desert Plants.—New Mexico State University will conduct basic research to identify and characterize plant genes involved in the synthesis of high molecular weight oils and waxes. The Committee recommendation includes \$250,000 to carry out this research. (Domenici, Bingaman/New Mexico State University)

Organic Cropping, Oregon.—Research is needed to assist producers in Oregon with information necessary for optimal production of organic crops. The Committee recommendation includes \$200,000 for that purpose. (Wyden, Smith/Oregon State University)

Organic Cropping, Washington.—There is a rising demand for organic products, but foreign competitors with lower labor costs are putting organic producers at risk. The Committee recommendation includes \$300,000 for research, development and dissemination of organic best management practices in the Northwest and other

steps to retain the U.S. competitive advantage in this marketplace. (Murray, Cantwell/Washington State University)

Organic Waste Utilization.—Heavy land applications of dairy manure can cause significant problems, including contamination of ground and surface water, spread of enteric pathogens and weeds, noxious odors, and increased soil salinity. The Committee recommendation includes \$100,000 to develop new ways of composting dairy waste with other organic materials that may alleviate many potential problems associated with land application of raw dairy waste. (Domenici, Bingaman/New Mexico State University)

Pasture and Forage Research.—The Committee recommendation includes \$250,000 to enhance private irrigated pasture land and provide an alternative feed base to traditional public land grazing. (Bennett/Utah State University)

Peach Tree Short Life Research.—The disease syndrome of peach, nectarine, and plum trees in the southeastern United States known as Peach Tree Short Life is characterized by sudden collapse of otherwise apparently healthy trees just before, during, or just after flowering. The Committee recommendation includes \$278,000 to further the understanding and control of peach tree short life in southeastern peach orchards. (Graham/Clemson University)

Peanut Research.—The Committee recommendation includes \$591,000 for research into soil fertility issues caused by intensive tillage practices in the peanut growing regions of Alabama, Florida, and Georgia. (Shelby/Auburn University)

Phytosensors for Crop Security and Precision Agriculture.—There are immediate needs for new technology and innovations for monitoring crop diseases. This project seeks to combine technologies in biotechnology and photonics to produce crop plants that can be used directly as early warning sentinels for the detection of plant diseases. The Committee recommendation includes \$1,000,000 to support this research. (Alexander/University of Tennessee)

Pierce's Disease.—Pierce's Disease, spread by the Glassy-Winged Sharpshooter, threatens the grape industry. The Committee recommendation includes \$1,500,000 for a competitive grants program to eliminate this disease. (Feinstein, Boxer/University of California)

Policy Analyses for a National Secure and Sustainable Food, Fiber, Forestry, and Energy Program.—Currently, there is an unbalanced approach to alternative fuels, which is leading to food shortages, increased food costs, and negative environmental impacts. The Committee recommendation includes \$200,000 to better understand the impacts renewable energy feedstocks have on cropping patterns, balance of trade, commodity prices, and economic activity. (Hutchison/Texas A&M University)

Potato Cyst Nematode.—The potato cyst nematode [PCN] was recently discovered in Idaho, the first time for the United States. The Committee recommendation includes \$500,000 for research related to PCN, including population dynamics, management, eradication, efficacy of pesticides, resistance of potato varieties, and other critical issues. (Craig, Crapo/University of Idaho)

Potato Research.—This research focuses on the development of new potato varieties with better disease resistance, enhanced nutrition, higher yields, and other improvements. The Committee rec-

ommendation includes \$750,000 for competitively awarded potato research. (Craig, Murray, Cantwell, Wyden, Collins, Crapo, Smith, Snowe/USDA CSREES]

Precision Agriculture.—Geospatial technologies developed by the military and aerospace industries have the potential to improve the profitability and efficiency of production agriculture and forestry. The Committee recommendation includes \$599,000 for the development of geospatial tools to allow more site-specific management of agriculture, forests, and other natural resources at Auburn University and \$675,000 at the University of Kentucky to develop and assess precision agriculture and natural resource management methods and technologies. (McConnell/University of Kentucky, Shelby/Auburn University)

Preharvest Food Safety.—The Committee recommendation includes \$202,000 for research into the identification and mitigation of food-borne pathogens such as *E. coli* and *Salmonella*, antibiotic resistance and food-borne disease, and identification and tracking of food-borne and zoonotic diseases. (Brownback, Roberts/Kansas State University)

Program for Economically Important Infectious Animal Diseases.—Infectious animal diseases can have a substantial impact on the economy and international trade. The Committee recommendation includes \$817,000 for research and outreach activities into economically-critical infectious animal diseases with the goal of preventing the introduction and spread of such diseases. (Allard, Salazar/Colorado State University)

Protein Utilization.—Soybeans, as an alternative feedstock for renewable fuels, require additional research to expand beyond biodiesel to a broader range of bio-fuel options. The Committee recommendation includes \$600,000 to carry out this research. (Harkin, Grassley/Iowa State University)

Regionalized Implications of Farm Programs.—The Committee recommendation includes \$100,000 for economic and policy analyses of commodity programs. (Hutchison/Texas Agricultural Experiment Station)

Renewable Energy Products.—Research is needed to identify perennial grasses that can thrive in cool conditions yet produce materials usable in the renewable fuels industry. The Committee recommendation includes \$1,000,000 to conduct this research. (Dorgan, Conrad/North Dakota State University)

Ruminant Nutrition.—Research is needed to develop value-added feeds for certain livestock that would have profitability and environmental benefits. The Committee recommendation includes \$625,000 for a competitive grants program to carry out this activity. (Johnson, Thune/South Dakota State University)

Rural Development.—Demographics and geography pose unique challenges for rural development activities in States like North Dakota. The Committee recommendation includes \$115,000 for research to develop strategies that best respond to that unique environment. (Dorgan, Conrad/North Dakota State University)

Russian Wheat Aphid.—The Committee recommendation includes \$306,000 to incorporate resistance to the new biotype of Russian wheat aphid, which re-emerged in southeastern Colorado as a virulent biotype; to improve tolerance for heat and drought

stress; and to reverse recent trends in declining hard red winter wheat exports. (Allard, Salazar/Colorado State University)

Seed Technology.—There is a growing void in the public research sector for seed trait technologies. The Committee recommendation includes \$350,000 for research on seed traits that can be made available publicly to producers. (Johnson, Thune/South Dakota State University)

Shrimp Aquaculture.—New lines of shrimp promise faster growth, greater harvest size, enhanced disease resistance, and more rapid crop turnover. These, together with the fruition of super-intensive shrimp farming systems, provide the tools necessary to accelerate the expansion of the domestic shrimp farming industry. The Committee recommendation includes \$300,000 for shrimp aquaculture research. (Cochran/University of Southern Mississippi)

Soil-Borne Disease Prevention in Irrigated Agriculture.—Phytophthora diseases are limiting factors to sustainable chile production in the irrigated Southwest. The Committee recommendation includes \$250,000 for genetic improvement of cultivars and research into the molecular basis of disease resistance. (Domenici, Bingaman/New Mexico State University)

Southeast Bioenergy Initiative.—The Committee recommendation includes \$300,000 for the development of technology to produce alternative fuels from regionally available biomass; feedstock sustainability; harvesting and transport; and conversion technologies and efficiency. (Sessions/Auburn University)

Soybean Research.—Diseases and threats such as soybean rust and soybean cyst nematode are serious problems for continued soybean production levels. The Committee recommendation includes \$750,000 for genomic and genetic research to protect and improve soybean production. (Durbin, Obama/University of Illinois)

Specialty Crops.—Producers need information to improve production and processing systems for specialty crops, especially producers who operate as small family-sized operations. The Committee recommendation includes \$100,000 for research in this area. (Lincoln, Pryor/University of Arkansas)

Sustainable Agriculture.—The Committee recommendation includes \$190,000 to support research focused on farm profitability balanced by environmental responsibility. (Specter, Casey/Penn State University)

Sustainable Beef Supply.—Research is needed to develop sound supply chain management of beef producers, taking into account factors such as consumer preference, consumer confidence, quality assurance, and international trade. The Committee recommendation includes \$200,000 to conduct this research. (Baucus, Tester/Montana State University)

Sweet Sorghum for Energy Production.—Sweet sorghum holds great potential as a biofuels feedstock. The Committee recommendation includes \$200,000 for research to improve production of this commodity on marginal lands and to develop more efficient methods to convert biomass to ethanol. (Nelson, Ben; Hagel/University of Nebraska)

Tick Borne Disease Prevention.—Tick-borne diseases poses a serious health risk to Americans, especially to vulnerable populations.

The Committee recommendation includes \$400,000 to develop information, which can be useful to the general public and to develop strategies to combat the spread of these diseases. (Reed, Whitehouse/University of Rhode Island)

Tillage, Silviculture, and Waste Management.—To address critical environmental concerns in Louisiana, alternatives to traditional tillage are needed to improve the quality of floodwaters, reduce soil erosion, and to reduce production costs. The Committee recommendation includes \$200,000 to develop best management practices to achieve these goals. (Landrieu, Vitter/Louisiana State University)

Tropical and Subtropical Research.—Much of the Nation's agricultural research resources are directed toward activities in temperate zones and has little applicability to tropical and subtropical regions where climatic differences require entirely different strategies. The Committee recommendation includes \$800,000 for research this activity. (Inouye, Akaka/University of Hawaii, University of Guam)

Uniform Farm Management.—Benchmarking databases are a new and innovative management tool that farmers can use to measure their financial success. This project has created the Nation's largest and most comprehensive public database of actual farm financial data. The Committee recommendation includes \$295,000 to continue the development and improvement of benchmarking databases. (Coleman, Klobuchar/University of Minnesota)

University Center for Biomass Based Energy.—Mississippi State University and Oklahoma State University are developing a unique gasification-fermentation process that utilizes all of the plant biomass, including the lignin, to produce liquid fuel. The Committee recommendation includes \$1,200,000 bioenergy research. (Cochran, Inhofe/Mississippi State University, Oklahoma State University)

Virtual Plant Database Initiative.—The Committee recommendation includes \$840,000 to improve access, analysis, and management of critical botanical information for botanists, other scientists and users of plant data and to enhance access to the data that can be used for conservation programs, ecosystem monitoring, sustainable development projects, and law enforcement. (Bond/ University of Missouri-Columbia)

Viticulture.—The Viticulture Consortium works on a wide range of problems affecting grape growers on both the east and west coast. The Committee recommendation includes \$1,200,000 for a competitive grants program to carry out this work. (Feinstein, Specter, Boxer, Clinton, Schumer/University of California, Cornell University)

Water Conservation.—The Committee recommendation includes \$100,000 for water conservation research in the Ogallala region of Kansas. Research will specifically focus on improvements to irrigation management; transition to dryland cropping systems based on alternative crops and/or new uses for crops; and improvements to rainfall harvesting and water recycling at confined livestock feeding operations. (Brownback, Roberts/Kansas State University)

Water Use Efficiency and Water Quality Enhancement Through Advanced Technologies.—Integration of sensors and wireless tech-

nologies into variable rate irrigation systems will allow for automation and greatly increased efficiency. New technologies will allow variable rate irrigation systems to save billions of gallons of irrigation water each year, while increasing agricultural productivity and improving water quality. The Committee recommendation includes \$494,000 for research into the development of the next generation of precision irrigation application technologies for large scale irrigation users. (Chambliss, Isakson/University of Georgia)

Wetland Plants.—The Committee recommendation includes \$200,000 for the development of plant species to stabilize and maintain Louisiana coastal wetlands. (Landrieu, Vitter/Louisiana State University)

Wheat Genetic Research.—The free availability of germplasm, genetic and genomic resources, and knowledge for sustainable and profitable wheat crop production is crucial for producers of one of the staple crops of the world. The Committee recommendation includes \$344,000 to collect, conserve, and distribute wheat genetic and genomic resources; develop improved germplasm; develop genetic stocks; and to develop genomic resources. (Brownback, Roberts/Kansas State University)

Wildlife/Livestock Disease Research Partnership.—The Committee recommendation includes \$300,000 for research on diseases that affect both livestock and wildlife in Wyoming of economic concern. These diseases include brucellosis, chronic wasting disease and pasteurellosis. (Enzi, Thomas/University of Wyoming)

Wine Grape Foundation Block.—For national and international markets it is critical that vineyards are virus free. The Committee recommendation includes \$300,000 for research to reduce the likelihood of virus transmission within the industry. (Murray, Cantwell/Washington State University)

Wood Utilization.—This program includes research regarding harvesting, wood properties, manufacturing and processing, products and testing, and economics and marketing. The Committee recommends \$6,500,000 to address these needs on a national scale. (Byrd, Cochran, Craig, Landrieu, Stevens, Klobuchar, Levin, Stabenow, Wyden, Alexander, Coleman, Collins, Crapo, Smith, Snowe, Vitter/West Virginia University, Mississippi State University, University of Idaho, Louisiana State University, University of Alaska, University of Minnesota, Michigan State University, University of Tennessee, University of Maine, Oregon State University)

Wool Research.—Research with wool and other animal fibers is needed to increase profitability of domestic sheep, goat, and camelid industries while providing manufacturers, consumers, and the military with high quality animal fibers. The Committee recommendation includes \$100,000 for wool research. (Hutchison/Texas Agricultural Experiment Station)

The following identifies and describes the Committee recommendations for Federal Administration:

Agriculture Development in the American Pacific.—The location of research universities in the American Pacific provides an opportunity to study the movement of infectious disease, invasive pests, and other items related to the shipment of materials from the Asia toward the U.S. mainland. The Committee recommendation in-

cludes \$500,000 to conduct this research. (Inouye/University of Hawaii)

Agriculture-based Industrial Lubricants.—The bio-based lubricants industry is an area with the potential to add enormous growth to depressed rural economies. The Committee recommendation includes \$480,000 for further research needed for the development of bio-based products and marketing opportunities. (Harkin, Grassley/University of Northern Iowa)

Agriculture Waste Utilization.—Conversion of livestock wastes into usable fertilizers and other measures to better utilize wastes would reduce their threat to the environment. The Committee recommendation includes \$650,000 to conduct research on technologies to reduce or eliminate harmful nutrients and pathogens. (Byrd/West Virginia State University)

Agricultural Literacy.—The Committee recommendation includes \$500,000 to enhance agricultural understanding among educators, K–12 students, and consumers utilizing teacher created learning units that infuse accurate agricultural concepts into the curriculum and enhance technology skills. (Bond/ Missouri Farm Bureau Foundation for Agriculture)

Applied Agriculture and Environment Research.—Food safety concerns can cause economic disruption and unclear signals in the marketplace. The Committee recommendation includes \$250,000 to identify and develop new technologies and best management practices that will result in higher consumer confidence in food safety. (Feinstein/California State University)

Aquaculture Research.—The Committee recommendation includes \$220,000 for urban aquaculture, aquaponics, and fish nutrition/physiology research. (Specter/Cheyney University of Pennsylvania)

Aquatic Veterinary Pathology.—Resources are needed in the State of Rhode Island to keep up with the growing demand for disease screening and other tests so that the State's aquatic production can move freely in interstate commerce. The Committee recommendation includes \$800,000 to provide the State of Rhode Island the capability of providing veterinary expertise for aquatic species. (Reed/Roger Williams University)

Biotechnology.—The Committee recommendation includes \$687,000 for research on genetic marker identification and mapping of sweet potatoes; genetic modification of starch in sweet potato storage roots; genetic transformation and development of sweet potato cultivars with enhanced disease resistance; and related plant breeding research to support small and disadvantaged farmers. (Cochran/Alcorn State University)

Center for Dairy Excellence.—The Committee recommendation includes \$100,000 to help dairy producers improve productivity and profitability. (Specter, Casey/Penn State University)

Cotton Research.—The Committee recommendation includes \$300,000 for the research and development of new technologies to increase cotton and textile production. (Hutchison, Cornyn/Texas Tech, Texas A&M University)

Ethnobotanical Studies.—The gathering of wild herbs and plants in the Appalachian region has long been a source of income throughout the region. However, many plants look similar and

gatherers and consumers lack a reliable source of information to differentiate potentially useful herbs from poisonous plants. The Committee recommendation includes \$500,000 for research in this area. (Mikulski, Cardin/Frostburg State University)

Feed Efficiency.—There is a need for research on feed efficiency in bulls to improve genetics in the cattle industry and lower the cost of production. The Committee recommendation includes \$150,000 for research to enhance the efficient production of lean meat from beef cattle. (Byrd/West Virginia Department of Agriculture)

MATRIC.—Research is necessary to improve the competitiveness and marketability of Midwest agricultural products. The Committee recommendation includes \$250,000 to carry out these activities through the Midwest Agribusiness Trade and Information Center [MATRIC]. (Harkin/Iowa State University)

Medicinal and Bioactive Crops.—The Committee recommendation includes \$400,000 for bioactive/pharmaceutical crop research and the identification of novel anti-cancer and antiviral agents. (Hutchison/Stephen F. Austin University)

Mississippi Valley State University.—The Committee recommendation includes \$1,433,000 to promote research and education at the university. (Cochran/Mississippi Valley State University)

PM-10 Air Quality.—Air quality impairments related to agriculture can result in health risks for individuals and economic hardships for producers. Soils in the Columbia Plateau have considerable quantities of very small particles that may become suspended in air, making the air quality issues more severe. The Committee recommendation includes \$150,000 to help develop farming systems to reduce the threat of these particles. (Murray, Cantwell/Washington State University)

Polymer Research.—The Kansas Polymer Research Center conducts research on bio-based polymeric material which have the potential to replace 3,300,000 barrels of oil per year in the U.S. market alone. The Committee recommendation includes \$1,500,000 for polymer research. (Brownback/Pittsburg State University)

Rural Systems.—The primary purpose of this project is the early detection of significant human and animal health events, especially those arising in rural America, through basic and applied research. The Committee recommendation includes \$308,000 to carry out this project. (Cochran/Jackson State University)

Shellfish Research, Rhode Island.—Research is needed to evaluate the environmental impacts of shellfish planting and harvesting, develop rapid bacteria tests, and evaluate mercury and cadmium levels in shellfish tissues. The Committee recommendation includes \$350,000 to carry out this work. (Reed/East Coast Shellfish Research Institute)

Viral Hemorrhagic Septicemia [VHS].—VHS is a new strain of virus responsible for massive fish kills in the Great Lakes and threatens the region's aquaculture sector. The Committee recommendation includes \$300,000 for research on this deadly disease. (Brown, Voinovich/University of Toledo)

Water Pollutants.—An extensive database of DNA profiles is needed to identify sources of bacteria in waters. The Committee

recommendation includes \$550,000 for identification of particular sources of fecal pollution that can then be eliminated or reduced as a pollution source. (Byrd/Marshall University)

Water Quality.—Climate change and other factors are putting more pressure on water resources and the need to develop sound and wide-ranging watershed planning strategies. The Committee recommendation includes \$500,000 to carry out these activities. (Dorgan, Conrad/Energy and Environmental Research Center; Grand Forks, North Dakota)

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND

Appropriations, 2007	\$12,000,000
Budget estimate, 2008	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, 2007	\$450,346,000
Budget estimate, 2008	431,125,000
Committee recommendation	458,537,000

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 \$458,537,000 for extension activities of the Cooperative State Research, Education, and Extension Service.

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

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

[In thousands of dollars]

	Committee recommendation
Smith-Lever sections 3(b) and 3(c)	285,762
Smith-Lever section 3(d):	
Farm safety	4,517
Food and nutrition education (EFNEP)	63,538
Indian reservation agents	3,000
New technologies for extension	1,485
Pest management	9,860
Sustainable agriculture	5,000
Youth at risk	7,651
Youth farm safety education and certification	440
1890 colleges, Tuskegee University, and West Virginia State University Colleges	35,205
1890 facilities grants	16,777
Extension services at the 1994 institutions	3,321
Renewable Resources Extension Act (RREA)	4,019
Rural health and safety education	1,946
Federal administration:	15,916
Total, CSREES Extension Activities	458,537

Ag in the Classroom.—The Committee recommends \$700,000 for Ag in the Classroom.

Childhood Farm Safety.—The Committee recommendation includes \$100,000 for outreach activities to reduce the incidence of childhood injury. (Harkin/Farm Safety Just 4 Kids; Ames, Iowa)

Conservation Technology Transfer.—Resources are needed to conduct demonstrations on working farms to encourage more sound conservation practices and reduce environmental harm. The Committee recommendation includes \$500,000 for this purpose. (Kohl/University of Wisconsin—Extension)

Dairy Education.—The national demand for milk and dairy products continues to rise. The Committee recommendation includes \$225,000 for education, applied research, and demonstration to help new and veteran dairy producers. (Harkin, Grassley/Iowa State University, Northeast Iowa Community College)

Disseminating Priority Programs Through New Technologies.—The Committee recommendation includes \$300,000 to expand access to information technologies and the training needed for citi-

zens in small rural communities. (Cochran, Inhofe/Mississippi State University, Oklahoma State University)

Efficient Irrigation for Water Conservation.—The surface flows of the Rio Grande are inadequate to meet growing demands of agriculture, development growth, drought cycles, and compact agreements. Agriculture is a major industry in most areas of the Rio Grande basin, particularly the irrigated valleys. Voluntary measures, based on scientific knowledge will help secure the agricultural economy and heritage of the basin. The Committee recommendation includes \$475,000 for extension activities that improve irrigation efficiency and water conservation throughout the Rio Grande basin. (Domenici, Bingaman/New Mexico State University)

Extension Specialist.—Agricultural weather data is needed by producers, researchers, and policy makers to make decisions. Producers utilize the data for critical management decisions about tillage, planting, crop protection applications, irrigation, fertilization, and harvesting. The Committee recommendation includes \$132,000 to provide basic weather data, products, and expertise to the Mississippi Delta. (Cochran/Mississippi State University)

Farm Safety.—Of the funds recommended for farm safety, the Committee recommends a funding level of \$4,517,000 for the AgrAbility project.

Health Education Through Extension Leadership.—This project links the access of the cooperative extension service to the expertise of the health professions and effectively delivers programs. The Committee recommendation includes \$843,000 to support extension activities that improve health outcomes and reduce the burden of chronic disease. (McConnell/University of Kentucky)

Iowa Vitality Center.—There is a growing trend of wealth transfers from rural into urban areas, with serious consequences for the economies of rural communities. The Committee recommendation includes \$300,000 to develop strategies to help sustain critical community assets. (Harkin, Grassley/Community Vitality Center; Ames, Iowa)

National Center for Farm Safety.—Farm-related accidents are responsible each year for an alarming number of deaths and serious injuries. The Committee recommendation includes \$225,000 to carry out training and educational activities to improve safety for members of the farming profession. (Harkin, Grassley/Northeast Iowa Community College)

Nutrition Enhancement.—Wisconsin has among the lowest school breakfast participation rates in the Nation. The Committee recommendation includes \$1,000,000 to assist in supporting childhood nutrition. (Kohl/University of Wisconsin—Extension, Wisconsin Department of Public Institutions)

Ohio-Israel Agricultural Initiative.—The Committee recommendation includes \$665,000 to improve agricultural ties between Ohio and Israel. To date, this project has resulted in exports of Ohio-bred beef calves to Israel, export of Ohio beef genetics, sharing of agricultural bio-security expertise, soybean purchases, drip irrigation improvement, greenhouse development, and scientific exchanges in a variety of agriculture and aquaculture disciplines. (Voinovich/Negev Foundation; Cleveland, Ohio)

Pesticide Reduction on Vegetables.—More information is needed for producers of vegetable crops to understand the optimum rate of pesticide use in order to prevent public health issues or environmental problems. The Committee recommendation includes \$400,000 for this purpose. (Kohl/University of Wisconsin—Extension)

Potato Integrated Pest Management—Late Blight.—The Committee recommendation includes \$400,000 to track potential pest outbreaks, including potato blight, and provide potato growers and industry professionals with current information on specific and timely treatments, which can be used to minimize pesticide applications and maximize potato yield and quality. (Collins, Snowe/University of Maine)

Range Improvement.—Concerns about the condition and health of range resources have been heightened in recent years. Local governments, management agencies, and policy makers require accurate estimates of range conditions in a timely manner. The Committee recommendation includes \$300,000 to continuously update, compile pertinent data and information, and identify and perform the needed research to provide comprehensive and cumulative impact assessments of Federal land management actions and regulations upon the rural economic communities of New Mexico. (Domenici, Bingaman/New Mexico State University)

Rural E-Commerce.—The Committee recommendation includes \$331,000 to help small, micro, and entrepreneurial businesses learn and adopt the effective use of e-commerce strategies. (Cochran/Mississippi State University)

Rural Health and Safety Education.—The Committee recommendation includes \$1,946,000 for rural health and safety education. The Committee directs the Secretary to carry out this program in a manner similar to fiscal year 2006.

Rural Technologies.—Rural and cultural barriers have in some circumstances, limited opportunities for certain people to enter careers in science, technology, engineering, and mathematics. The Committee recommendation includes \$100,000 for activities to make those opportunities more available. (Inouye/Maui Economic Development Board)

Urban Horticulture.—The development of urban horticulture can provide fresh produce for people in non-rural areas through the use of urban gardens. The Committee recommendation includes \$465,000 to carry out these activities. (Kohl/University of Wisconsin—Extension, Growing Power; Milwaukee, Wisconsin)

Urban Horticulture and Marketing.—The development of an urban horticulture and marketing program, with an emphasis on raising organic crops and the wholesale/retail sale of crops, can provide job training and jobs. The Committee recommendation includes \$100,000 to carry out this program. (Durbin/Windy City Harvest; Chicago, Illinois)

INTEGRATED ACTIVITIES

Appropriations, 2007	\$55,234,000
Budget estimate, 2008	20,120,000
Committee recommendation	12,948,000

Section 406 of the Agricultural Research, Extension, and Education Reform Act of 1998 authorizes an integrated research, education, and extension competitive grants program.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$12,948,000 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]

	Committee recommendation
Critical issues	737
Homeland security	9,900
International science and education grants	990
Regional rural development centers	1,321
Total	12,948

OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS

Appropriations, 2007	\$5,940,000
Budget estimate, 2008	6,930,000
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, 2007	\$721,000
Budget estimate, 2008	792,000
Committee recommendation	759,000

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 responsibil-

ities 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 \$759,000 for the Office of the Under Secretary for Marketing and Regulatory Programs.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

Appropriations, 2007	\$846,230,000
Budget estimate, 2008	945,550,000
Committee recommendation	911,742,000

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; de-

velopment 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 \$911,742,000 for salaries and expenses of the Animal and Plant Health Inspection Service.

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 2007 enacted	Fiscal year 2008 budget request	Committee rec- ommendation
PEST AND DISEASE EXCLUSION:			
Agricultural Quarantine Inspection (AQI)	27,531	26,548	28,557
Cattle Fever Ticks	7,653	9,674	8,416
Foreign Animal Disease/Foot and Mouth Disease	8,695	13,306	9,637
Fruit Fly Exclusion & Detection	59,723	74,734	62,616
Import/Export	11,697	11,771	11,867
Screwworm	27,753	30,721	27,839
Trade Issues Resolution & Management	12,505	14,841	13,480
Tropical Bont Tick	424	431	429
Subtotal, Pest and Disease Exclusion	155,981	182,026	162,841
PLANT AND ANIMAL HEALTH MONITORING:			
Animal Health Monitoring & Surveillance	143,211	154,822	136,808
Animal & Plant Health Reg. Enforcement	10,396	12,728	12,728
Biosurveillance	1,991	2,541	2,001
Emergency Management Systems	13,623	21,611	15,834
Highly Pathogenic Avian Influenza	47,200	57,044	47,514
Pest Detection	26,471	41,212	31,437
Select Agents	3,501	6,666	4,544
Wildlife Disease Monitoring & Surveillance		1,950	
Subtotal, Plant and Animal Health Monitoring	246,393	298,574	250,866
PEST AND DISEASE MANAGEMENT:			
Aquaculture	1,255	1,274	3,069
Biological Control	9,581	9,935	9,833
Boil Weevil	38,619		
Brucellosis	8,909	9,092	9,874
Chronic Wasting Disease	16,645	12,320	18,268
Contingency Funds	4,113	4,163	4,149
Cotton Pests		16,098	43,807
Emerging Plant Pests	98,541	124,003	126,514
Golden Nematode	807	830	824
Grasshopper	5,531	4,505	7,474
Gypsy Moth	4,803	4,920	4,887
Imported Fire Ant	1,898	2,150	1,908
John's Disease	12,080	3,266	13,140
Low Pathogen Avian Influenza	13,721	16,800	13,807
Noxious Weeds	1,441	1,146	1,908
Pink Bollworm	5,188		
Plum Pox	2,199	3,214	2,710
Pseudorabies	4,374	2,471	4,443
Scrapie	18,487	17,320	18,676
Tuberculosis	14,897	16,844	16,050
Wildlife Services Operations	74,852	76,950	76,762
Witchweed	1,515	1,526	1,523
Subtotal, Pest and Disease Management	339,456	328,827	379,626

ANIMAL AND PLANT HEALTH INSPECTION SERVICE—Continued
[In thousands of dollars]

	Fiscal year 2007 enacted	Fiscal year 2008 budget request	Committee rec- ommendation
ANIMAL CARE:			
Animal Welfare	17,473	21,126	21,126
Horse Protection	497	496	501
Subtotal, Animal Care	17,970	21,622	21,627
SCIENTIFIC AND TECHNICAL SERVICES:			
Biosecurity	1,952	3,452	1,952
Biotechnology Regulatory Services	10,533	14,141	13,122
Environmental Compliance	2,645	2,712	2,693
Plant Methods Development Labs	8,550	11,932	9,828
Veterinary Biologics	15,658	19,867	18,156
Veterinary Diagnostics	22,496	32,944	23,556
Wildlife Services Methods Development	15,900	17,932	18,279
Subtotal, Scientific and Technical Services	77,734	102,980	87,586
MANAGEMENT:			
APHIS Information Technology Infrastructure	4,506	5,029	5,006
Physical/Operational Security	4,190	6,492	4,190
Subtotal, Management	8,696	11,521	9,196
TOTAL, APHIS	846,230	945,550	911,742

The Committee is unable to recommend the full increases requested in the President's budget for the Animal and Plant Health Inspection Service. 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

Agricultural Quarantine Inspection [AQI]

Committee Recommendation.—The Committee recommendation includes an appropriation of \$28,557,000 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.

Agricultural Quarantine Inspection Fees.—The Committee is concerned by the recent interim final rule to remove the exemptions from user fees from commercial conveyances entering the United States from Canada. As of June 1, 2007, commercial trucks transiting non-stop through Canada from the State of Alaska to the continental United States, and vice versa, are subject to AQI fees. APHIS does not charge AQI fees for commercial trucks that transport goods between the contiguous States, putting commercial shippers transiting through Canada at a disadvantage. The Committee recommends APHIS address this issue and provide regulatory relief for commercial trucks transiting non-stop through Canada. The

Committee will continue to monitor APHIS' progress toward implementing this change and requests regular updates on the agency's progress.

Interline Activities.—The Committee recommendation includes \$2,772,000 for interline activities in Hawaii. The State of Hawaii is currently under a Federal quarantine for fruit flies. This quarantine requires the predeparture inspection of all airline passengers and luggage departing Hawaii for the U.S. mainland. Although APHIS currently provides funding to pay for inspections at the Honolulu airport, this funding will pay for federally required inspections for flights originating at neighbor island airports and connecting in Honolulu. (Inouye, Akaka/APHIS Hawaii)

National Germplasm and Biotechnology Laboratory.—The Committee recommendation includes \$2,498,000 for ongoing activities at the National Germplasm and Biotechnology Laboratory.

Phytosanitary Standards.—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.

Washington Clean Plant Program.—Viruses and virus-like agents cause a variety of diseases in perennial fruit crops, including tree fruits, nut trees and grape vines. Once the plant material is in the field, viral diseases cannot be chemically controlled or eliminated from the plants. In order to prevent these diseases from ever entering the field, plant stocks must be quarantined to ensure they are virus free. The Committee recommendation includes \$300,000 for the Washington Clean Plant Program, to allow the existing quarantine facility in Prosser, Washington, to retain the unique personnel expertise necessary to stay open and continue to accept plant material as it transitions into the National Clean Plant Network. (Murray/Washington State University)

Fruit Fly Exclusion and Detection

Committee Recommendation.—The Committee recommendation includes \$62,616,000 for the fruit fly exclusion and detection program, of which no less than the fiscal year 2007 level shall be used to enhance activities to prevent Medflies from moving into the United States as well as activities at U.S. borders.

PLANT AND ANIMAL HEALTH MONITORING

Animal Health Monitoring and Surveillance

Committee Recommendation.—The Committee recommendation includes \$136,808,000 for the animal health monitoring and surveillance program.

Animal Identification.—The Committee recommendation includes \$19,827,000 to continue implementation of the National Animal Identification System [NAIS]. The Committee notes that APHIS carried over \$25,697,000 of NAIS funds into fiscal year 2007, in-

creasing the amount of funds available for 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 notes that the Government Accountability Office [GAO] is currently conducting a review of NAIS. The Committee looks forward to reviewing GAO's findings.

Bio-safety.—The Committee recommendation includes \$322,000 to address bio-safety issues relating to antibiotic resistant strains of bacterial pathogens in the State of Vermont. (Leahy/University of Vermont)

Bovine Spongiform Encephalopathy [BSE].—The Committee recommendation includes \$17,395,000 to continue the ongoing BSE surveillance program. The Committee also includes \$2,475,000 for the Comprehensive Surveillance System which will further enhance animal surveillance.

Conservation Science.—The Committee recommendation includes \$49,000 for the Conservation Science Department at Lincoln Park Zoo in Chicago, Illinois. The intent of this funding is for the science centers at Lincoln Park Zoo to collaborate with the Association of Zoos and Aquariums to improve and monitor the techniques, processes, and systems to prevent disease transfer and ensure sustainability and maintenance of health in zoo populations nationwide, as well as in endangered species in managed populations around the world. (Durbin/Lincoln Park Zoological Society)

Disease Surveillance.—The Committee recommendation includes \$1,818,000 to work with North Dakota State University and Dickinson State University to develop, test, and implement the use of RFID tags for animal identification, strengthening pathogen diagnostic and identification capabilities and pinpointing problem areas in the traceback systems and methods to resolve them. (Dorgan, Conrad/North Dakota State University and Dickinson State University)

National Animal Health Laboratory Network.—The Committee recommendation includes \$2,498,000 for National Animal Health Laboratory Network cooperative agreements.

National Farm Animal Identification and Records.—The Committee recommendation includes \$500,000 to allow additional producers to participate in the National Farm Animal Identification and Records Project, which electronically identifies individual animals and tracks their movements from birth to slaughter within 48 hours in order to combat animal disease outbreaks. (Leahy/Holstein Association)

New Mexico Rapid Syndrome Validation Program.—The Committee recommendation includes \$542,000 for the New Mexico Rapid Syndrome Validation Program to develop an early detection and reporting system for infectious animal diseases. (Domenici, Bingaman/New Mexico State University)

Wisconsin Livestock Identification Consortium.—The Committee recommendation includes \$1,980,000 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 Wisconsin Livestock Ident-

tification Consortium serves as a national model and laboratory for premise registration, a critical first step for nationwide animal identification efforts. This work is key to national efforts to improve the traceability of livestock and manage potential animal diseases thereby protecting public health and safety. (Kohl/Wisconsin Department of Agriculture, Trade, and Consumer Protection)

Animal and Plant Health Regulatory Enforcement

Committee Recommendation.—The Committee recommendation includes \$12,728,000 for the animal and plant health regulatory enforcement program to support Animal Welfare Act (7 U.S.C. 2131 et seq.) compliance inspections.

Emergency Management Systems

Committee Recommendation.—The Committee recommendation includes \$15,834,000 for emergency management systems. This includes an increase of \$1,000,000 to increase emergency coordination capacity and to expand emergency response planning efforts, and an increase of \$1,000,000 to build capacity dedicated to planning, coordinating, and effectively responding to federally-declared disasters and emergencies that threaten the safety and well-being of animals.

National Veterinary Stockpile.—The Committee recommendation includes \$2,977,000 for the National Veterinary Stockpile.

Highly Pathogenic Avian Influenza [HPAI]

Committee Recommendation.—The Committee recommendation includes \$47,514,000 for highly pathogenic avian influenza. In addition, the Committee notes that APHIS carried \$28,527,000 of the fiscal year 2006 supplemental funds for HPAI into fiscal year 2007. Further, the Committee expects the Secretary, if appropriate, to transfer additional funds from the Low Pathogenic Avian Influenza program making a total of \$61,321,000 available for avian influenza activities for fiscal year 2008. The potential for the introduction and spread of HPAI 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. 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

Committee Recommendation.—The Committee recommendation includes \$31,437,000 for pest detection. This includes increases of \$1,200,000 to enhance survey infrastructure, \$800,000 for additional Cooperative Agricultural Pest Surveys, and \$800,000 to expand a formal international information collection program. 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.

California County Pest Detection Augmentation Program.—The Committee recommendation includes \$831,000 to continue the California County Pest Detection Augmentation Program, which is a statewide network of insect traps and other detection tools to serve as an early warning system against serious agricultural pests in the State of California. (Feinstein, Boxer/California Department of Food and Agriculture)

Import Inspection.—California's agricultural industry is highly susceptible to exotic pests due to its international border and as home to some of the Nation's busiest seaports. The California County Pest Detection Augmentation Program is operated at points of entry in California to prevent the establishment of serious agricultural and environmental invasive pests and diseases. This funding will address the growing of interstate shipments from international ports of entry in other States, where inspectors are not monitoring for the pests that could devastate California agriculture. The Committee recommendation includes \$990,000 for this program. (Feinstein/California Department of Food and Agriculture)

PEST AND DISEASE MANAGEMENT

Aquaculture

Committee Recommendation.—The Committee recommendation includes \$3,069,000 for the aquaculture program.

Cormorant and Pelican Control.—The Committee recommendation includes \$573,000 to continue telemetry and population dynamics studies and operations to develop environmentally and economically sustainable methods to help catfish farmers manage cormorant and pelican populations.

Viral Hemorrhagic Septicemia [VHS].—The Committee recommendation includes \$1,800,000 for the control of VHS in the Great Lakes States, and to assist with compliance of the Federal order issued in October 2006, which stopped the interstate movement of more than three dozen species of live fish that are susceptible to VHS unless they are certified to be free of VHS.

Boll Weevil

Committee Recommendation.—The Committee recommendation includes funding for the boll weevil program under the newly established cotton pests program. The amount available for the boll weevil program in the cotton pests program is \$38,619,000.

Brucellosis Eradication

Committee Recommendation.—The Committee recommendation includes \$9,874,000 for brucellosis eradication.

Greater Yellowstone Interagency Brucellosis Committee.—The Committee recommendation includes \$929,000 for the Greater Yellowstone Interagency Brucellosis Committee to continue brucellosis prevention, surveillance, control, and eradication. The Committee 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. (Craig, Baucus, Enzi, Thomas/Idaho State Department of Agriculture, Montana Department of Livestock, Wyoming Livestock Board)

Chronic Wasting Disease [CWD]

Committee Recommendation.—The Committee recommendation includes \$18,268,000 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. The Committee recommendation includes \$1,732,000 for the State of Wisconsin (Kohl/Wisconsin Department of Agriculture, Trade, and Consumer Protection), \$244,000 for the State of Utah (Bennett/Utah Department of Agriculture and Food), and \$50,000 for the State of Colorado (Allard, Salazar/Colorado Department of Agriculture).

Cotton Pests

Committee Recommendation.—The Committee recommendation includes \$43,807,000 for the cotton pests program, of which \$38,619,000 is for boll weevil and \$5,188,000 is for pink bollworm.

Emerging Plant Pests

Committee Recommendation.—The Committee recommendation includes \$126,514,000 for the emerging plant pests program. The Committee expects the Secretary to make funds available from the CCC for activities related to plant pests in fiscal year 2008, as necessary.

Asian Long Horned Beetle.—The Committee recommendation includes \$20,007,000 for Asian long horned beetle, including \$470,000 for Illinois. (Durbin/City of Chicago and Illinois Department of Natural Resources)

Citrus Health Response Program.—The Committee recommendation includes \$34,409,000 for the citrus health response program.

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

Emerald Ash Borer.—The Committee recommendation includes \$25,862,000 for emerald ash borer, including \$2,000,000 for Illinois. (Durbin/Illinois Department of Natural Resources). This invasive

species has been found in Illinois, Indiana, Maryland, Michigan, Ohio, and Pennsylvania. The Committee recognizes that the emerald ash borer, which poses a significant threat to the Nation's population of ash trees, has the potential to cause significant economic and ecological damage, and that further efforts are required to manage the spread of emerald ash borer and develop techniques and technologies to eradicate this species.

Glassy-Winged Sharpshooter.—The Committee recommendation includes \$23,175,000 for glassy-winged sharpshooter.

Karnal Bunt.—The Committee recommendation includes \$1,507,000 for karnal bunt.

Light Brown Apple Moth.—The Committee recommendation includes \$1,000,000 for Light Brown Apple Moth.

Potato Cyst Nematode.—The Committee recommendation includes \$12,800,000 for potato cyst nematode.

Sudden Oak Death (Phytophthora ramora).—The Committee recommendation includes \$4,111,000 for sudden oak death. The Committee encourages APHIS to use this funding to promote the research, development and testing of new systems of nursery pest and disease management and programs of inspection and regulation to prevent the introduction of and spread of plant pests and diseases; for sampling of high risk plant material in commercial nurseries outside those states regulated under the Emergency Order for *P. ramorum*; and, for diagnostic tools to minimize the problem of false-positive results. The Committee requests a report, within 120 days of the enactment of this act, that examines the effectiveness of current regulatory and inspection efforts; delivers an assessment of the potential risk from infected plant material shipped prior to the Emergency Order; and the risk posed by the importation into the United States of *P. ramorum* host and associated host plants and the interstate movement of such plant material.

Grasshopper

Committee Recommendation.—The Committee recommendation includes \$7,474,000 for the grasshopper program.

Mormon Crickets.—The Committee recommendation includes \$1,500,000 for grasshopper and Mormon cricket activities in the State of Utah (Bennett/APHIS Utah) to prepare necessary environmental documents and continue control measures, and \$1,500,000 for grasshopper and Mormon cricket activities in the State of Nevada (Reid/APHIS Nevada), including survey, control, and eradication of crickets.

Johne's Disease

Committee Recommendation.—The Committee recommendation includes \$13,140,000 for Johne's disease to expand APHIS' efforts to coordinate State certification programs for herd-testing, and to provide assistance to States to develop herd management plans that comply with APHIS' 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. The Committee recommendation in-

cludes \$1,244,000 for Johnne's activities in the State of Wisconsin. (Kohl/Wisconsin Department of Agriculture, Trade, and Consumer Protection)

Low Pathogen Avian Influenza [LPAI]

Committee Recommendation.—The Committee recommendation includes \$13,807,000 for Low Pathogen Avian Influenza. The Committee notes an additional \$12,000,000 is available 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 2008.

Noxious Weeds

Committee Recommendation.—The Committee recommendation includes \$1,908,000 for the noxious weeds program.

Cogongrass Control.—The Committee recommendation 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. (Cochran/Mississippi Department of Agriculture)

Nevada Weed Management.—The Committee recommendation includes \$49,000 for a weed management program with the State of Nevada to control invasive weeds on rangelands that threaten the viability of Nevada's agricultural economy. (Reid/Nevada Department of Agriculture)

Nez Perce Bio-Control Center.—The Committee recommendation includes \$250,000 for the Nez Perce Bio-Control Center to increase the availability and distribution of biological control organisms used in an integrated weed management system. (Craig, Crapo/Nez Perce Tribe)

Pink bollworm

Committee Recommendation.—The Committee recommendation includes funding for the pink bollworm program under the newly established cotton pests program. The amount available for the pink bollworm program in the cotton pests program is \$5,188,000.

Tuberculosis

Committee Recommendation.—The Committee recommendation includes \$16,050,000 for the tuberculosis program, including an increase of \$1,000,000 to enhance surveillance and testing.

Bovine Tuberculosis in New Mexico.—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.

Tuberculosis Transmission.—The Committee is concerned about the potential threats that wildlife poses for transmitting tuberculosis to domestic livestock and directs the agency to continue 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.

Wildlife Services Operations

Committee Recommendation.—The Committee recommendation includes \$76,762,000 for wildlife services operations. 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.

Beaver Management and Control.—The Committee recommendation includes \$633,000 for beaver management and control in the state of Mississippi (Cochran/APHIS Mississippi). The Committee expects the agency to make the fiscal year 2008 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 recommendation also includes \$297,000 for beaver management and control in the State of North Carolina (Dole/APHIS North Carolina).

Blackbird Management.—The Committee recommendation includes \$378,000 to conduct methods development and continue control measures for minimizing blackbird damage in North and South Dakota (Dorgan, Johnson, Conrad/APHIS North and South Dakota). The Committee recommendation also includes \$134,000 for blackbird management activities in Louisiana (Landrieu, Vitter/APHIS Louisiana) and \$170,000 for Kansas (Roberts/APHIS Kansas).

Cooperative Livestock Protection Program.—The Committee recommendation includes \$300,000 for the Cooperative Livestock Protection Program in the Commonwealth of Pennsylvania to provide technical and operational assistance in identifying, controlling, and abating damage, animal health problems, and economic losses caused by black vultures, Canadian geese, European starlings, coyotes, and other wildlife. (Specter/APHIS Pennsylvania and Pennsylvania Department of Agriculture)

Cormorant Control.—The Committee recommendation includes \$664,000 for cormorant management and control, which includes \$198,000 for the State of Michigan (Levin, Stabenow/APHIS Michigan), \$148,000 for the Lake Champlain basin (Leahy/APHIS Vermont and Vermont Fish and Wildlife Department), and \$318,000 for Delta States' operations. (Cochran/APHIS Mississippi)

Integrated Predation Management Activities.—The Committee recommendation includes \$400,000 for integrated predation management activities in the State of West Virginia. (Byrd/APHIS West Virginia)

Oral Rabies Vaccination.—The Committee recommendation includes \$23,513,000 for rabies control activities. The Committee expects a portion of the program increase to be available for rabies

activities in the Appalachian region and to further progress already made along the Appalachian Ridge to control this disease.

Tri-State Predator Control.—Due to the increase in federally listed endangered species and the reintroduction of wolf populations in Idaho, Montana and Wyoming, State operation accounts for wildlife services have suffered financially, therefore the Committee recommendation includes \$1,324,000 for the tri-State predator control program in Idaho, Montana, and Wyoming to respond to wolf depredation and monitor wolf populations. (Craig, Enzi, Thomas/APHIS Idaho, Montana, and Wyoming)

Western States.—The Committee recommendation includes \$10,700,000 to continue wildlife control activities in Western States.

Wildlife Services, Hawaii.—The Committee recommendation includes \$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 also recommends \$940,000 for activities in Hawaii and Guam to prevent movement of brown tree snakes from Guam to Hawaii, which would be a major ecological disaster for Hawaii, and for expanding efforts to control coqui frog infestations. (Inouye, Akaka/APHIS Hawaii)

Wildlife Services South Dakota.—The Committee recommendation includes \$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. (Johnson/South Dakota Department of Game, Fish, and Parks)

ANIMAL CARE

Animal Welfare

Committee Recommendation.—The Committee recommendation includes \$21,126,000 for the animal care unit for enforcement of the Animal Welfare Act.

SCIENTIFIC AND TECHNICAL SERVICES

Biotechnology Regulatory Services

Committee Recommendation.—The Committee recommendation includes \$13,122,000 for biotechnology regulatory services.

Genetically Modified Products.—The Committee recommendation includes \$371,000 for a national institute at Iowa State University devoted to risk assessment, mitigation, and communication for genetically modified agricultural products. (Harkin, Grassley/Iowa State University)

Plant Methods Development Laboratories

Committee Recommendation.—The Committee recommendation includes \$9,828,000 for the Plant Methods Development Laboratories Program. This includes an increase of \$1,000,000 for the development of detection and control tools to contain and eradicate the emerald ash borer.

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 serices 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.

Veterinary Diagnostics

Committee Recommendation.—The Committee recommendation includes \$23,556,000 for veterinary diagnostics.

Disease Prevention.—The Committee recommendation includes \$100,000 to develop diagnostics, treatment and prevention for diseases, including West Nile Virus, infecting farm-raised reptiles. Research has confirmed that reptiles are a major vector for West Nile Virus, and the spread of this disease appears to be escalating, posing a significant human health risk and a great economic cost to the farming industry. (Landrieu, Vitter/Louisiana Department of Wildlife and Fisheries)

National Agriculture Biosecurity Center.—The Committee recommendation includes \$371,000 for the National Agriculture Biosecurity Center in the State of Kansas to help protect agricultural infrastructure and economy from endemic and emerging biological threats. (Brownback, Roberts/National Agriculture Biosecurity Center Kansas State University)

Wildlife Services Methods Development

Committee Recommendation.—The Committee recommendation includes \$18,279,000 for wildlife services methods development.

Berryman Institute.—The Committee recommendation includes \$1,500,000 to continue the existing program at the Jack Berryman Institute for addressing wildlife damage management issues, including wildlife disease threats and wildlife economics. This amount includes \$664,000 to continue the cooperative relationship with the Mississippi Agricultural and Forestry Experiment Station and \$836,000 for the Jack Berryman Institute in Utah. (Bennett, Cochran/Jack Berryman Institute and the Mississippi Agriculture and Forestry Experiment Station)

National Wildlife Research Center, Mississippi.—The Committee recommendation includes \$343,000 to continue existing research efforts in aquaculture at the National Wildlife Research Center field station in the State of Mississippi. (Cochran/Mississippi Agriculture and Forestry Experiment Station and Mississippi State University)

National Wildlife Research Station, Texas.—The Committee recommendation includes \$415,000 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. (Hutchison/National Wildlife Research Station and Texas A&M)

Predator Research Station, Utah.—The Committee recommendation includes \$1,386,000 for ongoing activities at the Utah Predator Research Station, including research on the ecology of wildlife depredation, reproductive intervention strategies for managing wildlife depredation, and sensory and behavioral methods for managing

wildlife depredation on livestock. (Bennett/APHIS Utah, Utah State University, Colorado State University)

Rodent Control.—The Committee recommendation includes \$231,000 to continue the cooperative agreement with the Hawaii Agriculture Research Center for rodent control in active agricultural areas to contain and prevent the damage caused to Hawaii’s agriculture. (Inouye, Akaka/APHIS Hawaii) The Committee recommendation includes \$150,000 for rodent control on the Aleutian Islands to restore seabird nesting habitats. (Stevens/APHIS Alaska)

COMMITTEE DIRECTIVES

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, 2007	\$4,946,000
Budget estimate, 2008	8,931,000
Committee recommendation	4,946,000

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 \$4,946,000 for buildings and facilities of the Animal and Plant Health Inspection Service.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

Appropriations, 2007	\$74,937,000
Budget estimate, 2008	74,988,000
Committee recommendation	80,145,000

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 \$80,145,000 for marketing services of the Agricultural Marketing Service.

Farmers' Market Promotion Program.—The Committee recommendation includes \$1,000,000 for the Farmers' Market Promotion Program, as requested in the budget.

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.

Meat Marketing Program.—The Committee is aware of the growing number of goat herds in the Western United States, and encourages the Department to provide appropriate technical and financial assistance to Eastern Oklahoma State College's Meat Goat Management program.

Organics.—The Committee recommendation includes \$3,180,000 for the National Organic Program [NOP]. The Committee is aware that an audit performed by the American National Standards Institute [ANSI] in 2004 and by the USDA Office of Inspector General [OIG] in 2005 made strong recommendations about changes needed in the administration of the NOP, and expects the agency to provide a written report to the Committee by December 31, 2007, regarding the progress in implementing these recommendations. In addition, the Committee expects a report regarding the complaints that the NOP has received about violations of the organic standards, and the progress of the agency in investigating and responding to those complaints. The Committee further expects the NOP to work closely with the National Organic Standards Board to implement the Peer Review Panel requirements of Organic Foods Production Act and USDA's organic regulations. Finally, the Committee is aware of a Memorandum of Understanding [MOU] between the Risk Management Agency and AMS regarding the collection of organic price data on certain commodities, and supports continuation of this MOU.

Specialty Crop Block Grants.—The Committee recommendation includes \$7,000,000 for the Specialty Crop Block Grant Program. The Specialty Crop Block Grant Program was authorized in 2004 to provide state assistance for specialty crops, defined as fruits and vegetables, tree nuts, dried fruits, and nursery crops. According to USDA, to be eligible for a grant, a project must enhance the competitiveness of specialty crops, through activities including, but not limited to research, promotion, marketing, nutrition, trade en-

hancement, food safety, food security, plant health programs, education, “buy local” programs, increased consumption, increased innovation, improved efficiency and reduce costs of distribution systems, environmental concerns and conservation, product development, and developing cooperatives.

LIMITATION ON ADMINISTRATIVE EXPENSES

Limitation, 2007	\$62,211,000
Budget limitation, 2008	61,233,000
Committee recommendation	61,233,000

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 \$61,233,000 on administrative expenses of the Agricultural Marketing Service.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY

(SECTION 32)

MARKETING AGREEMENTS AND ORDERS

Appropriations, 2007	\$16,425,000
Budget estimate, 2008	16,798,000
Committee recommendation	16,798,000

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 2006–2008:

ESTIMATED TOTAL FUNDS AVAILABLE AND BALANCE CARRIED FORWARD—FISCAL YEARS 2006–2008

	Fiscal year 2006 estimate	Fiscal year 2007 estimate	Fiscal year 2008 estimate
Appropriation (30 percent of Customs Receipts)	\$6,481,777,400	\$7,029,269,059	\$7,563,683,777
Rescission	– 37,601,000	– 37,601,000	– 65,452,000
Supplemental Appropriation			
Less Transfers:			
Food and Nutrition Service	– 5,187,621,000	– 5,731,073,000	– 6,235,057,000
Commerce Department	– 79,284,400	– 82,817,059	– 84,594,777

ESTIMATED TOTAL FUNDS AVAILABLE AND BALANCE CARRIED FORWARD—FISCAL YEARS 2006–2008—Continued

	Fiscal year 2006 estimate	Fiscal year 2007 estimate	Fiscal year 2008 estimate
Total, Transfers	– 5,266,905,400	– 5,813,890,059	– 6,319,651,777
Budget Authority	1,177,271,000	1,177,778,000	1,178,580,000
Unobligated Balance Available, Start of Year	286,159,865	146,760,123	262,399,000
Recoveries of Prior Year Obligations	60,039,191	100,000,000	.....
Available for Obligation	1,523,470,056	1,424,538,123	1,440,979,000
Less Obligations:			
Commodity Procurement:			
Child Nutrition Programs (Entitlement Commodities)	463,792,156	465,000,000	465,000,000
12 Percent Commodity Floor Requirement	86,000,000	200,000,000	200,000,000
State Option Contract .....	.....	5,000,000	5,000,000
Removal of Defective Commodities .....	.....	1,000,000	1,000,000
Emergency Surplus Removal	81,010,295	65,114,820	.....
Direct Payments	700,000,000	110,000,000	.....
Disaster Relief	1,900,880	25,000,000	5,000,000
Estimated Future Needs .....	.....	242,970,303	416,325,000
Total, Commodity Procurement	1,332,703,331	1,114,085,123	1,092,325,000
Administrative Funds:			
Commodity Purchase Support	28,865,511	31,629,000	21,856,000
Marketing Agreements and Orders	15,141,091	16,425,000	16,798,000
Total, Administrative Funds	44,006,602	48,054,000	38,654,000
Total Obligations	1,376,709,933	1,162,139,123	1,140,979,000
Unobligated Balance Available, End of Year	146,760,123	262,399,000	310,000,000

COMMITTEE RECOMMENDATIONS

The Committee recommends a transfer from section 32 funds of \$16,798,000 for the formulation and administration of marketing agreements and orders.

Commodity Purchases.—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.

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.

PAYMENTS TO STATES AND POSSESSIONS

Appropriations, 2007	\$1,334,000
Budget estimate, 2008	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 standards. 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. This funding is used by the Wisconsin Department of Agriculture, Trade and Consumer Protection, which provides business consulting, market evaluation, and strategic planning assistance to cheese makers who are starting out or contemplating expansion. Funds are also used to provide competitive grants for producer modernization and grazing transition, and for value chain and commodity innovation grants for dairy processors. Federal funds for these efforts are supplemented with an equal dollar match from the State and non-Federal public and private sponsors. (Kohl/Wisconsin Department of Agriculture, Trade and Consumer Protection)

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

SALARIES AND EXPENSES

Appropriations, 2007	\$37,785,000
Budget estimate, 2008	44,385,000
Committee recommendation	39,115,000

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 \$39,115,000 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 Committee encourages the Department to continue the cooperative relationship with the Iowa Corn Growers Association and the Illinois Corn Growers Association, including the ongoing study of process verification systems and protocols.

LIMITATION ON INSPECTION AND WEIGHING SERVICES EXPENSES

Limitation, 2007	\$42,463,000
Budget limitation, 2008	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, 2007	\$600,000
Budget estimate, 2008	659,000
Committee recommendation	632,000

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 \$632,000 for the Office of the Under Secretary for Food Safety.

FOOD SAFETY AND INSPECTION SERVICE

Appropriations, 2007	\$892,136,000
Budget estimate, 2008	930,120,000
Committee recommendation	930,620,000

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 \$930,620,000 for the Food Safety and Inspection Service.

Baseline Studies.—The nationwide microbiological baseline studies of raw beef, pork, chicken, turkey, and ground products conducted by FSIS are designed to provide an unbiased and representative estimate for the prevalence and levels of select foodborne pathogens and process control indicators, important in ensuring that any risk-based inspection system is effective. Baseline studies, when repeated over time, provide valuable information on the effectiveness and progress made as a result of FSIS implemented risk based food safety policies and initiatives. Therefore, the Committee directs that no less than \$2,000,000 be used for baseline studies.

Codex Alimentarius.—Codex Alimentarius is critical for the protection of consumer health globally and facilitating international trade. Therefore, the Committee recommends \$3,737,000 exclusively for the activities of the U.S. Codex office including international outreach and education.

Controlled Atmosphere Stunning [CAS].—The Committee is aware of a new technology known as Controlled Atmosphere Stunning, in which a mixture of gasses can be used to render poultry unconscious before slaughter. The Committee understands that two major retailers have established a purchasing preference for suppliers who utilize CAS, and other industry leaders have expressed interest. The Committee directs FSIS to investigate the humanness of this approach as compared to other methods of stunning poultry and report back to the Committee within 120 days on its evaluation of CAS. The report shall also include an analysis of food safety, FDA-regulatory issues, international trade issues, estimated costs for full scale implementation of CAS in the poultry industry, and implementation feasibility.

Cost of Living.—The Committee recommendation includes an increase of \$27,331,000 for cost of living increases, as requested in the budget. This includes \$19,178,000 for pay costs, \$5,353,000 for two extra work days in 2008, and \$2,800,000 for Federal employee benefits. The Committee understands that 80 percent of the FSIS

budget is spent on salaries and expenses, and the mandate to provide continuous inspection of meat, poultry, and egg products makes salary costs inflexible. Further, the Committee provided necessary funding in fiscal year 2007 for FSIS to hire an additional 78 front-line inspectors and an additional 13 investigative staff. The Committee understands that the funding level provided is sufficient to fully fund all required pay and benefit costs for FSIS in fiscal year 2008 at the increased staff level.

Humane Slaughter.—The Committee is pleased that the budget request included \$3,000,000 for maintenance of the Humane Animal Tracking System [HATS]. The Committee recommendation includes full funding, and notes that maintenance of this system will include costs such as monthly access fees, hardware servicing, remote maintenance charges, and any additional personnel costs. The additional personnel costs could include staff support required to configure and service equipment, as well as personnel to provide technical support via the help desk.

The Committee recommends the amount requested in the budget to maintain the 83 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.

Regulatory and Scientific Training.—The Committee recommendation fully funds scientific and regulatory training at no less than \$20,653,000. The Committee reminds FSIS that training of inspectors is a cornerstone of public health protection and directs the agency to continue to provide training for all levels of inspectors from initial training for new inspectors to advanced training for more senior inspectors.

Risk-Based Inspection System [RBI].—The Committee is aware of FSIS' intentions to implement a risk-based inspection system for processing at 30 prototype locations. The Committee is further aware that under the proposed risk-based inspection system, FSIS intends to allocate resources at each processing establishment based upon the inherent risk of product produced at the establishment and a measure of the amount of actual risk control achieved by each processing establishment. There have been significant concerns raised regarding the type and amount of data FSIS is collecting and will have at its disposal upon implementation of RBI, and the Office of the Inspector General is currently studying the RBI proposal. The Committee directs FSIS to provide quarterly reports to the Committee on the implementation of risk-based inspection, and to carry out a full evaluation of the pilot program before expanding to any locations beyond the 30 prototype locations.

State Equal to Status.—The Committee recommendation includes \$63,947,000 for State meat inspection costs, which is \$500,000 more than the administration's request. About 2,100 meat and

poultry establishments are inspected under State Meat and Poultry Programs, and many of these establishments are small or very small. FSIS reimburses States up to 50 percent of the estimated costs of administering State inspections, and has historically provided the full 50 percent of States' documented need. In fiscal year 2006, FSIS reimbursements to the States fell below 50 percent for the first time in nearly 30 years, and it is the Committee's understanding that the funding level provided will allow FSIS to resume providing 50 percent of the documented need by the States.

The following table represents the Committee's specific recommendations for the Food Safety and Inspection Service as compared to the fiscal year 2007 and budget request levels:

FOOD SAFETY AND INSPECTION SERVICE SALARIES AND EXPENSES

[In thousands of dollars]

	Fiscal year 2007 enacted	Fiscal year 2008 budget request	Committee rec- ommendation
Food safety inspection:			
Federal	793,738	831,490	831,490
State	61,906	63,447	63,947
International	17,862	18,472	18,472
Codex Alimentarius	3,680	3,737	3,737
PHDCIS	14,950	12,974	12,974
Total	892,136	930,120	930,620

OFFICE OF THE UNDER SECRETARY FOR FARM AND FOREIGN
AGRICULTURAL SERVICES

Appropriations, 2007	\$632,000
Budget estimate, 2008	695,000
Committee recommendation	666,000

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 economic 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 \$666,000 for the Office of the Under Secretary for Farm and Foreign Agricultural Services.

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.

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, 2007	1,030,193	306,859	1,337,052
Supplemental appropriation, 2007	37,500	.....	37,500
Budget estimate, 2008	1,228,662	319,517	1,548,179
Committee recommendation	1,160,662	317,992	1,478,654

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 \$1,160,662,000 for salaries and expenses of the Farm Service Agency.

National Agriculture Imagery Program.—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, 2007	\$4,208,000
Budget estimate, 2008	4,000,000
Committee recommendation	4,750,000

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 FSA. Grants will be solely for operation and administration of the State's agricultural mediation program.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$4,750,000 for State Mediation Grants.

GRASSROOTS SOURCE WATER PROTECTION PROGRAM

Appropriations, 2007	\$3,713,000
Budget estimate, 2008	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, 2007	\$100,000
Budget estimate, 2008	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.

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 \$3,450,903,000 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 \$60,000,000 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 2007 and the budget request levels:

AGRICULTURAL CREDIT PROGRAMS—LOAN LEVELS

[In thousands of dollars]

	Fiscal year 2007 enacted	Fiscal year 2008 budget	Committee rec- ommendation
Farm ownership:			
Direct	207,642	223,857	223,857
Guaranteed	1,386,000	1,200,000	1,247,400
Farm operating:			
Direct	643,500	629,595	579,150
Guaranteed unsubsidized	1,138,500	1,000,000	1,024,650
Guaranteed subsidized	271,886	250,000	271,886
Indian tribe land acquisition	2,000	3,960	3,960
Boll weevil eradication	100,000	59,400	100,000
Total, farm loans	3,749,528	3,366,812	3,450,903

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, 2007	86,248	63,539	149,787	311,229	303,309	461,016
Budget estimate, 2008	89,983	62,350	152,333	319,657	311,737	471,990
Committee recommendation	83,581	66,057	149,638	318,150	310,230	467,788

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]

	2007 enacted	2008 budget	Committee rec- ommendation
Loan subsidies:			
Farm ownership:			
Direct	8,700	9,962	9,962
Guaranteed	8,039	4,800	4,990
Farm operating:			
Direct	75,225	79,896	73,494
Guaranteed unsubsidized	28,121	24,200	24,797
Guaranteed subsidized	27,379	33,350	36,270
Indian tribe land acquisition	423	125	125
Boll weevil eradication	1,900	.....	.....
Total, loan subsidies	149,787	152,333	149,638
ACIF expenses	311,229	319,657	318,150

RISK MANAGEMENT AGENCY

Appropriations, 2007	\$76,658,000
Budget estimate, 2008	79,062,000
Committee recommendation	78,833,000

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 \$78,833,000 for the Risk Management Agency.

Data Mining.—The Committee includes bill language, as requested by the administration, to allow up to \$11,166,000 of the unobligated funds of the Federal Crop Insurance Corporation Fund to be used for program compliance and integrity purposes, including the data mining projects, and for the Common Information Management System.

Risk Management Education Program.—The Risk Management Education Program was established under section 133 of the Agricultural Risk Protection Act of 2000. This program operates through the four regional Risk Management Education Centers to educate agricultural producers on the full range of risk management strategies and tactics, including futures, options, agricultural trade options, crop insurance, cash forward contracting, debt reduction, production diversification, farm resources risk reduction, and other risk management strategies. The Committee notes that \$5,000,000 is made available annually to both RMA and CSREES for this program.

CORPORATIONS

FEDERAL CROP INSURANCE CORPORATION FUND

Appropriations, 2007 ¹	\$4,379,256,000
Budget estimate, 2008 ¹	4,818,099,000
Committee recommendation ¹	4,818,099,000

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.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of such sums as may be necessary, estimated to be \$4,818,099,000 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.

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.

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, 2007 ¹	\$23,098,328,000
Budget estimate, 2008 ¹	12,983,000,000
Committee recommendation ¹	12,983,000,000

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 2008 to be \$12,983,000,000 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, 2007	\$5,000,000
Budget estimate, 2008	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, 2007	
Budget estimate, 2008	\$4,660,000
Committee recommendation	4,660,000

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 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 \$4,660,000 for administration of the Farm Storage Facility Loan Program.

TITLE II
CONSERVATION PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR NATURAL RESOURCES AND
ENVIRONMENT

Appropriations, 2007	\$742,000
Budget estimate, 2008	822,000
Committee recommendation	781,000

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.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$781,000 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 nearly 1,000 miles of habitat in the Penobscot watershed for endangered Atlantic salmon and six other species of sea-run fish and 100 percent of the historic habitat in Maine's largest river system for four additional species. The Committee encourages NRCS to improve migratory fish habitat in this watershed, including the purchase of dams and the removal of impediments to passage, by utilizing all appropriate funding sources.

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, 2007	\$763,360,000
Budget estimate, 2008	801,825,000
Committee recommendation	862,996,000

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 \$862,996,000 for Conservation Operations.

For fiscal year 2008, 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.

Agricultural Development and Resource Conservation.—The Committee recommendation includes \$400,000 to continue a community-based agricultural development and resource conservation pro-

gram with the four RC&D Councils in Hawaii. (Inouye, Akaka/Hawaii RC&D Councils)

Agricultural Wildlife Conservation Center [AWCC].—The Committee recommendation includes \$1,500,000 for the AWCC. The AWCC is part of NRCS and supports the development of wildlife habitat technology through a competitive grants program available to many cooperative conservation partners, including fish and wildlife conservation groups, universities, and State agencies. The AWCC will ensure new technology is available to farmers and ranchers nationwide through NRCS field offices. (Cochran/Agricultural Wildlife Conservation Center)

Alaska Association of Conservation Districts.—The Committee recommendation includes \$916,000 for conservation efforts in the State of Alaska. This project assists conservation district cooperators and other land users in the planning and application of conservation treatments. (Stevens/Alaska Association of Conservation Districts)

Big Sandy Tri-State Watershed Inventory and Analysis.—The Committee recommendation includes \$400,000 for the Big Sandy Watershed. This project will initiate watershed inventory and analysis activities, which include identifying abandoned mine lands, assessing associated water quality impacts, and coordinating with partners to complete the master plan. (Byrd/West Virginia Conservation Agency)

Carson City Erosion Control.—The Committee recommendation includes \$400,000 for the Carson City erosion control project in the State of Nevada. In July 2004, Carson City suffered a wildfire that burned over 8,700 acres. The purpose of this project is to develop a plan for preventing future wildfires, manage erosion control, and reforestation. (Ensign, Reid/Carson City, Nevada)

Certified Environmental Management Systems for Agriculture.—The Committee recommendation includes \$400,000 for Certified Environmental Management Systems for Agriculture. This project guides the producer through planning, implementing, evaluating and reviewing business decisions that affect the environment. (Harkin, Grassley/Iowa Soybean Association)

Conservation Education.—The Committee recommendation includes \$300,000 for conservation education in the State of Alabama. This project emphasizes the economic value of improving wildlife habitat in the State. (Shelby/Alabama Wildlife Federation)

Conservation Internship.—The Committee recommendation includes \$120,000 for conservation internships. Together with State and local resources, these funds provide internships for college students preparing for careers in natural resource management. This real world training helps these emerging natural resource professionals navigate the day-to-day challenges faced by farmers and Federal, State, and local natural resource planners. (Kohl/Wisconsin Land and Water Conservation Association)

Conservation Planning.—The Committee recommendation includes \$600,000 for cranberry conservation work in the States of Wisconsin and Massachusetts. The purpose of this project is to help farmers increase cranberry production while reducing the effects on the environment. Cranberry growers can develop conservation plans to ensure that cranberry cultivation is done in a manner that

protects water quality, prevents soil erosion and manages nutrient and pesticide use. (Kohl, Kennedy, Kerry/NRCS Wisconsin/Massachusetts)

Conservation Technical Assistance.—The Committee recommendation includes \$350,000 for conservation technical assistance in the State of New Jersey. These funds will address water quality issues and small farm operations. In addition, funding will provide technical assistance towards agricultural operation in the New Jersey Highlands. (Lautenberg, Menendez/NRCS New Jersey)

Conservation Technology Transfer.—The Committee recommendation includes \$700,000 for conservation technology transfer in the State of Wisconsin. This program brings together NRCS, the University of Wisconsin Extension, and the University of Wisconsin Platteville in a collaborative effort to demonstrate effective conservation practices. Working on real farms under a variety of cropping and land use systems, they help farmers adopt effective conservation practices that have been tested under their local conditions. (Kohl/University of Wisconsin)

Dairy Business Association.—The Committee recommendation includes \$250,000 for environmental compliance in the State of Wisconsin. This project helps agriculture producers comply with Federal, State and local land use and environmental protection initiatives. Together they will develop a model “one stop” program which will help producers efficiently navigate these changing and multifaceted requirements. (Kohl/ Wisconsin Dairy Business Association)

Delta Conservation Demonstration.—The Committee recommendation includes \$600,000 for a demonstration project in Washington County, Mississippi. This project will develop an education and training program for the short and long term natural resources conservation training needs of the NRCS, the Mississippi Soil and Water Conservation Commission, and the Soil and Water Conservation Districts. (Cochran/Washington County, Mississippi)

Delta Water Study.—The Committee recommendation includes \$250,000 to address water supply and water quality concerns in the Mississippi Delta. This project will address declining groundwater supplies and low flows in streams as identified in the Mississippi State Water Management Plan. (Cochran/NRCS Mississippi)

Driftless Area Initiative.—The Committee recommendation includes \$350,000 for conservation in the driftless area in the States of Wisconsin and Minnesota. This project will help to reduce the significant soil erosion, sedimentation, and run-off affecting water quality in the Upper Mississippi River Basin. Excess sediment and nutrients severely damage local rivers and wetlands, and are being washed down the Mississippi River to the Gulf of Mexico. (Kohl, Klobuchar/NRCS Wisconsin)

Farm Viability Program.—The Committee recommendation includes \$350,000 for a farm viability program in the State of Vermont. This program helps producers assess the long-term viability of their farming operation by implementing plans to improve their long-term business prospects. (Leahy/Vermont Housing and Conservation Board)

Fort Hood Range Revegetation.—The Committee recommendation includes \$300,000 for range revegetation in the State of Texas. This project addresses the removal of nutrients from the Bosque water-

shed and application of those nutrients to promote revegetation efforts on impacted Fort Hood training areas. (Hutchison/Fort Hood, Bell County, Texas)

Geographic Information Systems Center of Excellence.—The Committee recommendation includes \$4,500,000 for the National Geospatial Development Center in the State of West Virginia. The center provides expertise in geographic information science and remote sensing using a team of scientists, engineers, and geographers that support conservation operations across the country. (Byrd/National Geospatial Development Center)

Georgia Soil and Water Commission.—The Committee recommendation includes \$800,000 for a cooperative agreement in the State of Georgia. This project provides agricultural water storage facilities for irrigation of cropland and improves the efficiencies of existing irrigation systems. (Chambliss, Isakson/Georgia Soil and Water Conservation Commission)

Geospatial Framework for Water Management.—The Committee recommendation includes \$500,000 for comprehensive geospatial framework for the State of New Mexico. This project will acquire color infrared imagery and complete the comprehensive geospatial framework of the entire State of New Mexico. This should provide accurate information to manage New Mexico's water resources. (Domenici/State of New Mexico, Office of the State Engineer)

Grazing Land Conservation.—The Committee recommendation includes \$950,000 for grazing land conservation activities in the State of Wisconsin. This project supports applied research, on-farm demonstrations, education activities, and technical services through the Wisconsin Department of Agriculture, Trade and Consumer Protection [DATCP] to support producers wishing to switch to a grazing system or wanting to enhance their existing systems. (Kohl/NRCS Wisconsin)

Grazing Lands Conservation Initiative.—The Committee recommendation includes \$27,799,000 for the grazing lands conservation initiative.

Great Lakes Basin Soil and Erosion Control.—The Committee recommendation includes \$600,000 for Great Lakes basin soil and erosion control. Sediment from agriculture is a major contaminant in drinking water. The goal of this program is to prevent soil, nitrogen, and phosphorus from entering the Great Lakes and regional waters by reducing soil erosion and controlling sedimentation. (Clinton, Klobuchar, Levin, Schumer, Stabenow/Great Lakes Commission)

Green River Water Quality and Biological Diversity Project.—The Committee recommendation includes \$125,000 for a cooperative agreement in the State of Kentucky. The goal of this project is to monitor the water quality and biological diversity of the Green River and surrounding watershed to evaluate the effectiveness of state conservation efforts to limit erosion in the watershed and mitigate pesticide and nutrient loading from nearby agricultural operations. (McConnell/Western Kentucky Research Foundation)

Houlka Master Water Management District.—The Committee strongly encourages the Chief of the NRCS to settle claims associated with the Houlka Master Water Management District.

Illinois River Agricultural Water Conservation.—The Committee recommendation includes \$150,000 for the Illinois River Agricultural Water Conservation Project in the State of Illinois. The goal of this ongoing project is to conduct wetland demonstration projects to protect against flood damage, reduce soil erosion and improve water quality associated with the Illinois and Mississippi Rivers; and to facilitate landowner adoption of multi-purpose soil, water and wetland conservation practices in cooperation with local soil and water conservation districts. (Durbin/Illinois Department of Natural Resources)

Irrigation System Program.—The Committee recommendation includes \$350,000 for an irrigation system program in the State of Delaware. This project will provide better and current technology for irrigation systems which is crucial to the continued improvement of existing irrigation systems. This is necessary both from agricultural viability and improved environmental perspective. (Biden, Carper/Delaware Department of Agriculture)

Kentucky Soil Erosion Control.—The Committee recommendation includes \$1,075,000 for soil erosion control in the State of Kentucky. The goal of this project is to plan, design, construct, and implement best management practices to protect the resource base and provide environmental benefits. (McConnell, Bunning/NRCS Kentucky)

Little Wood River Irrigation District Gravity Pressure Delivery System.—The Committee recommendation includes \$200,000 for a gravity delivery system in the State of Idaho. This project will convert an open canal gravity delivery system to a closed gravity pressurized system which will result in energy and water savings. (Craig/ Little Wood Irrigation District, Carey, Idaho)

Loess Hills Soil Erosion.—The Committee recommendation includes \$300,000 to address soil erosion in the Loess Hills area in the State of Iowa. Streambed degradation in the loess soils of western Iowa has caused damage to infrastructure and loss of land. The goal of this project is to provide financial and technical assistance for streambed stabilization projects; to conduct research in effective methods of streambed stabilization; and to provide demonstration of streambed stabilization projects. (Harkin, Grassley/ Hungry Canyons Alliance)

Mississippi Conservation Initiative.—The Committee recommendation includes \$1,650,000 for the Mississippi Conservation Initiative. This project assists several cities and towns in Mississippi with drainage improvements. The improvements consist of water retention ponds, de-snagging, repair and technical assistance of existing dams, and assistance with project development on several sites. (Cochran/NRCS Mississippi)

Molokai Agriculture Development and Resource Conservation.—The Committee recommendation includes \$100,000 for agriculture development and resource conservation on the Island of Molokai, Hawaii. (Inouye, Akaka/Molokai RC&D)

Native Plant Commercialization.—The Committee recommendation includes \$184,000 for native plant commercialization in the State of Alaska. The goal of this project is to produce and provide an adequate amount of native plant materials for construction development projects, as required by law. This program distributes

plants to growers and contributes plant materials for many conservation projects. (Stevens/NRCS Alaska)

Natural Resources Inventory.—In previous fiscal years the Committee has provided funding for a Natural Resources Inventory pilot project in Alaska. The Committee requests a report on the results of the pilot project. The report should include a listing of areas inventoried during the project and those areas yet to be inventoried.

Nitrate Pollution Reduction.—The Committee recommendation includes \$230,000 for nitrate pollution reduction in the State of Rhode Island. This project would permit NRCS to work with the University of Rhode Island, agricultural producers, and rural residents to develop nitrate control strategies that reduce nitrate contamination in aquifers and watersheds. (Reed/NRCS Rhode Island)

On-Farm Management Systems Evaluation Network.—The Committee recommendation includes \$150,000 for an On-Farm Management Systems Evaluation Network. The purpose of this project is to coordinate a statewide network of growers using GPS, yield monitors, and remote sensing technologies to improve nitrogen management in corn. (Harkin, Grassley/Iowa Soybean Association)

Operation Oak Program.—The Committee recommendation includes \$100,000 for the Operation Oak Program. This program supplies oak and other mast producing hardwood species seedlings to landowners to meet the needs of timber production and wildlife management and to reverse the decline of hardwood regeneration in the South. (Chambliss, Graham, Lincoln, Pryor/National Wild Turkey Federation)

Phosphorous Loading in Lake Champlain.—The Committee recommendation includes \$250,000 to reduce phosphorous loadings to Lake Champlain in the State of Vermont. The phosphorous levels in parts of Lake Champlain are so high that they cause excessive algal growth. The goal of this project is to find new agricultural and wastewater management technologies to reduce phosphorous in the lake. (Leahy/Poultney Conservation District)

Plant Material Centers.—The Committee recommendation includes \$12,365,000 for NRCS plant material centers.

Potomac River Tributary Strategy.—The Committee recommendation includes \$250,000 for Potomac River tributary strategy in the State of West Virginia. This project will assist agriculture producers in the Potomac Highlands to develop Comprehensive Nutrient Management Plans to address water quality issues in the Potomac River and the Chesapeake Bay Watershed. (Byrd/NRCS West Virginia)

Rangeland Conservation and Fuels Management.—The Committee recommendation includes \$200,000 for rangeland conservation in the State of Nevada. This project will provide assistance to efficiently and effectively reduce the wildfire risks in Nevada's wildland-urban interface communities. (Reid/Nevada Fire Safety Council)

Riparian Restoration.—The Committee recommendation includes \$250,000 for riparian restoration along the Rio Grande, Pecos, and Canadian Rivers in the State of New Mexico. This project emphasizes restoration of areas affected by invasive species. (Bingaman/New Mexico Association of Soil and Water Conservation Districts)

Risk Management Initiative.—The Committee recommendation includes \$1,000,000 for a risk management initiative in the State of West Virginia. This project provides on-farm technical assistance to educate producers about planning better pasture and livestock management to enhance economic development and protect the environment. (Byrd/NRCS West Virginia)

Sand County Foundation.—The Committee recommendation includes \$1,000,000 for the Sand County Foundation. This project is operating a multi-year, multi-State experiment to demonstrate, test, and evaluate the cost effectiveness of techniques to reduce runoff of nitrogen from agricultural practices. (Kohl/Sand County Foundation)

Small Farm Outreach.—The Committee recommendation includes \$200,000 for the Small Farm Outreach Wetlands Management Center. Through this program, technical assistance is provided in research, development and technology transfer of projects in irrigation water management; groundwater preservation and monitoring; soil conservation; rural natural resource conservation and community development; wetlands; wildlife habitat; and traditional and alternative crop production. (Lincoln, Pryor/University of Arkansas at Pine Bluff)

Soil Phosphorus Studies.—The Committee recommendation includes \$300,000 for soil phosphorus studies in the State of West Virginia. This project supports farm operators, particularly poultry and beef, to meet environmental regulations regarding the management of phosphorus on their lands by conducting soil analysis and building technical information specific to the state. (Byrd/NRCS West Virginia)

Snow Survey.—The Committee recommendation includes \$10,950,000 for snow surveys.

Soil Survey.—The Committee recommendation includes \$92,148,000 for nationwide soil surveys. In addition, \$200,000 is included for soil surveys in the State of Rhode Island (Reed/NRCS Rhode Island) and \$200,000 for soil surveys in the State of Wyoming (Enzi, Thomas/NRCS Wyoming)

Technical Assistance Grants.—The Committee recommendation includes \$580,000 for technical assistance grants to Kentucky Soil Conservation Districts. These funds will assist landowners with the planning, design, and implementation of best management practice to protect natural resources and ensure that producers participating in farm bill conservation programs receive adequate technical assistance. (McConnell, Bunning/Kentucky Division of Conservation)

Union-Lincoln Parish Regional Water Conservation.—The Committee recommendation includes \$200,000 for a water conservation project in the State of Louisiana. Because of dependence on and depletion of the Sparta Aquifer in north Louisiana and south Arkansas, it is necessary to consider limitations on its continued use. The goal of this project is to develop an alternative water supply for Union and Lincoln Parishes. (Landrieu, Vitter/Union and Lincoln Parishes, Louisiana)

U.S. Cold Regions Botanical Research Network.—The Committee recommendation includes \$184,000 for cold regions botanical research in the State of Alaska. This project allows the purchase,

storage, and evaluation of plant material and the seed of plants indigenous to cold regions. (Stevens/NRCS Alaska)

Utah Conservation Initiative.—The committee recommendation includes \$3,650,000 for the Utah Conservation Initiative. This project funds conservation projects throughout Utah, including work focusing on water quality and quantity; invasive species; and range, riparian, and wildlife habitat restoration. (Bennett/NRCS Utah)

Water Conservation.—The Committee recommendation includes \$500,000 for a water conservation project in the State of Colorado. Because of declining water availability in the South Platte River basin, combined with increasing demand for water by competing interests, the implementation of new conservation technologies is necessary. The goal of this project is to allow the resumption of use of irrigation wells for agriculture and continued water management for competing users. (Allard, Salazar/Central Colorado Water Conservancy District)

Water Conservation and Efficient Irrigation.—The Committee recommendation includes \$200,000 for a water conservation and efficient irrigation project in the State of California. The goal of this project is to conserve 30,000 acre-feet of water in Orange County, California. (Feinstein, Boxer/Municipal Water District of Orange County, California)

Water quality.—The Committee recommendation includes \$350,000 to improve water quality through the Utah confined animal feed operation/animal feeding operation pilot project. (Bennett/Utah Farm Bureau)

Watershed Demonstration Project.—The Committee recommendation includes \$200,000 for a watershed demonstration project. The goal of this project is to document and demonstrate progress in meeting national water quality objectives for agriculture at a watershed level. The means to accomplish this involves a partnership effort with local producers, industry, researchers, and government agencies. (Harkin, Grassley/NRCS Iowa)

Wildfire Support.—The Committee recommendation includes \$150,000 for wildfire support in the State of Nevada. This project will conduct site-specific wildfire planning and implementation assistance on private lands susceptible to wildfire throughout the Winnemucca District of Nevada. (Reid/Wildfire Support Group)

Wildlife Habitat Improvement.—The Committee recommendation includes \$150,000 for ongoing wildlife habitat improvement in the State of Illinois. Wildlife professionals are concerned about the rapid decline of prairie-dependent wildlife and plants. This ongoing project would allow for hundreds of thousands of additional acres of wildlife habitat to be improved creating miles of corridors of natural prairie. (Durbin/Illinois Department of Natural Resources)

WATERSHED SURVEYS AND PLANNING

Appropriations, 2007	\$6,056,000
Budget estimate, 2008	
Committee recommendation	

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 watersheds 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 does not recommend an appropriation for Watershed Surveys and Planning.

WATERSHED AND FLOOD PREVENTION OPERATIONS

Appropriations, 2007 .....	.....
Budget estimate, 2008 .....	.....
Committee recommendation	\$33,450,000

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, floodwater, 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, floodwater, 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 \$33,450,000 for Watershed and Flood Prevention Operations.

WATERSHED REHABILITATION PROGRAM

Appropriations, 2007	\$31,309,000
Budget estimate, 2008	5,807,000
Committee recommendation	20,000,000

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 \$20,000,000 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, 2007	\$51,088,000
Budget estimate, 2008	14,653,000
Committee recommendation	53,150,000

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 \$53,150,000 for Resource Conservation and Development.

HEALTHY FORESTS RESERVE PROGRAM

Appropriations, 2007	\$2,476,000
Budget estimate, 2008	2,476,000
Committee recommendation	2,476,000

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 \$2,476,000 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, 2007	\$632,000
Budget estimate, 2008	695,000
Committee recommendation	666,000

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 \$666,000 for the Office of the Under Secretary for Rural Development.

Program Outreach.—The Committee recognizes unique program outreach challenges the Department faces to apprise rural Hispanic residents and communities of the opportunities available through Rural Development programs and technical assistance. The Committee has been made aware of and encourages the Department to consider a cooperative agreement with the Self Reliance Foundation, for the National Hispanic Rural Communications Initiative.

Renewable Energy.—The Committee is concerned about the effects high corn prices, due in large part to the use of corn in ethanol production, are having on other areas of agriculture, namely increased livestock feed prices, reductions in the effectiveness of food aid resources, and increased costs associated with domestic nutrition programs such as the Special Supplemental Nutrition Program for Women, Infants, and Children [WIC]. The Committee encourages the Department to focus on a broad range of renewable

fuel feedstocks as part of their various renewable fuel programs to the extent practicable.

Technical Assistance.—The Committee recognizes that the community of Tchula, Mississippi, has 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, 2007	\$737,135,000
Budget estimate, 2008 ¹	
Committee recommendation	

¹Proposed to be disaggregated and displayed under the Rural Community Program Account, the Rural Business Program Account, and the Rural Water and Waste Disposal Program account.

The Rural Community Advancement Program [RCAP] was authorized by the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104–127), to consolidate 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.

Over time, as additional programs have been added, the RCAP account display has become unwieldy. To improve clarity, enhance understanding, and expedite budget processes the administration proposed revising the presentation to place the programs associated with each funding stream with its agency. No changes are proposed to program operations or implementation, including the ability to reallocate funds within each stream as authorized under RCAP.

COMMITTEE RECOMMENDATIONS

The Committee accepts the proposal to display Rural Community Advancement programs with their associated agencies.

RURAL DEVELOPMENT SALARIES AND EXPENSES

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2007 appropriation	2008 budget request	
Appropriation	161,298	208,194	175,302
Transfer from:			
Rural Housing Insurance Fund Loan Program Account	452,927	434,890	462,521
Rural Electrification and Telecommunications Loans Program Account	38,623	37,009	39,405
Rural Development Loan Fund Program Account	4,774	4,576	4,861
Total, RD salaries and expenses	657,622	684,669	682,089

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 \$682,089,000 for salaries and expenses of Rural Development, including a direct appropriation of \$175,302,000.

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 the 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 \$5,748,613,000 for the Rural Housing Service housing programs.

Section 502 Single Family Housing Programs.—The Committee recommends \$1,129,391,000 for Direct Single Family Housing loans and \$3,561,111,000 for Unsubsidized Guaranteed Single Family Housing loans. The Committee rejects the administration's comprehensive Single Family Housing overhaul. Termination of the flagship direct loan program with its long history of unqualified success is unwarranted. Coupled with this termination is a severe reduction in Mutual and Self Help Housing grants, and elimination of the Self Help Land Development loan program. The ensuing

shortfall in low income housing assistance would be made up by increasing unsubsidized guaranteed loans, with a 50 percent guarantee fee increase, and the promise of a legislative proposal for a subsidized guaranteed program. No funding was sought for the subsidized loan proposal, and no legislative proposal has been submitted.

The Committee is concerned with the lack of empirical grounding for this plan. In spite of repeated requests, no evidence was offered to demonstrate that adequate assistance would be available for the low and very low income rural residents who rely on existing programs. Absent verification that guaranteed programs can reach the income levels existing programs serve, the Committee rejects these radical changes.

Section 515/Multifamily Housing Revitalization Program.—The Committee recommends \$33,423,000 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 separate accounts in fiscal year 2007. The Committee recommends \$15,500,000 for rural housing vouchers, \$2,923,000 for the multi-family 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 among 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 \$70,000,000 for the section 515 program. In recent years a substantial amount of the section 515 appropriation has been used for needed repairs and rehabilitation in the portfolio. The Committee believes project rehabilitation can be more effectively performed through the revitalization initiative. To that end, funding that would have been used for section 515 repair and rehabilitation is provided directly to the Multifamily Housing Revitalization Program Account.

The following table presents loan and grant program levels recommended by the Committee, as compared to the fiscal year 2007 levels and the 2008 budget request:

LOAN AND GRANT LEVELS

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2007	2008 request	
Rural Housing Insurance Fund Program Account loan levels:			
Single family housing (sec. 502):			
Direct	1,129,391	.....	1,129,391
Unsubsidized guaranteed	3,644,224	4,848,611	3,561,111
Housing repair (sec. 504)	34,652	22,855	34,652
Multifamily housing guarantees (sec. 538)	99,000	200,000	150,000
Rental housing (sec. 515)	99,000	.....	70,000
Site loans (sec. 524)	5,000	5,045	5,045
Credit sales of acquired property	11,485	11,408	11,485

LOAN AND GRANT LEVELS—Continued
[In thousands of dollars]

	Fiscal year—		Committee rec- ommendation
	2007	2008 request	
Self-help housing land development fund	4,998	.....	5,000
Total, RHIF (excluding multifamily housing preservation)	5,027,750	5,087,919	4,966,684
Farm Labor Program:			
Farm labor housing loan level	38,117	13,520	27,739
Farm labor housing grants	13,860	4,000	10,000
Total, Farm Labor Program	51,977	17,520	37,739
Multifamily Housing Revitalization Program: ¹			
Rural housing voucher program	15,840	27,800	15,500
Multifamily housing preservation	94,989	.....	146,850
Revolving loans demo	6,301	.....	6,300
Total Multifamily Housing Revitalization Program	117,130	27,800	168,650
Mutual and self-help housing	33,660	9,500	38,000
Rental assistance	616,020	567,000	496,950
Rural housing assistance grants [RHAG] (excluding multifamily housing revolving loan fund)	40,590	39,000	40,590
Total, rural housing loans and grants	5,887,127	5,748,739	5,748,613

¹In fiscal year 2007 housing vouchers were provided under the rural housing voucher program account, multifamily housing preservation was provided under the rural housing insurance fund, and the revolving loans demo was provided under rural housing assistance grants.

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 terms up to 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.

LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

The Federal Credit Reform Act of 1990 (Public Law 101–508) established the RHIF 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 2008, as well as for administrative expenses. The following table presents the loan subsidy levels as compared to the 2007 levels and the 2008 budget request:

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2007 level	2008 request	
Loan subsidies:			
Single family (sec. 502):			
Direct	113,278		105,824
Unsubsidized guaranteed	42,641	10,070	42,495
Housing repair (sec. 504)	10,240	6,461	9,796
Multi-family housing guarantees (sec. 538)	7,663	18,800	14,100
Rental housing (sec. 515)	45,213		29,827
Site loans (sec. 524) ¹			
Credit sales of acquired property	721	523	552
Multifamily housing preservation ²	8,910		
Self-help housing land development fund	123		142
Total, loan subsidies	228,789	35,854	202,736
Administrative expenses	452,927	434,890	462,521

¹ Negative subsidy rates for fiscal years 2007 and 2008 are calculated for this program.² Reflected under the multifamily housing revitalization program account in fiscal year 2008.

FARM LABOR PROGRAM ACCOUNT

[In thousands of dollars]

	Loan level	Subsidy level	Grants
Appropriations, 2007	38,117	18,277	13,860
Budget estimate, 2008	13,520	5,849	4,000
Committee recommendation	27,739	12,000	10,000

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. Appropriations to the salaries and expenses account will be for costs associated with grant programs.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$22,000,000 for the cost of Direct Farm Labor Housing Loans and Grants.

MULTIFAMILY HOUSING REVITALIZATION PROGRAM

Appropriations, 2007	
Budget estimate, 2008	\$27,800,000
Committee recommendation	33,423,000

The Rural Housing Voucher Program was authorized under the Housing Act of 1949 (42 U.S.C. 1940r) to assist very low income families and individuals who reside in rental housing in rural

areas. Housing vouchers may be provided to residents of rental housing projects financed by section 515 loans that have been pre-paid after September 30, 2005. Voucher amounts reflect the difference between comparable market rents and tenant-paid rent prior to loan prepayment. Vouchers allow tenants to remain in existing projects or move to other rental housing.

The Multifamily Housing Revitalization Program Account includes funding for housing vouchers, a multifamily revolving loan demonstration program, and a demonstration program for the preservation and revitalization of affordable multifamily housing projects. Rural Development's multifamily housing portfolio faces dual pressures for loan prepayments and repair/rehabilitation stemming from inadequate reserves resulting in deferred property maintenance. A recent study revealed that the section 515 portfolio could be partitioned into three components: properties in growing markets where it is economically feasible for owners to prepay and leave the program (about 10 percent of the portfolio); properties in extremely depressed markets with substantial vacancies and diminishing demand in which continuation is neither viable nor needed (about 10 percent of the portfolio); and the balance (80 percent of the portfolio) that continues to provide essential affordable rental housing but face varying degrees of deferred maintenance and need for preservation and revitalization assistance.

Provision of affordable rental housing can be accomplished more economically by revitalizing existing housing stock rather than funding new construction. The Multifamily Housing Revitalization Program Account includes revitalization tools for maintenance of existing units and vouchers to protect tenants in those projects that prepay. Flexibility is provided to allow Rural Development to utilize funding among vouchers and the two demonstration programs to meet the most urgent local needs for tenant protection and project revitalization.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$33,423,000 for the Multifamily Housing Revitalization Program Account.

RENTAL ASSISTANCE PROGRAM

Appropriations, 2007	\$616,020,000
Budget estimate, 2008	567,000,000
Committee recommendation	496,950,000

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 \$496,950,000 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 rental assistance to be held in 514/516 projects for a minimum period of time.

Due to difficulties in accurately estimating the number of expiring rental assistance contracts each year, the Committee includes language reducing the contract length for new rental assistance contracts to 1 year. Recently contracts have ranged from 2 to 5 years in length, but outside costs such as higher insurance and energy costs have made the process to estimate the number of expiring contracts very unreliable. Because of this, unbudgeted expenditures have arisen over the past few years to cover an increasing number of expiring contracts, forcing various courses of action to cover the lack of funds. The Committee feels shortening the contract term to 1 year will allow the Department to more accurately anticipate the number of expiring contracts, therefore making the budgetary estimation and subsequent appropriation more accurate. The Committee is aware of the increase in annual appropriations which will be necessary in subsequent years to support this change and will act accordingly.

MUTUAL AND SELF-HELP HOUSING GRANTS

Appropriations, 2007	\$33,660,000
Budget estimate, 2008	9,500,000
Committee recommendation	38,000,000

The Mutual and Self-Help Housing Grants 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 \$38,000,000 for Mutual and Self-help Housing Grants.

RURAL HOUSING ASSISTANCE GRANTS

Appropriations, 2007	\$43,603,000
Budget estimate, 2008	39,000,000
Committee recommendation	40,590,000

The Rural Housing Assistance Grants 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 533) 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 2007 levels and the budget request:

RURAL HOUSING ASSISTANCE GRANTS

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2007 level	2008 request	
Very low-income housing repair grants	29,601	30,000	29,601
Supervisory and technical assistance	990	.....	990
Rural housing preservation grants	9,900	9,000	9,900
Compensation for construction defects	99	.....	99
Multi-family housing preservation	3,013	.....	.....
Total	43,603	39,000	40,590

RURAL COMMUNITY PROGRAM ACCOUNT

Appropriation, 2007	\$97,743,000
Budget estimate, 2008	24,512,000
Committee recommendation ¹	67,422,000

¹ Committee recommendation does not reflect High Energy Cost grants, which appear in Rural Utilities Services.

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, healthcare, 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. Healthcare 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.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$67,422,000 for the Rural Community Program Account.

The following table provides the Committee's recommendations, as compared to the fiscal year 2007 and budget request levels:

RURAL COMMUNITY PROGRAM ACCOUNT

[Budget authority in thousands of dollars]

	Fiscal year 2007 appropriation ¹	2008 budget request	Committee rec- ommendations
Community facility direct loans	19,038	16,784	16,484
Community facility guaranteed loans	7,609	7,728	7,651
Community facility grants	16,830	.....	17,000
Economic impact initiative grants	17,820	.....	16,000
Rural community development initiative	6,287	.....	6,287
Tribal college grants	4,419	.....	4,000
High Energy Cost grants	25,740	.....	.....
Total	97,743	24,512	67,422

¹ Fiscal year 2007 appropriation provided under RCAP.

Consideration to Applications.—Community Facilities loans and grants provide financial assistance to construct, enlarge, or otherwise improve essential community facilities for health care, public safety and other essential public services. The Committee has been made aware of and encourages the Department to give consideration to applications relating to essential community facilities for the following: Alpine County Communications Infrastructure (California); Angel Fire Village Plaza (New Mexico); Central Michigan University Center for Children with Low-Incidence Disabilities (Michigan); city of Beattyville/Lee County Emergency Operations Center (Kentucky); city of Munising Fire and Police Building (Michigan); Claiborne Parish Fire District 3 (Louisiana); Deer Creek Center (Oregon); Delta Health Alliance (Mississippi); Deyo Reservoir (Idaho); Eastern Oregon University Regional Center (Oregon); Fort Edwards Health Center (New York); Germfask Township Community/Senior Center Renovations (Michigan); Health Quest, Inc. (New York); Japonski Island Infrastructure (Alaska); Lafourche Parish Government Emergency Generators (Louisiana); Lake Okeechobee Regional Hospital Flood Mitigation (Florida); Rural Education Transportation Demonstration Project (Nevada); village of Calumet Building Renovation (Michigan); and the Weber County Communications System (Utah).

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

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 BUSINESS PROGRAM ACCOUNT

Appropriation, 2007	\$84,399,000
Budget estimate, 2008	43,200,000
Committee recommendation	86,200,000

The Rural Business and Industry Loan 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.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$86,200,000 for the Rural Business Program Account.

The following table provides the Committee's recommendations, as compared to the fiscal year 2007 and budget request levels:

RURAL BUSINESS PROGRAM ACCOUNT

[Budget authority in thousands of dollars]

	Fiscal year 2007 appropriation ¹	2008 budget re- quest	Committee rec- ommendations
Business and industry guaranteed loans	39,849	43,200	43,200
Rural business enterprise grants	39,600	.....	38,000
Rural business opportunity grants	2,970	.....	2,000
Delta Regional Authority grants	1,980	.....	3,000
Total	84,399	43,200	86,200

¹ Fiscal year 2007 appropriation provided under RCAP.

Rural Business Program Account.—The Committee recommends \$495,000 for transportation technical assistance.

The Committee directs that of the \$3,996,000 recommended for grants to benefit Federally Recognized Native American Tribes, \$248,000 be used to implement an American Indian and Alaska Native passenger transportation development and assistance initiative.

Consideration to Applications—Rural Business Opportunity Grants, Rural Business Enterprise Grants, and Business and Industry Guaranteed Loans.—The Committee has been made aware of and encourages the Department to give consideration to applications for rural business opportunity grants, rural business enterprise grants, and business and industry guaranteed loans for the following: Bio-Renewal Ethanol and Co-Generation Plant (Louisiana); Center for Producer-Owned Energy (Minnesota); Lake Providence Dry Ethanol Plant (Louisiana); Northeast Organic Farmers Association (Vermont); the Northeastern Vermont Development Association (Vermont); Odessa Biodiesel and Oilseed Crushing Facility (Washington); Penobscot Bay Commercial Kitchen (Maine); the Port of Umatilla Biodiesel Plant (Oregon); the REI Rural Business and Resource Center at Seminole State College (Oklahoma); Rhode Island RDC (Rhode Island); the San Louis Valley Sustainable Environment and Economic Development Park (Colorado); Snohomish County Agricultural Industrial Park (Washington); the SUNY Fredonia High Tech Incubator (New York); and Women in Technology (Hawaii). In addition, the Committee encourages the Department to consider applications for grants to rural public television broadcasting systems.

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

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

(In thousands of dollars)

	Fiscal year—		Committee recommendation
	2007 level	2008 request	
Estimated loan level	33,870	33,772	33,870
Direct loan subsidy	14,926	14,485	14,527
Administrative expenses	4,774	4,576	4,861

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 2008, as well as for administrative expenses.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$14,527,000 for Rural Development (intermediary relending) loans.

Consideration to Applications—Intermediary Relending Program.—The Committee has been made aware of and encourages the Department to give consideration to an application for the intermediary relending program for the REI Rural Intermediary Relending Program, (Oklahoma).

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

RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

(In thousands of dollars)

	Fiscal year—		Committee recommendation
	2007 level	2008 request	
Estimated loan level	24,752	33,077	33,077
Direct loan subsidy ¹	5,406	.....	.....

¹ Offset in 2007 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 accepts the administration’s proposal to fund rural economic development loans from interest earnings on cushion of credit payments.

RURAL COOPERATIVE DEVELOPMENT GRANTS

Appropriations, 2007	\$26,718,000
Budget estimate, 2008	20,928,000
Committee recommendation	26,403,000

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 of 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 enhance 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 \$26,403,000 for Rural Cooperative Development Grants.

Of the funds recommended, \$3,000,000 is for the Appropriate Technology Transfer for Rural Areas program through a cooperative agreement with the National Center for Appropriate Technology (Kohl, Harkin, Johnson, McConnell, Specter, Leahy, Baucus, Lincoln, Pryor, Tester/National Center for Appropriate Technology, Butte, Montana).

The Committee has included language in the bill that not more than \$1,473,000 shall be made available to cooperatives or associa-

tions of cooperatives whose primary focus is to provide assistance to small, minority producers.

Value Added.—The Committee recommends \$17,475,000 for value-added agricultural product market development grants.

RURAL EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES GRANTS

Appropriations, 2007	\$11,088,000
Budget estimate, 2008	
Committee recommendation	10,000,000

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$10,000,000 for Rural Empowerment Zones and Enterprise Communities Grants, with the funds to be made available in the same manner and with the same priorities as in fiscal year 2007.

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, 2007	\$22,841,000
Budget estimate, 2008	33,941,000
Committee recommendation	28,489,000

The Renewable Energy Systems and Energy Efficiency Improvements Program 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 \$28,489,000 for the Renewable Energy Program.

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 WATER AND WASTE DISPOSAL PROGRAM ACCOUNT

Appropriation, 2007	\$554,994,000
Budget estimate, 2008	502,779,000
Committee recommendation ¹	550,469,000

¹ Committee recommendation includes High Energy Cost grants.

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 \$550,469,000 for the Rural Water and Waste Disposal Program Account.

The Committee, again, rejects the administration's proposal to: revise direct loan interest rates, increase loan levels, diminish grants, and require communities to rely more heavily on borrowing rather than grants. The Committee is not convinced that this proposal will provide assistance needed to the poorest and most remote rural communities currently served. As submitted, the proposal would also allow communities with projects approved in prior years to take advantage of substantially lower interest rates while retaining the grant package previously approved. In spite of numerous requests for clarification, the agency appears unable to identify the total costs of its proposal. The Committee believes these additional (but unknown) costs would better serve rural America in the form of grants provided through the traditional program.

The Committee recommends \$65,835,000 for water and waste disposal systems grants for Native Americans, including Native Alaskans, and the Colonias, allocated in a manner consistent with the fiscal year 2007 allocations. The Committee recognizes the special needs and problems for delivery of basic services to these populations. The Secretary is directed to provide a report to the Committee that identifies the specific areas in which water and waste disposal program resources have been provided, where additional resources are most needed, and the relative costs of program delivery to the various areas and regions covered by the authorities identified for use of these specific funds. The Committee expects from the Secretary a spending plan of how the funds will be used, quarterly notification on grant obligations, and a year end summary report. In addition, the Committee makes up to \$13,612,500 available for the circuit rider program.

The following table provides the Committee's recommendations, as compared to the fiscal year 2007 and budget request levels:

RURAL WATER AND WASTE DISPOSAL PROGRAM ACCOUNT

[Budget authority in thousands of dollars]

	Fiscal year 2007 appropriation ¹	2008 budget re- quest	Committee rec- ommendations
Water and waste disposal direct loans	98,604	153,394	73,564
Water and waste disposal grants	437,748	344,920	437,748
Solid waste management grants	3,465	3,465	3,465
Emer. community water assistance grants	13,692	.....	13,692
Water well system grants	990	1,000	.....
Water and waste water revolving funds	495	.....	.....
High energy cost grants .....	.....	.....	22,000
Total	554,994	502,779	550,469

¹ Fiscal year 2007 appropriation provided under RCAP.

Consideration to Applications.—Water and Waste Disposal loans and grants provide financial support and technical assistance for development and operation of safe and affordable water supply systems and waste disposal facilities. Funds may be used to construct, repair, expand or otherwise improve water supply and distribution, and waste collection and treatment systems. The Committee has been made aware of and encourages the Department to consider applications for water and waste disposal loans and grants for the following projects: Bladen Bluffs Regional Surface Water System (North Carolina); Caddo Regional Water Supply Initiative (Louisiana); City of Battleground Water Reclamation Facility (Washington); City of Coburg Wastewater System (Oregon); City of Grambling Sewer Project Phase II (Louisiana); City of Port Allen Sewer Treatment (Louisiana); City of Santa Paula (California); EOSC Lagoon Environmental Cleanup/Utilities (Oklahoma); Eunice Wastewater System Upgrade and Water Systems Improvements (New Mexico); Franklin Township Wastewater Project (Michigan); Gadsden County Rural Utilities Improvement (Florida); Guernsey County Water Plant (Ohio); Jal Water and Sewer Improvements (New Mexico); Japonski Island Infrastructure (Alaska); Johnson Canyon Project (Utah); Leesville Sewer Expansion (Louisiana); Lincoln Pipestone Rural Water (Minnesota); Western Prairie Rural Water (Minnesota); Long Valley Water Distribution Project (Utah);

Lovington Water Systems Improvements (New Mexico); Mt. Victory Road Water Project (Ohio); National Drinking Water Clearinghouse (West Virginia); Neah Bay Water (Washington); Newton Water Users Association Pipeline (Utah); Pascoag Utility District Potable Water (Rhode Island); Red Rock Rural Water (Minnesota); Iowa Lakes Rural Water (Minnesota), South Mansfield Elevated Water Tank Rehabilitation (Louisiana); Strawberry Zions Flat Project (Utah); Town of Greenwood Water Line (Louisiana); Union Rome Wastewater Treatment (Ohio); Village of Downsville Wastewater Infrastructure (Louisiana); Village of Sterlington Potable Water (Louisiana); Village of Vanlue Water System (Ohio); the Village of Williamsburg Sewer System Upgrade (Ohio); and West Corrine Waterline Upgrade (Utah).

Water and Waste Technical Assistance and Training Grants.—The Committee expects the Secretary to continue to provide support for the National Drinking Water Clearinghouse through the water and waste technical assistance and training grant program.

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 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 fiscal year 2008, 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 2007 and budget request levels:

(In thousands of dollars)

	Fiscal year—		Committee recommendation
	2007 level	2008 request	
Loan authorizations:			
Electric:			
Direct, 5 percent	99,000	100,000	100,000
Direct, Muni	100,764	.....	.....
Direct, FFB	2,700,000	4,000,000	6,500,000
Direct, Treasury rate	990,000	.....	.....
Guaranteed .....	.....	.....	.....
Guaranteed, Underwriting	1,500,000	.....	1,000,000
Subtotal	5,389,764	4,100,000	7,600,000
Telecommunications:			
Direct, 5 percent	145,000	145,000	145,000

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2007 level	2008 request	
Direct, Treasury rate	419,760	250,000	250,000
Direct, FFB	125,000	295,000	295,000
Subtotal	689,760	690,000	690,000
Total, loan authorizations	6,079,524	4,790,000	8,290,000
Loan Subsidies:			
Electric:			
Direct, 5 percent	2,119	120	120
Direct, Muni	1,522	.....	.....
Direct, FFB .....	.....	.....	.....
Direct, Treasury rate .....	.....	.....	.....
Guaranteed .....	.....	.....	.....
Guaranteed, Underwriting .....	.....	.....	.....
Subtotal	3,641	120	120
Telecommunications:			
Direct, 5 percent	537	116	116
Direct, Treasury rate	126	1,675	1,675
Direct, FFB .....	.....	1,829	1,829
Subtotal	663	3,620	3,620
Total, loan subsidies	4,304	3,740	3,740
Administrative expenses	38,623	37,009	39,405
Total, Rural Electrification and Telecommunications Loans Programs Account	42,927	40,749	43,145
(Loan authorization)	6,079,524	4,790,000	8,290,000

DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND PROGRAM

LOANS AND GRANT LEVELS

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2007 level	2008 request	
Loan and Grant Levels:			
Distance Learning and Telemedicine Program:			
Direct loans .....	.....	.....	.....
Grants	29,700	24,750	34,750
Broadband Program:			
Direct 4 percent loans .....	.....	.....	.....
Treasury rate loans	495,000	300,000	495,000
Guaranteed loans .....	.....	.....	.....
Grants	8,910	.....	8,910
Total, DLTB grants and loan authorizations	533,610	324,750	538,660

DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND PROGRAM

LOANS AND GRANTS

[Budget authority in thousands of dollars]

	Fiscal year—		Committee recommendation
	2007 level	2008 request	
Distance Learning and Telemedicine Program:			
Direct loan subsidies			
Grants	29,700	24,750	34,750
Broadband Program:			
Direct 4 percent loan subsidies			
Treasury subsidies	10,643	6,450	10,643
Guaranteed subsidies			
Grants	8,910		8,910
Total, grants and loan subsidies	49,253	31,200	54,303

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.

The Committee is concerned with the longstanding, unmet health care needs in the Mississippi Delta and encourages the Department to work with the Delta Health Alliance, a nonprofit alliance of academic institutions and economic development entities, through existing programs to promote increased health access, education, and research in the Mississippi Delta to address the growing health care needs of the region.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$54,303,000 for the Distance Learning, Telemedicine, and Broadband Program. The Committee recommendation includes \$10,000,000 for public broadcasting systems grants to allow noncommercial educational television broadcast stations that serve rural areas to convert from analog to digital operations. Fiscal year 2008 is the last appropriation that can effectively make funding available prior to the statutory February 2009 conversion deadline. The Committee expects that the \$10,000,000 provided will be sufficient to meet digital conversion needs in rural areas, and future funding is not anticipated.

Broadband Grants.—In addition, of the funds recommended, \$8,910,000 in grants shall be made available to support broadband transmission and local dial-up Internet services for rural areas.

Consideration to Applications—Broadband and Distance Learning, Telemedicine Loans and Grants.—The Committee has been made aware of and encourages the Department to give consider-

ation to applications for broadband and distance learning, telemedicine loans and grants for the following: Batavia WIFI Project (New York); CO and Western Region Telemedicine Infrastructure Upgrades (Colorado); Eastern Shore Broadband Buildout (Virginia); Enhancing Rural Economies through Wireless Technologies (Georgia); Gilmer/Braxton Research Technology Institute Project (West Virginia); Monongahela Valley Hospital (Pennsylvania); Nichols State University Geospatial Technology Center (Louisiana); and the Otsego County Telecommunications Plan (New York).

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

TITLE IV

DOMESTIC FOOD PROGRAMS

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

Appropriations, 2007	\$597,000
Budget estimate, 2008	655,000
Committee recommendation	628,000

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 \$628,000 for the Office of the Under Secretary for Food, Nutrition and Consumer Services.

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	Total
Appropriations, 2007	7,614,523	5,731,073	13,345,596
Budget estimate, 2008	7,592,797	6,304,475	13,897,272
Committee recommendation	7,662,215	6,235,057	13,897,272

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 \$7,662,215,000, plus transfers from section 32 of \$6,235,057,000, for a total of \$13,897,272,000 for the Child Nutrition Programs.

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	2007 estimate	2008 budget	Committee recommendation
School Lunch Program	7,958,912	8,180,933	8,180,933
School Breakfast Program	2,241,210	2,389,988	2,389,988
State administrative expenses	163,792	175,636	175,636
Summer Food Service Program	293,739	310,634	310,634
Child and Adult Care Food Program	2,172,460	2,288,838	2,288,838
Special Milk Program	14,133	14,618	14,618
Commodity procurement, processing, and computer support	484,990	518,061	518,061
Coordinated review system	5,302	5,505	5,505
Team nutrition	10,051	10,037	10,037
Food safety education	1,007	1,022	1,022
CACFP Training and Technical Assistance .....	.....	2,000	2,000

The Committee recommends \$10,037,000 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 agree-

ments; \$400,000 for print and electronic food service resource systems; and \$3,237,000 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 has included language that will allow States that received funding for the Fruit and Vegetable Pilot Program through Public Law 109–97 to continue participation at a level not to exceed \$500,000 per State. (Kohl, Bennett, Bingaman, Crapo/State of Wisconsin, State of Utah, State of New Mexico, State of Idaho) The Committee understands that there are adequate funds provided through the 2004 Child Nutrition and WIC Reauthorization Act that remain available to allow States that received funding through Public Law 109–97 to continue participation until the Farm Security and Rural Investment Act of 2002 is reauthorized, without negatively impacting other participating States. Further, the Committee strongly encourages 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, 2007	\$5,204,430,000
Budget estimate, 2008	5,386,597,000
Committee recommendation	5,720,000,000

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 8.8 million participants at an average food cost of \$39.34 per person per month in fiscal year 2008.

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 \$5,720,000,000 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 \$30,000,000, depending upon use of the contingency fund, for State management information systems.

Estimates.—The Committee recommendation of \$5,720,000,000 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 \$145,000,000 associated with this limitation. The Committee does not agree that reducing support for critical WIC services including nutrition education, obesity prevention, breastfeeding promotion and support, healthcare referrals, and immunization screening is a wise and acceptable method of finding budget savings.

Second, since the budget request was submitted in February 2007, the estimates for food costs and participation are trending upward. For example, food costs are estimated to be higher in fiscal year 2008 because at least 23 States will be entering into new infant formula contracts, which have historically increased WIC costs. In addition, USDA's Economic Research Service has recently forecast an increase in the cost of dairy products that was not included in the President's budget request.

The Committee notes with concern that the current estimate to meet WIC program needs is \$333,403,000 over the President's budget request. The Committee has followed the increases in WIC program costs very closely. The Committee is disappointed that the administration has not provided an official estimate or notification for the dramatic increase in WIC food costs and participation. Beginning on the date of enactment of this act, and thereafter, the Committee directs the Department to provide quarterly reports on the program performance and estimated funding requirements to fully fund the WIC program. Timeframes addressed in these estimates should include the prior year, current year and budget year of the President's budget submission currently under consideration by the Congress and should separately address baseline program performance from the impact of current law and legislative budget proposals. The Department shall consider, and include in these reports, current participation trends and current Economic Research Service food cost estimates in developing updated WIC estimates.

The Committee recommendation for WIC is currently estimated to be sufficient to meet program needs. The Committee will con-

tinue to monitor food costs, participation and carryover funds, and take additional action as necessary to ensure that funding provided in fiscal year 2008 is sufficient to serve all eligible applicants.

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, 2007	33,464,137	3,000,000	1,557,397	140,000	.....	38,161,534
Budget estimate, 2008 ..	35,053,973	3,000,000	1,621,250	140,000	23,000	39,838,223
Committee recommenda- tion	35,017,973	3,000,000	1,621,250	140,000	.....	39,779,223

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 \$39,779,223,000 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.—Included in the recommended level for FDPIR is \$35,206,000 to support additional administration funding in the program to address current inequities among tribes in the allocation of funds and to address pressing needs to improve warehousing and other administrative costs associated with commodity distribution. The Committee directs the Secretary to conduct an assessment of equipment and facility needs in FDPIR and to report on the findings within 120 days of enactment of this act.

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.

COMMODITY ASSISTANCE PROGRAM

Appropriations, 2007	\$177,572,000
Budget estimate, 2008	70,370,000
Committee recommendation	199,070,000

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 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 \$199,070,000 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 \$128,000,000 for the Commodity Supplemental Food Program.

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.

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, 2007	\$140,252,000
Budget estimate, 2008	148,926,000
Committee recommendation	147,426,000

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 \$147,426,000 for Nutrition Programs Administration. The Committee recommendation includes \$2,500,000 to carry out the Bill Emerson and Mickey Leland Hunger Fellowships. These fellowships send young people to sites throughout the United States and abroad in order to work to develop the skills, knowledge and experience to become effective anti-hunger leaders in the domestic and international arenas. Both programs are carried out by the Congressional Hunger Center. (Kohl, Harkin/Congressional Hunger Center)

Child and Adult Care Food Program [CACFP].—The Committee directs the Food and Nutrition Service to determine the CACFP reimbursement needed to serve meals and snacks consistent with the Dietary Guidelines.

Childhood Obesity.—The Committee is concerned about the rapidly growing rate of childhood obesity. Further, the Committee is aware that a predominance of food advertising to children is aimed at the purchasing and consumption of food products. While the Committee recognizes the efforts of the U.S. Department of Agriculture and the Food and Drug Administration to increase public awareness of health, such as MyPyramid and the Children's Food Pyramid, the Committee believes that to effectively aid the public

in improving child nutrition and overall health, there should be a uniform scientifically based set of nutrition guidelines to better equip the public when making consumer food choices. Therefore, the Committee encourages USDA and FDA to create an inter-agency working group, consisting of all Government institutions with jurisdiction over health and nutrition policy. Through this collaboration, a set of clear, concise and uniform health standards for children such as proper portion sizes, healthy versus unhealthy nutritional content, and daily recommended amounts can be established and made easily available to the American public.

Nutrition Initiatives.—The Committee is aware of the important work being undertaken by numerous State, local and private organizations in order to reduce hunger and increase nutrition education throughout the United States. The Committee applauds these efforts, and encourages USDA to work with interested organizations throughout the country, including the Salvation Army Bed and Bread Program in Detroit, Michigan; the YWCA Family Center in Franklin County, Ohio; and the Vermont Foodbank Farm to provide technical and financial assistance where appropriate, to help these organizations further their goals. The Committee further encourages USDA to provide funding to carry out existing Center for Nutrition Policy and Promotion Nutrition Education and Promotion Program cooperative agreements for national Hispanic outreach efforts.

TITLE V
FOREIGN ASSISTANCE AND RELATED PROGRAMS
FOREIGN AGRICULTURAL SERVICE
SALARIES AND EXPENSES

[In thousands of dollars]

	Appropriations	Transfers from loan accounts	Total
Appropriations, 2007	156,220	3,599	159,819
Budget estimate, 2008	168,209	4,985	173,194
Committee recommendation	167,391	4,985	172,376

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 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.

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.

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, export payments, and other programs as assigned to encourage and enhance the export of U.S. agricultural commodities.

COMMITTEE RECOMMENDATIONS

The Committee recommends \$172,376,000 for the Foreign Agricultural Service, including a direct appropriation of \$167,391,000.

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 recommendation includes \$2,334,000 for Capital Security Cost Sharing [CSCS], as proposed in the budget. The Committee funds the fiscal year 2008 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 recommendation includes \$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.

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.

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 2007 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 recommendation includes \$2,000,000 to support these activities.

PUBLIC LAW 480 TITLE I PROGRAM ACCOUNT

(In thousands of dollars)

	Credit level	Loan subsidy	Administrative expenses
Appropriations, 2007	3,373
Budget estimate, 2008	2,761
Committee recommendation	2,749

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 \$2,749,000 for administrative expenses to continue servicing existing agreements.

PUBLIC LAW 480 TITLE II GRANTS

Appropriations, 2007	\$1,214,711,000
Supplemental appropriation, 2007	450,000,000
Budget estimate, 2008	1,219,400,000
Committee recommendation	1,219,400,000

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 land-

locked 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.

COMMITTEE RECOMMENDATIONS

The Committee recommends a program level of \$1,219,400,000 for title II.

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.

MC GOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM GRANTS

Appropriations, 2007	\$99,000,000
Budget estimate, 2008	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, 2007	1,990,000	60,893	5,260
Budget estimate, 2008	2,440,000	64,077	5,344
Committee recommendation	2,440,000	64,077	5,334

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, 2007	1,569,244	352,200	43,726	11,604	17,522	8,481	2,002,777
Budget estimate, 2008	1,635,709	339,195	47,500	13,696	18,398	9,500	2,063,998
Committee recommendation	1,755,135	459,000	48,431	13,696	18,398	9,500	2,304,160

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$1,755,135,000 for FDA salaries and expenses. The Committee also recommends \$459,000,000 in Prescription Drug User Fee Act user fee collections, of which \$14,000,000 is for proposed Direct-to-Consumer Advertising user fees; \$48,431,000 in Medical Device User Fee and Modernization Act user fee collections; \$13,696,000 in Animal Drug User Fee Act user fee collections; \$18,398,000 in Mammography Quality Standards Act fee collections; and \$9,500,000 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 Committee notes that PDUFA and MDUFMA user fees need to be reauthorized for fiscal year 2008. PDUFA and MDUFMA legislation is currently being negotiated by the appropriate authorizing committees. The Committee has included amounts that represent the current administration proposal for PDUFA and

MDUFMA user fees. The Committee will follow the reauthorization of these fees and adjust the fee collection amounts if necessary.

The following table reflects the Committee's recommendations, as compared to the fiscal year 2007 and budget request levels:

FOOD AND DRUG ADMINISTRATION SALARIES AND EXPENSES

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2007 enacted	2008 request	
Centers and related field activities:			
Foods	457,105	466,726	522,453
Center for Food Safety and Applied Nutrition [CFSAN]	159,114	154,588	173,842
Field activities	297,991	312,138	348,611
Human drugs	315,138	324,438	354,706
Center for Drug Evaluation and Research [CDER]	230,757	242,950	266,069
Field activities	84,381	81,488	88,637
Biologics	144,547	155,073	158,588
Center for Biologics Evaluation and Research [CBER]	116,005	125,763	128,708
Field activities	28,542	29,310	29,880
Animal drugs	94,749	94,809	98,513
Center for Veterinary Medicine [CVM]	58,355	59,035	60,646
Field activities	36,394	35,774	37,867
Medical and radiological devices	230,683	240,122	243,255
Center for Devices and Radiological Health [CDRH]	172,258	178,265	182,112
Field activities	58,425	61,857	61,143
National Center for Toxicological Research [NCTR]	42,056	36,455	46,104
Other activities	90,541	88,577	102,007
Rent and related activities	67,554	97,976	97,976
Rental payments to GSA	126,871	131,533	131,533
Total, FDA salaries and expenses, new budget authority	1,569,244	1,635,709	1,755,135

The Committee recommendation includes the following increases in budget authority for FDA salaries and expenses activities: \$55,443,000 for cost of living adjustments; \$48,407,000 for food safety; \$33,200,000 for critical path and drug safety; \$7,561,000 for generic drug review; \$4,000,000 for pandemic influenza preparedness; \$1,000,000 for the Office of Women's Health; \$13,256,000 for FDA's consolidation at the White Oak campus; and \$21,828,000 for other rent and rent related costs and rental payments to the General Services Administration. The Committee recommendation does not include base program reductions assumed in the budget request.

Active Ingredients.—The Committee is concerned about recent reports that some human drugs are produced using active ingredients from countries that may have regulatory safeguards less stringent than the United States. The Committee requests that the Food and

Drug Administration issue a report, using available data sources, within 120 days of enactment of this act, that outlines the location of the manufacturer of all drugs approved since January 1, 2000; the location of the manufacturer of the active ingredient in each of those drugs, only as submitted in the original application; the extent to which drugs manufactured overseas and commercially distributed in the United States are subject to different regulation than drugs manufactured and distributed in the United States; and the procedures taken when a manufacturer changes the procurement of active ingredients for their drugs. The Committee further directs that the FDA present this information in such a way as to not violate any commercial confidential, trade secret, or proprietary information.

Agricultural Products Food Safety Laboratory.—The Committee recommendation includes \$2,359,000 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. (Domenici, Bingaman/New Mexico State University)

Bovine Spongiform Encephalopathy.—The Committee recommendation includes \$29,260,000 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 2009 budget request in a format that follows the same account structure as the fiscal year 2008 budget request unless otherwise approved by the Committee.

Childhood Obesity.—The Committee is concerned about the rapidly growing rate of childhood obesity. Further, the Committee is aware that a predominance of food advertising to children is aimed at the purchasing and consumption of food products. While the Committee recognizes the efforts of the U.S. Department of Agriculture and the Food and Drug Administration to increase public awareness of health, such as MyPyramid and the Children's Food Pyramid, the Committee believes that to effectively aid the public in improving child nutrition and overall health, there should be a uniform scientifically based set of nutrition guidelines to better equip the public when making consumer food choices. Therefore, the Committee encourages USDA and FDA to create an inter-agency working group, consisting of all government institutions with jurisdiction over health and nutrition policy. Through this collaboration, a set of clear, concise, and uniform health standards for children such as proper portion sizes, healthy versus unhealthy nutri-

tional content, and daily recommended amounts can be established and made easily available to the American public.

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.

Codex Alimentarius.—Within the total funding available, at least \$2,495,000 is for FDA activities in support of *Codex Alimentarius*.

Collaborative Drug Safety Research.—The Committee recommendation includes \$750,000 to continue the collaborative research agreement on cardiac biomarkers between FDA, the Critical Path Institute, and the University of Utah. The Committee notes that this research project has been extremely successful and has developed a genetic test that will help guide warfarin, a commonly prescribed blood thinner, dosing. It is estimated that integrating genetic testing into warfarin therapy could allow Americans to avoid 85,000 serious bleeding events and 17,000 strokes annually, reducing health care spending by approximately \$1,100,000,000 annually. (Bennett/Critical Path Institute and University of Utah)

Critical Path and Modernizing Drug Safety.—The Committee recommendation includes an increase of \$33,200,000 for FDA's critical path and drug safety initiatives. Included in this amount is \$17,000,000 for critical path and \$16,200,000 for modernizing drug safety.

The Committee expects that the critical path funding will be used to further the agency's work on the 76 critical path opportunities published in 2006 and promote collaborations with other government agencies and academia. Of the \$17,000,000 increase provided for critical path, \$5,000,000 shall be available, on a competitive basis, for contracts or grants to universities and non-profit organizations to support individual critical path projects. The Committee expects that the critical path funding will make the development and review of drug, device, and biologics more efficient, help advance discoveries through the development pipeline, and reduce the risks to patients who use medical products. The Committee understands that FDA is already engaged in 40 critical path projects that this funding will help further, including identifying gender-specific biomarkers and biomarkers for diabetes, pre-diabetes, cancer, and cardiac, metabolic, and neurological disease; developing reliable disease simulation methods for Parkinson's, diabetes, cancer, and Alzheimer's disease; improving methods for evaluating vaccines and other complex biological products; and identifying optimum dosing strategies for drugs such as warfarin, which will improve patient safety and save health care dollars.

The Committee expects that the drug safety funding will be used to enhance FDA's ability to identify safety issues with products already on the market and communicate those safety issues to health professionals and the public as well as enhance the agency's ability to identify safety issues for products under review. The Committee

understands that FDA will use this funding to upgrade and modernize the Adverse Events Reporting System [AERS]; access additional databases for drug and biologic safety surveillance and analysis; hire additional scientists to evaluate safety information in these databases; strengthen the involvement of safety experts throughout the drug lifecycle by identifying safety data needs prior to product approval and during the design and review of post marketing studies; and hire additional experts to review proposed risk management plans and evaluate the effectiveness of existing risk management plans.

Dietary Supplements.—The Committee recommendation includes \$5,360,000 for the CFSAN Adverse Events Reporting System [CAERS], of which approximately \$1,500,000 is for dietary supplements.

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.

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 recommendation includes \$2,300,000 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. (Cochran/University of Mississippi)

The Committee encourages FDA to dedicate appropriate resources to fully implement Public Law 109–462, the Dietary Supplement and Nonprescription Drug Consumer Protection Act. The Committee believes the law, scheduled to take effect on December 22, 2007, will enhance FDA's efforts to identify potential public health issues associated with the use of dietary supplements and nonprescription drugs and will enable the government, manufacturers, and retailers to respond more quickly to potential public health issues.

Expedited Consideration.—The Committee directs the FDA to provide a report within 120 days of enactment of this act on the initiatives undertaken by the agency to expedite and support the filing of new drug applications seeking approval of new combinations of drug products, whose active ingredients have all previously been approved as safe and effective drugs under section 505(b) of the Federal Food, Drug, and Cosmetic Act, or novel single agents that would provide a replacement for or other therapeutic alternative to a drug currently on the market which is regulated by The Combat Methamphetamine Epidemic Act.

Folic Acid Fortification.—The Centers for Disease Control and Prevention [CDC] estimates that up to 70 percent of neural tube defects [NTDs], such as spina bifida, could be prevented if all women of childbearing age consume 400 micrograms of folic acid daily, beginning before pregnancy. About 10 years ago, FDA re-

vised several standards of identity for enriched cereal-grain products to require the addition of folic acid and the rate of NTDs has decreased significantly. A recent analysis by the CDC found that folate concentrations in the blood among non-pregnant women of childbearing age declined slightly from 1999–2000. This slight decline follows a substantial increase in folate concentrations following the initiation of the fortification program. The decline has not been associated with an increase in rates of NTDs. However, the Committee is concerned that some women may not be receiving an adequate level of folate to prevent NTDs, and some studies conducted since the FDA fortification program began have suggested that the current levels of folic acid in enriched cereal-grain products should be increased and that such an increase might achieve a higher rate of birth defect prevention. The Committee is interested in having FDA review the folic acid fortification level for enriched grain products and the fortification of corn products with folic acid. The Committee requests a report, within 120 days of the enactment of this act, on FDA's current folic acid fortification standards, the need to review, and possibly revise, folic acid standards, and the aspects of the fortification issue that FDA would consider in revising the standards.

Food Safety.—The Committee is very concerned that the administration's budget requests have not kept up with the increasing responsibilities faced by the Food and Drug Administration in the area of food safety. The FDA Center for Food Safety and Applied Nutrition and related field positions regulates \$417,000,000,000 worth of domestic food and \$49,000,000,000 in imported foods, and is responsible for ensuring that the U.S. food supply is safe, secure, sanitary, wholesome, and honestly labeled. As the food supply becomes more global, the challenges faced by the FDA increase significantly. However, although the number of imported food lines subject to FDA review has more than quadrupled since 1999, FDA is able to inspect less than 2 percent of imported foods, the number of field inspectors at the FDA has declined by 230 in less than 4 years, and food inspections have also dropped nearly in half during that time. The Committee believes that this trend is unacceptable. Therefore, the Committee recommendation includes \$48,407,000 in increases for food safety initiatives, which is \$37,763,000 above the administration's request for food safety. The Committee directs FDA to provide detailed quarterly reports on the expenditure of these funds, including the numbers of additional staff hired and research contracts let.

Of the increases provided, the Committee directs that no less than \$21,000,000 should be used to immediately begin to reverse the current decline in field inspectors, and to ensure that the FDA food safety inspection system is streamlined, complementing and expanding coordination efforts both with States and with foreign countries that import food into the United States. This should include hiring inspectors assigned solely to foreign inspection, as well as inspectors assigned solely to domestic inspection.

The Committee further directs that no less than \$11,000,000 should be used to create both Federal and State rapid response teams to respond to food safety problems throughout the United States. These teams should consist of staff trained specifically to

rapidly trace back an outbreak to its root cause and stationed in significant produce growing areas in the United States, so that any time an outbreak occurs, the source can be identified as quickly as possible, preventing further distribution of the contaminated product. Further, when these teams are not actively responding to a food safety occurrence, they should be working with growers, processors, packers and State and local officials to ensure that FDA guidelines for safe food production are understood and implemented.

The Committee also directs that the FDA should use no less than \$6,000,000 for increased research on food safety issues, including the reduction of microbial contamination of produce and new rapid screening methods to identify pathogens in food samples as quickly as possible, and as early in the food chain as possible. This funding should be used by CFSAN and the National Center for Toxicological Research, and should also be used to contract with other government and non-governmental entities, including academia, to ensure collaboration, information-sharing, and to prevent duplicative research so as to yield results that will be applicable to growers and processors in the shortest timeframe possible.

Of the additional funding provided for increased research, the Committee recommendation includes \$2,000,000 to create a Western Region FDA Center of Excellence at the University of California at Davis [UCD]. California and the western States provide the majority of the Nation's fruits, vegetables, and specialty crops, and lead the Nation in import and export of food products. This will be the first FDA Center of Excellence to be located in the Western United States. This Center will be a cooperative research center with FDA and UCD and will address food safety and security areas of focus identified by FDA to be of greatest need in the Western United States. (Feinstein, Boxer/FDA and University of California at Davis)

The Committee directs the Food and Drug Administration to enter into a contract with the National Academy of Sciences, specifically with the Institute of Medicine and the National Research Council, for a comprehensive study on gaps in the public health protection provided by the food safety system and opportunities to fill those gaps. This study should identify and analyze specific gaps in protection to illustrate the causes of foodborne illness and cost-effective preventive measures and be based on credible estimates (using available data and analyses) of the incidence, severity, and direct costs and economic consequences of foodborne illness. The study should include consultation with high-level representatives from the government, food industry, consumer groups and other stakeholder groups, and should include legislative, regulatory and administrative recommendations and estimates of costs of such recommendations. The Committee directs that this report be completed within one year of funds being made available to the National Academy of Sciences.

Generic Drugs.—The Committee recommendation includes no less than \$77,161,000 for the generic drugs program at FDA, of which \$42,461,000 is for the Office of Generic Drugs. This is an increase of \$7,561,000 above fiscal year 2007. During the past 6 years, applications for generic drugs have increased by 158 percent,

from 307 applications in fiscal year 2002 to 793 applications in fiscal year 2006. In fiscal year 2008, FDA estimates it will receive 857 applications. Generic drugs cost anywhere between 20 and 70 percent less than their brand name counterparts. This increase will allow FDA to hire approximately 18 additional reviewers.

Legacy Drugs.—The Committee supports the FDA’s review of a means by which drugs marketed outside the present approval process, which have been in clinical use for the past 25 years, and have no safety concerns, may be more efficiently vetted by the agency. Also known as “Legacy Drugs”, these medicines are manufactured in FDA licensed and inspected facilities that utilize current Good Manufacturing Practices, are composed of FDA approved ingredients, and have been prescribed by doctors for decades to alleviate common ailments at a fraction of the cost to patients and government programs such as Medicare and Medicaid. The Committee encourages FDA to work toward the development of a system to certify this unique class of drugs.

Mammography.—The Committee recommends no less than the fiscal year 2007 level 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 directs the FDA to provide a report within 120 days of enactment of this act detailing how the administration will implement the recommendations made in the Institute of Medicine report entitled “Breast Imaging Quality Standards”—released on May 23, 2005, and the congressionally mandated Government Accountability Office [GAO] report entitled, “Mammography: Current Nationwide Capacity is Adequate, but Access Problems May Exist in Certain Locations” (GAO-06-724)—released in July 2006.

MedGuide.—The Committee is concerned that FDA’s MedGuide program is not adequately assisting patients in understanding the risks associated with certain medications. The Committee also notes that the FDA initially intended the program to produce MedGuides for a limited number of prescription products every year. However, according to FDA, 240 prescription products have MedGuides as of March 2007. This unanticipated volume of Medguides creates significant administrative burdens for pharmacy providers and has the potential to diminish the usefulness of the program by overwhelming patients with multiple pages of written material. In order to address these concerns, the Committee urges FDA to work with patient groups, manufacturers and national pharmacy groups to address improvements in the program. Such improvements should include procedures to ensure the efficient distribution of MedGuides from manufacturers to community pharmacies, flexibility in providing MedGuides to patients (including electronic mail delivery), formatting modifications to assist with

the electronic printing of MedGuides, measures to avoid duplicative and excessive MedGuides (including the use of a single uniform MedGuide for a class of drugs), and other steps to enhance the effectiveness and efficiency of the program for patients and pharmacies. The Committee urges FDA to submit a report on the progress it is making toward these improvements within 120 days of enactment of this act, including whether any legislative action is needed to enhance the efficiencies in the distribution of written prescription information to patients.

Medical Device Identification.—Currently, there is no standardized, unique identifying system for medical devices. This gap makes it difficult to recognize compatibility and interoperability issues for medical devices, to conduct device recalls, and to identify specific devices in adverse event reports. The rising number of medical device recalls as well as the rapid development of new, complex medical devices, speaks to the need to develop a unique device identification system. The Committee notes that FDA is exploring implementation of a unique device identification [UDI] system. FDA published a Request for Comment on August 11, 2006, on how a national UDI system should be structured and how it will improve patient safety, reduce medical errors, facilitate device recalls, and improve device adverse event reporting. The Committee also recognizes that because devices are quite different in their use and distribution from drugs, the UDI system needs to include information to adequately identify the device through distribution and use. The Committee is also aware of interest in the development of a public-accessible UDI database. The Committee encourages FDA to continue to work on the development of an appropriate method of identifying medical devices to ensure patient safety throughout the life cycle of the device.

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 recommendation includes \$2,970,000 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. (Durbin/National Center for Food Safety and Technology)

Nutrition Information.—The Committee directs FDA to gather information on the various guidance systems, including nutritional criteria currently in use by the food industry, trade organizations, and nonprofit organizations, that use front-label logos, such as symbols, signs, emblems or other graphic representations that are intended to provide simple, standardized nutrition information to the public in graphic form. Further, the Committee directs FDA to provide a report, within 120 days of the enactment of this act, that describes the nutrition symbols and accompanying guidance systems for consumers and the current scientific and consumer research on the use and effectiveness of such symbols.

Office of Regulatory Affairs Reorganization.—The Committee is aware of FDA's proposal to reorganize the Office of Regulatory Af-

fairs' field laboratories. As part of this reorganization, the FDA has proposed to close seven laboratories, and move the personnel, equipment and other resources from those laboratories into six other existing laboratories. The Committee is aware of significant concern surrounding these proposed laboratory closures, including the potential loss of field staff, whose numbers have already decreased in recent years, and the loss of laboratory capabilities for analyzing food and drug samples. For example, several of these laboratories perform specialized functions not currently performed at any other FDA labs. The Committee directs FDA to work with all interested parties, including FDA employees and local, State and Federal officials, as well as to hold public meetings on each proposed closure if requested by State or local officials, prior to implementing this reorganization, and to report to the Committee, prior to the laboratory closures, on efforts at each laboratory to both retain staff and to ensure that specific laboratory capabilities are not diminished or eliminated.

Pharmacy.—The Committee encourages the FDA to work with the American Association of Colleges of Pharmacy to develop and implement strategies for the integration of pharmacy faculty and Doctor of Pharmacy students into patient safety initiatives including post-market surveillance, counterfeit drug detection, and medication risk/benefit communication.

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 recommendation includes \$5,000,000 for the Office of Women's Health. 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.

Orphan Products Grants.—The Committee recommendation includes \$16,772,000 for the Orphan Products Grants Program within the Center for Drug Evaluation and Research.

Premarket Reviews.—The Committee is aware that FDA has begun to enforce the Federal Food, Drug, and Cosmetic Act's device requirements, including premarket review, for diagnostic multivariate index assays for breast cancer and other diseases. The Committee encourages FDA to work to ensure that the transition to enforcing the act's requirements does not inhibit development of products that are important to public health.

Seafood Economic Integrity.—The Committee recognizes the importance of seafood to a healthy diet, but is concerned that FDA does not focus sufficient attention on economic integrity issues, particularly with respect to mislabeling of species, weights, country of origin, and treatment. The Committee encourages FDA to work with States to more aggressively combat fraud in parts of the seafood industry.

Seafood Products.—The Committee is concerned that certain imported cockle-based seafood products being marketed in the United States are mislabeled for species to the detriment of U.S. based firms that label correctly and according to FDA guidance. The Committee encourages the FDA to enforce their guidance to pre-

vent cockles from being imported into the United States mislabeled as clams or clam chowder.

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 recommendation includes \$198,000 for the Office of Seafood Inspection to continue these activities and \$248,000 be directed to the ISSC for the *Vibrio Vulnificus* Education Program. (Cochran/Interstate Shellfish Sanitation Commission)

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.

Therapies for Type 1 Diabetes.—The Committee commends the FDA for including the development of therapies for type 1 diabetes in its Critical Path Initiative, and recognizing major advances that have given new hope for the rapid development of innovative devices and drugs for the management and treatment of type 1 diabetes. A fully automated artificial pancreas has the potential to alleviate the burden of daily diabetes management, and greatly improve patients’ health and quality of life. Promising new drugs are in clinical trials that, for the first time, might halt the progression of new-onset diabetes. The Committee strongly encourages the FDA to continue collaborative, open discussions with public and private stakeholders committed to accelerating the discovery and development of therapies to prevent, manage, and cure type 1 diabetes to ensure that new therapies are made available to the public in a timely manner.

Unified Financial Management System.—The Committee recommendation includes no more than \$5,729,000 for the Unified Financial Management System. The Committee reminds FDA that this amount is subject to the reprogramming requirements outlined in the general provisions of this act.

Waste Management Education and Research Consortium.—The Committee recommendation includes \$98,000 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. (Domenici, Bingaman/Waste Management Education and Research Consortium)

BUILDINGS AND FACILITIES

Appropriations, 2007	\$4,950,000
Budget estimate, 2008	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 AGENCY

FARM CREDIT ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

Limitation, 2007	\$44,250,000
Budget estimate, 2008	46,000,000
Committee recommendation	46,000,000

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 \$46,000,000 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 provides funding for the Lost River Watershed Project (Byrd/NRCS West Virginia); the Lower Hamakua Ditch Watershed Project, the Upcountry Maui Watershed Project (Inouye, Akaka/NRCS Hawaii); and authorized watershed projects in the State of Missouri. (Bond/NRCS Missouri)

Section 715. This section prohibits the closing of the Food and Drug Administration's St. Louis, Missouri laboratory.

Section 716. 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 717. This section provides a funding limitation for the environmental quality incentives program.

Section 718. This section provides a funding limitation for the Dam Rehab Program.

Section 719. 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 720. This section modifies the guaranteed underwriting loan program.

Section 721. This section provides \$437,000 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.

Section 722. This section prohibits the promulgation of a final rule related to animal and plant health programs.

Section 723. 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 2004–2008 funds for the Agricultural Management Assistance Program available until expended to disburse obligations.

Section 724. This section makes certain former Rural Utilities Service borrowers eligible for the Rural Economic Development loan and grant program.

Section 725. 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 726. 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 727. This section prohibits the use of funds to conduct competitive sourcing activities in rural development and farm loan programs.

Section 728. This section provides a rescission for section 32.

Section 729. 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 730. This section provides base funding for all institutions participating in the expanded food nutrition education program.

Section 731. This section provides funding for the National Center for Natural Products Research to construct and/or renovate fa-

cilities to enhance the research conducted on botanicals and dietary supplements at the National Center in conjunction with FDA's Center for Food Safety and Applied Nutrition. This research aids FDA's regulatory mission in ensuring the safety and effectiveness of dietary supplements by identifying, isolating, and analyzing specific components of botanicals and dietary supplements. (Cochran/University of Mississippi)

Section 732. The section provides funding for the planning and design of a facility that would allow the creation of sterile fruit flies of all varieties of established fruit fly pests. The release of sterile fruit flies is currently the most effective method of eliminating fruit fly pests, which destroy a significant amount of agriculture in warm-weather States. Currently, only one such facility exists, and it only has the capacity to create a single species of sterile fruit flies, although there are at least four species currently known in Hawaii. The creation of this new facility would eliminate the dependence of the United States on a single foreign fruit fly facility and would provide additional species of sterile fruit flies to attempt to control and eliminate all known species of fruit fly pests. (Inouye/APHIS Hawaii)

Section 733. This section establishes a transfer limit on the Animal and Plant Health Inspection Service.

Section 734. This section makes certain service areas eligible for financing through the Rural Utilities Service.

Section 735. This section repeals section 9012 of Public Law 110-28.

Section 736. This section requires the Rural Utilities Service to determine borrower interest rates for Water and Waste Disposal direct loans in the same manner as in fiscal year 2007.

Section 737. This section allows the Department to use Salaries and Expenses funds to purchase media materials for program utilization.

Section 738. This section makes certain locations eligible for certain Rural Development programs.

Section 739. This section establishes a forestry pilot program for lands affected by Hurricane Katrina.

Section 740. This section provides agricultural disaster assistance through the Livestock Compensation Program and the Emergency Conservation Program.

Section 741. This section authorizes travel relating to commercial sales of agricultural and medical goods to Cuba.

Section 742. This section establishes a timeline for the implementation of Country of Origin Labeling.

PROGRAM, PROJECT, AND ACTIVITY

During fiscal year 2008, 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, 2008, 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 2008 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 2008 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 2008:

- The Farm Security and Rural Investment Act of 2002 provides authorizations for a number of programs funded under this act. This act is currently under consideration for reauthorization;
- Rare Diseases Orphan Product Development Act of 2002;

- Medical Device User Fee Act;
- Prescription Drug User Fee Act;
- Best Pharmaceuticals for Children Act.

COMPLIANCE WITH PARAGRAPH 7(C), RULE XXVI OF THE
STANDING RULES OF THE SENATE

Pursuant to paragraph 7(c) of rule XXVI, on June 14, 2007, the Committee ordered reported an original bill (S. 1859) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies, and for other purposes, subject to amendment and subject to the budget allocation, and authorized the chairman of the committee or the chairman of the subcommittee to offer the text of the Senate-reported bill as a committee amendment in the nature of a substitute to the House companion measure, by a recorded vote of 29–0, a quorum being present. The vote was as follows:

Yeas	Nays
Chairman Byrd	
Mr. Inouye	
Mr. Leahy	
Mr. Harkin	
Ms. Mikulski	
Mr. Kohl	
Mrs. Murray	
Mr. Dorgan	
Mrs. Feinstein	
Mr. Durbin	
Mr. Johnson	
Ms. Landrieu	
Mr. Reed	
Mr. Lautenberg	
Mr. Nelson	
Mr. Cochran	
Mr. Stevens	
Mr. Specter	
Mr. Domenici	
Mr. Bond	
Mr. McConnell	
Mr. Shelby	
Mr. Gregg	
Mr. Bennett	
Mr. Craig	
Mrs. Hutchison	
Mr. Brownback	
Mr. Allard	
Mr. Alexander	

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 55—DEPARTMENT OF AGRICULTURE

* * * * *

§ 2258. Purchase of newspapers

The Department of Agriculture is authorized to subscribe for such newspapers as may be necessary to carry out its authorized work【: *Provided*, That purchases under this authority shall not be made unless provision is made therefor in the applicable appropriation and the cost thereof is not in excess of limitations prescribed therein】.

* * * * *

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 marketing and sale

of agricultural and medical goods pursuant to the provisions of this title.

* * * * *

U.S. TROOP READINESS, VETERANS' CARE, KATRINA RECOVERY, AND IRAQ ACCOUNTABILITY APPROPRIATIONS ACT, 2007, PUBLIC LAW 110-28

* * * * *

TITLE IX—AGRICULTURAL ASSISTANCE

* * * * *

SEC. 9002. LIVESTOCK ASSISTANCE.

(a) LIVESTOCK COMPENSATION PROGRAM.—

(1) AVAILABILITY OF ASSISTANCE.—There are hereby appropriated to the Secretary of Agriculture such sums as are necessary, to remain available until expended, to carry out the livestock compensation program established under subpart B of part 1416 of title 7, Code of Federal Regulations, as announced by the Secretary on February 12, 2007 (72 Fed. Reg. 6443), to provide compensation for livestock losses between January 1, 2005 and [February 28, 2007] *December 31, 2007*, due to a disaster, as determined by the Secretary (including losses due to blizzards that started in 2006 and continued into January 2007). However, the payment rate for compensation under this subsection shall be 61 percent of the payment rate otherwise applicable under such program. In addition, section 1416.102(b)(2)(ii) of title 7, Code of Federal Regulations (72 Fed. Reg. 6444) shall not apply.

* * * * *

(5) * * *

(A) * * *

* * * * *

(B) NATURAL DISASTER DECLARATION.—The term “natural disaster declaration” means—

(i) a natural disaster declared by the Secretary between January 1, 2005 and [February 28, 2007] *December 31, 2007*, under section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a));

(ii) a major disaster or emergency designated by the President between January 1, 2005 and [February 28, 2007] *December 31, 2007*, under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.); or

* * * * *

(b) LIVESTOCK INDEMNITY PAYMENTS.—

(1) AVAILABILITY OF ASSISTANCE.—There are hereby appropriated to the Secretary of Agriculture such sums as are necessary, to remain available until expended, to make livestock indemnity payments to producers on farms that have incurred livestock losses between January 1, 2005 and [February 28,

2007] *December 31, 2007*, due to a disaster, as determined by the Secretary (including losses due to blizzards that started in 2006 and continued into January 2007) in a disaster county. To be eligible for assistance, applicants must meet all eligibility requirements established by the Secretary for the program.

* * * * *

(5) * * *

(A) * * *

* * * * *

(B) NATURAL DISASTER DECLARATION.—The term “natural disaster declaration” means—

(i) a natural disaster declared by the Secretary between January 1, 2005 and [February 28, 2007] *December 31, 2007*, under section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a));

(ii) a major disaster or emergency designated by the President between January 1, 2005 and [February 28, 2007] *December 31, 2007*, under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.); or

* * * * *

[SEC. 9012. CONTRACT WAIVER.

[In carrying out crop disaster and livestock assistance in this title, the Secretary shall require forage producers to have participated in a crop insurance pilot program or the Non-Insured Crop Disaster Assistance Program during the crop year for which compensation is received.]

* * * * *

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	Amount of bill	Committee allocation	Amount of bill
Comparison of amounts in the bill with Committee allocations to its subcommittees of amounts in the Budget Resolution for 2008: Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies:				
Mandatory	69,055	72,661	55,661	¹ 55,661
Discretionary	18,709	18,709	20,072	¹ 19,871
Projections of outlays associated with the recommendation:				
2008				² 67,370
2009				8,510
2010				1,069
2011				241
2012 and future years				150
Financial assistance to State and local governments for 2008	NA	26,113	NA	25,677

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 2007 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2008
[In thousands of dollars]

Item	2007 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2007 appropriation	Budget estimate
TITLE I—AGRICULTURAL PROGRAMS					
Production, Processing, and Marketing					
Office of the Secretary	5,097	18,355	5,309	+212	-13,046
Executive Operations:					
Chief Economist	10,487	11,347	10,847	+360	-500
National Appeals Division	14,466	15,056	15,056	+590	.....
Office of Budget and Program Analysis	8,270	9,035	9,035	+765	.....
Homeland Security staff	931	2,412	2,252	+1,321	-160
Office of the Chief Information Officer	16,361	17,024	16,723	+362	-301
Common computing environment	107,971	.....	.....	-107,971	.....
Office of the Chief Financial Officer	5,850	30,863	6,076	+226	-24,787
Working capital fund	1,891	.....	.....	-1,891	.....
Total, Executive Operations	166,227	85,737	59,989	-106,238	-25,748
Office of the Assistant Secretary for Civil Rights	818	897	861	+43	-36
Office of Civil Rights	20,020	23,147	20,706	+686	-2,441
Office of the Assistant Secretary for Administration	673	739	709	+36	-30
Agriculture buildings and facilities and rental payments	(185,919)	(216,837)	(199,016)	(+13,097)	(-17,821)
Payments to GSA	146,257	156,590	156,590	+10,333	.....
Building operations and maintenance	39,662	60,247	42,426	+2,764	-17,821
Hazardous materials management	11,887	12,200	5,200	-6,687	-7,000
Departmental administration	23,008	24,608	23,913	+905	-695
Office of the Assistant Secretary for Congressional Relations	3,795	4,099	3,936	+141	-163
Office of Communications	9,474	9,720	9,720	+246	.....
Office of the Inspector General	80,052	83,998	81,627	+1,575	-2,371
Office of the General Counsel	39,227	41,721	40,764	+1,537	-957
Office of the Under Secretary for Research, Education, and Economics	596	654	626	+30	-28
Economic Research Service	75,193	82,544	76,532	+1,339	-6,012

National Agricultural Statistics Service	147,253	167,699	167,699	+ 20,446	.....
Census of Agriculture	(36,249)	(54,325)	(54,325)	(+ 18,076)	.....
Agricultural Research Service:					
Salaries and expenses	1,128,943	1,021,517	1,154,174	+ 25,231	+ 132,657
Buildings and facilities .....	.....	16,000	40,100	+ 40,100	+ 24,100
Total, Agricultural Research Service	1,128,943	1,037,517	1,194,274	+ 65,331	+ 156,757
Cooperative State Research, Education, and Extension Service:					
Research and education activities	671,419	562,518	700,849	+ 29,430	+ 138,331
Native American Institutions Endowment Fund	(12,000)	(11,880)	(- 120)	(- 120)	.....
Extension activities	450,346	431,125	458,537	+ 8,191	+ 27,412
Integrated activities	55,234	20,120	12,948	- 42,286	- 7,172
Outreach for socially disadvantaged farmers	5,940	6,930	5,940	.....	- 990
Total, Cooperative State Research, Education, and Extension Service	1,182,939	1,020,693	1,178,274	- 4,665	+ 157,581
Office of the Under Secretary for Marketing and Regulatory Programs	721	792	759	+ 38	- 33
Animal and Plant Health Inspection Service:					
Salaries and expenses	846,230	945,550	911,742	+ 65,512	- 33,808
Buildings and facilities	4,946	8,931	4,946	.....	- 3,985
Total, Animal and Plant Health Inspection Service	851,176	954,481	916,688	+ 65,512	- 37,793
Agricultural Marketing Service:					
Marketing Services	74,937	74,988	80,145	+ 5,208	+ 5,157
(Limitation on administrative expenses, from fees collected)	(62,211)	(61,233)	(61,233)	(- 978)	.....
Funds for strengthening markets, income, and supply (transfer from section 32)	16,425	16,798	16,798	+ 373	.....
Discretionary appropriations	20,000	20,000	10,000	- 10,000	- 10,000
Payments to states and possessions	1,334	1,334	3,834	+ 2,500	+ 2,500
Total, Agricultural Marketing Service	112,696	113,120	110,777	- 1,919	- 2,343
Grain Inspection, Packers and Stockyards Administration:					
Salaries and expenses	37,785	44,385	39,115	+ 1,330	- 5,270
Limitation on inspection and weighing services	(42,463)	(42,463)	(42,463)	.....	.....
Office of the Under Secretary for Food Safety	600	659	632	+ 32	- 27
Food Safety and Inspection Service	892,136	930,120	930,620	+ 38,484	+ 500
Lab accreditation fees	(1,000)	.....	.....	(- 1,000)	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2007 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2008—Continued
[In thousands of dollars]

Item	2007 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2007 appropriation	Budget estimate
Total, Production, Processing, and Marketing	4,976,235	4,874,722	5,067,746	+ 91,511	+ 193,024
Farm Assistance Programs					
Office of the Under Secretary for Farm and Foreign Agricultural Services	632	695	666	+ 34	- 29
Farm Service Agency:					
Salaries and expenses	1,030,193	1,228,662	1,160,662	+ 130,469	- 68,000
(Transfer from export loans)	(343)	(359)	(349)	(+ 6)	(- 10)
(Transfer from Public Law 480)	(3,207)	(2,761)	(2,749)	(- 458)	(- 12)
(Transfer from ACIF)	(303,309)	(311,737)	(310,230)	(+ 6,921)	(- 1,507)
(Transfer from farm storage loan program account) .....	.....	(4,660)	(4,660)	(+ 4,660)	.....
Subtotal, transfers from program accounts	(306,859)	(319,517)	(317,988)	(+ 11,129)	(- 1,529)
Total, Salaries and expenses	(1,337,052)	(1,548,179)	(1,478,650)	(+ 141,598)	(- 69,529)
State mediation grants	4,208	4,000	4,750	+ 542	+ 750
Grassroot source water protection program	3,713	.....	3,713	.....	+ 3,713
Dairy indemnity program	100	100	100	.....	.....
Subtotal, Farm Service Agency	1,038,214	1,232,762	1,169,225	+ 131,011	- 63,537
Agricultural Credit Insurance Fund Program Account:					
Loan authorizations:					
Farm ownership loans:					
Direct	(207,642)	(223,857)	(223,857)	(+ 16,215)	.....
Guaranteed	(1,386,000)	(1,200,000)	(1,247,400)	(- 138,600)	(+ 47,400)
Subtotal	(1,593,642)	(1,423,857)	(1,471,257)	(- 122,385)	(+ 47,400)
Farm operating loans:					
Direct	(643,500)	(629,595)	(579,150)	(- 64,350)	(- 50,445)

Unsubsidized guaranteed	(1,138,500)	(1,000,000)	(1,024,650)	(-113,850)	(+24,650)
Subsidized guaranteed	(271,886)	(250,000)	(271,886)	.....	(+21,886)
Subtotal	(2,053,886)	(1,879,595)	(1,875,686)	(-178,200)	(-3,909)
Indian tribe land acquisition loans	(2,000)	(3,960)	(3,960)	(+1,960)	.....
Boll weevil eradication loans	(100,000)	(59,400)	(100,000)	.....	(+40,600)
Total, loan authorizations	(3,749,528)	(3,366,812)	(3,450,903)	(-298,625)	(+84,091)
Loan subsidies:					
Farm ownership loans:					
Direct	8,700	9,962	9,962	+1,262	.....
Guaranteed	8,039	4,800	4,990	-3,049	+190
Subtotal	16,739	14,762	14,952	-1,787	+190
Farm operating loans:					
Direct	75,225	79,896	73,494	-1,731	-6,402
Unsubsidized guaranteed	28,121	24,200	24,797	-3,324	+597
Subsidized guaranteed	27,379	33,350	36,270	+8,891	+2,920
Subtotal	130,725	137,446	134,561	+3,836	-2,885
Indian tribe land acquisition	423	125	125	-298	.....
Boll weevil eradication	1,900	.....	.....	-1,900	.....
Total, loan subsidies	149,787	152,333	149,638	-149	-2,695
ACIF expenses:					
Salaries and expense (transfer to FSA)	303,309	311,737	310,230	+6,921	-1,507
Administrative expenses	7,920	7,920	7,920	.....	.....
Total, ACIF expenses	311,229	319,657	318,150	+6,921	-1,507
Total, Agricultural Credit Insurance Fund	461,016	471,990	467,788	+6,772	-4,202
(Loan authorization)	(3,749,528)	(3,366,812)	(3,450,903)	(-298,625)	(+84,091)
Total, Farm Service Agency	1,499,230	1,704,752	1,637,013	+137,783	-67,739
Risk Management Agency:					
Administrative and operating expenses	76,658	79,062	78,833	+2,175	-229

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2007 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2008—Continued
(In thousands of dollars)

Item	2007 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)		
				2007 appropriation	Budget estimate	
Total, Farm Assistance Programs	1,576,520	1,784,509	1,716,512	+ 139,992	- 67,997	
Corporations						
Federal Crop Insurance Corporation:						
Federal crop insurance corporation fund	4,379,256	4,818,099	4,818,099	+438,843	.....
Commodity Credit Corporation Fund:						
Reimbursement for net realized losses	23,098,328	12,983,000	12,983,000	-10,115,328	.....
Hazardous waste management (limitation on expenses)	(5,000)	(5,000)	(5,000)	.....	.....
Farm Storage Facility Loans Program Account:						
Salaries and expenses:						
Farm Service Agency (transfer to FSA) .....	.....	4,660	4,660	+ 4,660	.....
Total, Corporations	27,477,584	17,805,759	17,805,759	-9,671,825	.....
Total, title I, Agricultural Programs	34,030,339	24,464,990	24,590,017	-9,440,322	+125,027	
(By transfer)	(306,859)	(319,517)	(317,988)	(+ 11,129)	(- 1,529)	
(Loan authorization)	(3,749,528)	(3,366,812)	(3,450,903)	(- 298,625)	(+ 84,091)	
(Limitation on administrative expenses)	(109,674)	(108,696)	(108,696)	(- 978)	.....
TITLE II—CONSERVATION PROGRAMS						
Office of the Under Secretary for Natural Resources and Environment	742	822	781	+ 39	- 41	
Natural Resources Conservation Service:						
Conservation operations	763,360	801,825	862,996	+ 99,636	+ 61,171	
Watershed surveys and planning	6,056	.....	.....	- 6,056	.....
Watershed and flood prevention operations .....	.....	.....	33,450	+ 33,450	+ 33,450
Watershed rehabilitation program	31,309	5,807	20,000	- 11,309	+ 14,193	
Resource conservation and development	51,088	14,653	53,150	+ 2,062	+ 38,497	
Healthy forests reserve program .....	.....	2,476	2,476	+ 2,476	.....

Total, Natural Resources Conservation Service	851,813	824,761	972,072	+ 120,259	+ 147,311
Total, title II, Conservation Programs	852,555	825,583	972,853	+ 120,298	+ 147,270
TITLE III—RURAL DEVELOPMENT PROGRAMS					
Office of the Under Secretary for Rural Development	632	695	666	+ 34	- 29
Rural Development:					
Rural community advancement program	737,135			- 737,135	
(Transfer out)	(- 25,740)			(+ 25,740)	
Total, Rural community advancement program	737,135			- 737,135	
RD expenses:					
Salaries and expenses	161,298	208,194	175,302	+ 14,004	- 32,892
(Transfer from RHF)	(452,927)	(434,890)	(462,521)	(+ 9,594)	(+ 27,631)
(Transfer from MHRP)					
(Transfer from RDLFP)	(4,774)	(4,576)	(4,861)	(+ 87)	(+ 285)
(Transfer from RETLP)	(38,623)	(37,009)	(39,405)	(+ 782)	(+ 2,396)
Subtotal, Transfers from program accounts	(496,324)	(476,475)	(506,787)	(+ 10,463)	(+ 30,312)
Total, RD expenses	(657,622)	(684,669)	(682,089)	(+ 24,467)	(- 2,580)
Total, Rural Development	898,433	208,194	175,302	- 723,131	- 32,892
Rural Housing Service:					
Rural Housing Insurance Fund Program Account:					
Loan authorizations:					
Single family direct (sec. 502)	(1,129,391)		(1,129,391)		(+ 1,129,391)
Unsubsidized guaranteed	(3,644,224)	(4,848,611)	(3,561,111)	(- 83,113)	(- 1,287,500)
Subtotal, Single family	(4,773,615)	(4,848,611)	(4,690,502)	(- 83,113)	(- 158,109)
Housing repair (sec. 504)	(34,652)	(22,855)	(34,652)		(+ 11,797)
Rental housing (sec. 515)	(99,000)		(70,000)	(- 29,000)	(+ 70,000)
Site loans (sec. 524)	(5,000)	(5,045)	(5,045)	(- 45)	
Multi-family housing guarantees (sec. 538)	(99,000)	(200,000)	(150,000)	(+ 51,000)	(- 50,000)
Multi-family housing credit sales	(1,485)	(1,408)	(1,485)		(+ 77)
Single family housing credit sales	(10,000)	(10,000)	(10,000)		

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2007 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2008—Continued

(In thousands of dollars)

Item	2007 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2007 appropriation	Budget estimate
Self-help housing land develop. (sec. 523)	(4,998)		(5,000)	(+2)	(+5,000)
Total, Loan authorizations	(5,027,750)	(5,087,919)	(4,966,684)	(-61,066)	(-121,235)
Loan subsidies:					
Single family direct (sec. 502)	113,278		105,824	-7,454	+105,824
Unsubsidized guaranteed	42,641	10,070	42,495	-146	+32,425
Subtotal, Single family	155,919	10,070	148,319	-7,600	+138,249
Housing repair (sec. 504)	10,240	6,461	9,796	-444	+3,335
Rental housing (sec. 515)	45,213		29,827	-15,386	+29,827
Multi-family housing guarantees (sec. 538)	7,663	18,800	14,100	+6,437	-4,700
Multi-family housing credit sales	673	523	552	-121	+29
Single family housing credit sales	48			-48	
Self-help housing, land develop. (sec. 523)	123		142	+19	+142
Multi-family housing preservation	8,910			-8,910	
Total, Loan subsidies	228,789	35,854	202,736	-26,053	+166,882
RHF administrative expenses (transfer to RD)	452,927	434,890	462,521	+9,594	+27,631
Total, Rural Housing Insurance Fund	681,716	470,744	665,257	-16,459	+194,513
(Loan authorization)	(5,027,750)	(5,087,919)	(4,966,684)	(-61,066)	(-121,235)
Rental assistance program:					
(Sec. 521)	608,100	567,000	490,950	-117,150	-76,050
(Sec. 502(c)(5)(D))	7,920		6,000	-1,920	+6,000
Total, Rental assistance program	616,020	567,000	496,950	-119,070	-70,050
Rural housing voucher program	15,840		15,500	-340	+15,500
Multi-family housing revitalization program account		27,800	15,000	+15,000	-12,800

MHRP administrative expenses (transfer to RD)										
MHRP revolving loans					2,923					+ 2,923
Total, Multifamily housing revitalization	15,840	27,800			33,423					+ 5,623
Mutual and self-help housing grants	33,660	9,500			38,000					+ 28,500
Rural housing assistance grants	43,603	39,000			40,590					+ 1,590
Farm labor housing program account:										
(Loan authorization)	(38,117)	(13,520)			(27,739)					(+ 14,219)
Loan subsidy	18,277	5,849			12,000					+ 6,151
Grants	13,860	4,000			10,000					+ 6,000
Total, Farm Labor Housing Program Account	32,137	9,849			22,000					+ 12,151
Rural community program account:										
Loan authorizations:										
Community facility:		(302,414)			(297,000)					(- 5,414)
Guaranteed		(210,000)			(207,900)					(- 2,100)
Total, Loan authorizations		(512,414)			(504,900)					(- 7,514)
Loan subsidies and grants:										
Community facility:										
Direct		16,784			16,484					- 300
Guaranteed		7,728			7,651					- 77
Grants					17,000					+ 17,000
Rural Community Development Initiative grants					6,287					+ 6,287
Tribal college grants					4,000					+ 4,000
Economic impact initiative grants					16,000					+ 16,000
Total, Loan subsidies and grants		24,512			67,422					+ 42,910
Subtotal, grants and payments	109,400	82,861			168,012					+ 85,151
Total, Rural Housing Service	1,422,976	1,148,405			1,363,642					+ 215,237
(Loan authorization)	(5,065,867)	(5,613,853)			(5,499,323)					(- 114,530)
Rural Business—Cooperative Service:										
Rural Development Loan Fund Program Account:										
(Loan authorization)	(33,870)	(33,772)			(33,870)					(+ 98)
Loan subsidy	14,927	14,485			14,527					+ 42

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2007 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2008—Continued
[In thousands of dollars]

Item	2007 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2007 appropriation	Budget estimate
Administrative expenses (transfer to RD)	4,774	4,576	4,861	+ 87	+ 285
Total, Rural Development Loan Fund	19,701	19,061	19,388	- 313	+ 327
Rural Economic Development Loans Program Account:					
(Loan authorization)	(24,752)	(33,077)	(33,077)	(+ 8,325)	
Direct subsidy	5,406	(7,472)	(7,472)	- 5,406	
Mandatory subsidy (NA)	(10,000)	(10,000)	(10,000)	(+ 7,472)	
Rural economic development grants (NA)					
Rural cooperative development grants:					
Cooperative development	3,753	4,455	4,455	+ 702	
Appropriate technology transfer for rural areas	936		3,000	+ 2,064	+ 3,000
Cooperative research agreement	495			- 495	
Value-added agricultural product market development	20,295	15,000	17,475	- 2,820	+ 2,475
Grants to assist minority producers	1,239	1,473	1,473	+ 234	
Total, Rural Cooperative development grants	26,718	20,928	26,403	- 315	+ 5,475
Rural empowerment zones and enterprise communities grants	11,088		10,000	- 1,088	+ 10,000
Renewable energy program:					
(Loan authorization)	(176,512)	(195,470)	(176,512)		(- 18,958)
Loan subsidy	11,456	18,941	17,104	+ 5,648	- 1,837
Grants	11,385	15,000	11,385		- 3,615
Total, Renewable energy program	22,841	33,941	28,489	+ 5,648	- 5,452
Rural Business Program Account:					
(Guaranteed business and industry loans)		(1,000,000)	(1,000,000)	(+ 1,000,000)	
Guaranteed business and industry subsidy		43,200	43,200	+ 43,200	
Grants:					
Rural business enterprise			38,000	+ 38,000	+ 38,000
Rural business opportunity			2,000	+ 2,000	+ 2,000

Delta regional authority				3,000	+ 3,000	+ 3,000
Total, Rural Business Program Account		43,200		86,200	+ 86,200	+ 43,000
Total, Rural Business—Cooperative Service	85,754	117,130		170,480	+ 84,726	+ 53,350
(Loan authorization)	(235,134)	(1,262,319)		(1,243,459)	(+ 1,008,325)	(- 18,860)
Rural Utilities Service:						
Rural Electrification and Telecommunications Loans Program Account:						
Loan authorizations:						
Electric:						
Direct, 5 percent	(99,000)	(100,000)	(100,000)	(100,000)	(+ 1,000)	
Direct, Municipal rate	(100,764)				(- 100,764)	
Direct, FFB	(2,700,000)	(4,000,000)	(6,500,000)	(6,500,000)	(+ 3,800,000)	(+ 2,500,000)
Direct, Treasury rate	(990,000)				(- 990,000)	
Guaranteed underwriting	(1,500,000)		(1,000,000)	(1,000,000)	(- 500,000)	(+ 1,000,000)
Subtotal, Electric	(5,389,764)	(4,100,000)	(7,600,000)	(7,600,000)	(+ 2,210,236)	(+ 3,500,000)
Telecommunications:						
Direct, 5 percent	(145,000)	(145,000)	(145,000)	(145,000)		
Direct, Treasury rate	(419,760)	(250,000)	(250,000)	(250,000)	(- 169,760)	
Direct, FFB	(125,000)	(295,000)	(295,000)	(295,000)	(+ 170,000)	
Subtotal, Telecommunications	(689,760)	(690,000)	(690,000)	(690,000)	(+ 240)	
Total, Loan authorizations	(6,079,524)	(4,790,000)	(8,290,000)	(8,290,000)	(+ 2,210,476)	(+ 3,500,000)
Loan subsidies:						
Electric:						
Direct, 5 percent	2,119	120	120	120	- 1,999	
Direct, Municipal rate	1,522				- 1,522	
Subtotal, Electric	3,641	120	120	120	- 3,521	
Telecommunications:						
Direct, 5 percent	537	116	116	116	- 421	
Direct, Treasury rate	126	1,675	1,675	1,675	+ 1,549	
Direct, FFB		1,829	1,829	1,829	+ 1,829	
Subtotal, Telecommunications	663	3,620	3,620	3,620	+ 2,957	

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2007 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2008—Continued

[In thousands of dollars]

Item	2007 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2007 appropriation	Budget estimate
Total, Loan subsidies	4,304	3,740	3,740	-564	.....
RETLP administrative expenses (transfer to RD)	38,623	37,009	39,405	+782	+2,396
Total, Rural Electrification and Telecommunications Loans Program Account	42,927	40,749	43,145	+218	+2,396
(Loan authorization)	(6,079,524)	(4,790,000)	(8,290,000)	(+2,210,476)	(+3,500,000)
Distance learning, telemedicine, and broadband program: Loan authorizations: Broadband telecommunications	(495,000)	(300,000)	(495,000)	.....	(+195,000)
Total, Loan authorizations	(495,000)	(300,000)	(495,000)	.....	(+195,000)
Loan subsidies and grants: Distance learning and telemedicine: Grants	29,700	24,750	34,750	+5,050	+10,000
Broadband telecommunications: Direct	10,643	6,450	10,643	+4,193	.....
Grants	8,910	.....	8,910	.....	+8,910
Total, Loan subsidies and grants	49,253	31,200	54,303	+5,050	+23,103
Rural water and waste disposal program account: Loan authorizations: Direct .....	.....	(1,080,239)	(1,080,234)	(+1,080,234)	(-5)
Guaranteed .....	.....	(75,000)	(75,000)	(+75,000)	.....
Total, Loan authorization .....	.....	(1,155,239)	(1,155,234)	(+1,155,234)	(-5)
Loan subsidies and grants: Direct subsidy .....	.....	153,394	73,564	+73,564	-79,830
Water and waste grants .....	.....	345,970	437,748	+437,748	+91,828
Solid waste management grants .....	.....	3,465	3,465	+3,465	.....

Emergency Community Water Assistance grants				13,692	+ 13,692	+ 13,692
Individual water well grants						
Water and waste financing revolving fund				22,000	+ 22,000	+ 22,000
High energy cost grants						
Total, loan subsidies and grants		502,779		550,469	+ 550,469	+ 47,690
Total, Rural Utilities Service		574,728		647,917	+ 555,737	+ 73,189
(Loan authorization)	(6,574,524)	(6,245,239)		(9,940,234)	(+ 3,365,710)	(+ 3,694,995)
Total, title III, Rural Economic and Community Development Programs		2,049,152		2,358,007	- 141,968	+ 308,855
(By transfer)	(496,324)	(476,475)		(506,787)	(+ 10,463)	(+ 30,312)
(Loan authorization)	(11,875,525)	(13,121,411)		(16,683,016)	(+ 4,807,491)	(+ 3,561,605)
TITLE IV—DOMESTIC FOOD PROGRAMS						
Office of the Under Secretary for Food, Nutrition and Consumer Services	597	655		628	+ 31	- 27
Food and Nutrition Service:						
Child nutrition programs	7,614,523	7,592,797		7,662,215	+ 47,692	+ 69,418
Transfer from section 32	5,731,073	6,304,475		6,235,057	+ 503,984	- 69,418
Total, Child nutrition programs	13,345,596	13,897,272		13,897,272	+ 551,676	
Special supplemental nutrition program for women, infants, and children (WIC)	5,204,430	5,386,597		5,720,000	+ 515,570	+ 333,403
Food stamp program:						
Expenses	33,463,137	35,053,973		35,017,973	+ 1,554,836	- 36,000
Armed forces provision	1,000				- 1,000	
Reserve	3,000,000	3,000,000		3,000,000		
Nutrition assistance for Puerto Rico and Samoa	1,557,397	1,621,250		1,621,250	+ 63,853	
The emergency food assistance program	140,000	140,000		140,000		
CSFP transitional benefit		21,000				- 21,000
CSFP outreach grant		2,000				- 2,000
Total, Food stamp program	38,161,534	39,838,223		39,779,223	+ 1,617,689	- 59,000
Commodity assistance program:						
Commodity supplemental food program	107,202			128,000	+ 20,798	+ 128,000
Farmers market nutrition program	19,800	19,800		20,000	+ 200	+ 200
Emergency food assistance program	49,500	49,500		50,000	+ 500	+ 500
Pacific island and disaster assistance	1,070	1,070		1,070		

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2007 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
 FOR FISCAL YEAR 2008—Continued
 (In thousands of dollars)

Item	2007 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2007 appropriation	Budget estimate
Total, Commodity assistance program	177,572	70,370	199,070	+ 21,498	+ 128,700
Nutrition programs administration	140,252	148,926	147,426	+ 7,174	- 1,500
Total, Food and Nutrition Service	57,029,384	59,341,388	59,742,991	+ 2,713,607	+ 401,603
Total, title IV, Domestic Food Programs	57,029,981	59,342,043	59,743,619	+ 2,713,638	+ 401,576
TITLE V—FOREIGN ASSISTANCE AND RELATED PROGRAMS					
Foreign Agricultural Service:					
Salaries and expenses, direct appropriation	156,220	168,209	167,391	+ 11,171	- 818
(Transfer from export loans)	(3,433)	(4,985)	(4,985)	(+ 1,552)	.....
(Transfer from Public Law 480)	(166)	.....	.....	(- 166)	.....
Total, Salaries and expenses program level	(159,819)	(173,194)	(172,376)	(+ 12,557)	(- 818)
Public Law 480 Program and Grant Accounts:					
Title II—Commodities for disposition abroad:					
Program level	(1,214,711)	(1,219,400)	(1,219,400)	(+ 4,689)	.....
Appropriation	1,214,711	1,219,400	1,219,400	+ 4,689	.....
Salaries and expenses:					
Foreign Agricultural Service (transfer to FAS)	166	.....	.....	- 166	- 12
Farm Service Agency (transfer to FSA)	3,207	2,761	2,749	- 458	.....
Subtotal	3,373	2,761	2,749	- 624	- 12
Total, Public Law 480:					
Program level	(1,214,711)	(1,219,400)	(1,219,400)	(+ 4,689)	.....
Appropriation	1,218,084	1,222,161	1,222,149	+ 4,065	- 12

CCC Export Loans Program Account (administrative expenses):							
Salaries and expenses (Export Loans):	3,433	4,985	4,985	4,985	+ 1,552		
General Sales Manager (transfer to FAS)	343	359	349	349	+ 6		- 10
Farm Service Agency (transfer to FSA)							
Total, CCC Export Loans Program Account	3,776	5,344	5,334	5,334	+ 1,558		- 10
McGovern-Dole international food for education and child nutrition program grants	99,000	100,000	100,000	100,000	+ 1,000		
Total, title V, Foreign Assistance and Related Programs	1,477,080	1,495,714	1,494,874	1,494,874	+ 17,794		- 840
(By transfer)	(3,599)	(4,985)	(4,985)	(4,985)	(+ 1,386)		
TITLE VI—RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION							
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Food and Drug Administration							
Salaries and expenses, direct appropriation	1,569,244	1,635,709	1,755,135	1,755,135	+ 185,891		+ 119,426
Prescription Drug User Fee Act	(352,200)	(339,195)	(459,000)	(459,000)	(+ 106,800)		(+ 119,805)
Medical Device User Fee Act	(43,726)	(47,500)	(48,431)	(48,431)	(+ 4,705)		(+ 931)
Animal Drug User Fee Act	(11,604)	(13,696)	(13,696)	(13,696)	(+ 2,092)		
Generic drug user fee		(15,701)					(- 15,701)
Reinspection fees (user fees) (leg. prop) NA		(23,276)					(- 23,276)
Food export fees (user fees) (leg. prop) NA		(3,741)					(- 3,741)
Subtotal	(1,976,774)	(2,051,801)	(2,276,262)	(2,276,262)	(+ 299,488)		(+ 224,461)
Mammography clinics user fee (outlay savings)	(17,522)	(18,398)	(18,398)	(18,398)	(+ 876)		
Export and color certification	(8,481)	(9,500)	(9,500)	(9,500)	(+ 1,019)		
Payments to GSA	(126,871)	(131,533)	(131,533)	(131,533)	(+ 4,662)		
Buildings and facilities	4,950	4,950	4,950	4,950			
Total, Food and Drug Administration	1,574,194	1,640,659	1,760,085	1,760,085	+ 185,891		+ 119,426
INDEPENDENT AGENCIES							
Farm Credit Administration (limitation on administrative expenses)	(44,250)	(46,000)	(46,000)	(46,000)	(+ 1,750)		
Total, title VI, Related Agencies and Food and Drug Administration	1,574,194	1,640,659	1,760,085	1,760,085	+ 185,891		+ 119,426

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2007 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2008—Continued
[In thousands of dollars]

Item	2007 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2007 appropriation	Budget estimate
TITLE VII—GENERAL PROVISIONS					
Denali Commission	743	.....	437	-306	+437
Section 32 (rescission) (sec. xxx)	-37,601	-65,452	-33,100	-293,399	-265,548
Specialty crop grants (sec. 736)	6,930	.....	.....	-6,930	.....
Healthy Forest Reserve	2,476	.....	.....	-2,476	.....
Food stamp program employment & training (rescission)	-11,200	.....	.....	+11,200	.....
ARS buildings and facilities (rescission) .....	.....	-16,000	.....	.....	+16,000
Hawaii APHIS facility .....	.....	.....	200	+200	+200
National Center for Natural Products Research .....	.....	.....	5,000	+5,000	+5,000
Across-the-board Pay Raise (H.J. Res. 20, Sec. 111) (outlays) .....	.....	.....	.....	.....	.....
Emergency Conservation program .....	.....	.....	10,000	+10,000	+10,000
Hardwoods Trees .....	.....	.....	1,000	+1,000	+1,000
Total, title VII, General provisions	-38,652	-81,452	-314,363	-275,711	-232,911
Grand total	97,425,472	89,736,689	90,605,092	-6,820,380	+868,403
Appropriations	(97,474,273)	(89,818,141)	(90,936,092)	(-6,538,181)	(+1,117,951)
Emergency Appropriations .....	.....	.....	.....	.....	.....
Rescissions	(-48,801)	(-81,452)	(-331,000)	(-282,199)	(-249,548)
(By transfer)	(806,782)	(800,977)	(829,760)	(+22,978)	(+28,783)
(Loan authorization)	(15,625,053)	(16,488,223)	(20,133,919)	(+4,508,866)	(+3,645,696)
(Limitation on administrative expenses)	(153,924)	(154,696)	(154,696)	(+772)	.....
RECAPITULATION					
Title I—Agricultural programs	34,030,339	24,464,990	24,590,017	-9,440,322	+125,027
Mandatory	(27,494,109)	(17,817,997)	(17,817,997)	(-9,676,112)	.....
Discretionary	(6,536,230)	(6,646,993)	(6,772,020)	(+235,790)	(+125,027)
Title II—Conservation programs (discretionary)	852,555	825,583	972,853	+120,298	+147,270
Title III—Rural economic and community development programs (discretionary)	2,499,975	2,049,152	2,358,007	-141,968	+308,855

Title IV—Domestic food programs	57,029,981	59,342,043	59,743,619	+ 2,713,638	+ 401,576
Mandatory	(51,506,130)	(53,712,495)	(53,676,495)	(+ 2,170,365)	(- 36,000)
Discretionary	(5,523,851)	(5,629,548)	(6,067,124)	(+ 543,273)	(+ 437,576)
Title V—Foreign assistance and related programs (discretionary)	1,477,080	1,495,714	1,494,874	+ 17,794	- 840
Title VI—Related agencies and Food and Drug Administration (discretionary)	1,574,194	1,640,659	1,760,085	+ 185,891	+ 119,426
Title VII—General provisions (discretionary)	- 38,652	- 81,452	- 314,363	- 275,711	- 232,911
Other appropriations (discretionary) .....	.....	.....	.....	.....	.....
Total	97,425,472	89,736,689	90,605,092	- 6,820,380	+ 868,403

○