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AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 2018

JULY 17, 2017.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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

R E P O R T

together with

ADDITIONAL VIEWS

[To accompany H.R. 3268]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for fiscal year 2018.

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OVERVIEW

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Subcommittee has jurisdiction over the U.S. Department of Agriculture (USDA), except for the Forest Service, the Food and Drug Administration (FDA), the Commodity Futures Trading Commission (CFTC), and the Farm Credit Administration (FCA). The Subcommittee's responsibility covers a vast and diverse group of agencies responsible for such things as promoting

the production of a plentiful food supply; assisting farmers and ranchers across the country with sound production practices; improving the quality of life and vitality of communities in rural America; assisting indigent populations in the U.S. and abroad with basic nutritional needs; research and development in agriculture to improve productivity and stability; overseeing commodity markets that provide confidence for businesses, traders, investors, and the public; supporting a safe food supply; and safe and effective drugs and medical devices. The activities of these agencies impact every American every day of the year.

The funding levels provided in this appropriations bill continue to demonstrate how seriously this Committee takes its responsibility to fund the highest priority programs and activities while helping to address the nation's debt, deficit, and economic challenges.

The Committee does not include funding to begin new programs and, except where specifically noted, does not provide additional funding for pay increases. The Committee identifies savings of almost $1,000,000,000 at USDA and reins in regulatory overreach at the FDA, USDA, and CFTC.

OVERSIGHT AND HEARINGS

Consistent with the Committee on Appropriations Oversight Plan, as approved and transmitted to the Committee on Oversight and Government Reform and the Committee on House Administration in January of 2017, the Subcommittee began the fiscal year 2018 process committed to maintaining the Committee's focus on comprehensive oversight of federal discretionary spending under the Subcommittee's jurisdiction. In order to thoroughly review the President's budget request for fiscal year 2018 and examine how funds appropriated in previous years had been managed, the Subcommittee held six hearings for the agencies and programs of the USDA, the FDA, CFTC and the FCA. The hearings included:

USDA Inspector General—February 15, 2017
Farm Credit Administration—February 28, 2017
Member Day—March 9, 2017
Secretary of Agriculture—May 24, 2017
Food and Drug Administration—May 25, 2017
Commodity Futures Trading Commission—June 8, 2017

As stewards of the taxpayer's dollar, the Subcommittee is responsible for ensuring that the funds under its jurisdiction are wisely invested and properly used. As such, the Subcommittee established four objectives to guide its hearings, oversight activities, and the development of its bill and report recommendations for fiscal year 2018. These objectives include evaluating and accounting for taxpayer dollars to guarantee efficiency and accountability; investing in rural infrastructure as a catalyst for growth; ensuring support for American farmers, ranchers, and producers; and protecting the health of people, plants, and animals.

Through its oversight activities, the Subcommittee can accomplish its goal of improving the management of agencies and programs by identifying and reducing waste, fraud, and abuse. It is joined in this effort by USDA's Inspector General, CFTC's Inspector General, and the Inspector General's Office of the Department of Health and Human Services. During the hearing with USDA's Of-

fice of the Inspector General (OIG), the Subcommittee focused on USDA financial statements, improper payments, and how well USDA's agencies are managing their programs.

For the first time since 1998, the Farm Credit Administration testified before the Agriculture Subcommittee. The Subcommittee discussed FCA's role in providing access to credit, the critical safety net for our nation's producers, and the state of the American farm economy.

The Subcommittee questioned the Secretary of Agriculture about spending reductions included in USDA's budget request that are proposed for some of USDA's most popular and successful programs, such as Rural Development loan and grant programs and food aid programs. The Subcommittee also discussed USDA's proposal to reorganize several mission areas and create an Under Secretary for Trade and Foreign Agricultural Affairs as directed by the 2014 Farm Bill.

When the Subcommittee heard from the FDA, it focused on preventing burdensome regulations for producers and the American people, in addition to ongoing discussions of how the FDA is implementing the Food Safety Modernization Act (FSMA), addressing opioid abuse, and regulation of tobacco products. The FDA regulates over 20 percent of every consumer dollar spent on products in the U.S., and so the Subcommittee reminded the FDA to be aware of the comprehensive economic impact of their regulatory decisions.

While examining CFTC's budget request, the Subcommittee acknowledged the submission provided by the President for a funding level of $250,000,000. The Subcommittee reviewed how federal labor laws and collective bargaining agreements can create a coercive deficiency requiring an Act of Congress to avoid furloughs or terminations at the agency. Finally, the Subcommittee continued its oversight into policy issues including a scheduled, automatic reduction of the Swap Dealer de Minimis level.

Because the Subcommittee knows that it cannot fulfill all requests for funding, it focuses on those areas that are most effective, broadly supported, and capable of delivering positive outcomes and a substantial return on investment. The Subcommittee will monitor the issues identified by its constituents and other stakeholders, those issues discussed at the hearings, and other high priority matters relevant to the management of USDA, FDA, CFTC, and FCA. The Subcommittee will maintain its oversight efforts throughout the 115th Congress to ensure taxpayer dollars are wisely and prudently used on behalf of the American people.

TITLE I

AGRICULTURAL PROGRAMS

PROCESSING, RESEARCH AND MARKETING

OFFICE OF THE SECRETARY

(INCLUDING TRANSFERS OF FUNDS)

2017 appropriation	$44,555,000
2018 budget estimate	42,064,000
Provided in the bill	21,703,000
Comparison:	
2017 appropriation	−22,852,000
2018 budget estimate	−20,361,000

The following table reflects the amount provided by the Committee for each office and activity:

OFFICE OF THE SECRETARY

[Dollars in Thousands]

	FY 2017 Enacted	FY 2018 Estimate	Committee Provision
Office of the Secretary	$5,051	$4,859	$4,850
Office of Tribal Relations	502	501	501
Assistant to the Secretary for Rural Development	– – –	– – –	800
Office of Homeland Security and Emergency Coordination	1,496	1,448	1,448
Office of Advocacy and Outreach	1,209	1,171	1,171
Office of the Assistant Secretary for Administration	804	802	800
Departmental Administration	24,124	22,501	2,781
Office of the Assistant Secretary for Congressional Relations	3,869	3,521	3,091
Office of Communications	7,500	7,261	6,261
Total	$44,555	$42,064	$21,703

COMMITTEE PROVISIONS

For the Office of the Secretary, the Committee provides an appropriation of $21,703,000. The Committee recommendation includes the following offices under the Office of the Secretary: immediate Office of the Secretary; Office of Tribal Relations; Assistant to the Secretary for Rural Development; Office of Homeland Security and Emergency Coordination; Office of Advocacy and Outreach; Office of the Assistant Secretary for Administration; Departmental Administration; Office of the Assistant Secretary for Congressional Relations; and Office of Communications.

Pay Cost.—The Committee does not include requested funding for a civilian pay increase across the Department. Should the President provide a civilian pay increase for fiscal year 2018, it is assumed that the cost of such a pay increase will be absorbed within existing appropriations for fiscal year 2018.

Commodity Credit Corporation (CCC) Obligations and Commitments.—The Secretary is directed to notify the Committees on Appropriations of the House and Senate in writing 15 days prior to the obligation or commitment of any emergency funds from the CCC.

CCC Report.—The Committee directs the Secretary to provide a report on November 15, 2017, and May 16, 2018, on planned uses

of funding under the authorities of Section 4 and Section 11 of the CCC Charter Act.

Crop Biotechnology & Biotech Ingredients.—Public and private sector scientists knowledgeable in genetic engineering, toxicology, chemistry, nutrition, and other scientific areas have carefully evaluated and assessed the safety of genetically engineered plants, food, and food ingredients and have determined that such products are safe for human and animal consumption. The Committee directs USDA to continue coordination efforts with the FDA to provide education and outreach to the public on the safety and benefits of crop biotechnology and food and animal feed ingredients derived from biotechnology.

Nutrition Research Coordination.—The Committee seeks to bring more transparency and coordination to nutrition research and evaluation projects conducted by the Department. The Secretary is directed to ensure both the Research, Education, and Economics (REE) and the Food, Nutrition, and Consumer Services mission areas coordinate and finalize the Food and Nutrition Service (FNS) Research and Evaluation Plan submitted in fiscal year 2018 to prevent duplication of efforts and resources. The plan submitted for fiscal year 2018 shall include a brief description of the projects FNS expects to pursue and whether or not it was mandated by law.

Section 731 of the bill states that FNS shall not receive any funding for new research and evaluation projects in fiscal year 2018 until the Committees on Appropriations of the House and Senate receive the fiscal year 2018 Research and Evaluation Plan that has been developed in coordination with REE. In submitting the fiscal year 2019 budget justification, FNS is directed to provide its Research and Evaluation Plan simultaneously with its budget request. There is an expectation that this process will be followed in the future.

Improper Payments, Unachieved Savings, and Financial Management.—The Committee remains concerned with USDA's overall management of crucial financial issues that result in savings, efficiencies, and transparency for taxpayers. USDA has not complied with improper payment requirements for five consecutive years. Progress has been made in the area of financial statement accuracy and reporting, but work remains. OIG has also identified in open recommendations $724,000,000 in unachieved savings at USDA.

Congressional Relations Allocation Notification.—Within 30 days of the enactment of this Act, the Secretary shall notify the Committees on Appropriations of the House and Senate on the allocation of the funds provided to the Assistant Secretary for Congressional Relations by USDA agency, along with an explanation for the agency-by-agency distribution of the funds.

State Office Co-location.—The Committee continues to direct that any reallocation of resources related to the co-location of state offices scheduled for fiscal year 2018 and subsequent years is subject to the Committee's reprogramming procedures required under law.

Administrative Provision.—The Committee directs the Secretary to advise the Committees on Appropriations of the House and Senate, through the Office of Budget and Program Analysis (OBPA), of the status of all reports requested of the Department in this bill at the time of submission of the fiscal year 2019 budget request

and monthly thereafter. All correspondence related to the directives in this bill must be addressed to the Committee on Appropriations.

Loan and Grant Programs.—The Committee directs the Department, through OBPA, to provide quarterly reports to the Committees on Appropriations of the House and Senate on the status of obligations and funds availability for the loan and grant programs provided in this bill.

The Committee further directs that if an estimate of loan activity for any program funded in Titles II and III of this bill indicates that a limitation on authority to make commitments for a fiscal year will be reached before the end of that fiscal year, or in any event when 75 percent of the authority to make commitments has been utilized, the Secretary shall promptly notify the Committees on Appropriations of the House and Senate through OBPA.

Communication from USDA.—Members of the Committee must be informed of the activities, pending and proposed actions, and expenditures made by USDA and its respective agencies so that Congress can determine whether laws and programs are being implemented and carried out in accordance with the intent of Congress. A collaborative working relationship between the Committee and the agencies is necessary to ensure efficient and effective implementation of Congress' funding decisions. USDA is directed to ensure that the Committee is notified of major changes to existing policies and any significant developments in its operations prior to providing non-governmental stakeholders such information.

Grant Notifications.—Section 722 of the bill requires the Secretary to notify the Committees on Appropriations of the House and Senate three business days in advance of the announcement of discretionary grant allocations or contract awards totaling $1,000,000 or more. The Committee also directs USDA to provide quarterly reports on all discretionary grant awards totaling less than $1,000,000. The Committee expects these deadlines to be met.

Decentralized Rent and Homeland Security.—In fiscal year 2015, the Committee provided the Department with the authority to decentralize rent from the General Services Administration (GSA) and the Department of Homeland Security (DHS). The previous Administration requested this authority "as part of USDA's implementation of the former President's 'Freeze the Federal Footprint' initiative" and to encourage efficiencies across the Department at individual agencies. The Secretary is directed to build upon these efforts to find savings within the total estimated costs for fiscal year 2018. If USDA does not find ways to reduce its physical footprint or the cost of its existing footprint, such increased costs will need to be absorbed by the agency to the detriment of the core missions of these agencies.

Real Property.—The Committee directs the Department to review their real property portfolio and develop an action plan which prioritizes actions for the disposal of excess or underutilized property. Recognizing challenges to property disposal exist, the Department is encouraged to partner with Congress to explore ways to improve and expedite the property disposition process.

FSMA Implementation and Interagency Coordination.—The Committee provides level funding for the National Institute for Food and Agriculture (NIFA) to be the sole agency providing education and technical assistance for farmers in implementing new require-

ments resulting from FSMA. The Committee commends NIFA's extension programs for the relationship they have built with our nation's producers, and hopes that they will continue to build this trust through FSMA implementation. The Secretary is directed to work with the Commissioner of the FDA to ensure that there is no duplication of efforts and resources for FSMA education and training at the farm level.

Design-Build.—The Committee encourages the Department to use the design-build method of project delivery when appropriate.

Flexibility in Loan and Loan Guarantee Levels.—The bill includes language to exceed by up to 25 percent the limitation on loan and loan guarantee levels without budget authority upon written notification to the Committees on Appropriations of the House and Senate.

Rural Poverty.—The Department has statutory authorities and programs designed to help break the multi-generational trap of poverty in rural counties. The Committee recognizes that USDA may utilize existing programs and funding within RD and FNS in order to assist families, create jobs, and develop a path towards independence and self-sufficiency. Other existing resources such as the extension service and public universities can be used for coordination and outreach activities. As of June 2017, the Committee has not received the detailed plan required to be submitted by the Secretary which would detail all funding resources and bundled services to combat rural poverty.

Urban Agriculture, Vertical Farming, Aquaponics, and Non-Traditional Agriculture.—The Committee acknowledges the need for an expanded USDA role in support of the emerging industries of vertical farming, urban agriculture, aquaponics, and alternative forms of agriculture in American cities and surrounding communities. Support from the Department is needed for producers who often have different needs than traditional agricultural producers. These non-traditional methods of agricultural production have the potential to reduce the use of water and pesticides, improve yields for particular crops, serve lower income populations, and provide year round crops at the local level. USDA should consider intramural and extramural research where the Department and its stakeholders can work towards advancing technologies in this field. Therefore, the Committee directs USDA to evaluate current needs in this field, compare the needs with current or planned activities, and deliver a report explaining how to further advance urban agriculture, vertical farming, aquaponics and other forms of non-traditional agriculture.

Under Secretary for Trade and Foreign Agricultural Affairs.—The Committee supports the newly established Under Secretary for Trade and Foreign Agricultural Affairs as required by the 2014 Farm Bill and subsequent Agriculture Appropriations Acts. The focus of this office should be not only the promotion and sales of American agricultural products but also trade enforcement and related activities, which will help level the playing field for U.S. agricultural interests in international markets.

Smart Energy Management Systems.—The Committee encourages the Department to evaluate emerging energy management technologies that could assist in creating more reliable and resilient energy infrastructure for farming operations. Opportunities to

improve smart energy management systems, including battery life, have a multitude of benefits including reducing operating costs and extending the life of the system while assisting utility companies by increasing the resiliency of the grid and reducing the need for peak power.

Agroterrorism.—The United States enjoys a safe, plentiful, and inexpensive food supply. The Committee views domestic food production as a priority for national security. The Committee is concerned with the growing threats posed by agroterrorism, which is the deliberate introduction of an animal or plant disease for the purpose of generating fear, causing economic losses, or undermining social stability. The dangers to our food production posed from foreign terrorist organizations are real. The Committee directs the Secretary to explore the Department's laboratory and response capacity to address the reality of agroterrorism, and how national response plans can better incorporate agroterrorism. The Committee encourages the Secretary to coordinate with DHS, HHS, intelligence agencies, Interior, EPA, and other agencies to improve response plans, conduct vulnerability assessments, and expand monitoring and surveillance for agroterrorism. The Committee also encourages the Secretary to focus on bolstering tracking systems for agricultural products, laboratory networks, and border inspection training.

Native American Foods.—Native American tribes suffer among the highest rates of diabetes in the United States. Traditional Native American diets have been shown to be culturally relevant and protective against metabolic diseases such as diabetes. The Food Distribution Program on Indian Reservations (FDPIR) has increased the variety of traditional foods offered in the program. The Committee directs USDA to develop programs in conjunction with Indian Tribal Organizations to restore food ecosystems and revive traditional foods based on dietary preferences of Native American populations. USDA shall continue to collaborate with FDPIR agencies on recommendations for food package changes, including the addition of traditional foods.

Rural Broadband.—The Committee directs the Department to continue coordinating with Federal Communications Commission, National Telecommunications and Information Administration and other related federal agencies to ensure that policies tied to one federal program do not undermine the objectives and functionality of another. The Committee encourages USDA to continue working with the rural communications industry to identify and pursue ways to continue broadband deployment and adoption.

The Committee directs the Department to prepare a report in collaboration with the Federal Communications Commission and Department of Commerce detailing areas of responsibility towards addressing rural broadband issues. The report shall include, but not be limited to, how the programs work complimentarily to one another; how they address broadband issues in unserved and underserved areas, including tribal lands; identify barriers to infrastructure investment in rural areas and tribal lands; data speeds which fixed, wireless and mobile broadband users in rural areas and tribal lands experience; and cost estimates to increase speeds to 25 mbps in unserved communities and communities currently being served by speeds less than 25 mbps. The report shall be sub-

mitted to the Committee within 180 days of enactment of this Act. This information will help to provide lawmakers with a more complete understanding of connectivity issues in rural America as the Committee considers future funding for broadband to bridge the digital divide.

Cotton Ginning Cost Share Program.—The Committee supports the establishment of a Cotton Ginning Cost Share Program for the 2016 cotton crop. The Committee recognizes the significant challenges cotton producers continue to face. If the Secretary establishes such a program, the Committee encourages the Secretary provide such assistance beginning with the 2016 cotton crop and on an ongoing basis, consistent with 7 U.S.C. 1308(b).

Science, Technology, Engineering and Mathematics (STEM) Plan.—The Committee recognizes that access to broadband is crucial for better health, educational, and economic opportunities and appreciates the plan being developed for increasing access to education in STEM fields through the Distance Learning and Telemedicine program. The Committee directs the Assistant to the Secretary for Rural Development to begin implementing the initial phases of this plan no later than six months after the enactment of this Act.

Technology Enhancements of Ambulances and Medical Facilities.—The Committee continues to support Distance Learning, Telemedicine, and Broadband program grants that assist rural communities in connecting to the rest of the world and overcoming the effects of remoteness and low population density. The Committee urges the Assistant to the Secretary for Rural Development to continue implementing the grants used to upgrade the equipment and facilities of ambulances and other emergency transportation vehicles and medical facilities, such as hospital and community health centers, providing such technical assistance as may be needed.

Agriculture Buildings and Facilities.—The Committee does not provide funding for the Agriculture Buildings and Facilities account. The Consolidated and Further Continuing Appropriations Act, 2015 provided the Department the authority to establish the Nonrecurring Expense Fund to invest in and modernize the Department's facilities infrastructure. The Committee urges the Department to utilize this authority to address physical infrastructure needs.

Performance Measures.—The Committee directs USDA agencies funded by this Act to comply with title 31 of the United States Code, including the development of their organizational priority goals and outcomes such as performance outcome measures, output measures, efficiency measures, and customer service measures.

EXECUTIVE OPERATIONS

OFFICE OF THE CHIEF ECONOMIST

2017 appropriation	$18,917,000
2018 budget estimate	17,211,000
Provided in the bill	16,777,000
Comparison:	
2017 appropriation	−2,140,000
2018 budget estimate	−434,000

COMMITTEE PROVISIONS

For the Office of the Chief Economist (OCE), the Committee provides an appropriation of $16,777,000.

Drought Resilience.—The Committee is concerned about the extent and severity of the drought in the U.S. and recognizes the importance of understanding and being prepared for drought. The Committee encourages the OCE to continue research and work with partners on drought resilience efforts to better address the serious threat posed by drought in the U.S.

Policy Research.—The Committee includes $4,000,000 for policy research under 7 U.S.C. 3155 for entities with existing institutional capacity, including staff, databases, models, and long-term, well-documented experience, to conduct complex economic and baseline analysis for the benefit of USDA, the Congressional Budget Office, and the Congress.

OFFICE OF HEARINGS AND APPEALS

2017 appropriation	$13,399,000
2018 budget estimate	14,716,000
Provided in the bill	13,399,000
Comparison:	
2017 appropriation	– – –
2018 budget estimate	– 1,317,000

COMMITTEE PROVISIONS

For the Office of Hearings and Appeals, the Committee provides an appropriation of $13,399,000.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

2017 appropriation	$9,525,000
2018 budget estimate	9,093,000
Provided in the bill	9,093,000
Comparison:	
2017 appropriation	– 432,000
2018 budget estimate	– – –

COMMITTEE PROVISIONS

For the Office of Budget and Program Analysis, the Committee provides an appropriation of $9,093,000.

OFFICE OF THE CHIEF INFORMATION OFFICER

2017 appropriation	$49,538,000
2018 budget estimate	58,950,000
Provided in the bill	49,538,000
Comparison:	
2017 appropriation	– – –
2018 budget estimate	– 9,412,000

COMMITTEE PROVISIONS

For the Office of the Chief Information Officer (CIO), the Committee provides an appropriation of $49,538,000. This includes $33,000,000 for cybersecurity activities, including support of the Continuous Diagnostics and Mitigation program.

IT Purchases and Oversight.—The Committee directs the CIO to comply with the spirit and letter of the Federal Information Technology Acquisition Reform Act and incorporate its principles into

future planning and current oversight of IT activities across the Department and the performance plan required in H. Rpt. 113–468.

Digital Workspace.—The Committee recognizes that the use of digital workspace technologies can increase user productivity, enhance cybersecurity, and allow workforce flexibility. The Committee encourages the Department to explore a broad ecosystem support of multi-factor authentication solutions to strengthen the Department's cybersecurity posture. This should include strategies and programs that reduce the total life cycle costs of traditional legacy workspace infrastructure.

OFFICE OF THE CHIEF FINANCIAL OFFICER

2017 appropriation	$8,028,000
2018 budget estimate	5,836,000
Provided in the bill	5,836,000
Comparison:	
2017 appropriation	−2,192,000
2018 budget estimate	−−−

COMMITTEE PROVISIONS

For the Office of the Chief Financial Officer (CFO), the Committee provides an appropriation of $5,836,000.

Digital Accountability and Transparency Act (DATA).—The Committee supports the work of the CFO to bring the Department into compliance with the DATA.

Shared Costs Report.—While the Committee notes that the Department did not find any increased costs in its Shared Costs Programs per the report required by the 2015 Appropriations Act, the Department also did not identify any savings. The Committee continues to direct the production of the report required in Public Law 113–235 and directs the agency to identify areas of savings and efficiencies.

OFFICE OF THE ASSISTANT SECRETARY FOR CIVIL RIGHTS

2017 appropriation	$901,000
2018 budget estimate	896,000
Provided in the bill	800,000
Comparison:	
2017 appropriation	−101,000
2018 budget estimate	−96,000

COMMITTEE PROVISIONS

For the Office of the Assistant Secretary for Civil Rights, the Committee provides an appropriation of $800,000.

OFFICE OF CIVIL RIGHTS

2017 appropriation	$24,206,000
2018 budget estimate	23,304,000
Provided in the bill	23,304,000
Comparison:	
2017 appropriation	−902,000
2018 budget estimate	−−−

COMMITTEE PROVISIONS

For the Office of Civil Rights, the Committee provides an appropriation of $23,304,000.

HAZARDOUS MATERIALS MANAGEMENT

(INCLUDING TRANSFERS OF FUNDS)

2017 appropriation	$3,633,000
2018 budget estimate	3,503,000
Provided in the bill	3,503,000
Comparison:	
2017 appropriation	−130,000
2018 budget estimate	− − −

COMMITTEE PROVISIONS

For Hazardous Materials Management, the Committee provides an appropriation of $3,503,000.

OFFICE OF INSPECTOR GENERAL

2017 appropriation	$98,208,000
2018 budget estimate	92,689,000
Provided in the bill	95,628,000
Comparison:	
2017 appropriation	−2,580,000
2018 budget estimate	+2,939,000

COMMITTEE PROVISIONS

For the Office of Inspector General, the Committee provides an appropriation of $95,628,000. This amount does not include funding for staff buyouts or reductions in investigations and audits.

Investigations.—The Committee encourages the Inspector General to continue its current investigations in a timely manner and engage in feedback from all stakeholders and affected parties to ensure that limited resources are provided to those most in need.

OFFICE OF THE GENERAL COUNSEL

2017 appropriation	$44,697,000
2018 budget estimate	42,970,000
Provided in the bill	42,970,000
Comparison:	
2017 appropriation	−1,727,000
2018 budget estimate	− − −

COMMITTEE PROVISIONS

For the Office of the General Counsel, the Committee provides an appropriation of $42,970,000.

OFFICE OF ETHICS

2017 appropriation	$4,136,000
2018 budget estimate	3,538,000
Provided in the bill	3,945,000
Comparison:	
2017 appropriation	−191,000
2018 budget estimate	+407,000

COMMITTEE PROVISIONS

For the Office of Ethics, the Committee provides an appropriation of $3,945,000.

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

2017 appropriation	$893,000
2018 budget estimate	891,000
Provided in the bill	800,000
Comparison:	
2017 appropriation	−93,000
2018 budget estimate	−91,000

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Research, Education, and Economics, the Committee provides an appropriation of $800,000.

Coffee Plant Health.—The Committee appreciates ARS and NIFA's work to address existing and emerging challenges to coffee production in the United States and commends the agency's work with research partners and coffee grower groups. The Committee encourages ARS, NIFA, and its partners to maintain support for coffee plant health research.

Food Safety and Defense Technology Research.—The Committee remains concerned that global competition and the demand for increased productivity, efficiency, and profitability could put food safety and security at risk. The ability to rapidly, accurately, and cost effectively detect pathogens or contaminants in the food supply chain is critical to protecting the United States from food-borne illnesses and exploitation. The Committee directs USDA to invest in the research and development of novel bio-detection technologies and the implementation of mobile bio-detection platforms. The Department should consider technologies currently in use or under development in other fields, such as medicine or homeland security, to determine whether the technology can meet the needs in high volume food production or mobile food defense monitoring.

Fusarium Mycotoxins.—The Committee recognizes that *Fusarium mycotoxins* are harmful to several components of the poultry industry, negatively affect catfish, horses, and swine, and are toxic to humans. Due to the endophytic habit of *Fusarium verticillioides*, it is also prevalent in corn and wheat, which are major ingredients in animal feed. Therefore, the Committee urges USDA to support research programs studying the endophytic habits and genetic variability of *Fusarium mycotoxins* to develop an intervention plan to prevent harm to humans and animals.

Indirect Costs.—The Committee is concerned that USDA research programs are inconsistent in the amount of overhead charges which can be paid to cooperating institutions. The Committee directs REE to submit a report within 60 days of enactment of this Act on current policies related to such indirect costs by account and by program.

Leveraging Plant Genome Information.—The Committee recognizes the potential impact that variable weather, environments, and production systems can have on the yield and quantity of maize and the need for greater prediction of plant performance

under variable growing conditions. The Committee encourages USDA to support research that leverages plant genomic information with phenotypic and environmental data through an interdisciplinary framework, resulting in an understanding of plant processes that affect productivity and the ability to predict plant performance.

Office of Pest Management Policy.—The Committee commends the Office of Pest Management Policy for its work providing the Department, federal agencies, producers, and other interested stakeholders scientifically sound analysis of pest management issues important to agriculture, especially methyl bromide transition, pesticide resistance management, and the development of antimicrobials to combat citrus greening. The Committee encourages the Under Secretary to better utilize this office and directs ARS to continue to support its vital work.

Pollinators and Colony Health Research.—The Committee recognizes that Colony Collapse Disorder and related colony health issues are a significant concern to beekeepers, honey producers, farmers, researchers, policymakers, and the public. It appreciates USDA's logical, scientifically based approach to studying these issues and directs the Department to continue to focus on the challenges facing pollinators.

Potato Research.—The Committee supports research efforts to combat crop-threatening pest and disease pressures, including the potato cyst nematode. The Committee also recognizes the importance of research initiatives to identify and improve desired traits for new potato varieties and directs the Department to continue working with universities, industry and potato growers on these projects.

Poultry Technology Research.—The Committee understands that the U.S. poultry industry is the most efficient in the world. However, with expected global growth in demand and competition, technological advances in broiler production are critical to increasing production and profitability. The Committee supports cooperative research that contributes to increased efficiencies in housing, equipment, energy and environmental controls tailored to meet the long-term needs of the industry.

Screening Technologies.—The Committee encourages the development of technologies that will provide rapid, portable, and facile screening of food fish species at port sites and wholesale and retail centers.

Vector Control.—The Committee encourages USDA to support research, including the work done through the Biotechnology Risk Assessment Research Grants program, to develop innovative vector control technologies targeted to combatting Zika-carrying *Aedes aegypti* mosquitos. The Committee is aware that vaccine development takes time, pesticide use has a variety of limitations, and human health effects and treatment will be a challenge for years to come. Therefore, the Committee urges USDA to utilize pest management programs and partner organizations to conduct research to develop and test effective repellents, create new molecular pesticide technologies that prevent mosquitoes from reproducing, and explore natural product remedies to deter pests.

ECONOMIC RESEARCH SERVICE

2017 appropriation	$86,757,000
2018 budget estimate	76,690,000
Provided in the bill	76,788,000
Comparison:	
2017 appropriation	−9,969,000
2018 budget estimate	+98,000

COMMITTEE PROVISIONS

For the Economic Research Service (ERS), the Committee provides an appropriation of $76,788,000. The Committee does not concur with the request to reduce funding for the increasing drought resilience survey.

Breastfeeding.—The Committee recognizes the benefits of human milk in the first year of life as well as the economic impacts of breastfeeding rates on healthcare costs. The Committee directs ERS to update its 2001 Jon Weimer study of the economic benefits of breastfeeding and make it publicly accessible within 12 months of enactment of this Act. The updated study should assess the impact of clinically recommended breastfeeding rates on economic outcomes and healthcare systems including, but not be limited to, the impact on direct and indirect costs, including preventable deaths, preventable medical conditions, and lost workplace productivity.

Evidence-Based Policymaking.—As part of the bipartisan effort to improve government capacity for evidence-based policymaking, the Committee encourages ERS to explore ways to assist rural communities in using data and evidence to address local challenges. In particular, ERS should examine ways in which local governments in rural communities could access the research and data expertise of public land-grant universities to help communities address local needs and priorities.

Food Waste.—Food waste is a major problem in the United States. In 2014, ERS released a study on food waste at the consumer and retail levels which found that 430 billion pounds of food were not eaten in the U.S. in 2010. However, there is a lack of data relating to on-farm food loss and what that means in terms of lost income and marketing opportunities for farmers. Such information could help to create new markets for cosmetically imperfect food, value-added products, or other business opportunities for farmers. The Committee directs ERS to conduct a study that describes the quantity and types of produce wasted on farms, barriers to recovering that produce, and new market opportunities to increase recovery and farmers' income.

NATIONAL AGRICULTURAL STATISTICS SERVICE

2017 appropriation	$171,239,000
2018 budget estimate	185,677,000
Provided in the bill	183,781,000
Comparison:	
2017 appropriation	+12,542,000
2018 budget estimate	−1,896,000

COMMITTEE PROVISIONS

For the National Agricultural Statistics Service (NASS), the Committee provides an appropriation of $183,781,000, of which $63,350,000 is for the Census of Agriculture.

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

2017 appropriation	$1,170,235,000
2018 budget estimate	993,144,000
Provided in the bill	1,132,625,000
Comparison:	
2017 appropriation	−37,610,000
2018 budget estimate	+139,481,000

COMMITTEE PROVISIONS

For Salaries and Expenses of the Agricultural Research Service (ARS), the Committee provides an appropriation of $1,132,625,000.

While the Committee does not concur with all of the proposed decreases for fiscal year 2018, the Committee encourages ARS to reallocate resources for research that have been determined by the ARS as mature or where research objectives have been accomplished to other high priority research areas. The Committee does not concur with the budget request regarding the termination of extramural research.

Agricultural Research Facilities.—The Committee does not concur with the proposed closure of 17 research facilities in the budget request and is concerned about the continued trend towards reductions in on-the-ground agricultural research through proposed cutbacks and consolidations without a clear plan to ensure that research reflects local needs and growing conditions. However, the Committee recognizes the need to increase efficiencies and streamline operations, particularly as research matures and objectives are met.

The Committee directs ARS to provide a report that comprehensively evaluates its current and future research initiatives and facility capabilities. The evaluation should include, but not be limited to, prioritization of research being conducted at each facility, costs of facility operations and maintenance, facility condition including deferred maintenance needs, scientists' availability to conduct research, associated costs and long-term savings of closing a specific facility, economic impact of closure on the existing community, relocation costs and other effects on employees. In conducting this evaluation, ARS shall include input from interested stakeholders, including ARS scientists and other scientists. Future budget requests with proposals to close research facilities should include this information to ensure considerations of consolidation do not jeopardize long-term research objectives.

Animal Research.—The Committee expects the Department to keep the Committee informed on the progress of establishing adequate policies, procedures, and processes of oversight of animal research at the USMARC as recommended by the USDA Office of the Inspector General in the U.S. Meat Animal Research Center Review issued in September 2016. The Committee also requests updates related to ongoing APHIS inspections and any findings at ARS research facilities conducting animal research.

Aerial Application Research.—The Committee recognizes the importance of the ARS Aerial Application Technology Program. The program conducts innovative research making aerial applications more efficient, effective, and precise. Research for aerial application serves the public good as a vital tool for the future, as agriculture

strives to meet the food, fiber, and bio-energy demands of a growing population.

Alfalfa Research.—The Committee supports research into alfalfa seed and forage systems, which hold the potential to maximize crop yields, increase milk production, and improve genetics.

ARS Field Stations.—The Committee recognizes the successful utilization of authorities granted in previous annual appropriations Acts to further cooperation between industry and the ARS Canal Point, Florida Sugarcane Field Station. However, the Committee is concerned that this partnership is jeopardized by requirements that are outside the scope of the functionality of the facilities. The Committee directs ARS to resolve these issues, thus allowing this model partnership to continue. Additionally, the Committee recognizes Florida's importance as a sentinel state in studying invasive pests and diseases. With new species entering ports every week, it is critical that ARS devote attention to the need for research facilities to study these threats.

Aquaculture Industry Coordination.—Nearly half the seafood consumed across the world is the result of aquaculture, and the aquaculture industry is a critical and growing part of the U.S. economy. However, less than one percent of worldwide production comes from U.S. producers. In January 2016, the National Oceanic and Atmospheric Administration's National Marine Fisheries Services issued a final rule to open the federal waters in the Gulf of Mexico to development of aquaculture. The Committee is concerned that vital seedstock required to implement this initiative will be sourced from foreign aquaculture producers. The Committee encourages the agency to support and protect the U.S. aquaculture industry by working collaboratively with U.S. aquaculture producers and research institutions that specialize in the development of aquaculture technologies.

Aquatic Animal Health.—The Committee supports ARS' work with land-grant universities and other federal partners to develop solutions to aquatic animal pathogens including *Aeromonas* in catfish and viral *hemorrhagic septicemia* in finfish. ARS is encouraged to collaborate with industry stakeholders on the development of potential vaccines and therapeutants.

Blueberry and Cranberry Research.—The Committee directs ARS to continue researching the cultural needs of blueberries and cranberries including genetic improvements to increase genetic diversity and improve resistance to various disease and insects.

Cereal Rust Research.—The Committee remains concerned about cereal rust diseases and supports research towards developing resistance genes against cereal rust races, including resistance to new cereal rust varieties and identifying when and how new cereal rust races emerge.

Citrus Greening Disease Research.—The Committee commends ARS' research efforts on citrus greening disease and encourages the agency to continue working to develop methods to reduce transmission and enhance immunity in citrus trees and to work with industry, universities, growers, and other partners to develop effective control mechanisms. The Committee also encourages ARS to coordinate its efforts with the Huanglongbing Multi-Agency Coordination (HLB MAC) group.

Co-Location of Researchers.—The Committee encourages ARS to develop a plan to maximize its investments in plant science facilities and research by taking advantage of the synergies and efficiencies realized through the co-location of USDA researchers in state-of-the-art facilities with university and other stakeholders.

Cotton Ginning.—The Committee recognizes the importance of pollution abatement, improving fiber quality, ginning efficiency, cotton seed and other byproducts, and remains committed to expanding research in cotton ginning and innovation by existing laboratories.

Floriculture and Nursery Research Initiative (FNRI).—The Committee values the importance of floral and horticultural industry as floriculture and nursery crops are the third-largest domestic crop in value, outranked only by corn and soybeans. The FNRI is focused on addressing and solving the industry's challenges and needs. The Committee provides $500,000 above the fiscal year 2017 funding level to expand research capacity.

Forest Products Research.—The forest products sector is an important part of the U.S. economy. The Committee supports research on wood quality, forest product evaluation standards and valuation techniques, and ARS' continuing work with the Forest Products Laboratory.

Germplasm Enhancement of Maize.—The Committee supports the germplasm enhancement of maize project and encourages continued cooperation between ARS and industry.

Greenhouse Technology Research.—The Committee recognizes the importance of advancing greenhouse technology and exploring its capabilities to address the energy and water challenges inherent in four-season production systems, beginning in food insecure communities across the country. The Committee encourages ARS to work with the Department of Energy (DOE) for greenhouse technology research that explores how to integrate ongoing research projects at the various DOE National Labs to develop affordable, deployable, and energy- and water-efficient food production platforms for undernourished regions of the country. By working together, ARS and DOE can bring their respective strengths and resources to designing the most desirable, low-cost, and efficient production system. The Committee also encourages ARS to work with DOE in researching novel solutions for lowering energy costs for greenhouse operations while optimizing plant growth and morphology.

Hops Research.—The Committee recognizes that the U.S. hops industry has experienced unprecedented expansion due to the brewing industry's economic growth over the past decade. To sustain this growth, new varieties of hops are needed to prevent disease and expand production throughout the country. The Committee provides $1,000,000 for hops-related research.

Horticultural Research and Education.—The Committee recognizes the U.S. National Arboretum as a prominent research body staffed with highly skilled and dedicated scientists with a history of scientific discovery in environmental horticulture. The Committee encourages continued support of the Arboretum as its research and academic programs not only work towards developing new approaches in detecting and treating plant disease, but also the ability to connect people with plants in a unique and serene en-

vironment that enhances the public understanding of agricultural plant sciences.

Human Nutrition Research.—There is strong evidence that nutrition plays a vital role in how a person ages, particularly its significance for preventative health care and degenerative and age-related diseases. Research is needed to address the needs of the rapidly growing number of older Americans. The Committee encourages ARS to continue research relating to the effect of nutrition on aging.

Livestock Protection.—The Committee recognizes the challenges caused by infectious disease problems arising from wildlife-domestic animal agriculture interactions, particularly between domestic sheep and wild bighorn sheep. Researchers have recently produced an experimental vaccine to protect bighorn populations from disease, but much work is still required. The Committee encourages ARS to pursue work to determine the role of domestic sheep in causing die-offs of bighorn sheep from respiratory disease and develop methods to reduce transmission and enhance immunity in domestic and bighorn sheep.

Lower Mississippi River Basin.—The Committee recognizes the groundwater problems in the Lower Mississippi River Basin and encourages ARS, in collaboration with university research, extension scientists and local stakeholders, to identify gaps in water management research and focus efforts on the development of conservation and irrigation techniques to reduce water usage in agriculture production while maintaining crop quality and yield.

National Agricultural Library.—The Committee encourages ARS to maintain a focus on agricultural-related legal issues within the National Agricultural Library. The Committee notes that as the agriculture sector faces increasing financial stress, there is a necessity that agriculture-related legal issues be addressed on an increasingly frequent basis. Further, agriculture-related legal issues are increasingly complex, and the impact of these legal issues continues to broaden in scope. The Committee recommends that the National Agricultural Library play an important role in assisting all stakeholders with understanding these issues.

Nutrient Runoff Reduction Programs.—The Committee encourages ARS to study the long-term effectiveness of voluntary nutrient runoff reduction programs and policy options that could reduce soil, chemical and nutrient runoff.

Porcine Virus Research.—The Committee is aware of ongoing research to identify mechanisms of viral pathogenesis, transmission, and immunity to porcine epidemic diarrhea virus (PEDv) and encourages ARS to continue its efforts to identify the genetic virulence factors of PEDv, identify a protective immune response, including transmission of maternal antibodies through the milk, and evaluate new vaccine platforms for the development of improved PEDv vaccines.

Pulse Health Initiative.—The Committee is aware of the need to investigate the ability of pulse crops, such as dry beans, dry peas, lentils, and chickpeas, to provide solutions to critical health issues and to improve the sustainability and environmental benefits of using pulse crops in cropping rotations. The Committee encourages ARS to continue its work on these important issues.

Safe and Abundant Water Supply.—The Committee supports technological development to address key agricultural water resource issues across the U.S. to support agricultural production.

Sage Grouse.—The Committee is aware that listing the greater sage grouse as endangered under the Endangered Species Act has the potential to negatively affect rural communities in the eleven states that have sage brush ecosystems. The Committee encourages ARS to work with its partners on sage brush and related rangeland research that will help preserve the greater sage grouse and the other species that rely on the sage brush ecosystem.

Sclerotinia Initiative.—The Committee is aware of the importance of controlling *Sclerotinia* in sunflowers, soybeans, canola, edible beans, peanuts, peas, lentils, and chickpeas and encourages ARS to continue its support of this initiative.

Small Grain Genomics.—The Committee supports research on small grain genomics to address national genomic and breeding needs for U.S. crops to keep small grains and feed as viable crops and continue their substantial contributions to the agricultural economy.

Sorghum in Agriculture.—The Committee recognizes the growing significance of sorghum in agriculture due to water conservation traits and increased utilization. However, the sugarcane aphid (*Melanaphis sacchari*), a new and devastating invasive pest, is an existential threat to the sorghum industry. Funding is included to pursue research into the discovery of genetically conferred pest resistance, evaluate gene flow and advance the durability and sustainability of fitness traits in sorghum.

U.S. Sheep Experiment Station (USSES).—The Committee recognizes the unique and valuable contributions the USSES makes toward increasing the production efficiency of sheep and improving sustainable rangeland ecosystems. The Committee also recognizes a unique opportunity to expand other research initiatives. The Committee encourages ARS to work with various stakeholders regarding efforts to propose mission improvements for the USSES. The Committee encourages ARS to hire the two vacant positions at USSES to help maintain important rangeland research.

U.S. Wheat and Barley Scab (USWBS).—The Committee recognizes the importance of the research carried out through the ARS U.S. Wheat and Barley Scab Initiative. *Fusarium* head blight is a major threat to agriculture, inflicting substantial yield and quality losses throughout the U.S.

Wheat Falling Numbers Test Research.—The Committee recognizes the emerging crisis surrounding wheat starch degradation, as detected by the Hagberg-Perten Falling Numbers Test, and encourages ARS to continue researching the accuracy of the test and the environmental, storage, and genetic conditions leading to this quality loss.

BUILDINGS AND FACILITIES

2017 appropriation	$99,600,000
2018 budget estimate	– – –
Provided in the bill	60,000,000
Comparison:	
2017 appropriation	–39,600,000
2018 budget estimate	+60,000,000

COMMITTEE PROVISIONS

For Agricultural Research Service, Buildings and Facilities, the Committee provides an appropriation of $60,000,000 for priorities identified in the USDA ARS Capital Investment Strategy, April 2012.

NATIONAL INSTITUTE OF FOOD AND AGRICULTURE

RESEARCH AND EDUCATION ACTIVITIES

2017 appropriation	$849,518,000
2018 budget estimate	769,613,000
Provided in the bill	830,402,000
Comparison:	
2017 appropriation	−19,116,000
2018 budget estimate	+60,789,000

COMMITTEE PROVISIONS

For Research and Education Activities, the Committee provides an appropriation of $830,402,000.

Agricultural Research Enhancement Awards.—The Committee continues to direct that not less than 15 percent of the competitive research grant funds be used for USDA's agriculture research enhancement awards program, including USDA–EPSCoR, in accordance with 7 U.S.C. 450i.

Bioactives and Prebiotics Used in Animal Production.—The Committee supports enhanced research efforts to advance the development of alternatives to sub-therapeutic doses of antibiotics used in animal production. The Committee encourages NIFA to examine nutritional alternatives and feed additives containing bioactives and prebiotics that may lead to reduced antibiotic use and boost immune responses in livestock.

Budget Request for Fiscal Year 2019.—The Committee appreciates NIFA's efforts to provide additional information in its budget requests over the past four years. For the fiscal year 2019 budget request, the Committee is particularly interested in the request for the Agriculture and Food Research Initiative (AFRI) and requests that the agency provide greater detail on the levels proposed to be allocated to and the expected publication date, scope, and allocation level for each request for awards to be published under each priority area specified in section 2(b)(2) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(2)).

Citrus Disease Research Program.—The 2014 Farm Bill established the Emergency Citrus Disease Research and Extension Program, which is intended to discover and develop tools for early detection, control, and eradication of diseases and pests that threaten domestic citrus production and processing, and provided $25,000,000 per year in mandatory funding for the program through the Specialty Crop Research Initiative. The Committee believes research projects funded under this authority should be prioritized based on the critical threat of citrus greening and encourages NIFA, to the maximum extent practicable, to follow the recommendations of the National Agricultural Research, Extension, and Education Advisory Board's citrus disease subcommittee and to collaborate with the HLB MAC group.

Crop Degradation.—The Committee is aware of crop degradation issues harming agricultural producers. For example, starch degradation in Pacific Northwest soft white wheat crops led to significant value losses for producers in late 2016. The Committee encourages NIFA to conduct research through AFRI into soft white wheat crop quality loss to mitigate its impact on producers.

Increasing Diversity in Agricultural Career Fields.—The Committee is concerned with the low numbers of African Americans working in agricultural career fields such as farming, ranching, producing, IT, science, and finance. The Committee encourages NIFA to develop a working group that includes leadership from the 1860, 1890, and 1994 institutions within the land grant university system to develop an actionable plan aimed at increasing the number of minorities entering into the agricultural workforce. The Committee also recommends that the plan include strengthening agricultural education at the University level and creating partnerships for feeder programs into graduate studies to foster the career potential pipeline.

Livestock and Poultry Waste Research.—The Committee recognizes the benefits of improved methods of managing animal waste in livestock and poultry production and encourages NIFA to support research and development of innovative technologies, particularly those that are operationally and economically feasible and have a high probability of widespread implementation. The Committee directs NIFA to submit a report on what steps it can take to work with other federal agencies to develop a comprehensive approach to all value chains related to manure management to include energy production, energy credits, nutrient credits, and mineral supplements, taking into consideration the full range of livestock production to include cattle, poultry, and swine.

Minor Crop Pest Management.—The Committee recognizes that data collection efforts are needed to maintain and develop the tools needed to assure adequate vector control and protect public health. In addition, the Committee supports continuation of the IR–4 Public Heath Pesticide Program through the Deployed Warfighter Protection Program to provide critical assistance for supporting vector control, including regulatory and other support needed to maintain public health.

Organic Agriculture.—The Committee encourages USDA to ensure that the needs of the U.S. organic sector are more fully addressed through AFRI. As USDA's flagship competitive agricultural research grant program, AFRI funding should be reflective of the needs of all aspects of U.S. agriculture, including organic. The Committee directs USDA to develop a plan for meeting this goal, including how the agency will ensure organic research conducted through AFRI is not duplicative of research conducted with mandatory funds through the Organic Agriculture Research and Extension Initiative and other research programs, and report back to the Committee within 60 days of enactment of this Act.

Research at Historically Black Colleges and Universities and Hispanic Serving Institutions.—The Committee encourages NIFA to continue to support biotechnology by promoting research at the land-grant colleges and universities, including the Historically Black Colleges and Universities and Hispanic Serving Institutions,

and directs NIFA to encourage partnerships among universities and industry.

Water Quality.—The Committee encourages USDA to research alternatives to land application of animal manures in areas where over-application is harming fresh water drinking supplies. The Committee also urges USDA to identify alternative collection and processing options to remove toxic elements and yield usable material.

Zoonotic Disease Research.—The eradication of zoonotic livestock diseases has been a priority of federal and state animal health officials, as was reflected in the 2014 Farm Bill. The Committee recognizes the need for this research and encourages NIFA to support the development of improved management tools for zoonotic livestock diseases that have significant wildlife reservoirs.

The following table reflects the amounts provided by the Committee:

NATIONAL INSTITUTE OF FOOD AND ARICULTURE

RESEARCH AND EDUCATION ACTIVITIES

[Dollars in Thousands]

Program/Activity	Authorization	2017 Enacted	2018 Estimate	Committee Provision
Hatch Act	7 U.S.C. 361a–i	$243,701	$243,238	$243,701
McIntire-Stennis Cooperative Forestry Act	16 U.S.C. 582a through a–7	33,961	28,867	33,961
Research at 1890 Institutions (Evans-Allen Program).	7 U.S.C. 3222	54,185	54,082	54,185
Payments to the 1994 Institutions	7 U.S.C. 301 note	3,439	3,432	3,439
Education Grants for 1890 Institutions	7 U.S.C. 3152(b)	19,336	19,299	19,336
Education Grants for Hispanic-Serving Institutions	7 U.S.C. 3241	9,219	9,202	9,219
Education Grants for Alaska Native and Native Hawaiian-Serving Institutions.	7 U.S.C. 3156	3,194	3,188	3,194
Research Grants for 1994 Institutions	7 U.S.C. 301 note	1,801	1,798	1,801
Capacity Building for Non Land-Grant Colleges of Agriculture.	7 U.S.C. 3319i	5,000	– – –	– – –
Grants for Insular Areas	7 U.S.C. 3222b–2, 3362 and 3363.	2,000	1,996	1,800
Agriculture and Food Research Initiative	7 U.S.C. 450i(b)	375,000	349,335	375,000
Veterinary Medicine Loan Repayment	7 U.S.C. 3151a	6,500	4,991	6,500
Veterinary Services Grant Program	7 U.S.C. 3151b	2,500	– – –	2,500
Continuing Animal Health and Disease Research Program.	7 U.S.C. 3195	4,000	– – –	4,000
Supplemental and Alternative Crops	7 U.S.C. 3319d	825	– – –	– – –
Multicultural Scholars, Graduate Fellowship and Institution Challenge Grants.	7 U.S.C. 3152(b)	9,000	– – –	9,000
Secondary and 2-year Post-Secondary Education	7 U.S.C. 3152(j)	900	– – –	900
Aquaculture Centers	7 U.S.C. 3322	4,000	– – –	4,000
Sustainable Agriculture Research and Education	7 U.S.C. 5811, 5812, 5831, and 5832.	27,000	19,009	24,667
Farm Business Management	7 U.S.C. 5925f	1,450	– – –	– – –
Sun Grant Program	7 U.S.C. 8114	3,000	– – –	– – –
Alfalfa and Forage Research Program	7 U.S.C. 5925	2,250	– – –	– – –
Minor Crop Pest Management (IR–4)	7 U.S.C. 450i(c)	11,913	11,890	11,913
Special Research Grants:	7 U.S.C. 450i(c)	.....	.....	.....
Global Change/UV Monitoring	.....	1,405	– – –	– – –
Potato Research	7 U.S.C. 450i(c)	2,250	– – –	2,000
Aquaculture Research	7 U.S.C. 450i(c)	1,350	– – –	– – –
Total, Special Research Grants	.....	5,005	– – –	2,000
Necessary Expenses of Research and Education Activities:				
Grants Management Systems	.....	7,830	7,424	7,424
GSA Rent and DHS Security Expenses	.....	5,960	– – –	– – –

RESEARCH AND EDUCATION ACTIVITIES—Continued

[Dollars in Thousands]

Program/Activity	Authorization	2017 Enacted	2018 Estimate	Committee Provision
Federal Administration—Other Necessary Expenses.		6,549	11,862	11,862
Total, Necessary Expenses		20,339	19,286	19,286
Total, Research and Education Activities.		$849,518	$769,613	$830,402

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND

2017 appropriation	($11,880,000)
2018 budget estimate	(11,857,000)
Provided in the bill	(11,880,000)
Comparison:	
2017 appropriation	– – –
2018 budget estimate	+23,000

COMMITTEE PROVISIONS

For the Native American Institutions Endowment Fund, the Committee provides $11,880,000.

EXTENSION ACTIVITIES

2017 appropriation	$477,391,000
2018 budget estimate	462,890,000
Provided in the bill	475,876,000
Comparison:	
2017 appropriation	– 1,515,000
2018 budget estimate	+12,986,000

COMMITTEE PROVISIONS

For Extension Activities, the Committee provides an appropriation of $475,876,000.

Rural Health and Safety Education Programs.—The opioid abuse epidemic is one of the greatest threats facing rural America today, and the Committee supports all efforts to address this problem through improved health and safety education and outreach. The Committee provides $1,500,000 for Rural Health and Safety Education Programs to combat opioid abuse in rural communities.

The following table reflects the amounts provided by the Committee:

NATIONAL INSTITUTE OF FOOD AND AGRICULTURE

EXTENSION ACTIVITIES

[Dollars in Thousands]

Program/Activity	Authorization	FY 2017 Enacted	FY 2018 Estimate	Committee Provision
Smith-Lever Act, Section 3(b) and (c) programs and Cooperative Extension.	7 U.S.C. 343(b) and (c) and 208(c) of P.L. 93–471.	$300,000	$299,430	$300,000
Extension Services at 1890 Institutions	7 U.S.C. 3221	45,620	45,533	45,620
Extension Services at 1994 Institutions	7 U.S.C. 343(b)(3)	4,446	4,438	4,446
Facility Improvements at 1890 Institutions	7 U.S.C. 3222b	19,730	19,693	19,730
Renewable Resources Extension Act	16 U.S.C. 1671 et. seq.	4,060	– – –	4,060
Rural Health and Safety Education Programs	7 U.S.C. 2662(i)	3,000	– – –	1,500
Food Animal Residue Avoidance Database Program	7 U.S.C. 7642	1,250	1,248	1,250
Women and Minorities in STEM Fields	7 U.S.C. 5925	400	– – –	400

EXTENSION ACTIVITIES—Continued

[Dollars in Thousands]

Program/Activity	Authorization	FY 2017 Enacted	FY 2018 Estimate	Committee Provision
Food Safety Outreach Program	7 U.S.C. 7625	5,000	4,990	5,000
Smith-Lever Act, Section 3(d):	7 U.S.C. 343(d)			
Food and Nutrition Education		67,934	67,805	67,934
Farm Safety and Youth Farm Safety Education Programs.		4,610	– – –	4,610
New Technologies for Agricultural Extension		1,550	– – –	1,550
Children, Youth, and Families at Risk		8,395	8,379	8,395
Federally Recognized Tribes Extension Program		3,039	3,033	3,039
Total, Section 3(d)		85,528	79,217	85,528
Necessary Expenses of Extension Activities:				
Agriculture in the K–12 Classroom	7 U.S.C. 3152(j)	552	551	552
Federal Administration—Other Necessary Expenses for Extension Activities.		7,805	7,790	7,790
Total, Necessary Expenses		8,357	8,341	8,342
Total, Extension Activities		$477,391	$462,890	$475,876

INTEGRATED ACTIVITIES

2017 appropriation	$36,000,000
2018 budget estimate	20,276,000
Provided in the bill	35,000,000
Comparison:	
2017 appropriation	–1,000,000
2018 budget estimate	+14,724,000

COMMITTEE PROVISIONS

For Integrated Activities, the Committee provides an appropriation of $35,000,000.

Food and Agriculture Defense Initiative.—The Committee supports the critical contributions that labs within the National Animal Health Laboratory Network (NAHLN), including those located at Colleges of Veterinary Medicine, make in responding to emerging threats to American agriculture. When expanding the network, the Committee encourages NIFA to take into consideration laboratories which would enhance the capacity for surveillance, monitoring, and response; the concentration of human and animal populations that are directly at risk; geography, ecology, and climate; evidence of active collaboration with, and support of, state animal health officials; and evidence of stakeholder support and engagement.

The following table reflects the amounts provided by the Committee:

NATIONAL INSTITUTE OF FOOD AND AGRICULTURE

INTEGRATED ACTIVITIES

[Dollars in Thousands]

Program/Activity	Authorization	FY 2017 Enacted	FY 2018 Estimate	Committee Provision
Methyl Bromide Transition Program	7 U.S.C. 7626	$2,000	$– – –	$2,000
Organic Transition Program	7 U.S.C. 7626	4,000	– – –	4,000
Regional Rural Development Centers	7 U.S.C. 450i(c)	2,000	– – –	1,000

INTEGRATED ACTIVITIES—Continued

[Dollars in Thousands]

Program/Activity	Authorization	FY 2017 Enacted	FY 2018 Estimate	Committee Provision
Food and Agriculture Defense Initiative	7 U.S.C. 3351	8,000	5,684	8,000
Crop Protection/Pest Management Program	7 U.S.C. 7626	20,000	14,592	20,000
Total, Integrated Activities		$36,000	$20,276	$35,000

OFFICE OF THE UNDER SECRETARY FOR MARKETING AND REGULATORY PROGRAMS

2017 appropriation	$901,000
2018 budget estimate	891,000
Provided in the bill	800,000
Comparison:	
2017 appropriation	−101,000
2018 budget estimate	−91,000

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Marketing and Regulatory Programs, the Committee provides an appropriation of $800,000.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

2017 appropriation	$946,212,000
2018 budget estimate	810,000,000
Provided in the bill	906,400,000
Comparison:	
2017 appropriation	−39,812,000
2018 budget estimate	+96,400,000

COMMITTEE PROVISIONS

For the Animal and Plant Health Inspection Service, Salaries and Expenses, the Committee provides an appropriation of $906,400,000.

The Committee maintains the fiscal year 2017 funding levels for Avian Health at $55,340,000; Cattle Health at $91,500,000; National Veterinary Stockpile at $5,725,000; Cotton Pests at $11,520,000; Wildlife Damage Management at $103,375,000, Wildlife Services Methods Development at $18,855,000, Overseas Technical and Trade Operations at $22,115,000, and Animal Welfare at $28,810,000.

Within the amount included for Specialty Crop Pests, the Committee includes $59,500,000 for fruit fly exclusion and detection; $55,830,000 for citrus health, including $2,000,000 for the Huanglongbing Multi-Agency Coordination efforts; $19,100,000 for the glassy-winged sharpshooter; $6,318,000 for the pale cyst nematode; $6,621,000 for the light brown apple moth; and, $5,000,000 for the European grapevine moth.

The following table reflects the amounts provided by the Committee:

[Dollars in Thousands]

	Committee Provision
Animal Health Technical Services	$35,250
Aquatic Animal Health	2,250
Avian Health	55,340
Cattle Health	91,500
Equine, Cervid, and Small Ruminant Health	19,500
National Veterinary Stockpile	5,725
Swine Health	24,700
Veterinary Biologics	16,300
Veterinary Diagnostics	36,970
Zoonotic Disease Management	14,500
Subtotal, Animal Health	*302,035*
Agricultural Quarantine Inspection (Appropriated)	27,800
Cotton Pests	11,520
Field Crop & Rangeland Ecosystem Pests	8,800
Pest Detection	27,300
Plant Protection Methods Development	20,630
Specialty Crop Pests	160,000
Tree & Wood Pests	38,000
Subtotal, Plant Health	*294,050*
Wildlife Damage Management	103,375
Wildlife Services Methods Development	18,855
Subtotal, Wildlife Services	*122,230*
Animal & Plant Health Regulatory Enforcement	16,190
Biotechnology Regulatory Services	18,500
Subtotal, Regulatory Services	*34,690*
Contingency Fund	450
Emergency Preparedness & Response	36,500
Subtotal, Safeguarding and Emergency Preparedness	*36,950*
Agriculture Import/Export	15,070
Overseas Technical and Trade Operations	22,115
Subtotal, Safe Trade & International Technical Assistance	*37,185*
Animal Welfare	28,810
Horse Protection	700
Subtotal, Animal Welfare	*29,510*
APHIS Information Technology Infrastructure	4,200
Physical/Operational Security	5,100
GSA Rental and DHS Security Payments	40,450
Subtotal, Agency Management	*49,750*
Total, Salaries & Expenses	$906,400

Animal Welfare.—The bill provides $28,810,000 for the Animal Welfare program in order to ensure that minimum standards of care and treatment are provided for certain animals bred for commercial sale, used in research, transported commercially, or exhibited to the public. The Committee maintains the fiscal year 2017 increase of $400,000, of which a majority of funds can be used to support the Memorandum of Understanding (MOU) between APHIS and ARS. The MOU is necessary for ARS to utilize the skills and expertise of APHIS' animal care staff and to help ARS ensure high standards of care for animals used in ARS funded research. At a minimum, the MOU should verify that ARS is adhering to its own standards and guidelines for research practices as required by the Humane Animal Care and Use policy, a policy that is closely aligned with the Animal Welfare Act (AWA); ensure that

every ARS location engaging in research and testing on vertebrate animals has a fully functioning Institutional Animal Care and Use Committee (IACUC) in place; and ensure that each IACUC produces a semi-annual report with a description of and the reasons for any major deviations from the requirements outlined in ARS policy.

Animal Welfare Inspection Records.—On February 3, 2017, USDA restricted the public's access to the search tool for the Animal Care Inspection System in order to conduct a comprehensive review of the information on its website. Such an action limited the public's review of inspection reports, research facility annual reports, and lists of persons licensed and registered under the AWA, as well as lists of persons licensed by USDA-certified horse industry organizations and associations to inspect horses for compliance with the Horse Protection Act (HPA). While the Committee recognizes the need to strike a balance between the privacy rights and personal identifiable information of regulated entities and the public's need to know if regulated parties or institutions are complying with federal law, USDA must utilize the resources provided in this bill to promptly finish reviewing the information on its website, restore all legally permissible records previously removed, and resume posting on the USDA website. The online searchable database should allow analysis and comparison of data and include all inspection reports, annual reports, and other documents related to enforcement of the HPA and the AWA.

Antimicrobial Resistance.—The Committee continues to support funding to collect additional data that will inform policy related to the appropriate antibiotic use in all settings across agriculture and clinical medicine. The Committee provides funds for on-farm surveillance and data collection to enhance the understanding of on-farm levels of antibiotic use and the impact on antimicrobial resistance levels. The information collected should clearly delineate between antibiotics used for food-producing and companion animals. Further, to avoid duplication with existing programs like the National Antimicrobial Resistance Monitoring System, the Committee expects surveys regarding on-farm usage to be limited to collecting information about the antibiotics used and should not be utilized for other regulatory purposes. In designing these surveys, the Committee expects the agency to work primarily with end-users of antibiotics and veterinarians providing care to the animals. APHIS will collect this information through its statistical unit under the Confidential Information Protection and Statistical Efficiency Act, which will guarantee that all information collected is protected from distribution in a manner that could identify an individual respondent for the full time the data is in existence. This information is needed for use in the larger National Strategy for Combatting Antibiotic Resistant Bacteria with other federal partners.

Aquatic Animal Health.—The Southeastern United States is a center for aquatic biodiversity, supporting hundreds of native species that occur nowhere else on Earth. It also is home to the vast majority of the pond-based aquaculture operations. The Southeast is the only region in the country that lacks a multi-state/regional aquatic animal health plan. The Committee is aware of multiple pathogenic outbreaks both in wild waters and commercial ponds. Sick, abnormal, lesioned, or dead fish cause alarm among local citi-

zens and sport fishers, lessen desire to go fishing and buy fishing licenses, raise doubts about clean water, discourage consumers from buying seafood, and tarnish the image of a tourism destination, thereby affecting local and regional economies. The Committee directs APHIS to work collaboratively with ARS, the National Marine Fisheries Service, the Fish and Wildlife Service, state resource managers, aquatic disease diagnostic labs, and academic institutions to develop a regional aquatic animal health plan including appropriate monitoring and detection.

Cattle Health.—The Committee is aware of and concerned about the recent spread of Cattle Fever Ticks outside the quarantine area. The Committee requests that APHIS submit a report on its plans and efforts to control the spread of these ticks within 90 days of the date of enactment of this Act.

Cervid Health.—Funding is provided in the bill for the national, voluntary Herd Certification Program (HCP) and regulations for the interstate movement of farmed or captive deer, elk, and moose. The cervid industry continues to participate in the agency's HCP, which supports the domestic and international marketability of U.S. cervid herds. Funds are to be used for a combination of surveillance, research, and indemnification for culling herds where Chronic Wasting Disease (CWD) infection has been found. Currently the only reliable test is a brain biopsy. The agency is encouraged to utilize resources to help speed up the development of a live test for CWD that would greatly decrease the need for indemnity. The Committee encourages APHIS to maintain its commitment to the HCP and the cervid industry, and directs the agency to spend no less than $3,500,000 for cervid health activities. Within the funds provided, the agency should give consideration to indemnity payments if warranted.

Citrus Health Response Program (CHRP).—CHRP is a national program for the pest and disease exclusion and eradication activities including those associated with HLB and its vector the Asian Citrus Psyllid. The survival of the citrus industry in the U.S. is dependent on this funding, which supports efforts in citrus-producing states to research, survey, and combat both the pest and the disease. In addition to the funds provided in this account, the Committee encourages APHIS to utilize the funds available in the Plant Pest and Disease Management and Disaster Prevention Programs account to the greatest extent possible in an attempt to sustain the economic viability of the citrus industry.

Cost Sharing with States and Other Cooperators.—The Committee directs APHIS to maximize the use of cost-sharing agreements or matching requirements with states, territories, producers, foreign governments, non-governmental organizations, and any other recipient of services in order to reduce the cost burden on the agency.

Cotton Pests.—The Committee encourages APHIS and the cotton industry to make every effort to ensure the boll weevil does not reinfest areas of the U.S. where it has been successfully eradicated. The Boll Weevil Eradication Program, an outstanding example of a public-private partnership, has successfully eradicated the boll weevil from all U.S. cotton-producing regions except for the extreme lower parts of Texas in the Lower Rio Grande Valley (LRGV) bordering Tamaulipas, Mexico. Growers in the LRGV, with assist-

ance from APHIS and the support of the entire industry, continue to conduct an active program to eradicate the boll weevil. The LRGV serves as the barrier between boll weevil infested areas of Mexico and boll weevil-free areas of the United States.

Emergency Outbreaks.—The Committee continues to include specific language relating to the availability of funds to address emergencies related to the arrest and eradication of contagious or infectious diseases or pests of animals, poultry or plants. The Committee expects the Secretary to continue to use the authority provided in this bill to transfer funds from the CCC for the arrest and eradication of animal and plant pests and diseases that threaten American agriculture. By providing funds in this account, the Committee is enhancing, not replacing, the use of CCC funding for emergency outbreaks.

Export Certification.—The Committee recognizes personnel constraints placed on Ports of Entry, particularly those on the U.S.-Mexico Border, with regard to sanitary/phytosanitary certifications for exported goods. In the best interest of cross-border trade and agribusiness, any lack of certified personnel for certification purposes should be addressed by seeking cooperation between agencies, whether in the form of an MOU or through the certification process, authorizing additional hours for existing agents to facilitate the crossing and trade of perishable goods per USDA and DHS rules. The Committee believes that dual certification or inspection capabilities for shared staff, many of whom have prior experience with the partner agency, will more efficiently facilitate increased trade and commerce.

Feral Swine Management.—Feral swine are found in at least 41 states and have an estimated population of more than 5,000,000. These invasive species cause more than $1,500,000,000 in damages and control costs in the United States each year, with at least $800,000,000 of this due to direct damage to agriculture. The Committee believes this damage assessment far underestimates the level of damage when considering the impact to the environment, native species, habitat, historic sites, and residential and commercial areas. The Committee supports APHIS' National Feral Swine Damage Management Program, which involves feral swine activities in the areas of research, development, education, outreach, and coordination. The Committee urges APHIS to spend no less than the amount provided in fiscal year 2017 and directs APHIS to use these funds to support its existing cooperative service agreement process, which identifies and develops unmet needs for feral swine control nationwide.

Foreign Market Access Requests.—Increasingly, U.S. agriculture is facing non-tariff trade barriers, which are limiting the ability for U.S. agriculture to open and maintain access to key export markets. The Committee directs APHIS to review and update the list of foreign market access requests submitted by U.S. producers, producer groups, companies and/or non-government agencies. All efforts should be made to assign the appropriate agency resources to opening and maintaining access to foreign markets for U.S. products. By December 1, 2017, the agency should provide an update to the Committee on the number of foreign market access requests that have been successfully granted for U.S. agriculture; export volumes; the number of foreign market access requests that have been

granted for imports to the U.S. marketplace; and the number of outstanding requests and the length of time each request has been pending before the agency. The agency should identify the limitations in achieving and maintaining foreign market access for U.S. agriculture.

Foreign Zoonotic Disease Response.—The Committee recognizes and commends APHIS for its efforts to address the challenges associated with eradicating foreign zoonotic diseases such as HPAI and FMD in a timely manner. In order to reduce the spread of disease outbreaks in the future, the Committee directs APHIS to use existing funds to undertake a review of existing protocols for foreign zoonotic disease eradication, including stamping-out policies, and to develop a strategy that improves agency, state and local, and industry responsiveness. This plan should take into consideration existing technology limitations, adverse weather, lack of water, and other issues that may hinder APHIS' eradication efforts in the event of future outbreaks. Furthermore, APHIS should consider funds available to states through the current cooperative agreements for surveillance testing and backyard flock surveillance; grant or cost share opportunities for farmers to give them the ability to enhance biosecurity measures at their operations; the need for veterinarian positions in states for biosecurity activities; and needs to address the unavailability of vaccine for FMD.

Grapevine Import Regulations.—The Committee urges APHIS to update its import regulations for grapevines. The current regulatory review process and requirements for pathogen screening of imports are expensive, cumbersome and time-consuming. Complying without the use of available technology can take in excess of thirteen years to complete. APHIS should issue new regulations that dramatically shorten the review timeline by using new technology and prioritize the approval of new grape varieties suited for colder, harsher climates.

Horse Protection Act.—The Committee has continually encouraged APHIS to work more closely with stakeholders pursuant to the HPA. Specifically, the agency has been directed to provide greater and more consistent transparency, to work more closely with stakeholders on rules and regulations, and to move away from the subjective nature of current inspection methods in favor of objective measurements. While the Committee recognizes some progress, the agency must work in good faith to address the Committee's requests, which are intended to further the dual goals of the HPA to care for animals engaged in the trade and promote the industry in a safe manner. The Committee has become aware that APHIS intends to modify regulations associated with the HPA through rule-making actions and notes that any substantive changes to the statute or its intent should be made by Congress through the legislative process.

Huanglongbing Emergency Response.—The Committee maintains the increased funding levels for HLB emergency response within the Specialty Crop Pests line item. The Committee encourages APHIS to allocate sufficient resources in order to continue vital management, control, and associated activities to address citrus greening. The disease, for which there is no cure, has caused a reduction in citrus production by over 60 percent since 2007 in Florida alone. All citrus producing counties in Texas are under quar-

antine, and California has found the Asian Citrus Psyllid, the vector of the disease, in some backyard trees but not in the commercial groves to date. The spread of this disease has called the future of the domestic citrus industry into question, costing thousands of jobs and millions of dollars in lost revenue. In addition, the agency is encouraged to support priorities and strategies identified by the HLB MAC group to benefit the citrus industry. The agency should appropriately allocate resources based on critical need and maximum effect to the citrus industry.

The Committee provides $2,000,000 for citrus health to support priorities and strategies identified by the HLB MAC group. The MAC is focused on short-term solutions to help the citrus industry, and the cooperative nature of federal, state, and industry representatives in this group is expected to result in the development of tools and techniques to address this devastating disease. The MAC has been an effective resource in helping growers explore new possible solutions. The agency should appropriately allocate resources based on critical need and maximum impact to the citrus industry. These citrus health activities directly protect citrus production on approximately 765,000 acres in the United States worth more than $3,300,000,000 for the 2014–2015 growing season.

Light Brown Apple Moth.—The Committee encourages APHIS to engage state and international regulatory bodies to deregulate the light brown apple moth. The Committee is concerned that if APHIS simply withdraws federal regulation without the necessary work with other regulatory officials, APHIS will shift, not reduce, the regulatory burden. Should APHIS withdraw the federal order for the light brown apple moth, it must take steps to reduce the overall burden on growers. The Committee maintains flat funding for the light brown apple moth to support the second phase of the Joint Forward Plan and urges the Department to develop initiatives for permanent, ongoing departmental regulatory partnerships while continuing to engage stakeholders and trading partners throughout North America.

National Animal Health Laboratory Network.—The laboratories within the NAHLN network are on the frontline for detection of newly identified and reemerging animal diseases. NAHLN laboratories provide a critical contribution to animal and public health. The bill provides funding for NAHLN through both APHIS and NIFA at approximately $12,000,000 and $4,300,000, respectively, resulting in a total investment of $16,300,000 for fiscal year 2018. NAHLN laboratories were invaluable during the 2015 outbreak of HPAI, which significantly increased testing needs. At the same time, NAHLN laboratories must also continue testing for other animal diseases of concern.

Orobanche Ramosa.—The Committee recognizes that APHIS' efforts to eradicate *Orobanche ramosa*, also known as branched broomrape, in Texas were not completely successful and has resulted in its reemergence as a threat to agriculture. As such, the Committee encourages APHIS to work with the appropriate Congressional Committees, along with states and local stakeholders to formulate and execute a plan, which will permanently eradicate the branched broomrape.

Overseas Trade and SPS Disputes.—Funds for the Overseas Technical and Trade Operations account should help resolve sani-

tary and phytosanitary trade issues that could result in the opening of new markets and retaining and expanding existing market access for U.S. agricultural products.

Plant Pest and Disease Management and Disaster Prevention Program.—The Committee believes that the increase of $12,500,000 for this program in fiscal year 2018 should dedicate new resources to the clean plant network, citrus health, and tree and wood pest surveillance.

Predator Control Device Review.—The Committee encourages APHIS Wildlife Services to review the M–44 devices to ensure the program is safely operated by qualified and trained professionals that minimize non-target species while effectively protecting livestock and poultry from predators. APHIS is also encouraged to evaluate alternative methods to determine if there are adequate substitutes based on livestock protection and overall safety.

Potato Cyst Nematode Eradication.—The Committee includes funding to maintain resources for the potato cyst nematode eradication program at the fiscal year 2017 level in order to continue with successful efforts to eradicate this pest. If left untreated, this pest could spread, affecting other crops.

Regional Biosecurity Plans.—The Secretary of Agriculture shall submit to the Committees on Appropriations of the House and Senate, at the time the President's budget for fiscal year 2019 is submitted under section 1105(a) of title 31, United States Code, a report describing the steps USDA has taken to implement the Regional Biosecurity Plan for Micronesia and Hawaii, as developed jointly by the Department and other federal and non-federal entities. The report shall include an update on previous and upcoming implementation activities, including estimates of additional funding to be used or needed for planned activities.

Vaccine for Foot-and-Mouth Disease.—FMD is a highly contagious viral disease eradicated from the U.S. in 1929, but it is still a threat since countries around the globe continue grappling with the disease. This disease could cause billions of dollars in damage to the economy if unchecked. APHIS has publicly stated that the FMD vaccine bank is insufficient to deal with a large scale FMD outbreak in the U.S. and that a larger vaccine bank is needed. APHIS has also noted that expanding the current FMD vaccine supply is an expensive investment. Having sufficient quantities of vaccine readily available and deployable to control an FMD outbreak would appear to be a critical part of the USDA APHIS mission. Rapid control of FMD protects the security of the U.S. food supply, limiting the economic damage from livestock losses due to the disease, and also shortens disruptions to trade and commerce that would occur as long as FMD goes uncontrolled due to a lack of vaccine. The Committee is concerned that this potential vaccine shortage could result in the compromised management of an FMD outbreak in the United States. In order that the Committee can better understand the budget implications required to address this vaccine shortage, APHIS is directed to report to the Committees on Appropriations of the House and Senate within 90 days of enactment of this Act on contingency plans to develop an expanded vaccine bank and the estimated funding necessary for implementation and maintenance.

Wildlife Damage Management.—While receiving support from cooperators to conduct wildlife management operations, special emphasis should be placed on those areas such as oral rabies vaccination, livestock protection, predator damage management for avian predators such as the blackbird and raven in Western states and cormorants in the south, and other such activities that will reduce or eliminate threats to agricultural industries. The Committee expects APHIS to provide no less than $28,000,000 for the national rabies control and surveillance efforts. No less than $250,000 should be available for the agency to support the use of fixed-wing aircraft to reduce blackbird depredation in the Northern Great Plains.

Of particular concern is the continued and repeat depredation by wolves and packs in the Pacific Northwest. In certain states where state management plans require state agencies to utilize lethal control of wolves, it is important these actions are taken to protect livestock. As experts in the field of managing predators to prevent depredation, USDA has valuable knowledge, tools and resources that can assist states in managing the federally reintroduced wolves. The Committee directs USDA to prioritize and complete the documentation and processes needed to allow them to assist states and local livestock producers with managing this situation.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

2017 appropriation	$84,933,000
2018 budget estimate	77,462,000
Provided in the bill	77,573,000
Comparison:	
2017 appropriation	−7,360,000
2018 budget estimate	+111,000

COMMITTEE PROVISIONS

For Marketing Services of the Agricultural Marketing Service (AMS), the Committee provides an appropriation of $77,573,000. The Committee maintains the fiscal year 2017 funding level for the National Organic Program.

Acer Access.—AMS oversees more than 20 research and promotion boards that empower producers and agribusinesses to pool their own resources to develop and strengthen markets and conduct research and promotion activities. The Committee encourages AMS to meet with the maple syrup industry, upon their request, to discuss the steps in creating a Research and Promotion Program, similar to the process other sectors of the agriculture industry have undertaken.

Organic Fraud.—The organic industry is valued at approximately $50,000,000,000 with significant premiums being paid for organic crops, foods, and products. When consumers pay these premiums, there needs to be certainty that domestic and imported products meet all of the required organic standards. The Committee is concerned about reports of fraud in the organic program, especially among imports. The Committee is aware that the OIG is finishing an audit to understand how AMS evaluates the equivalency of foreign countries' organic processes, and both AMS and OIG continue to investigate instances of foreign and domestic

fraud. AMS is directed to provide the Committee with timely updates on the investigation of allegations of fraud in organic markets, as well as the results and recommendations of the OIG's audit of organic equivalency agreements.

Rural Infrastructure.—Inadequate market access is a critical barrier to economic growth in rural and agricultural communities. The fiscal year 2017 Consolidated Appropriations Act provided $1,000,000 for the Transportation Services Division to continue working with other federal, state and local agencies, as well as producers and those involved in all sectors of agricultural transportation, to address rural infrastructure needs to ensure producers have domestic and international market access. The Committee urges AMS to make public the results of the research and agricultural transportation workshops so that stakeholders, policymakers, and transportation planners can address rural infrastructure deficiencies.

LIMITATION ON ADMINISTRATIVE EXPENSES

2017 limitation	($61,227,000)
2018 budget limitation	(60,982,000)
Provided in the bill	(61,227,000)
Comparison:	
2017 limitation	– – –
2018 budget limitation	+245,000

COMMITTEE PROVISIONS

The Committee provides a limitation of $61,227,000 on Administrative Expenses of the Agricultural Marketing Service.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY

(SECTION 32)

(INCLUDING TRANSFERS OF FUNDS)

2017 appropriation	($20,705,000)
2018 budget estimate	(20,489,000)
Provided in the bill	(20,705,000)
Comparison:	
2017 appropriation	– – –
2018 budget estimate	+216,000

COMMITTEE PROVISIONS

For the Marketing Agreements and Orders Program, the Committee provides a transfer from Section 32 funds of $20,705,000.

The following table reflects the status of this fund for fiscal years 2017 and 2018:

ESTIMATED TOTAL FUNDS AVAILABLE AND BALANCE CARRIED FORWARD FISCAL YEARS 2017–2018

[Dollars in Thousands]

	FY 2017 Enacted	Committee Provision
Appropriation (30% of Customs Receipts)	$10,929,840	$10,370,878
Less Transfers:		
Food & Nutrition Service	−9,503,998	−8,872,010
Commerce Department	−145,175	−154,868
Total, Transfers	−9,649,173	−9,026,878
Prior Year Appropriation Available, Start of Year	166,333	125,000

ESTIMATED TOTAL FUNDS AVAILABLE AND BALANCE CARRIED FORWARD FISCAL YEARS 2017–2018—Continued

[Dollars in Thousands]

	FY 2017 Enacted	Committee Provision
Transfer of Prior Year Funds to FNS (F&V)	−125,000	−125,000
Budget Authority, Farm Bill:	1,322,000	1,344,000
Rescission of Current Year Funds	−231,374	−263,393
Appropriations Temporarily Reduced—Sequestration	−79,626	−77,352
Unavailable for Obligations (F&V Transfer to FNS)	−125,000	−125,000
Budget Authority, Appropriations Act:	886,000	878,255
Less Obligations:		
Child Nutrition Programs (Entitlement Commodities)	465,000	465,000
State Option Contract	5,000	5,000
Removal of Defective Commodities	2,500	2,500
Emergency Surplus Removal	0	0
Disaster Relief	5,000	5,000
Additional Fruits, Vegetables, and Nuts Purchases	206,000	206,000
Fresh Fruit and Vegetable Program	43,000	47,000
Estimated Future Needs	103,355	91,197
Total, Commodity Procurement	829,855	821,697
Administrative Funds:		
Commodity Purchase Support	35,440	35,853
Marketing Agreements and Orders	20,705	20,705
Total, Administrative Funds	56,145	56,558
Total Obligations	886,000	878,255
Unobligated Balance, End of Year	0	0
Unavailable for Obligations (F&V Transfer to FNS)	125,000	125,000
Total, End of Year Balances	$125,000	$125,000

PAYMENTS TO STATES AND POSSESSIONS

2017 appropriation	$1,235,000
2018 budget estimate	1,109,000
Provided in the bill	1,109,000
Comparison:	
2017 appropriation	−126,000
2018 budget estimate	−−−

COMMITTEE PROVISIONS

For Payments to States and Possessions, the Committee provides an appropriation of $1,109,000.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

SALARIES AND EXPENSES

2017 appropriation	$43,482,000
2018 budget estimate	42,975,000
Provided in the bill	42,888,000
Comparison:	
2017 appropriation	−594,000
2018 budget estimate	−87,000

COMMITTEE PROVISIONS

For the Grain Inspection, Packers and Stockyards Administration, the Committee provides $42,888,000.

LIMITATION ON INSPECTION AND WEIGHING SERVICES EXPENSES

2017 limitation	($55,000,000)
2018 budget limitation	(60,000,000)
Provided in the bill	(60,000,000)
Comparison:	
2017 limitation	+5,000,000
2018 budget limitation	– – –

COMMITTEE PROVISIONS

The Committee includes a limitation on inspection and weighing services expenses of $60,000,000. The Committee does not concur with the agency's proposal to remove the limitation on inspection and weighing services expenses. The agency has sufficient carryover balances in this account for these activities. Additionally, the bill includes authority to exceed by 10 percent the limitation on inspection and weighing services with notification to the Committees on Appropriations of the House and Senate.

OFFICE OF THE UNDER SECRETARY FOR FOOD SAFETY

2017 appropriation	$819,000
2018 budget estimate	814,000
Provided in the bill	800,000
Comparison:	
2017 appropriation	– 19,000
2018 budget estimate	– 14,000

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Food Safety, the Committee provides an appropriation of $800,000.

FOOD SAFETY AND INSPECTION SERVICE

2017 appropriation	$1,032,062,000
2018 budget estimate	1,038,069,000
Provided in the bill	1,038,069,000
Comparison:	
2017 appropriation	+6,007,000
2018 budget estimate	– – –

COMMITTEE PROVISIONS

For the Food Safety and Inspection Service (FSIS), the Committee provides an appropriation of $1,038,069,000.

The following table reflects the Committee's recommendations for fiscal year 2018:

FOOD SAFETY AND INSPECTION SERVICE

[Dollars in Thousands]

	Recommendation
Federal Inspection	$921,762
Public Health Data Communication Infrastructure System	34,580
International Food Safety and Inspection	16,487
State Food Safety and Inspection	61,568
Codex Alimentarius	3,672
Total, Food Safety and Inspection Service	$1,038,069

Brazilian Beef.—Due to the very high level of health, sanitation and animal health problems in Brazilian beef exports found by

FSIS inspectors, USDA suspended all imports of fresh beef from Brazil. The Committee applauds this action. However, given news reports about the severity of the corruption among Brazilian health and industry officials, the Committee directs USDA to conduct a full review of Brazil's food safety equivalency determination for all products that are eligible to be exported to the United States, including raw beef. That review shall be completed within 180 days of enactment of this Act and a report shall be provided to the Committee and posted on the Department's website.

Humane Methods of Slaughter.—FSIS shall ensure that inspectors hired with funding previously specified for enforcement under the Humane Methods of Slaughter Act focus their attention on overseeing compliance with humane handling rules for live animals as they arrive and are offloaded and handled in pens, chutes, and stunning areas, and that all inspectors receive robust national training, including on the Regulatory Essentials, Humane Animal Tracking System, and Public Health Information System.

Poultry from the People's Republic of China.—Prior to finalizing any rule allowing poultry raised and slaughtered in the People's Republic of China (PRC) into the United States, the Secretary shall provide a report to the Committee, and post the report on the FSIS website, as to all measures that that USDA will take to ensure that: (1) the PRC will provide continuous inspection with government inspection personnel in all poultry plants exporting to the U.S., including carcass-by-carcass inspection in slaughter facilities; (2) the PRC will publicly report all animal disease outbreaks affecting poultry in a timely fashion; and (3) the PRC will publicly disclose all recalls of poultry products in a timely fashion.

Public Health Veterinarians.—The Committee is concerned about the persistent vacancy rate for public health veterinarians (PHVs) within FSIS. The Committee directs the Department to continue FSIS' new incentive programs for PHVs and report the results no later than March 2018. Additionally, the Committee directs USDA to work with other federal agencies to explore the authority needed and how special salary rates may be implemented in the recruitment and retention of PHVs.

Siluriformes Inspection.—Since implementing the Siluriformes inspection program, FSIS has conducted numerous inspections and has prevented more than 423 tons of adulterated or ineligible product from entering the U.S. food supply. FSIS has exceeded the number of inspections and findings by the FDA that previously had jurisdiction over the program. Given these results, the Committee does not concur with the President's budget request to transfer this responsibility back to FDA. FSIS is protecting the public health, and the Committee expects the agency to continue with full compliance by September 1, 2017.

TITLE II

FARM PRODUCTION AND CONSERVATION PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR FARM PRODUCTION AND CONSERVATION

2017 appropriation	$901,000
2018 budget estimate	896,000
Provided in the bill	875,000
Comparison:	
2017 appropriation	−26,000
2018 budget estimate	−21,000

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Farm Production and Conservation, the Committee provides an appropriation of $875,000.

Reorganization.—The Committee is supportive of the Secretary's reorganization of the farm production and conservation mission areas under one Under Secretary and expects this position to equally focus on each mission. The Committee directs the Under Secretary to provide briefings during fiscal year 2017 on preliminary strategies and plans for the reorganization related to the consolidation, co-location, relocation, and closure of field offices and staff; and the development and combination of information technology systems, specifically farm program modernization.

FARM SERVICE AGENCY

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

	Appropriation	Transfer from Program Accounts	Total, FSA S&E
2017 appropriation	$1,206,110,000	($309,610,000)	($1,515,720,000)
2018 budget estimate	1,130,163,000	(297,888,000)	(1,428,051,000)
Provided in the bill	1,166,317,000	(297,888,000)	(1,464,205,000)
Comparison:			
2017 appropriation	−39,793,000	−11,722,000	−(51,515,000)
2018 budget estimate	+$36,154,000	$– – –	+($36,154,000)

COMMITTEE PROVISIONS

For Salaries and Expenses of the Farm Service Agency (FSA), the Committee provides an appropriation of $1,166,317,000 and transfers of $297,888,000, for a total program level of $1,464,205,000.

The Committee does not: 1) provide the one-time FY 2017 increases of $6,000,000; 2) accept reductions in non-federal full time employees (FTE); 3) accept savings from farm program modernization; and 4) accept any reduction in FTE for international commodity operations and food aid programs including Food for Peace Title II and the McGovern-Dole International Food for Education Program.

The Committee does: (1) accept savings from FTE attrition; (2) provide funding for CCC audit readiness; (3) accept savings from federal and non-federal operating expenses; (4) direct farm program

modernization savings to be used for other IT purposes proposed and as determined by the Secretary; and (5) accept IT operation maintenance and imaging savings.

The Committee notes that the Department has the authority to include state organic program fees and transitional certification fees from programs established under the Organic Foods and Production Act of 1990 when administering the program under 7 U.S.C. 6523.

CLEAR Initiative.—The Committee is encouraged by FSA's announcement of the new Conservation Reserve Program (CRP) initiative, the Clean Lakes, Estuaries, and Rivers (CLEAR) initiative, which creates a funding mechanism for the installation of saturated buffers and denitrifying bioreactors (NRCS Standard Codes 604 and 605, respectively) into CRP buffers (CP 21 & CP 22). The CLEAR announcement established policy to incentivize and allow the installation of bioreactors into new, existing, and re-enrolled CRP buffers. However, saturated buffers were only allowed in new and re-enrolled CRP buffers. The Committee understands this has limited the ability of stakeholders to install saturated buffers into CRP without penalty. The Committee recommends FSA look into changing the CLEAR guidelines to allow the installation of saturated buffers in new, re-enrolled and existing CRP contracts to allow FSA cost-shared installation of saturated buffers, and to examine allowing for installation of saturated buffers through non-federal programs and initiatives without penalty to landowners.

Emergency Conservation Program (ECP).—The Committee encourages USDA to continue providing updates of funding needs for ECP, especially in the aftermath of drought, wildfires, and other natural disasters. The Committee encourages FSA to be flexible in meeting new challenges as it was during recent wildfire outbreaks when it allowed grazing on CRP lands.

Oriental Fruit Fly.—The Committee strongly urges FSA to make funds available to those farmers who were negatively impacted by an Oriental Fruit Fly quarantine from October 2015 through February 2016. The farmers, who were unable to bring their crop to market, sustained devastating losses, although the quarantine was necessary and successful in eradicating the Oriental Fruit Fly pest. Because crop insurance and other similar programs do not apply in instances of a state or federally declared quarantine, the impacted farmers are in need of relief. The Committee believes it is within FSA's purview to make funds available to the impacted farmers.

STATE MEDIATION GRANTS

2017 appropriation	$3,904,000
2018 budget estimate	3,398,000
Provided in the bill	3,398,000
Comparison:	
2017 appropriation	−506,000
2018 budget estimate	−−−

COMMITTEE PROVISIONS

For State Mediation Grants, the Committee provides an appropriation of $3,398,000.

GRASSROOTS SOURCE WATER PROTECTION PROGRAM

2017 appropriation	$6,500,000
2018 budget estimate	– – –
Provided in the bill	6,000,000
Comparison:	
2017 appropriation	– 500,000
2018 budget estimate	+6,000,000

COMMITTEE PROVISIONS

For the Grassroots Source Water Protection Program, the Committee provides an appropriation of $6,000,000.

DAIRY INDEMNITY PROGRAM

(INCLUDING TRANSFER OF FUNDS)

2017 appropriation	[1] $500,000
2018 budget estimate	[1] 500,000
Provided in the bill	[1] 500,000
Comparison:	
2017 appropriation	– – –
2018 budget estimate	– – –

[1] Current indefinite appropriation.

COMMITTEE PROVISIONS

For the Dairy Indemnity Program, the Committee provides an appropriation of such sums as may be necessary (estimated to be $500,000 in the President's fiscal year 2018 budget request).

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

ESTIMATED LOAN LEVELS

2017 loan level	$8,002,576,000
2018 budget estimate	6,953,884,000
Provided in the bill	7,163,884,000
Comparison:	
2017 loan level	– 838,692,000
2018 budget estimate	+210,000,000

COMMITTEE PROVISIONS

For the Agricultural Credit Insurance Fund program account, the Committee provides a loan level of $7,163,884,000.

Farm Loans.—The Committee encourages FSA to continue providing updates on the estimates of demand for farm loan programs. The Committee also encourages the retention and fulfillment of farm loan program officer positions to facilitate an orderly processing of applications and prevent administrative backlogs.

The following table reflects the loan levels for the Agricultural Credit Insurance Fund program account:

AGRICULTURE CREDIT PROGRAMS—LOAN LEVELS

[Dollars in Thousands]

	FY 2017 Enacted	FY 2018 Estimate	Committee Provision
Farm Loan Programs			
Farm Ownership:			
Direct	$1,500,000	$1,500,000	$1,500,000
Unsubsidized Guaranteed	2,750,000	2,500,000	2,500,000

AGRICULTURE CREDIT PROGRAMS—LOAN LEVELS—Continued

[Dollars in Thousands]

	FY 2017 Enacted	FY 2018 Estimate	Committee Provision
Farm Operating:			
Direct	1,530,000	1,304,851	1,304,851
Unsubsidized Guaranteed	1,960,000	1,393,423	1,593,423
Emergency Loans	22,576	25,610	25,610
Indian Tribe Land Acquisition Loans	20,000	20,000	20,000
Conservation Loans:			
Unsubsidized Guaranteed	150,000	150,000	150,000
Indian Highly Fractionated Land	10,000	– – –	10,000
Boll Weevil Eradication	60,000	60,000	60,000
Total	$8,002,576	$6,953,884	$7,163,884

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

[Dollars in Thousands]

	Direct Loan Subsidy	Guaranteed Loan Subsidy	Administrative Expenses
2017 appropriation	$65,178	$20,972	$317,068
2018 budget estimate	52,716	15,467	305,291
Provided in the bill	52,716	15,467	305,291
Comparison:			
2017 appropriation	– 12,462	– 5,505	– 11,777
2018 budget estimate	$– – –	$– – –	$– – –

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

AGRICULTURE CREDIT PROGRAMS—SUBSIDIES AND GRANTS

[Dollars in Thousands]

	FY 2017 Enacted	FY 2018 Estimate	Committee Provision
Farm Loan Subsidies			
Farm Operating:			
Direct	$65,178	$52,716	$52,716
Unsubsidized Guaranteed	20,972	15,467	17,687
Emergency Loans	1,262	1,260	1,260
Indian Highly Fractionated Land	2,550	– – –	2,272
Total	89,962	69,443	73,935
ACIF Expenses:			
Salaries and Expenses	306,998	297,386	297,386
Administrative Expenses	10,070	7,905	7,905
Total, ACIF Expenses	$317,068	$305,291	$305,291

Risk Management Agency

SALARIES AND EXPENSES

2017 appropriation	$74,829,000
2018 budget estimate	[1] 55,000,000
Provided in the bill	[1] 55,000,000
Comparison:	
2017 appropriation	– 19,829,000
2018 budget estimate	– – –

[1] Does not include $20,000,000 from mandatory funding.

COMMITTEE PROVISIONS

For the Risk Management Agency, the Committee provides an appropriation of $55,000,000.

The Committee supports the President's Budget Request to use fees for operating expenses and to maintain program integrity. The Committee advises the agency to provide updates during fiscal year 2017 on the program impact from this proposal.

NATURAL RESOURCES CONSERVATION SERVICE

CONSERVATION OPERATIONS

2017 appropriation	$864,474,000
2018 budget estimate	766,000,000
Provided in the bill	858,911,000
Comparison:	
2017 appropriation	−5,563,000
2018 budget estimate	+92,911,000

COMMITTEE PROVISIONS

For Conservation Operations, the Committee provides an appropriation of $858,911,000.

The Committee provides $9,300,000 for the Snow Survey and Water Forecasting Program; $9,400,000 for the Plant Materials Centers; and $80,000,000 for the Soil Surveys Program. The Committee provides $760,211,000 for Conservation Technical Assistance and includes the requested increase for the Conservation Delivery Streamlining Initiative.

Agricultural Conservation Easement Program.—Due to the unique ecological needs of each state, the Committee encourages NRCS to work with state and local partners to address these needs and to ensure the priority needs and projects in each state, such as those that are leveraged by public and private resources, are addressed.

Cheat Grass Eradication.—The Committee encourages NRCS to continue to assist farmers and ranchers to eradicate, control, and reduce the fuel loads associated with cheat grass and to collaborate with ARS, as appropriate, on research related to cheat grass.

Community Colleges.—The Committee encourages NRCS to collaborate with our nation's community colleges for the advancement of agriculture and the adoption of technology and conservation practices among producers and landowners. NRCS should target specific funds to highlight the special contributions that community colleges can provide in terms of technical assistance, demonstration, and applied research that is available through their agriculture programs.

Floodplain Buyouts.—The Committee commends the successful efforts of NRCS with voluntary floodplain homeowner buyout projects. The Committee encourages the NRCS to continue collaborative efforts with participating towns and counties to mitigate unintended consequences resulting from buyouts, such as utility cost increases for homeowners in these regions.

Harmful Algal Blooms.—The Committee supports NRCS' ongoing work to prevent soil erosion leading to harmful algal blooms through the introduction of cover crops and encourages continued targeting of watersheds where harmful algal blooms pose a threat.

Herbicide Resistance.—The Committee reminds NRCS of the challenges many producers are facing due to the spread of herbicide-resistant weeds and encourages it to ensure agency staff, partners, and producers are aware of conservation practice standards, conservation activity plans to address herbicide-resistant weeds, and financial assistance available through conservation programs to assist producers in their efforts to control these weeds.

Irrigation Agriculture.—The recent drought in the Southeast brought to light the need for greater irrigation in regions that have not previously had widespread irrigation systems. The Committee reiterates its support for irrigation agriculture and encourages NRCS to leverage all possible funding streams to support the expansion of irrigation infrastructure in rural America. The Committee also notes that it has not received the report required by H. Rpt. 114–531 and directs NRCS to submit this report.

Locally Led Conservation.—The Committee recognizes that locally led conservation is the foundation of the nation's highly successful legacy of conservation and encourages NRCS to work with state, tribal, local, and other partners on voluntary stewardship projects that preserve working agricultural lands while protecting watersheds and wildlife habitat.

Milkweed.—The Committee is concerned about the rapid decline in milkweed for monarch butterfly habitat. The Committee encourages NRCS consider the increased benefits of restoring milkweed for monarch habitat in fiscal year 2018.

National Marine Sanctuaries.—The Committee urges the agency to continue the collaborative agreement with the Office of National Marine Sanctuaries to address sources of agricultural runoff, such as sediments, nitrates, and pesticides.

Regional Conservation Partnership Program.—The Committee commends NRCS for the success of RCPP, through which NRCS provides assistance to producers through partnership agreements, program contracts, or easement agreements. These programs allow for diverse and innovative conservation projects which leverage both public and private funding. The Committee encourages NRCS to consider the needs of organic farmers, who implement a wide variety of creative methods to improve water quality and enhance the environment, while implementing RCPP.

Resource Conservation and Development Councils (RC&Ds).—The Committee recognizes RC&Ds have been valuable partners in conservation and encourages NRCS to continue working with local councils, as appropriate, to ensure conservation programs meet local resource needs.

Sage Grouse Initiative.—The Committee supports NRCS' sage grouse conservation efforts. Through the initiative, NRCS provides technical and financial assistance to help landowners conserve sage grouse habitat on their land. The initiative is an integral part of efforts by federal agencies, several western states, and private landowners to help preclude the listing of the sage grouse as an endangered species.

WATERSHED AND FLOOD PREVENTION OPERATIONS

2017 appropriation	$150,000,000
2018 budget estimate	– – –
Provided in the bill	40,000,000
Comparison:	
2017 appropriation	– 110,000,000
2018 budget estimate	+40,000,000

COMMITTEE PROVISIONS

For the Watershed and Flood Prevention Operations, the Committee provides an appropriation of $40,000,000.

WATERSHED REHABILITATION PROGRAM

2017 appropriation	$12,000,000
2018 budget estimate	– – –
Provided in the bill	10,000,000
Comparison:	
2017 appropriation	– 2,000,000
2018 budget estimate	+10,000,000

COMMITTEE PROVISIONS

For the Watershed Rehabilitation Program, the Committee provides an appropriation of $10,000,000.

CORPORATIONS

High-Hazard Dams.—Within the funds provided for the Watershed Rehabilitation Program, the Committee provides $5,000,000 for the repair and rehabilitation of high-hazard dams which pose a threat to human life and safety, in particular those in rural states which have had recent floods that resulted in fatalities.

FEDERAL CROP INSURANCE CORPORATION FUND

2017 appropriation	[1] $8,667,000,000
2018 budget estimate	[1] 8,245,000,000
Provided in the bill	[1] 8,245,000,000
Comparison:	
2017 appropriation	– 422,000,000
2018 budget estimate	– – –

[1] Current indefinite appropriation.

COMMITTEE PROVISIONS

For the Federal Crop Insurance Corporation Fund, the Committee provides an appropriation of such sums as may be necessary (estimated to be $8,245,000,000 in the President's fiscal year 2018 budget request).

COMMODITY CREDIT CORPORATION FUND

REIMBURSEMENT FOR NET REALIZED LOSSES

(INCLUDING TRANSFERS OF FUNDS)

2017 appropriation	[1] $21,290,712,000
2018 budget estimate	[1] 17,483,000,000
Provided in the bill	[1] 17,483,000,000
Comparison:	
2017 appropriation	– 3,807,712,000
2018 budget estimate	– – –

[1] Current indefinite appropriation.

COMMITTEE PROVISIONS

For Reimbursement for Net Realized Losses to the Commodity Credit Corporation, the Committee provides such sums as may be necessary to reimburse for net realized losses sustained but not previously reimbursed (estimated to be $17,483,000,000 in the President's fiscal year 2018 budget request).

Cotton.—The Committee encourages the Commodity Credit Corporation to use some of the funding available for Section 5 of the authorizing Act (15 U.S.C. 714) and Section 32 of the Agricultural Adjustment Act (7 U.S.C. 612c) provided in FY 2017 and available in FY 2018 to be used for purposes of providing assistance to the cotton sector. The Committee further encourages the Department to explore and act upon other ways to assist the sector, including through ginning cost-share programs, other methods allowable by law, and as a result of the study directed in the fiscal year 2017 appropriations Act. The Committee further supports the inclusion of cottonseed as an oilseed.

HAZARDOUS WASTE MANAGEMENT

(LIMITATION ON EXPENSES)

2017 limitation	($5,000,000)
2018 budget estimate	(5,000,000)
Provided in the bill	(5,000,000)
Comparison:	
2017 limitation	– – –
2018 budget estimate	– – –

COMMITTEE PROVISIONS

For Hazardous Waste Management, the Committee provides a limitation of $5,000,000.

TITLE III

RURAL DEVELOPMENT PROGRAMS

RURAL DEVELOPMENT SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

	FY 2017 Enacted	FY 2018 Estimate	Committee Provision
Appropriations	$225,835,000	$186,076,000	$220,835,000
Transfer from:			
Rural Housing Insurance Fund Program Account	412,254,000	244,249,000	401,300,000
Rural Community Facilities Program Account	– – –	147,591,000	– – –
Rural Development Loan Fund Program Account	4,468,000	– – –	4,230,000
Rural Electrification and Telecommunications Loan Program Account	33,270,000	38,027,000	30,750,000
Distance Learning, Telemedicine, and Broadband Program	– – –	8,057,000	– – –
Total, RD Salaries and Expenses	$675,827,000	$624,000,000	$657,115,000

COMMITTEE PROVISIONS

For Salaries and Expenses of the Rural Development mission area, the Committee provides an appropriation of $220,835,000.

RURAL HOUSING SERVICE

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

[Dollars in Thousands]

	Loan Level	Subsidy Level	Administrative Expenses
2017 Appropriation	$25,335,133	$89,302	$412,254
2018 Budget Estimate	24,260,000	– – –	244,249
Provided in the Bill	25,217,398	49,515	401,300
Comparison:			
2017 Appropriation	– 117,735	– 39,787	– 10,954
2018 Budget Estimate	+$957,398	+$49,515	+$157,051

COMMITTEE PROVISIONS

For the Rural Housing Insurance Fund program account, the Committee provides a loan level of $25,217,398,000.

Section 502 Intermediary Pilot Program.—The bill directs the Secretary to continue and expand the pilot program for packaging section 502 direct loans. The pilot requires not less than ten non-profit organizations to prepare and review applications for single family loans, saving federal funds and staff time. The Committee expects the Rural Housing Service to expeditiously implement this program.

Section 514 Housing.—The Committee recognizes changes in the agricultural labor market and the effect of these changes on farm housing utilization. However, any changes to eligibility for farm housing must not displace any farm worker who is a United States citizen or a person legally admitted to the United States. Eligibility changes would only apply to situations where housing units are currently unoccupied or underutilized.

Rural Definition.—Communities need transparency and deserve to understand the criteria that are evaluated when determining eligibility for RHS programs. The Committee directs RHS to submit a report listing the criteria used to define "rural in character" in determining program eligibility.

The following table reflects the loan levels for the Rural Housing Insurance Fund program account:

[Dollars in Thousands]

	FY 2017 Enacted	FY 2018 Estimate	Committee Provision
Rural Housing Insurance Fund Loans:			
Single Family Housing (sec. 502):			
Direct	$1,000,000	$– – –	$900,000
Unsubsidized Guaranteed	24,000,000	24,000,000	24,000,000
Housing Repair (sec. 504)	26,278	– – –	24,000
Rental Housing (sec. 515)	35,000	– – –	28,398
Multi-family Guaranteed (sec. 538)	230,000	250,000	230,000
Site Development Loans	5,000	– – –	5,000
Credit Sales of Acquired Property	10,000	10,000	10,000
Self-help Housing Land Development Fund	5,000	– – –	5,000
Farm Labor Housing	23,855	– – –	15,000
Total, Loan Authorization	$25,335,133	$24,260,000	$25,217,398

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

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

[Dollars in Thousands]

	FY 2017 Enacted	FY 2018 Estimate	Committee Provision
Rural Housing Insurance Fund Program Account (Loan Subsidies and Grants):			
Single Family Housing (sec. 502):			
Direct	$67,700	$– – –	$34,650
Housing Repair (sec. 504)	3,663	– – –	2,959
Rental Housing (sec. 515)	10,360	– – –	7,472
Farm Labor Housing	7,051	– – –	4,008
Site Development (sec. 524)	111	– – –	58
Self-Help Land (sec. 523)	417	– – –	368
Total, Loan Subsidies	89,302	– – –	49,515
Farm Labor Housing Grants	8,336	– – –	6,000
RHIF Expenses:			
Administrative Expenses	$412,254	$244,249	$401,300

RENTAL ASSISTANCE PROGRAM

2017 appropriation	$1,405,033,000
2018 budget estimate	1,345,293,000
Provided in the bill	1,345,293,000
Comparison:	
2017 appropriation	−59,740,000
2018 budget estimate	– – –

COMMITTEE PROVISIONS

For the Rental Assistance Program, the Committee provides a program level of $1,345,293,000.

MULTIFAMILY HOUSING REVITALIZATION PROGRAM ACCOUNT

2017 appropriation	$41,400,000
2018 budget estimate	20,000,000
Provided in the bill	35,000,000
Comparison:	
2017 appropriation	−6,400,000
2018 budget estimate	+15,000,000

For the Multifamily Housing Revitalization Program Account, the Committee provides an appropriation of $35,000,000, including $20,000,000 for the rural housing voucher program.

MUTUAL AND SELF HELP HOUSING GRANTS

2017 appropriation	$30,000,000
2018 budget estimate	– – –
Provided in the bill	25,000,000
Comparison:	
2017 appropriation	−5,000,000
2018 budget estimate	+25,000,000

COMMITTEE PROVISIONS

For Mutual and Self-Help Housing Grants, the Committee provides an appropriation of $25,000,000.

RURAL COMMUNITY FACILITIES PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

2017 appropriation	$47,100,000
2018 budget estimate	147,591,000
Provided in the bill	4,849,000
Comparison:	
2017 appropriation	−42,251,000
2018 budget estimate	−142,742,000

COMMITTEE PROVISIONS

For the Rural Community Facilities Program Account, the Committee provides an appropriation of $4,849,000.

The Committee provides funding for Community Facility grants in the Rural Economic Infrastructure account.

The Committee continues to take the Rural Development administrative expense transfer from the Rural Housing Insurance Fund (RHIF) and does not accept the proposed transfer from the Rural Community Facilities program account.

Power Plus.—The Committee encourages USDA to give consideration to Community Facility investments in coal communities that have been negatively impacted by changes in the coal industry and power sector.

The following table provides the Committee's recommendations as compared to the budget request:

[Dollars in Thousands]

	FY 2017 Enacted	FY 2018 Estimate	Committee Provision
Loan Levels:			
Community Facility Direct Loans	($2,600,000)	($3,000,000)	($2,600,000)
Community Facility Guaranteed Loans	(148,305)	(– – –)	(148,305)
Subsidy and Grants:			
Community Facility Guaranteed Loans	3,322	– – –	4,849
Community Facility Grants	30,000	– – –	– – –
Rural Community Development Initiative	4,000	– – –	– – –
Economic Impact Initiative	5,778	– – –	– – –
Tribal College Grants	4,000	– – –	– – –
Administrative Expense Transfer	– – –	147,591	– – –
Total, Rural Community Facilities Program Subsidy and Grants	$47,100	$147,591	$4,849

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL BUSINESS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

2017 appropriation	$65,319,000
2018 budget estimate	– – –
Provided in the bill	58,251,000
Comparison:	
2017 appropriation	−7,068,000
2018 budget estimate	+58,251,000

COMMITTEE PROVISIONS

For the Rural Business Program Account, the Committee provides an appropriation of $58,251,000.

The Committee provides resources to operate programs under the Rural Business-Cooperative Service (RBS). RBS programs com-

plement lending activities of the private sector by promoting economic prosperity in rural communities through improved access to capital and economic development on a regional scale.

The following table provides the Committee's recommendations as compared to the budget request:

[Dollars in Thousands]

	FY 2017 Enacted	FY 2018 Estimated	Committee Provision
Loan Level:			
Business and Industry Guaranteed Loans	($919,765)	$– – –	($819,000)
Subsidy and Grants:			
Business and Industry Guaranteed Loans	35,319	– – –	33,251
Rural Business Development Grants	24,000	– – –	20,000
Delta Regional Authority/Appalachian Regional Commission	6,000	– – –	5,000
Total, Rural Business Program Subsidy and Grants	$65,319	$– – –	$58,251

The following programs are included in the bill for the Rural Business Program account: $500,000 for rural transportation technical assistance and $4,000,000 for Federally Recognized Native American Tribes, of which $250,000 is for transportation technical assistance. The Committee notes that the 2014 Farm Bill consolidated the Rural Business Opportunity and Rural Business Enterprise grant programs.

Rural Business Development Grants.—The Committee understands the important role that rural business development grants have in supporting the development or expansion of businesses in rural areas.

INTERMEDIARY RELENDING PROGRAM FUND ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

[Dollars in Thousands]

	Loan Level	Subsidy Level	Administrative Expenses
2017 Appropriation	$18,889	$5,476	$4,468
2018 Budget Estimate	– – –	– – –	– – –
Provided in the Bill	17,500	4,041	4,230
Comparison:			
2017 Appropriation	−1,389	−1,435	−238
2018 Budget Estimate	+$17,500	+$4,041	+$4,230

COMMITTEE PROVISIONS

For the Intermediary Relending Program Fund Account, the Committee provides for a loan level of $17,500,000.

For the loan subsidy, the Committee provides an appropriation of $4,041,000. In addition, the Committee provides $4,230,000 for administrative expenses.

RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

(INCLUDING RESCISSION OF FUNDS)

	Loan Level
2017 Appropriation	$42,213,000
2018 Budget Estimate	– – –
Provided in the Bill	33,077,000
Comparison:	
2017 Appropriation	– 9,136,000
2018 Budget Estimate	+$33,077,000

COMMITTEE PROVISIONS

For the Rural Economic Development Loans Program Account, the Committee provides for a loan level of $33,077,000.

Review and Selection Process.—The Committee recognizes that demand for the Rural Economic Development Loan and Grant Program remains high. The Committee encourages the Rural Business-Cooperative Service to award funds on a first-come first-serve basis, after taking all other eligibility requirements into account, and not the prioritization system utilized in fiscal year 2016. The Committee supports utilizing a first-come first-serve award system as the most expeditious means to award funds to eligible projects.

RURAL COOPERATIVE DEVELOPMENT GRANTS

2017 appropriation	$26,550,000
2018 budget estimate	– – –
Provided in the bill	21,000,000
Comparison:	
2017 appropriation	– 5,550,000
2018 budget estimate	+21,000,000

COMMITTEE PROVISIONS

For Rural Cooperative Development Grants, the Committee provides an appropriation of $21,000,000. This total includes $2,500,000 for a cooperative agreement for the Appropriate Technology Transfer for Rural Areas program and $10,000,000 for the value-added agricultural product market development grant program.

The Committee notes that the 2014 Farm Bill provided mandatory funding for value-added agricultural product market development grants.

RURAL ENERGY FOR AMERICA PROGRAM

2017 appropriation	$352,000
2018 budget estimate	– – –
Provided in the bill	291,000
Comparison:	
2017 appropriation	– 61,000
2018 budget estimate	+291,000

COMMITTEE PROVISIONS

For the Rural Energy for America Program, the Committee provides a loan level of $7,520,000 and an appropriation of $291,000 for the loan subsidy to make loans as authorized by section 9007 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107).

The Committee notes that the 2014 Farm Bill provides mandatory funding for this program.

RURAL UTILITIES SERVICE

RURAL WATER AND WASTE DISPOSAL PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

2017 appropriation	$571,190,000
2018 budget estimate	– – –
Provided in the bill	472,700,000
Comparison:	
2017 appropriation	–98,490,000
2018 budget estimate	+472,700,000

COMMITTEE PROVISIONS

For the Rural Water and Waste Disposal Program Account, the Committee provides an appropriation of $472,700,000. Rural areas continue to face immense needs and challenges in attaining safe and clean water, and the USDA Water and Waste Disposal program provides targeted and coordinated support for these communities and is essential for the delivery of safe, dependable and affordable water and wastewater to rural America. The Committee believes this program is complimentary, not duplicative of other federal programs and critical in supporting quality of life, economic development and health to rural communities.

Water Supplies for Very Small Communities.—The Committee is aware of concerns that Rural Utilities Service (RUS) grant programs do not adequately help small, disadvantaged, and severely disadvantaged communities access the funding and expertise necessary to develop sustainable water supplies or otherwise improve their wastewater systems, and it directs the agency to focus its efforts to assist these communities with predevelopment planning to help them address their water supply needs.

Carryover Balances for AK, HI, and Colonias Grants.—The Committee is aware of carryover balances of unobligated funds provided in prior year appropriations for Water and Waste Disposal grants for Alaskan villages, Native American Tribes, Hawaiian Homelands, and the Colonias. The Committee urges the Department to work with state, local and tribal organization stakeholders to provide assistance via water and waste disposal grant programs as long as such assistance was requested by the respective groups in the year in which the funds were appropriated. The Department has flexibility to shift these prior year funds among the four areas through a reprogramming of funds. Further, the Committee provides flexibility in fiscal year 2018 to move funds to other water and waste disposal priorities in order to reduce the backlog of related needs nationwide.

Open and Free Competition Policy.—The Committee supports the Department's underlying adherence to free and open competition on water and waste projects as contained in 7 CFR 1780.70(b) and (d). The Committee supports efforts to eliminate arbitrary actions in the procurement process but is concerned that the Department is undermining the ability of local communities and the engineer of record to design water and wastewater projects in the manner that best serves the unique needs and considerations of local com-

munities. In particular, the Committee is concerned about the May 17, 2012, memorandum and the implementation of pipe materials. The Committee believes that the Department must apply its policy uniformly to all building materials but is concerned with the Department requirements that would unnecessarily delay projects by including onerous approval processes. Communities and professional engineers are different and specify the pipe materials that best suit the needs of their community and project. These communities and engineers, therefore make different determinations depending on what is suited for a given community, including the existence of applicable federal, state, or local ordinances or standard specifications. The Committee encourages the Department to defer to the engineer of record in the selection of materials that meet nationally recognized standards, including pipe, absent extraordinary circumstances demonstrating arbitrary action.

Domestic Preference.—The bill includes language specifying that RUS' Rural Water and Waste Disposal program account that projects utilizing iron and steel shall use iron and steel products produced in the United States. RUS shall apply the Environmental Protection Agency's definition of public water systems while implementing the domestic preference provision.

RUS Contracting.—The Committee encourages RUS to review construction contract procedures to identify means to more efficiently build and expand critical power and communications infrastructure across rural America. Specifically, the Committee is interested in Form 773 contracts and benefits or detriments towards increasing the limit of the contracts to $1,000,000 and enabling subcontracting opportunities under the contracts. The Committee is also interested in any changes to bonding requirements should the contract limit be increased and what, if any, controls are lost when executing a minor construction project over the RUS Form 515 that is currently utilized for projects over $250,000.

Unserved and Underserved Rural Communities.—The Committee recognizes there are unserved or underserved rural areas within the U.S. that lack the technical, financial, or managerial capacity to adequately operate, maintain or provide safe and affordable water and wastewater service necessary to protect and enhance the public health and economic vitality of their communities. It is noted that many contiguous and local utilities located outside the unserved or underserved service area have the capacity to provide sustainable, essential water and wastewater services to these areas. The Committee directs the Secretary to explore the potential of providing financial and other incentives to the local or contiguous utilities that have the demonstrated capacity and ability to provide essential water and waste water services to these unserved or underserved communities. The Secretary shall provide a report to the Committees on Appropriations of the House and Senate with findings and recommendations within 180 days of enactment of this Act.

The following table provides the Committee's recommendations as compared to the budget request:

[Dollars in Thousands]

	FY 2017 Enacted	FY 2018 Estimate	Committee Provision
Loan Levels:			
Water and Waste Direct Loans	($1,200,000)	$– – –	($1,200,000)
Water and Waste Guaranteed Loans	(50,000)	– – –	(50,000)
Subsidy and Grants:			
Direct Subsidy	52,080	– – –	25,680
Guaranteed Subsidy	240	– – –	230
Water and Waste Revolving Fund	1,000	– – –	1,000
Water Well System Grants	993	– – –	993
Grants for the Colonias and AK/HI	64,000	– – –	45,000
Water and Waste Technical Assistance Grants	20,000	– – –	20,000
Circuit Rider Program	16,897	– – –	16,897
Solid Waste Management Grants	4,000	– – –	4,000
High Energy Cost Grants	10,000	– – –	– – –
Water and Waste Disposal Grants	391,980	– – –	358,900
306A(i)(2) Grants	10,000	– – –	– – –
Total, Subsidies and Grants	$571,190	$– – –	$472,700

Rural Electrification and Telecommunications Loans Program Account

(INCLUDING TRANSFER OF FUNDS)

[Dollars in Thousands]

	Loan Level	Subsidy Level	Administrative Expenses
2017 Appropriation	$6,940,000	$3,071	$33,270
2018 Budget Estimate	6,190,000	863	38,027
Provided in the Bill	6,940,000	863	30,750
Comparison:			
2017 Appropriation	– – –	–2,208	–2,520
2018 Budget Estimate	+$750,000	$– – –	–$7,277

COMMITTEE PROVISIONS

For the Rural Electrification and Telecommunications Loans Program Account, the Committee provides a loan level of $6,940,000,000. In addition, the Committee provides $30,750,000 for administrative expenses.

The following table reflects the loan levels for the Rural Electrification and Telecommunications Loans Program Account:

[Dollars in Thousands]

	FY 2017 Enacted	FY 2018 Estimate	Committee Provision
Loan Authorizations:			
Electric:			
Direct, FFB	$5,500,000	$5,500,000	$5,500,000
Guaranteed Underwriting	750,000	– – –	750,000
Subtotal	6,250,000	5,500,000	6,250,000
Telecommunications:			
Direct, Treasury Rate	345,000	345,000	345,000
Direct, FFB	345,000	345,000	345,000
Total, Loan Authorizations	$6,940,000	$6,190,000	$6,940,000

BROADBAND PROGRAM

[Dollars in Thousands]

	FY 2017 Enacted	FY 2018 Estimate	Committee Provision
Broadband Program:			
Loan Authorization	$27,043	$26,991	$26,991
Loan Subsidy	4,500	4,521	4,521
Grants	34,500	– – –	– – –
Distance Learning and Telemedicine:			
Grants	26,600	– – –	– – –
Total, Loan Subsidy and Grants	$65,600	$4,521	$4,521

COMMITTEE PROVISIONS

For the Broadband Program, the Committee provides an appropriation of $4,521,000.

The Committee has provided appropriations for the Distance Learning, Telemedicine and Community Connect program under the Rural Economic Infrastructure account.

Broadband Loan Program Priorities.—The Committee recognizes the advantages of extending broadband services, including the economic development opportunities and improved health care services that broadband technology provides. Funding provided for the broadband loan program is intended to promote availability in those areas where there is not otherwise a business case for private investment in a broadband network. The Committee directs RUS to focus expenditures on projects that bring broadband service to underserved households and areas.

Tribal Communities.—The Committee notes that tribal communities continue to struggle with gaining access to broadband service. The Committee encourages the Secretary to provide a report that identifies the specific challenges Indian Tribal Organizations (ITOs) have in gaining access to broadband service and provide a plan for addressing these challenges, including how the Community Connect program can assist ITOs.

RURAL ECONOMIC INFRASTRUCTURE ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

2017 appropriation	$– – –
2018 budget estimate	161,893,000
Provided in the bill	122,692,000
Comparison:	
2017 appropriation	+122,692,000
2018 budget estimate	–39,201,000

COMMITTEE PROVISIONS

For the Rural Economic Infrastructure Account, the Committee provides an appropriation of $122,692,000.

The Rural Economic Infrastructure Account uses the existing grant authorities under the Rural Housing Assistance Grant accounts, Rural Community Facilities Program account, and Distance Learning, Telemedicine, and Broadband Program account, providing the Department with flexibility to maximize economic impact. The bill includes language requiring at least 15 percent of resources be allocated to each program area within the account.

TITLE IV

DOMESTIC FOOD PROGRAMS

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

2017 appropriation	$814,000
2018 budget estimate	809,000
Provided in the bill	800,000
Comparison:	
2017 appropriation	−14,000
2018 budget estimate	−9,000

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Food, Nutrition, and Consumer Services, the Committee provides an appropriation of $800,000.

Public Release of Information.—The Committee directs FNS to continue making all policy documents related to the WIC program (including, but not limited to, instructions, memoranda, guidance, and questions and answers) available to the public on the Internet within one week of their release to WIC state administrators.

Program Eligibility.—The Committee directs FNS to work with states to ensure full compliance with the law mandating that every WIC and SNAP participant meet all program eligibility requirements. FNS is also directed to ensure these programs are not being promoted to ineligible individuals, which would increase program costs.

Fruit and Vegetable Consumption.—The Committee continues to urge FNS to recognize in relevant agency publications and regulations related to all federal nutrition programs, including nutrition education programs and child nutrition programs, the nutritional benefits provided by all forms of fruits, vegetables, and beans, whether canned, dried, fresh, or frozen.

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAMS

(INCLUDING TRANSFERS OF FUNDS)

2017 appropriation	$22,793,982,000
2018 budget estimate	24,256,266,000
Provided in the bill	24,280,944,000
Comparison:	
2017 appropriation	+1,486,962,000
2018 budget estimate	+24,678,000

COMMITTEE PROVISIONS

For the Child Nutrition Programs, the Committee provides $24,280,944,000, which includes $25,000,000 for school meals equipment grants. School districts across the country continue to be in need of equipment to serve healthy meals; therefore, the Committee continues this program.

Afterschool Programs.—The Committee supports the efforts of approved food sites to serve students nutritious meals through the Summer Food Service Program and the Child and Adult Care Food Program. FNS is directed to provide a report on the options and

costs for serving at-risk, low income children with snacks or meals beyond the current limit of two meals per day that is established for these programs.

School Meals.—The Committee remains concerned about the challenges and costs that local schools face in implementing the various regulations from the Healthy, Hunger-Free Kids Act of 2010. In order to provide schools with the certainty and flexibility they need for the 2018–2019 school year, the Committee continues to extend the whole grain waiver provision to those school food authorities demonstrating a hardship in implementing the whole grain standards. Schools will not be required to meet the Target 2 levels for sodium and will remain compliant if they meet Target 1. Further, schools will have flexibility in serving low-fat flavored milk.

The Secretary is taking positive steps to provide greater flexibility and restore local control in serving healthy meals. The Committee directs USDA to continue to provide flexibilities to implement the requirements under Subsection (p) of section 12 of the Richard B. Russell National School Lunch Act so that local authorities can make decisions on school lunch pricing. The Committee encourages the Department to find additional ways to provide schools with school lunch pricing flexibility and other long-term certainty in implementing the school meals programs.

Training and Technical Assistance.—The Committee is aware of the need for training of school nutrition personnel that focuses on school food service meal preparation and workforce development. Within available funds for Team Nutrition, the Committee encourages the Department to allow non-regulatory allied professional associations to assist in training school food service professionals.

Unpaid School Lunch Fees.—The Committee is concerned with reports that some students with unpaid school lunch fees are treated unfairly and being publicly embarrassed. The Committee directs the Secretary to issue recommended standards schools may adopt to address the issue of shaming school children for unpaid school lunch fees, including standards that protect children from public embarrassment; that strongly encourage all communications about unpaid school lunch fees be directed at the parent or guardian, not the child; and that encourage schools to take additional steps to work with families falling behind in their school lunch fees.

The following table reflects the Committee recommendations for the child nutrition programs:

[Dollars in Thousands]

Child Nutrition Programs:	
School Lunch Program	$13,010,053
School Breakfast Program	4,775,629
Child and Adult Care Food Program	3,919,384
Summer Food Service Program	639,789
Special Milk Program	8,759
State Administrative Expenses	299,139
Commodity Procurement	1,489,349
Food Safety Education	2,864
Coordinated Review	10,000
Computer Support and Processing	11,880
Training and Technical Assistance	13,578
CNP Studies and Evaluations	21,251
CN Payment Accuracy	10,858
Farm to School Team	3,407

[Dollars in Thousands]

Team Nutrition	15,504
Healthier U.S. Schools Challenge	1,500
School Meals Equipment Grants	25,000
Summer EBT Demonstration	23,000
Total	$24,280,944

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

2017 appropriation	$6,350,000,000
2018 budget estimate	6,150,000,000
Provided in the bill	6,150,000,000
Comparison:	
2017 appropriation	−200,000,000
2018 budget estimate	− − −

COMMITTEE PROVISIONS

For the Special Supplemental Nutrition Program for Women, Infants, and Children, the Committee provides an appropriation of $6,150,000,000. The Committee provides for continuation of the breastfeeding peer counselor program and infrastructure.

USDA data shows that WIC participation rates have decreased steadily since fiscal year 2010. The President's budget request includes a projection of an average monthly participation rate of 7.2 million women, infants, and children for fiscal year 2018. Birth rates also remain at an all-time low according to the Centers for Disease Control and Prevention (CDC).

USDA is estimating recovery and carryover funds to be higher than average. Furthermore, the Secretary has a sufficient WIC contingency reserve fund as a safety net to meet unexpected demand. With lower participation rates, higher carryover funds, and an ample reserve fund, the Committee provides funding that will ensure all eligible participants will be served. The Committee will continue to monitor WIC participation, carryover funds, and food costs and take additional action as necessary to ensure that funding provided in fiscal year 2018 remains sufficient to serve all eligible applicants.

WIC Eligibility of Multivitamins.—H. Rpt. 114–531 encouraged FNS to prepare a report assessing the inclusion of vitamins eligible for purchase as part of the supplemental foods under the WIC program. FNS is directed to complete this report by the required due date.

Zika Outreach and Education.—The Committee is supportive of ensuring pregnant women are educated on the various methods for preventing exposure to the Zika virus during pregnancy. The Committee directs the Department, in consultation with the Centers for Disease Control and Prevention, to either continue or expand its education and outreach efforts through the WIC program to provide pregnant women with the information they need to prevent Zika.

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

2017 appropriation	$78,480,694,000
2018 budget estimate	73,612,500,000
Provided in the bill	73,609,950,000
Comparison:	
2017 appropriation	−4,870,744,000
2018 budget estimate	−2,550,000

COMMITTEE PROVISIONS

For the Supplemental Nutrition Assistance Program, the Committee provides $73,609,950,000. The total amount includes $3,000,000,000 for a contingency reserve to be used only in the amount necessary.

Electronic Benefit Transfer (EBT) Equipment.—The Committee is aware that some farmers markets and farmers selling directly to consumers are interested in EBT equipment that operates for a variety of federal nutrition programs. FNS is encouraged to assist farmers markets and direct-selling farmers in obtaining EBT equipment that allows participation in both SNAP and WIC.

Nutrition Education.—The Committee encourages FNS to work with states to fund projects that collaborate with local farmers, farmer's markets and community based childhood obesity programs in carrying out SNAP nutrition education programs. These nutrition education projects should include fitness and behavioral health.

Recruitment Activities.—The Committee continues to direct USDA to ensure that Section 4018 of the 2014 Farm Bill is implemented and enforced in a manner consistent with the statute which prohibits USDA from conducting recruitment activities, advertising the program, or entering into agreements with foreign governments to promote SNAP benefits. The Committee continues to direct USDA to enforce this provision to ensure that state agencies are not reimbursed for such activities consistent with the statute.

SNAP Employment and Training Report.—Not later than 12 months after enactment of this Act, the Secretary shall submit a report to the Committees on Appropriations and Agriculture of both Houses of Congress reviewing state SNAP Employment and Training programs and services that are specifically designed to address barriers to work for ex-offenders, including the number served or estimated to be served, the types of services provided, and outcome measures such as completion rates and increased earnings, if available.

The following table reflects the Committee recommendations for SNAP:

[Dollars in Thousands]

Supplemental Nutrition Assistance Program Account:	
Benefits	$62,639,315
Contingency Reserve	3,000,000
Administrative Costs:	
State Administrative Costs	4,483,411
Nutrition Education and Obesity Prevention Grant Program	421,000
Employment and Training	476,706
Mandatory Other Program Costs	183,880

[Dollars in Thousands]

Discretionary Other Program Costs	998
Administrative Subtotal	5,565,995
Nutrition Assistance for Puerto Rico (NAP)	1,928,995
American Samoa	7,747
Food Distribution Program on Indian Reservations	153,000
TEFAP Commodities	288,750
Commonwealth of the Northern Mariana Islands	12,148
Community Food Project	9,000
Program Access	5,000
Subtotal	2,404,640
Total	$73,609,950

COMMODITY ASSISTANCE PROGRAM

2017 appropriation	$315,139,000
2018 budget estimate	293,591,000
Provided in the bill	317,139,000
Comparison:	
2017 appropriation	+2,000,000
2018 budget estimate	+23,548,000

COMMITTEE PROVISIONS

The Committee provides an appropriation of $317,139,000 for the Commodity Assistance Program. The recommended funding level for the Commodity Supplemental Food Program is $238,120,000.

The Committee recommendation continues to provide $18,548,000 for the Farmers' Market Nutrition Program as this program provides WIC participants with access to fresh fruits and vegetables. The Committee has included $59,401,000 for administrative funding for The Emergency Food Assistance Program (TEFAP). For the Food Donations Programs, the Committee provides an appropriation of $1,070,000 for Pacific Island Assistance.

TEFAP Handling and Distribution Costs.—In addition to grant funds supporting commodity handling and distribution costs, the bill permits states to use up to 10 percent of the funds provided for purchasing TEFAP commodities to help with the costs of storing, transporting, and distributing commodities. The Committee expects state agencies to consult with their emergency feeding organizations on the need for the conversion of such funds.

NUTRITION PROGRAMS ADMINISTRATION

2017 appropriation	$170,716,000
2018 budget estimate	148,541,000
Provided in the bill	148,541,000
Comparison:	
2017 appropriation	−22,175,000
2018 budget estimate	− − −

COMMITTEE PROVISIONS

For Nutrition Programs Administration, the Committee provides $148,541,000. This amount includes $2,000,000 to continue the Congressional Hunger Center Fellows Program, which has been in-

strumental in developing leaders in combatting domestic and global hunger.

TITLE V

FOREIGN ASSISTANCE AND RELATED PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR TRADE AND FOREIGN AGRICULTURAL AFFAIRS

2017 appropriation	$– – –
2018 budget estimate	– – –
Provided in the bill	875,000
Comparison:	
2017 appropriation	+875,000
2018 budget estimate	+875,000

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Trade and Foreign Agricultural Affairs, the Committee provides an appropriation of $875,000. The 2014 Farm Bill required that an Under Secretary for Trade and Foreign Agricultural Affairs be established. The office was recently proposed by the Secretary after the submission of the President's budget proposal and did not receive funding in the prior year or the budget.

Interagency Cooperation.—The Committee encourages the Under Secretary to be cognizant and steadfast in raising trade enforcement issues related to the agricultural policies of foreign nations in cooperation with the Under Secretary for Farm Production and Conservation, the U.S. Trade Representative, and the Department of Commerce. The Committee further encourages the Under Secretary to prioritize trade issues related to biotechnology and minimizing trade disruptions from avian influenza outbreaks by pursuing localization policies.

Low-Level Presence Trade Policies.—The Committee directs the Under Secretary to work with the U.S. Trade Representative and other relevant agencies to develop low-level presence policies that allow for uninterrupted trade practices in agricultural, biotech, and food arenas, specifically related to sanitary and phyto-sanitary issues. These policies should be risk-based and attempt to minimize disruptions to trade.

Potable Water.—The Committee encourages the use of recently developed potable water technologies in development and long-term sustainability projects.

FOREIGN AGRICULTURAL SERVICE

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

	Appropriation	Transfer from Export Loan Account	Total
2017 appropriation	$196,571,000	$6,074,000	$202,645,000
2018 budget estimate	188,167,000	6,382,000	194,549,000
Provided in the bill	195,268,000	6,382,000	201,650,000
Comparison:			
2017 appropriation	– 1,303,000	+308,000	– 995,000
2018 budget estimate	+$7,101,000	$– – –	+$7,101,000

COMMITTEE PROVISIONS

For the Foreign Agricultural Service, the Committee provides an appropriation of $195,268,000 and transfer of $6,382,000, for a total appropriation of $201,650,000.

The Committee provides increases in funding for International Cooperative Administrative Support Services and $2,000,000 above estimated amounts for the Country Strategy Support Fund. The Committee accepts reductions in funding for Capital Security Cost Sharing, headquarters savings, and reductions in FTE not to exceed $2,000,000.

Farmer-to-Farmer.—The Committee directs that USDA evaluate the John Ogonowski and Doug Bereuter Farmer-to-Farmer program and develop strategies that will allow the program to be fully integrated and enhanced. Farmer-to-Farmer is an effective model of partnership that can leverage volunteer labor for technical assistance and capacity building and should be an integral part of the Global Food Security Strategy.

International Program Proposals.—The Committee does not accept the legislative proposal to eliminate mandatory marketing export promotion programs or any staffing reductions due to the planned elimination of the McGovern-Dole International Food for Education Program. The Committee supports expanding export promotion program activities in preparation for needed bilateral trade agreements.

U.S.-Central America, Mexico Cooperation.—The Committee directs the agency to work with its counterparts in Central America and Mexico to develop an agricultural working group improving the efficiency of the inspection process, the trade supply chain, and transportation costs, among other issues. In addition, the agency shall use existing programs for academic exchanges in agriculture related fields of study in this region. The agency shall brief the Committee within 180 days of the date of enactment on current efforts in these areas.

FOOD FOR PEACE TITLE I DIRECT CREDIT AND FOOD FOR PROGRESS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

2017 appropriation	$149,000
2018 budget estimate	149,000
Provided in the bill	149,000
Comparison:	
2017 appropriation	– – –
2018 budget estimate	– – –

COMMITTEE PROVISIONS

For administrative expenses to carry out the credit program of Food for Peace Title I, Food for Peace Act, and the Food for Progress Act, the Committee provides an appropriation of $149,000.

FOOD FOR PEACE TITLE II GRANTS

2017 appropriation	$1,466,000,000
2018 budget estimate	– – –
Provided in the bill	1,400,000,000
Comparison:	
2017 appropriation	–66,000,000
2018 budget estimate	+1,400,000,000

COMMITTEE PROVISIONS

For Food for Peace Title II grants, the Committee provides $1,400,000,000, of which $350,000,000 is for non-emergency assistance. The bill requires Congressional notification for waiving the non-emergency assistance level set forth in the Food for Peace Act (FFPA) to meet emergency needs.

Food for Peace Title II Budget Proposal.—The Committee supports the intent, facets, and structure of the FFPA. These include 1) requiring the purchase of U.S. commodities; 2) requiring the use of U.S.-flagged, maritime ships and sailors to ship commodities; and 3) the use of FFP funds to meet the non-emergency funding set-aside for development projects. The FFPA embodies the spirit of the President's Executive Order to "Buy American, Hire American" while simultaneously lending a hand to those in need and furthering national security objectives. The Committee supports the use of the Bill Emerson Humanitarian Trust to meet additional emergency food aid needs and will judiciously consider reimbursements to the Trust in future fiscal years following its use.

Central American Food Assistance.—The Committee directs the Administrator of the U.S. Agency for International Development to continue briefing the Committee on its efforts, including the amount and type of food aid, in Central America.

MCGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM GRANTS

2017 appropriation	$201,626,000
2018 budget estimate	– – –
Provided in the bill	201,626,000
Comparison:	
2017 appropriation	– – –
2018 budget estimate	+201,626,000

COMMITTEE PROVISIONS

For McGovern-Dole International Food for Education and Child Nutrition Program Grants, the Committee provides an appropriation of $201,626,000.

McGovern-Dole Budget Proposal.—The Committee continues to support the McGovern-Dole program. The program serves a unique purpose and population, and it requires the purchase and hire of American commodities and maritime assets to feed people in need overseas. The program's most recent audit, performed over five years ago, identified weaknesses in monitoring and evaluation controls. These issues have been addressed and a 2016 GAO report (16–861R) found that USDA addressed and required the majority of the leading practices for monitoring and evaluation policies, consistent with other international affairs agencies.

COMMODITY CREDIT CORPORATION EXPORT (LOANS)

CREDIT GUARANTEE PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

2017 appropriation	$8,537,000
2018 budget estimate	6,735,000
Provided in the bill	6,735,000
Comparison:	
2017 appropriation	−1,802,000
2018 budget estimate	−−−

COMMITTEE PROVISIONS

For administrative expenses of the Commodity Credit Corporation Export Loans Credit Guarantee Program Account, the Committee provides an appropriation of $6,735,000.

TITLE VI

RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

[Dollars in Thousands]

	Appropriation	User Fees	Total, FDA S&E
2017 Appropriation	$2,759,378	$1,895,711	$4,655,089
2018 Budget Estimate	1,819,718	3,164,392	4,984,110
Provided in the Bill	2,759,378	2,386,567	5,145,945
Comparison:			
2017 Appropriation	−−−	+490,856	+490,856
2018 Budget Estimate	+$939,660	−$777,825	+$161,835

The Committee provides an appropriation of $2,759,378,000 in new budget authority for the FDA. In addition, the Committee recommends the following user fee amounts: $937,434,000—prescription drugs; $193,291,000—medical devices; $493,600,000—human generic drugs; $54,000,000—biosimilar biologicals; $24,142,000—animal drugs; $12,100,000—animal generic drugs; and $672,000,000—tobacco products. The combination of new budget authority and definite user fees provides the FDA with a total discretionary salaries and expenses level of $5,145,945,000. This total does not include permanent, indefinite user fees for the Mammography Quality Standards Act; Color Certification; Export Certification; Priority Review Vouchers for Pediatric Disease; Food and Feed Recall; Food Reinspection; Voluntary Qualified Importer Program; the Third Party Auditor Program; Outsourcing Facility; and Medical Countermeasure Priority Review Vouchers.

The Committee recommendation does not include proposed user fee increases for Export Certification, Food Facility Registration and Inspection, Food Import, International Courier, Cosmetics, or Food Contact Notification.

The Committee does not include funding for a civilian pay increase across the agency. Should the President provide a civilian

pay increase for fiscal year 2018, it is assumed that the cost of such a pay increase will be absorbed within existing appropriations for fiscal year 2018.

The Committee recommendation maintains fiscal year 2017 funding levels for the medical countermeasures initiative.

Nothing in this section relating to compounding shall be construed to compromise patient safety.

Food Safety Modernization Act Funding.—The Committee continues to support the food safety activities related to FSMA. Congress has provided more than $300,000,000 in FDA's base appropriation for FSMA since fiscal year 2011. The Committee directs FDA to continue their outreach and education efforts to inform the regulated industries how they come into compliance with the FSMA foundational regulations. As previously noted, it is the intent of Congress for FDA to ensure an even playing field in the application of FSMA regulations as it relates to both domestic and imported producers, processors, and manufacturers of food and animal feed. Also, the Committee believes that FSMA implementation places additional requirements on state governments and private stakeholders, and therefore urges the FDA to provide sufficient resources to state education and inspection programs to address these needs.

Medical Product Safety Funding.—The Committee expects FDA to maintain the increased funding levels provided by Congress in the past three years for the Precision Medicine Initiative; animal drug and medical device review; over-the-counter sunscreen ingredient review; The Food and Drug Administration Safety and Innovation Act implementation; the Combating Antibiotic Resistant Bacteria (CARB) initiative; Pharmacy Compounding; and Counterfeit Drug enforcement.

Proposed Reductions.—While there is no change in the overall discretionary funding level, the Committee accepts $2,000,000 in savings within the Office of the Commissioner.

Animal Drug Compounding.—The Committee has been concerned that the FDA's proposed draft Guidance for Industry (GFI) for animal drug compounding (#230) would apply certain human drug compounding requirements to animal drug compounding. There also is concern that some state regulatory agencies are implementing the guidance even though it is not finalized. The Committee appreciates that in the FY 2018 budget request FDA stated, "In the draft guidance, FDA is not proposing to apply sections 503A or 503B of the FDCA to the compounding of animal drugs from bulk drug substances." FDA further explains how some of the concepts may be appropriate for animal drugs as well as human drugs.

Within 30 days of enactment of this Act, the Committee directs FDA to communicate to state regulatory agencies that the guidance is still in draft form. The Committee expects that any final guidance on animal drug compounding will only reference statutory provisions that specifically relate to veterinary practices and will not exceed statutory authority.

Antibiotics.—The Committee urges the FDA to work to foster the development of new antibiotics by supporting greater collaboration between industry and the FDA around adaptive clinical trials and labeling changes. Robust drug development will be needed to ensure patients are protected from bacterial resistance.

Biosimilars.—The Committee recognizes that biosimilars offer an important opportunity for expanding the market and reducing costs for patients. The Committee urges the FDA to partner with external stakeholders including patient organizations on educating patients and professionals about biosimilars, with a focus on populations for which approved biosimilars are indicated.

Centers of Excellence.—The Committee is encouraged by the ongoing research and collaboration underway at the Centers of Excellence in Regulatory Science and Innovation (CERSI) program. The Committee believes that these programs will help the agency improve public health, address scientific challenges presented by revolutions in medical product development, and improve food safety and quality. The Committee commends the agency for launching this program in 2011 and expanding it in 2014. For this reason, the Committee believes that the agency should continue to invest in the existing four locations in the CERSI network at their original funding level to ensure their efficacy and to capitalize on existing studies.

Continuous Manufacturing Initiative.—Of the $60,000,000 made available to the FDA in the 21st Century Cures Act for fiscal year 2018, FDA is directed to obligate $10,000,000 to create a Continuous Manufacturing Initiative and award grants to institutions of higher education and nonprofit organizations for the purpose of studying and recommending improvements to the process of continuous manufacturing of drugs and biological products similar innovative monitoring and control techniques. The Committee expects the FDA to partner with existing entities with demonstrated capacity and experience on advanced manufacturing technologies to lower pharmaceutical costs and where limited federal funds will be matched by non-federal resources.

Critical Path Institute.—Innovation in the development of new medicines and other therapies can be enhanced by enabling FDA to focus on specific program areas such as those outlined in FDA's Critical Path Initiative and their Regulatory Science objectives. These types of programs which FDA often accomplishes through public-private partnerships expand the knowledge base for those developing medical products and those conducting regulatory review. The Committee provides an increase of $400,000 in support of this initiative.

Crop Biotechnology & Biotech Ingredients.—Plants, food, and food ingredients developed using genetic engineering were introduced into the U.S. food supply in the 1990s. Public and private sector scientists knowledgeable in genetic engineering, toxicology, chemistry, nutrition, and other scientific areas have carefully evaluated and assessed the safety of these products and have determined that such products are safe for human and animal consumption. The Committee provides $1,500,000 for USDA and the FDA to continue efforts to educate the public on the safety and benefits of crop biotechnology and food and animal feed ingredients derived from biotechnology.

Dairy Labeling Requirements.—The Committee is aware of the concerns with labeling certain foods and beverages as a dairy product when the product is plant-based rather than derived from animals. The Committee directs the FDA to develop a standard of identity for dairy products based upon the dairy product terms de-

scribed in parts 131, 133, and 135 of subchapter B of chapter I of title 21, Code of Federal Regulations within 180 days from the date of enactment of this Act. The FDA should issue guidance to industry on how to implement the standard of identity, including how this standard will be enforced.

Duchenne Muscular Dystrophy.—The Committee is encouraged by FDA's recent approvals of therapies to treat Duchenne Muscular Dystrophy and is aware of the authorities within the 21st Century Cures Act that clarify the agency's ability to allow sponsors of targeted rare disease therapies to use data from previously approved applications. The Committee is aware of the relevance of this policy to Duchenne and other rare disease therapy development and of the agency's work to implement the law. The Committee requests an update on these efforts within 180 days of enactment of this Act, including a description of any challenges or impediments faced by the agency in implementing these new authorities.

Expedited Programs.—The Committee directs the FDA to exercise its current law authorities, as provided under the FDA Safety and Innovation Act (FDASIA) and the 21st Century Cures Act, when reviewing new drug applications for patients with 100 percent fatal and debilitating diseases. FDASIA expanded FDA's authorities and strengthened the agency's focus on accelerating the approval of drugs that treat unmet medical needs, prioritizing the patient perspective in evaluating new drugs and treatments and providing reviewers with flexibility when evaluating drugs for a life-threatening illness.

FDA Partnerships under FSMA.—The purpose of FSMA is to reform the nation's food safety laws to ensure a safe public food supply. As FDA continues implementation of FSMA, the Committee encourages FDA to work in partnership with existing government food safety programs through MOUs to verify compliance with FSMA to rules once they are finalized as a way to eliminate duplication of activities under the law. In addition, the Committee continues to provide $5,000,000 for the Food Safety Outreach Program under NIFA and expects that NIFA will serve as the sole agency providing food safety training, education, outreach, and technical assistance at the farm level.

Federal Employee Conduct.—Public service is a public trust that requires federal employees to place ethical principles above private gain. Federal employees are reminded that they shall not advance a personal agenda or give preferential treatment to any outside organization or individual within the government programs which they administer. Information that is received by the employee, including information from other employees, offices, or Congress should be handled in a professional and confidential manner in accordance with Code of Federal Regulations regarding the basic obligation of public service (5 CFR 2635.101).

Feminine Hygiene Cosmetics.—The Committee is concerned about the use of unsafe colorants by manufacturers of feminine hygiene cosmetic products. The Committee strongly encourages the FDA to issue appropriate guidance on the use of colorants in such products, and expects a prompt final response to the citizen petition submitted by Women's Voices for the Earth on August 18, 2015.

Fish Decomposition Standards and Testing.—The Committee is concerned with particular methods FDA utilizes for seafood inspec-

tions. While food safety remains the top priority, the methodology used to determine whether any size shipment receives a pass or rejection for seafood needs clarification. The Committee directs the FDA to provide a report to the Committee on the process and criteria used to reject seafood import shipments. In addition, FDA should inform the Committee on the scientific tools available to the agency in determining decomposition and what field-deployable, technology-based tools may still be developed to minimize the current subjectivity in the decomposition decision-making process. The Committee provides $2,800,000 to support intramural work and extramural collaborations necessary to begin developing the appropriate lab methods to detect evidence of seafood decomposition.

Food Contact Notification User Fees.—The funds made available by this Act include sufficient monies to fund the FDA's Food Contact Notification Program and shall be deemed to satisfy the requirements of 21 U.S.C. 348(h)(5)(A). The Committee recommendation does not include proposed user fees.

Foreign High Risk Verifications.—The bill maintains the fiscal year 2017 funding level of $7,500,000 for the FDA's Office of Global Regulatory Operations and Policy to enhance the compliance of foreign manufacturers and exporters of food, medical devices and pharmaceuticals through the use of business date and on-premises site verification.

Genomic Editing.—The Committee understands the potential benefits to society in the genetic modification of living organisms. However, researchers do not yet fully understand all the possible side effects of editing the genes of a human embryo. Editing of the human germ line may involve serious and unquantifiable safety and ethical issues. Federal and non-federal organizations such as the National Academy of Sciences and National Academy of Medicine continue to understand the potential risks of genome editing and a broader public discussion of the societal and ethical implications of this technique is still ongoing. In accordance with the current policy at the National Institutes of Health, the Committee includes bill language that places a prohibition on the FDA's use of funds involving the genetic modification of a human embryo. The Committee continues to support a wide range of innovations in biomedical research, but will do so in a fashion that reflects well-established scientific and ethical principles.

Grape Varietals.—The Committee is aware that the FDA has excluded certain produce that is rarely consumed raw from having to comply with the FSMA Produce Safety Final Rule entitled "Standards for Growing, Harvesting, Packing, and Holding of Produce for Human Consumption." There is concern that the FDA has not been able to distinguish between grape varietals that are consumed raw and those that are grown, harvested and used for wine and further processing. The Committee directs the FDA to initiate a process within 30 days of enactment of this Act that makes a distinction between grape varietals so that wine grape varietals may be included on the list of produce that is rarely consumed raw.

Harm Reduction.—It is the Committee recommendation that the FDA consider the benefits of harm reduction as part of evaluations under the Deeming regulations for tobacco products.

Hereditary Angioedema Research.—The Committee is concerned that FDA's funding of studies regarding the Evaluation of

Thromboembolic Events Following C1-Inhibitor Therapy may cause access issues for patient communities that have safely used C1-Inhibitor for many years to treat life-threatening conditions, including hereditary angioedema. FDA is encouraged to clarify its intentions for this area of inquiry to the Committee within 90 days.

Human Drug Compounding—Permissible "Office Use".—The Committee continues to believe that patient access to the right drug at the right time is of utmost importance. In instances where a commercially manufactured drug is not appropriate for a patient for a specific reason, a compounded drug may be the difference between life and death. Since passage of the Drug Quality and Security Act (DQSA) of 2013, the Committee has had concerns that the FDA interpreted provisions of Section 503A of the FDCA in a manner that might jeopardize the availability of compounded medications for "office use". The practice of "office use" occurs when a compounder will compound a batch of drugs in anticipation of receiving patient-specific prescriptions at a later time. It may also be the case of a doctor in his or her office maintaining compounded drugs on site because it is unsafe or impractical to issue a traditional prescription. This practice is authorized in the vast majority of states and was intended to be allowable under DQSA. The Committee directed the FDA to issue a Final Guidance that provides for "office-use" compounding of drugs, in appropriate circumstances as well as including drugs compounded in anticipation of a prescription for an identified individual patient. Such "anticipatory" compounded drugs is based on the history of previous valid compound prescription orders, and on an established history between prescriber, patient and compounder. Despite clear directives in previous reports accompanying FDA's appropriations bills for the agency to finalize guidance that authorizes office-use compounding, in December of 2016, the FDA finalized a Guidance for Industry (GFI) entitled "Prescription Requirement Under Section 503A of the FDCA," which expressly prohibits office-use compounding. The Committee directs the FDA to rescind this GFI and issue a proposed rule, subject to the notice and comment provisions in the Administrative Procedure Act. The proposed rule should be consistent with Congressional intent as stated in both Appropriations Reports and the DQSA, and that also allows for office-use compounding as authorized by state law. In the proposed rule, FDA should lay out the means by which office use is permissible while addressing such critical safety matters, such as maintaining controls on quantity and safety issues such as those related to office stock shelf life. Lastly, FDA's clarification on the line between traditional compounding and outsourced compounding will support state regulators, outsourcing facilities, and traditional compounders in their efforts to ensure that patients have access to safe compounded drugs while reducing the risks associated with sterile drugs produced in bulk.

Human Drug Compounding—Draft MOU.—The Committee is also very concerned with the draft MOU issued February 13, 2015, entitled "Draft Memorandum of Understanding Addressing Certain Distributions of Compounded Human Drug Products Between the State of ( ) and the Food and Drug Administration" as it applied to Section 503A of the FDCA. The proposed MOU would complicate patient and prescriber access to compounded medications, and may

have a deleterious effect on small pharmacies. Under the draft MOU, the FDA attempts to describe "distribution" as occurring when "a compounded human drug product has left the facility in which the drug was compounded." In the DQSA, Congress only allowed the FDA to regulate "distribution." But the MOU appears to exceed the authority granted in the statute by redefining "distribution" in a manner that includes dispensing—something unprecedented. This overreach could generate exactly the kind of costly and confusing litigation that Congress intended to avoid when it amended and reinstated Section 503A. The Committee expects that, when a final MOU is proposed as a model agreement for the states to consider, that distribution and dispensing are treated as the different and separate activities that they actually are.

Human Drug Compounding—Compound Pharmacist on Pharmacy Compounding Advisory Committee.—The Committee is concerned that the Pharmacy Compounding Advisory Committee (PCAC) established under the DQSA does not adequately represent the interests and needs of providers and patients who use and depend on compounded medications. The Committee expects that, at the earliest possible date, whether filling open positions or replacing existing members, the FDA shall appoint voting members with recent, actual, and diverse experience in the preparation, prescribing, and use of compounded medications.

Infant Formula.—The Committee requests a report on what processes and controls are in place to monitor the water used in the manufacture of liquid infant formula, including what steps FDA takes to work with the Environmental Protection Agency as part of their regulatory responsibility for the primary drinking water used in infant formula.

In Silico Clinical Trials.—In Silico clinical trials use computer models and simulations to develop and assess devices and drugs, including their potential risk to the public, before being tested in live clinical trials. Advanced computer modeling can also be used to predict how a drug or device will behave when deployed in the general population, thereby protecting the public from the unintended consequences of side effects and drug interactions. In Silico trials protect public health, advance personalized treatment, and can be executed quickly and for a fraction of the cost of a full scale live trial. By understanding the impact a drug or device will have on the human body immediately and over time, as well as within different populations, millions of dollars in development costs can be saved. A mere ten percent improvement in predicting failures before a clinical trial could save $100,000,000 in development costs per drug. As such, the Committee directs the FDA to expand its use of in silico clinical models through a pilot project aimed at creation of a full human in silico model able to test drugs and devices across the entire body, including long-term effects and among distinct populations. If necessary to enact this project, the FDA shall issue a unified guidance to allow the model to be used to test both drugs and devices. The Committee requests a written report outlining the FDA's plans for development of the model within 120 days of enactment of this act.

Laboratory Developed Tests.—The FDA's draft guidance issued on October 3, 2014, titled "Framework for Regulatory Oversight of Laboratory Developed Tests" (LDTs), puts forth a proposed regu-

latory framework that is a significant shift in the way LDTs are regulated. Such a shift deserves input from the public, and Congress has been working with stakeholders, constituencies, and the FDA to find common ground on regulating LDTs. The FDA's guidance circumvents the normal rulemaking process and changes expectations for patients, doctors, and laboratories for the first time since the Clinical Laboratory Improvement Amendments Act was passed in 1988. The Committee maintains its position that FDA should suspend further efforts to finalize the LDT guidance and continue working with Congress to pass legislation that addresses a new pathway for regulation of LDTs in a transparent manner.

Laboratories Near High Volume Ports.—The Committee directs the FDA to submit a report within 90 days of enactment of this Act on the potential for implementing pilot programs which will allow for public-private partnerships at high volume ports of entry in an effort to increase the number of FDA-certified public or private labs located near major ports of entry to provide services on weekends and holidays, reduce the risk of food borne illnesses, and enhance the capacity of local officials in dealing with foodborne threats.

Local Port Cooperation.—The Committee directs the FDA to work with local governments at high volume ports of entry to explore activities which reduce the risk of food borne illnesses and enhance the capacity of local officials in dealing with food borne threats and report back to the Committee within 90 days of enactment of this Act on its efforts.

Mammography Exam Reports.—More than five years ago, in November 2011, the National Mammography Quality Assurance Advisory Committee approved a change to the mammogram patient report and physician report to include information regarding an individual's breast density. This process has not been completed. The Committee again urges the FDA to implement this change in an expedited manner and must report to Congress on the status of this change no more than 60 days from the enactment of this Act.

Medical Countermeasures.—The Committee directs that not less than $24,552,000 shall be available for the FDA's Medical Countermeasures Initiative. This total is in addition to the unobligated funds remaining to support the FDA's emergency response to Zika, Ebola, and related disease outbreaks.

Medical Gas Rulemaking.—The Committee is concerned that the FDA has not initiated a rulemaking on medical air labeling, adverse event reporting, or the numerous longstanding medical gas regulatory issues identified at the December 6, 2013 public meeting. While Section 1112 of Food and Drug Administration Safety and Innovation Act (FDASIA) required the Secretary to make a determination on whether to propose new regulations for medical gases, the fiscal year 2017 appropriations Act required the Secretary to issue new regulations by July 15, 2017. Congress has twice enacted laws on this issue and expects the FDA to reach a consensus with industry by incorporating general concerns, either through reference or principle-based regulation, into regulation at the discretion of the agency. FDA's role as a regulator is to vet and propose regulations, especially when directed to do so by Congress. Resources have been provided to the FDA through discretionary appropriations and user fees to accomplish its mission. FDA is directed to convene with stakeholders in a public meeting on the reg-

ulation of medical gases, provide a written report to Congress including a description of the section of the Code of Federal Regulations that will be updated no later than December 31, 2017 and issue the final regulations required by Public Law 115–31 no later than July 15, 2018.

Medical Product Shipment Delays.—The Committee acknowledges FDA's vital responsibility to conduct risk-based screening of imported products under its jurisdiction at ports and distribution hubs across the country. However, any delay of critically important medical products places risks to patients and can unnecessarily disrupt medical services. The Committee directs FDA to examine trends in possible delays of medical product shipments, report back to the Committees on Appropriations of the House and Senate within 90 days of enactment, and, if necessary, allocate existing resources to adequately staff centralized points of entry for imported, time-sensitive medical products so that commerce and critical medical care is not unduly delayed. The Committee provides the agency with an increase of $300,000 to help expedite the clearance of these products.

Menu Labeling.—The FDA extended the compliance date for menu labeling requirements until May 7, 2018, stating that, "This extension allows for further consideration of what opportunities there may be to reduce costs and enhance the flexibility of these requirements beyond those reflected in the final rule." In providing flexibility, the Committee urges FDA to consider provisions of H.R. 772 as well as other proposals that reduce burden and add flexibility for businesses to implement the rule and provide consumers with certain nutrition information. FDA should ensure that businesses are protected from regulatory enforcement from federal, state, municipal or other oversight agencies until after a potential revised rule is promulgated and effective.

Natural Definition.—The Committee commends the FDA for taking the first step towards defining the term "natural" and regulating its use on food labeling by requesting public comment on a number of relevant questions in a November 2015 Federal Register notice. The Committee directs FDA to provide a report within 60 days of enactment of this Act on the actions and timeframe for defining "natural" so that there is a uniform national standard for the labeling claims and consumers and food producers have certainty about the meaning of the term.

New Technologies to Promote Food Safety.—The Committee encourages the National Academies of Sciences, Engineering, and Medicine to conduct a study on new technologies to promote microbiological food safety and prevent foodborne illnesses. The study should review methods that have been developed but not implemented, are in development, or have been proposed but not well developed. The study also should identify any regulatory, economic, or other barriers to implementing technologies. The review should encompass methods that could be applied on farms and feedlots, in feed- and food-production and processing facilities, restaurants and supermarkets, and elsewhere in the food supply chain. The various methods should be applicable to meat and poultry products, dairy foods, seafood, plant products, processed and packaged foods, and other foods.

Nutrient Value of Fish during Pregnancy.—The Committee understands the FDA and EPA issued final advice regarding fish consumption in January 2017 as a follow up to draft advice issued in June 2014. The Committee directs the FDA to incorporate the specific nutrient value of fish consumption in pregnancy on the FDA website "Eating Fish: What Pregnant Women and Parents Should Know." The information on the nutrient value of fish should focus on the specific benefits of seafood consumption for pregnancy and fetal development. The Committee requests a report within 120 days of enactment of this Act on the FDA's plan to add information on the nutrient value of fish and to develop a plan to assess the efficacy of this change on women's dietary choices related to seafood consumption, particularly during pregnancy. This update should be published on the current FDA fish advice website and in other materials developed by the FDA.

Nutrition Facts Label.—On June 13, 2017, the FDA announced that it would extend the compliance date for the final rule entitled "Food Labeling: Revision of the Nutrition and Supplemental Facts Labels" and that details of the extension would be provided through a Federal Register notice at a later time. Food manufacturers are facing different compliance dates with multiple food labeling changes, such as those required under the National Bioengineered Food Disclosure Standard (Pub. L. 114–216). The Committee encourages the Commissioner of FDA and the Secretary of USDA to harmonize the labeling compliance dates to allow food manufacturers to update labels after clear guidance has been provided and in a manner that is cost effective and avoids consumer confusion.

The Committee also notes that the FDA has not issued final guidance regarding the definition of dietary fiber and labeling of added sugars. The Committee encourages the FDA to issue these final guidance documents and provide sufficient time for food manufacturers to comply.

Office of Cosmetics and Colors.—The Committee recommendation includes not less than $11,700,000 for cosmetics activities, including not less than $7,200,000 for the Office of Colors and Cosmetics (OCAC). Funding provided for OCAC is for direct support of the operation, staffing, compliance, research and international activities performed by this office. The Committee welcomes FDA's support of the Cosmetic Ingredient Review and FDA's participation in that program as an ex officio member, as well as the FDA efforts in maintaining the Voluntary Cosmetic Reporting Program and the CFSAN Adverse Event Reporting System (CAERS). The Committee appreciated OCAC's willingness to engage with China in May 2016 for a cosmetics regulatory dialogue. In light of China's interaction with U.S.-based manufacturers and consumers, the Committee directs FDA to seek ways to continually enhance engagement with Chinese regulators on cosmetic technical and regulatory issues. The Committee directs FDA to promote international regulatory harmonization in cosmetic products by continued support to the International Cooperation on Cosmetics Regulation (ICCR) initiative, participation in ISO Technical Committee 217—Cosmetics and supporting trade through other bilateral and multilateral trade agreements.

Olive Oil.—In H. Rept. 114–531, the Committee directed FDA to sample imported olive oil products for potential adulteration or misbranding and report to Congress. The Committee commends FDA in its response for committing to developing better methods to detect adulteration of olive oil and to increasing monitoring of the marketplace for adulterated olive oil products. However, in FDA's report to Congress, the agency's findings were based on a survey of olive oil products conducted in 2014. The Committee directs FDA to update its 2014 survey and report on its findings within 180 days of enactment of this Act.

Oncology Clinical Trials.—The Committee recognizes the value of clinical trials in the development of innovative procedures, diagnostics, and drugs to prevent, detect, and treat cancer. The Committee understands that the percentage of cancer patients who participate in oncology clinical trials remains low, especially among minorities and those socioeconomically disadvantaged, and barriers to participation include ancillary financial costs, such as travel and lodging expenses. Many clinical sites and sponsors of clinical trials are wary of working with independent third parties to provide even ancillary financial support given current guidance warning against anticipated financial benefits that may create "coercion or undue influence" to research participants under 21 CFR 50.20. The Committee believes that the reimbursement of ancillary costs by independent third parties does not constitute coercion or undue influence and instead helps improve access to cancer clinical trials. As noted in FDA's draft guidance entitled "Informed Consent Information Sheet: Guidance for IRBs, Clinical Investigators, and Sponsors," the FDA considers payment to clinical trial subjects to be compensation for "expenses and inconveniences" and not a benefit of participation. Therefore, the Committee encourages the FDA to develop more precise guidance regarding the meaning of "coercion or undue influence" as it relates to the reimbursement of ancillary expenses to research participants under 21 CFR 50.20 in finalizing the draft guidance on informed consent content and the informed consent process ("Informed Consent Information Sheet: Guidance for IRBs, Clinical Investigators, and Sponsors"') so as to increase enrollment, retention, minority participation, and equitable access to oncology clinical trials.

Opioid Abuse.—The abuse, misuse, and diversion of opioid painkillers has precipitated an epidemic in the United States. The CDC indicates that one American loses his or her battle with addiction every twenty minutes. For years, the Committee has encouraged the FDA to utilize the full breadth of its regulatory authority to address this challenge. The Committee is pleased that, with the Opioids Action Plan and Opioid Policy Steering Committee, the FDA has acknowledged that the agency shoulders some responsibility for turning the tide of abuse. The FDA's recent regulatory changes related to scheduling and labeling of opioids are positive developments, as are efforts to encourage the development of abuse-deterrent formulations (ADF) and new evidence-based medication-assisted therapies (MAT). The use of opioids as first-line therapies for any form of pain has led to over-prescribing, and the CDC has made clear that clinicians should consider opioid therapy only if expected benefits for both pain and function are anticipated to outweigh the risks to the patient. With respect to prescribing

patterns, the Committee supports efforts to incentivize ADF use by clinicians and to increase the number of prescribers who receive training on pain management and safe prescribing of opioid drugs in order to decrease inappropriate opioid prescribing. The Committee notes that treatment is not a "one size, fits all" enterprise and that every patient's treatment regimen should be tailored by his or her doctor to his or her unique needs. The federal government, therefore, should be promoting the full suite of available treatment options, including abstinence-based models and non-opioid medications, rather than picking winners and losers. The Committee supports efforts at the FDA and elsewhere to develop MATs that improve the efficacy of daily administration, are resistant to diversion and misuse, and/or help patients on a path to recovery. Finally, the Committee has been supportive of naloxone distribution among trained licensed healthcare professionals and emergency responders. When considering the appropriateness of providing naloxone over-the-counter, the Committee directs the FDA to ensure that the administration of naloxone serves as a point of intervention to spur an honest conversation between the patient and his doctor about addiction and treatment.

Packaged Ice.—The Committee recognizes that packaged ice is produced in the U.S., traded internationally, and consumed as both a packaged food and a food ingredient. The FDA has had a citizen petition regarding a proposed standard of identity for packaged ice for a significant and unacceptable length of time and is directed to provide quarterly status reports to the Committee on this effort until the agency responds to the petition. Further, the Conference for Food Protection recently reviewed issues related to commercial ice machines in the retail environment and found that research is needed to identify the type of microbial growth and locations of concern within these machines. Therefore, the FDA is directed to study the issue more carefully and establish a cleaning and sanitizing frequency standard for commercial ice machines.

Pediatric Devices.—The Committee directs the agency to spend no less than $6,000,000, the same level provided in fiscal year 2017, for the development of pediatric medical devices through the Pediatric Device Consortia. The program funds consortia to assist innovators in developing medical and surgical devices designed for the unique needs of children that often go unmet by devices currently available on the market.

Performance Measures.—The Committee directs FDA to comply with title 31 of the United States Code, including the development of their organizational priority goals and outcomes such as performance outcome measures, output measures, efficiency measures, and customer service measures.

Pet Food Imports.—As of December 31, 2015, the FDA had received approximately 5,200 complaints of illness related to consumption of chicken, duck, or sweet potato jerky treats, nearly all of which are imported from China. The reports involve more than 6,200 dogs, 26 cats, three humans and include more than 1,140 canine deaths. These incidents date back to 2007. The Committee requests that the FDA provide it with a timeline of all activities associated with the investigation into the pet illnesses associated with these products, including any import alerts and import refusals, within 60 days of the enactment of this Act. In addition, the Com-

mittee requests that the agency provide it with semi-annual reports on the status of the investigation into these illnesses beginning in July 2017 and continuing until the issue has been resolved.

Premium Cigars.—The Committee includes statutory language exempting premium and traditional large cigars, in keeping with FDA's intent under Option 2 of its proposed rule "Deeming Tobacco Products To Be Subject to the Federal Food, Drug, and Cosmetic Act, as Amended by the Family Smoking Prevention and Tobacco Control Act (TCA); Regulations on the Sale and Distribution of Tobacco Products and Required Warning Statements for Tobacco Products" (Docket No. FDA–2014–N–0189). The Committee notes that premium cigars are shown to be distinct from other tobacco products in their effects on youth initiation, the frequency of their use by youth and young adults, and other such behavioral and economic factors. Lastly, a large number of participants in this unique business are small and very small operations that might not be able to maintain jobs and a physical presence in the United States due to the financial impact of this pending regulatory burden. Given that there is very little mention of cigars throughout the TCA, it is clear Congress did not intend to focus on the unique subset of premium cigars.

Prescription Drug Labeling Inserts.—The Committee is aware of FDA's previous proposal that would subvert repeatedly expressed Congressional intent by permitting the distribution of prescription drugs without printed prescribing information on or within the packages from which such drugs are to be dispensed. The FDA intends to replace such printed labeling with an electronic labeling system for the majority of prescription drugs. On several occasions Congress has expressly declined to provide the FDA the necessary statutory authority to implement this change. As recently as 2012, Congress commissioned a GAO report (GAO–13–592) discussing this issue. The GAO report concluded that such a change could adversely impact public health. Thus, the Committee is very concerned that the FDA is moving to promulgate a regulation that would generally eliminate printed prescribing information inserts for prescription drugs. Therefore, the Committee has included a provision prohibiting the FDA from utilizing any funds to propose or otherwise promulgate any rule that requires or permits any prescription drug or biologic products to be distributed without printed prescribing information on or within the packaging from which such products are to be dispensed, unless such actions are expressly provided by an amendment to the FDCA.

Product Standards.—The Committee is concerned about the feasibility of achieving a 1 parts per million level for N-nitrosonornicotine levels as established in the proposed product standard rule dated January 23, 2017 (82 Fed. Reg. 8004). The Committee encourages FDA to work with stakeholders involved in the production and growth of these products to determine reasonable level while fulfilling its statutory mission to protect public health.

Radiation Safety.—The Committee urges the agency to review and update its current regulations on fluoroscopy radiation safety. The current regulations do not adequately address all available options to protect surgical and interventional health care personnel and patients from radiation exposure. The FDA should issue new

regulations that include the use of sterile, disposable, lead-free shields to protect against radiation exposure.

Spent Grains.—The Committee recognizes that the FDA took into consideration public comments and revised some of its proposed regulations on spent grains used for animal food. Processors already complying with FDA human food safety requirements would not need to implement additional preventive controls when supplying a by-product like wet spent grains for animal food. However, further processing a by-product for use as animal food such as drying spent grains, would require additional compliance under the proposed rule. The FDA has said that potential hazards associated with spent grains are minimal and steps to prevent contamination are likely already in place. The Committee includes bill language to ensure dry and wet spent grains used for animal food are regulated equally.

Staffing at Land Ports of Entry.—The Committee is concerned that USDA, FDA, and Customs and Border Protection are relying on historical data in determining their staffing models at Land Ports of Entry. Recent reports on agricultural imports show steep increases in the future, especially along the Southwest border and South Texas in particular. It is the sense of the Committee that these agencies should be utilizing forward-looking data for their staffig models to ensure we have the appropriate workforce available in the future to inspect and certify this growth in agricultural imports as efficiently, safely, and expeditiously as possible.

State Inspections.—The Committee is aware of the December 2011 OIG report that outlined vulnerabilities in the agency's oversight of non-FDA food inspections and the agency's intention to further rely on state inspections. The Committee understands that both the federal government and states share authority and responsibility for domestic food facilities and that the FDA will continue to contract with the states to conduct inspections on its behalf, which is critical to performing its mission in an efficient and effective manner. The agency must assure it has strong federal inspection standards that are met by both federal investigators and state inspectors. The FDA must continue its progress in improving federal oversight and monitoring of state inspection programs, reviewing and strengthening internal directives and processes, and identifying new methods to improve oversight capabilities.

The Committee is aware of the FDA's continuing progress to modernize existing IT systems and infrastructure, allowing for the secure and efficient exchange of data between the FDA and the states, in addition to efforts to add capabilities supporting mobile inspection applications. The FDA should continue work with state partners toward promoting data standards and developing shared database schemas to facilitate secure electronic information sharing.

Sunscreen Ingredients.—The Committee is significantly concerned that despite the increase in incidence of skin cancer in the United States, the Surgeon General's 2014 Call to Action to Prevent Skin Cancer, unanimous passage of the Sunscreen Innovation Act (SIA) in Congress and the support of the Cancer Moonshot Initiative in the 21st Century Cures Act to prevent and cure cancer, the FDA has still not approved a new OTC sunscreen ingredient through the process created by the SIA. While the FDA published

the final guidance in November 2016 entitled "Nonprescription Sunscreen Drug Products—Safety and Effectiveness Data", there is still confusion in how the regulated industry can comply with FDA's current approach to the toxicological risk assessment. The Committee directs the FDA to work with stakeholders and help manufacturers understand what they need to do to achieve approval for sunscreen products in order to lower the risk of skin cancer to the 5 million Americans that will be diagnosed with the condition this year. The funding level for the FDA includes the $700,000 originally provided in fiscal year 2016 to help address the critical public health threat resulting from no new sunscreen ingredients being available to the public.

Tobacco Product User Fees.—The Committee directs the FDA to submit a report on the planned expenditure and obligation of user fees for the current fiscal year within 60 days of enactment of this Act. The report shall include the amount of carryover and unobligated balances from the prior fiscal year and planned obligations and expenditures for the current fiscal year based upon the total of the new and existing amounts available. The report shall identify the type and amount of activities, contracts, and objectives to be implemented, including but not limited to public education campaigns, scientific research, communications, and product application processing and review for the current and prior fiscal year. The report shall also include a status of submitted, pending, and approved tobacco product applications per each regulatory pathway and class as defined by the Tobacco Control Act, and subsequent regulations, for the past three fiscal years and planned for the current fiscal year.

User Fee Collections/Obligations.—The Committee continues to be concerned about the financial management of the FDA's user fee programs. At the end of fiscal year 2016, FDA had a carryover balance of $1,710,000,000. Of this amount, the PDUFA account showed a balance of nearly $844 million and the GDUFA account showed a balance of $342 million. Such balances indicate that FDA has additional resources for hiring more review staff and support for the review of innovator and generic drugs—pharmaceuticals that have the potential to save lives, enhance the quality of life for patients, and lower the cost of healthcare. The Committee directs that not later than 30 days after enactment of this Act, and each month thereafter through the months covered by this Act, the Commissioner submit to the Committees on Appropriations of the House and Senate a report on user fees collected for each user fee program included in the Act. The report shall also include monthly obligations incurred against such fee collections. The report shall include a distinct categorization of the user fee balances that are being carried forward into fiscal year 2018 for each user fee account as well as a detailed explanation of what accounts for the balance and what the balance will be used for.

BUILDINGS AND FACILITIES

2017 appropriation	$11,788,000
2018 budget estimate	8,771,000
Provided in the bill	8,771,000
Comparison:	
2017 appropriation	−3,017,000
2018 budget estimate	−−−

COMMITTEE PROVISIONS

For Buildings and Facilities of the Food and Drug Administration, the Committee provides $8,771,000.

INDEPENDENT AGENCIES

COMMODITY FUTURES TRADING COMMISSION

2017 appropriation	$250,000,000
2018 budget estimate	250,000,000
Provided in the bill	248,000,000
Comparison:	
2017 appropriation	−2,000,000
2018 budget estimate	−2,000,000

COMMITTEE PROVISIONS

For the Commodity Futures Trading Commission, the Committee provides an appropriation of $248,000,000, of which $49,000,000 is for the purchase of IT and $2,700,000 is for the Inspector General. Overhead for the Inspector General shall not exceed $350,000.

Agency Direction.—The Committee supports the Commission's efforts to proactively engage in new areas of market activity, including the financial technology sector. The Committee also supports the use of resources for robust cost-benefit analysis in the Office of the Chief Economist.

Budgetary Reduction.—The Committee's allocation is reduced from FY 2017 in line with the reductions to nearly every agency in the bill. The Commission is not exempt. In addition, the Committee notes the growth in administrative management and support functions under level funding. This includes an eighteen percent increase in contractors and thirteen percent growth in FTE, during an eight percent decrease in overall staffing. The Commission is directed to examine overhead costs and find efficiencies where feasible. The Committee directs CFTC to prioritize resources in the Division of Enforcement, Market Oversight, Swap Dealer and Intermediary oversight, and other areas critical to market integrity.

Collective Bargaining Agreements.—The bill includes language allowing the CFTC Chairman to adjust personnel compensation and benefits upon a determination that a collective bargaining agreement could result in the furlough or reduction-in-force (RIF) of employees. This language is the result of numerous attempts by the Commission to impose a coercive deficiency upon Congress by threatening furloughs or RIFs or by furloughing its own employees. The Chairman is directed to provide regular updates to the Committee regarding the status of union negotiations. The Commission is further directed to avoid any negotiation or financial situation that would impose such a deficiency upon Congress.

Internal Risk Management Transactions.—The Committee supports efforts to provide regulatory relief on transactions between inter-affiliated parties and counterparties. These affiliated entities include majority interest of one party by a counterparty or when both parties to a transaction have a majority interest by a third party. This relief includes requiring the use of variation margin and centralized risk management practices. The Committee encourages the Commission to engage on this issue with stakeholders.

Swap Dealer de Minimis.—Within 60 days of enactment of this Act, the Committee directs the Commission to promulgate a rulemaking setting the Swap Dealer de Minimis threshold at not less than $8,000,000,000.

FARM CREDIT ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

2017 limitation	($68,600,000)
2018 budget estimate	(72,600,000)
Provided in the bill	(68,600,000)
Comparison:	
2017 limitation	– – –
2018 budget estimate	–4,000,000

COMMITTEE PROVISIONS

For a limitation on the expenses of the Farm Credit Administration (FCA), the Committee provides $68,600,000.

Farm Economy.—FCA is encouraged to explore and leverage its existing partnership with USDA in providing access to credit during the current downturn in the farm and rural economy. FCA is directed to ensure that Farm Credit System institutions and associations operate within existing authorities. In addition, FCA is encouraged to review and report back to the Committee within 60 days of enactment of this Act on establishing new procedures for public-private partnerships to support rural community facilities.

TITLE VII

GENERAL PROVISIONS

(INCLUDING RESCISSIONS AND TRANSFERS OF FUNDS)

The General Provisions contained in the accompanying bill for fiscal year 2018 are fundamentally the same as those included in last year's appropriations bill.

The following general provisions are included in the bill:

Section 701: Limitation on the purchase of passenger motor vehicles.

Section 702: Transfer authority regarding the Working Capital Fund.

Section 703: Limitation on certain obligations.

Section 704: Indirect cost rates for cooperative agreements with nonprofit institutions.

Section 705: Disbursement of rural development loans.

Section 706: Authority of the Chief Information Officer relating to new IT systems.

Section 707: Availability of mandatory conservation program funding.

Section 708: Rural Utility Service borrower eligibility.

Section 709: Rescission of certain unobligated balances.

Section 710: Prohibition on first-class airline travel.

Section 711: Use of funds authorized by the Commodity Credit Corporation Charter Act.

Section 712: Funding for advisory committees.

Section 713: Indirect costs for competitive agricultural research grants.

Section 714: Limitation on certain funds.
Section 715: Limitation on certain funds.
Section 716: Language on user fee proposals without offsets.
Section 717: Language on reprogramming.
Section 718: Language on fees for the business and industry guaranteed loan program.
Section 719: Language on questions for the record.
Section 720: Language regarding prepackaged news stories.
Section 721: Language on prohibition on paid details in excess of 60 days.
Section 722: Language regarding grant notifications.
Section 723: Language regarding spending plans.
Section 724: Language on controls over humanitarian food assistance.
Section 725: Language regarding Single Family Housing Direct Loan Program.
Section 726: Language regarding USDA loan programs.
Section 727: Transfer authority regarding the Working Capital Fund.
Section 728: Language regarding purchases made through Child Nutrition Programs.
Section 729: Language regarding potable water supplies.
Section 730: Language regarding research programs.
Section 731: Language regarding nutrition research.
Section 732: Language regarding housing loan programs.
Section 733: Language regarding consumer information.
Section 734: Language regarding tissue regulation.
Section 735: Language regarding animal feed.
Section 736: Language regarding APHIS regulation.
Section 737: Language regarding animal research.
Section 738: Language regarding FDA regulation.
Section 739: Language regarding rural housing lender fees.
Section 740: Language regarding IT systems.
Section 741: Language regarding a rescission of funds.
Section 742: Language regarding domestic preference.
Section 743: Language regarding child nutrition programs.
Section 744: Language regarding persistent poverty.
Section 745: Language regarding community eligibility.
Section 746: Language regarding lobbying.
Section 747: Language regarding SNAP regulations.
Section 748: Language regarding FDA regulation.
Section 749: Language regarding housing programs.
Section 750: Language regarding a rescission of funds.
Section 751: Language regarding CFTC regulation.
Section 752: Language regarding FDA regulation.
Section 753: Language regarding FDA regulation.
Section 754: Language regarding FSIS regulation.
Section 755: Language regarding the Commodity Credit Corporation.
Section 756: Language regarding the National Ocean Policy.
Section 757: Language regarding the 21st Century Cures Act.
Section 758: Language regarding citrus greening.
Section 759: Language regarding healthy food financing.
Section 760: Language regarding CFTC regulation.

Section 761: Language regarding the Spending Reduction Account.

HOUSE OF REPRESENTATIVES REPORT REQUIREMENTS

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(b) of rule XIII of the House of Representatives, the results of each roll call vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLL CALL NO. 1

Date: July 12, 2017
Measure: Department of Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Bill, FY 2018
Motion by: Mrs. Lowey
Description of Motion: To strike a provision to establish a new predicate date for tobacco products, restrictions on the sale of such products, and to promulgate regulations for tobacco product standards.
Results: Defeated 22 yeas to 30 nays

Members Voting Yea
Mr. Aguilar
Mr. Cartwright
Ms. Clark
Ms. DeLauro
Mr. Dent
Ms. Kaptur
Mr. Kilmer
Ms. Lee
Mrs. Lowey
Ms. McCollum
Ms. Meng
Ms. Pingree
Mr. Pocan
Mr. Price
Mr. Quigley
Ms. Roybal-Allard
Mr. Ruppersberger
Mr. Ryan
Mr. Serrano
Mr. Stewart
Mr. Visclosky
Ms. Wasserman Schultz

Members Voting Nay
Mr. Aderholt
Mr. Amodei
Mr. Bishop
Mr. Calvert
Mr. Carter
Mr. Cole
Mr. Cuellar
Mr. Culberson
Mr. Diaz-Balart
Mr. Fleischmann
Mr. Fortenberry
Mr. Frelinghuysen
Ms. Granger
Mr. Graves
Dr. Harris
Ms. Herrera Beutler
Mr. Jenkins
Mr. Joyce
Mr. Moolenaar
Mr. Newhouse
Mr. Palazzo
Mrs. Roby
Mr. Rogers
Mr. Rooney
Mr. Simpson
Mr. Taylor
Mr. Valadao
Mr. Womack
Mr. Yoder
Mr. Young

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(b) of rule XIII of the House of Representatives, the results of each roll call vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLL CALL NO. 2

Date: July 12, 2017
Measure: Department of Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Bill, FY 2018
Motion by: Ms. Roybal-Allard
Description of Motion: To prohibit the use of funds for certain horse inspection activities.
Results: Defeated 25 yeas to 27 nays

Members Voting Yea
Mr. Aguilar
Mr. Bishop
Mr. Cartwright
Ms. Clark
Ms. DeLauro
Mr. Dent
Mr. Joyce
Ms. Kaptur
Mr. Kilmer
Ms. Lee
Mrs. Lowey
Ms. McCollum
Ms. Meng
Ms. Pingree
Mr. Pocan
Mr. Price
Mr. Quigley
Mr. Rooney
Ms. Roybal-Allard
Mr. Ruppersberger
Mr. Ryan
Mr. Serrano
Mr. Visclosky
Ms. Wasserman Schultz
Mr. Yoder

Members Voting Nay
Mr. Aderholt
Mr. Amodei
Mr. Calvert
Mr. Carter
Mr. Cole
Mr. Cuellar
Mr. Culberson
Mr. Diaz-Balart
Mr. Fleischmann
Mr. Fortenberry
Mr. Frelinghuysen
Ms. Granger
Mr. Graves
Dr. Harris
Ms. Herrera Beutler
Mr. Jenkins
Mr. Moolenaar
Mr. Newhouse
Mr. Palazzo
Mrs. Roby
Mr. Rogers
Mr. Simpson
Mr. Stewart
Mr. Taylor
Mr. Valadao
Mr. Womack
Mr. Young

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the following is a statement of general performance goals and objectives for which this measure authorizes funding:

The Committee on Appropriations considers program performance, including a program's success in developing and attaining outcome-related goals and objectives, in developing funding recommendations.

RESCISSIONS

Pursuant to clause 3(f)(2) of rule XIII of the Rules of the House of Representatives, the following lists the rescissions of unexpended balances included in the accompanying bill:

Program or Activity	Amount
USDA Cushion of Credit	$196,000,000
USDA AMS (prior year balances)	263,000,000
USDA FNS (prior year balances)	600,000,000
USDA Rural Energy Savings Program	8,000,000

TRANSFERS OF FUNDS

Pursuant to clause 3(f)(2) of rule XIII of the Rules of the House of Representatives, the following list includes the transfers of unexpended balances included in the accompanying bill:

1. *Departmental Administration.*—The bill requires reimbursement for expenses related to certain hearings.

2. *Office of the Assistant Secretary for Congressional Relations.*—The bill allows a portion of the funds appropriated to the Office of the Assistant Secretary to be transferred to agencies.

3. *Hazardous Materials Management.*—The bill allows the funds appropriated to the Department for hazardous materials management to be transferred to agencies of the Department as required.

4. *Animal and Plant Health Inspection Service.*—Authority is included to enable the Secretary of Agriculture to transfer from other appropriations or funds of the Department such sums as may be necessary to combat emergency outbreaks of certain diseases of animals, plants, and poultry.

5. *Funds for Strengthening Markets, Income, and Supply.*—The bill limits the transfer of section 32 funds to purposes specified in the bill.

6. *Farm Service Agency Salaries and Expenses.*—The bill provides that funds provided to other accounts in the agency may be merged with the salaries and expenses account of the Farm Service Agency.

7. *Dairy Indemnity Program.*—The bill authorizes the transfer of funds to the Commodity Credit Corporation, by reference.

8. *Agricultural Credit Insurance Fund Program Account.*—The bill provides funds to be transferred to the Farm Service Agency.

9. *Commodity Credit Corporation.*—The bill includes language allowing certain funds to be transferred to the Foreign Agricultural Service for information resource management activities.

10. *Rural Development Salaries and Expenses.*—The bill provides that prior year balances from certain accounts shall be transferred to and merged with this account.

11. *Rural Housing Insurance Fund Program Account, Intermediary Relending Program Fund Account, and Rural Electrification and Telecommunications Program Account.*—The bill provides funds in this account shall be transferred to the salaries and expenses of Rural Development.

12. *Child Nutrition Programs.*—The bill includes authority to transfer section 32 funds to these programs.

13. *Foreign Agricultural Service, Salaries and Expenses.*—The bill allows for the transfer of funds from the Commodity Credit Corporation Export Loan Program Account.

14. *Food for Peace Title I Direct Credit and Food for Progress Program Account.*—The bill allows funds to be transferred to the Farm Service Agency, Salaries and Expenses account. The bill also provides that funds made available for the cost of title I agreements and for title I ocean freight differential may be used interchangeably.

15. *Commodity Credit Corporation Export Loans Program.*—The bill provides for transfer of funds to the Foreign Agricultural Service and to the Farm Service Agency for overhead expenses associated with credit reform.

16. *Food and Drug Administration, Salaries and Expenses.*—The bill allows funds to be transferred among activities.

17. *General Provisions.*—The bill allows unobligated balances of discretionary funds to be transferred to the Working Capital Fund.

DISCLOSURE OF EARMARKS AND CONGRESSIONALLY DIRECTED SPENDING ITEMS

Neither the bill nor this report contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI of the Rules of the House of Representatives.

COMPLIANCE WITH RULE XIII, CL. 3(e) (RAMSEYER RULE)

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman:

COMPLIANCE WITH RULE XIII, CL. 3(e) (RAMSEYER RULE)

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT

* * * * * * *

NUTRITIONAL AND OTHER PROGRAM REQUIREMENTS

SEC. 9. (a)(1)(A) Lunches served by schools participating in the school lunch program under this Act shall meet minimum nutritional requirements prescribed by the Secretary on the basis of tested nutritional research, except that the minimum nutritional requirements—

(i) shall not be construed to prohibit the substitution of foods to accommodate the medical or other special dietary needs of individual students; and

(ii) shall, at a minimum, be based on the weekly average of the nutrient content of school lunches.

(B) The Secretary shall provide technical assistance and training, including technical assistance and training in the preparation of lower-fat versions of foods commonly used in the school lunch program under this Act, to schools participating in the school lunch program to assist the schools in complying with the nutritional requirements prescribed by the Secretary pursuant to subparagraph (A) and in providing appropriate meals to children with medically certified special dietary needs. The Secretary shall provide additional technical assistance to schools that are having difficulty maintaining compliance with the requirements.

(2) FLUID MILK.—

(A) IN GENERAL.—Lunches served by schools participating in the school lunch program under this Act—

(i) shall offer students a variety of fluid milk. Such milk shall be consistent with the most recent Dietary Guidelines for Americans published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341);

(ii) may offer students flavored and unflavored fluid milk and lactose-free fluid milk; and

(iii) shall provide a substitute for fluid milk for students whose disability restricts their diet, on receipt of a written statement from a licensed physician that identifies the disability that restricts the student's diet and that specifies the substitute for fluid milk.

(B) SUBSTITUTES.—

(i) STANDARDS FOR SUBSTITUTION.—A school may substitute for the fluid milk provided under subparagraph (A), a nondairy beverage that is nutritionally equivalent to fluid milk and meets nutritional standards established by the Secretary (which shall, among other requirements to be determined by the Secretary, include fortification of calcium, protein, vitamin A, and vitamin D to levels found in cow's milk) for students who cannot consume fluid milk because of a medical or other special dietary need other than a disability described in subparagraph (A)(iii).

(ii) NOTICE.—The substitutions may be made if the school notifies the State agency that the school is implementing a variation allowed under this subparagraph, and if the substitution is requested by written statement of a medical authority or by a student's parent or legal guardian that identifies the medical or

other special dietary need that restricts the student's diet, except that the school shall not be required to provide beverages other than beverages the school has identified as acceptable substitutes.

(iii) EXCESS EXPENSES BORNE BY SCHOOL FOOD AUTHORITY.—Expenses incurred in providing substitutions under this subparagraph that are in excess of expenses covered by reimbursements under this Act shall be paid by the school food authority.

(C) RESTRICTIONS ON SALE OF MILK PROHIBITED.—A school that participates in the school lunch program under this Act shall not directly or indirectly restrict the sale or marketing of fluid milk products by the school (or by a person approved by the school) at any time or any place—

(i) on the school premises; or

(ii) at any school-sponsored event.

(3) Students in senior high schools that participate in the school lunch program under this Act (and, when approved by the local school district or nonprofit private schools, students in any other grade level) shall not be required to accept offered foods they do not intend to consume, and any such failure to accept offered foods shall not affect the full charge to the student for a lunch meeting the requirements of this subsection or the amount of payments made under this Act to any such school for such lunch.

(4) PROVISION OF INFORMATION.—

(A) GUIDANCE.—Prior to the beginning of the school year beginning July 2004, the Secretary shall issue guidance to States and school food authorities to increase the consumption of foods and food ingredients that are recommended for increased serving consumption in the most recent Dietary Guidelines for Americans published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341).

(B) RULES.—Not later than 2 years after the date of enactment of this paragraph, the Secretary shall promulgate rules, based on the most recent Dietary Guidelines for Americans, that reflect specific recommendations, expressed in serving recommendations, for increased consumption of foods and food ingredients offered in school nutrition programs under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).

(C) PROCUREMENT AND PROCESSING OF FOOD SERVICE PRODUCTS AND COMMODITIES.—The Secretary shall—

(i) identify, develop, and disseminate to State departments of agriculture and education, school food authorities, local educational agencies, and local processing entities, model product specifications and practices for foods offered in school nutrition programs under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) to ensure that the foods reflect the most recent Dietary Guidelines for Americans published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341);

(ii) not later than 1 year after the date of enactment of this subparagraph—

(I) carry out a study to analyze the quantity and quality of nutritional information available to school food authorities about food service products and commodities; and

(II) submit to Congress a report on the results of the study that contains such legislative recommendations as the Secretary considers necessary to ensure that school food authorities have access to the nutritional information needed for menu planning and compliance assessments; and

(iii) to the maximum extent practicable, in purchasing and processing commodities for use in school nutrition programs under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), purchase the widest variety of healthful foods that reflect the most recent Dietary Guidelines for Americans.

(5) WATER.—Schools participating in the school lunch program under this Act shall make available to children free of charge, as nutritionally appropriate, potable water for consumption in the place where meals are served during meal service.

(b)(1)(A) Not later than June 1 of each fiscal year, the Secretary shall prescribe income guidelines for determining eligibility for free and reduced price lunches during the 12-month period beginning July 1 of such fiscal year and ending June 30 of the following fiscal year. The income guidelines for determining eligibility for free lunches shall be 130 percent of the applicable family size income levels contained in the nonfarm income poverty guidelines prescribed by the Office of Management and Budget, as adjusted annually in accordance with subparagraph (B). The income guidelines for determining eligibility for reduced price lunches for any school year shall be 185 percent of the applicable family size income levels contained in the nonfarm income poverty guidelines prescribed by the Office of Management and Budget, as adjusted annually in accordance with subparagraph (B). The Office of Management and Budget guidelines shall be revised at annual intervals, or at any shorter interval deemed feasible and desirable.

(B) The revision required by subparagraph (A) of this paragraph shall be made by multiplying—

(i) the official poverty line (as defined by the Office of Management and Budget); by

(ii) the percentage change in the Consumer Price Index during the annual or other interval immediately preceding the time at which the adjustment is made.

Revisions under this subparagraph shall be made not more than 30 days after the date on which the consumer price index data required to compute the adjustment becomes available.

(2)(A) Following the determination by the Secretary under paragraph (1) of this subsection of the income eligibility guidelines for each school year, each State educational agency shall announce the income eligibility guidelines, by family size, to be used by schools in the State in making determinations of eligibility for free and reduced price lunches. Local school authorities shall, each year, pub-

licly announce the income eligibility guidelines for free and reduced price lunches on or before the opening of school.

(B) APPLICATIONS AND DESCRIPTIVE MATERIAL.—

(i) IN GENERAL.—Applications for free and reduced price lunches, in such form as the Secretary may prescribe or approve, and any descriptive material, shall be distributed to the parents or guardians of children in attendance at the school, and shall contain only the family size income levels for reduced price meal eligibility with the explanation that households with incomes less than or equal to these values would be eligible for free or reduced price lunches.

(ii) INCOME ELIGIBILITY GUIDELINES.—Forms and descriptive material distributed in accordance with clause (i) may not contain the income eligibility guidelines for free lunches.

(iii) CONTENTS OF DESCRIPTIVE MATERIAL.—

(I) IN GENERAL.—Descriptive material distributed in accordance with clause (i) shall contain a notification that—

(aa) participants in the programs listed in subclause (II) may be eligible for free or reduced price meals; and

(bb) documentation may be requested for verification of eligibility for free or reduced price meals.

(II) PROGRAMS.—The programs referred to in subclause (I)(aa) are—

(aa) the special supplemental nutrition program for women, infants, and children established by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786);

(bb) the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.);

(cc) the food distribution program on Indian reservations established under section 4(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(b)); and

(dd) a State program funded under the program of block grants to States for temporary assistance for needy families established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

(3) HOUSEHOLD APPLICATIONS.—

(A) DEFINITION OF HOUSEHOLD APPLICATION.—In this paragraph, the term "household application" means an application for a child of a household to receive free or reduced price school lunches under this Act, or free or reduced price school breakfasts under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), for which an eligibility determination is made other than under paragraph (4) or (5).

(B) ELIGIBILITY DETERMINATION.—

(i) IN GENERAL.—An eligibility determination shall be made on the basis of a complete household application executed by an adult member of the household or in accordance with guidance issued by the Secretary.

(ii) ELECTRONIC SIGNATURES AND APPLICATIONS.—A household application may be executed using an electronic signature if—

(I) the application is submitted electronically; and

(II) the electronic application filing system meets confidentiality standards established by the Secretary.

(C) CHILDREN IN HOUSEHOLD.—

(i) IN GENERAL.—The household application shall identify the names of each child in the household for whom meal benefits are requested.

(ii) SEPARATE APPLICATIONS.—A State educational agency or local educational agency may not request a separate application for each child in the household that attends schools under the same local educational agency.

(D) VERIFICATION OF SAMPLE.—

(i) DEFINITIONS.—In this subparagraph:

(I) ERROR PRONE APPLICATION.—The term "error prone application" means an approved household application that—

(aa) indicates monthly income that is within $100, or an annual income that is within $1,200, of the income eligibility limitation for free or reduced price meals; or

(bb) in lieu of the criteria established under item (aa), meets criteria established by the Secretary.

(II) NON-RESPONSE RATE.—The term "non-response rate" means (in accordance with guidelines established by the Secretary) the percentage of approved household applications for which verification information has not been obtained by a local educational agency after attempted verification under subparagraphs (F) and (G).

(ii) VERIFICATION OF SAMPLE.—Each school year, a local educational agency shall verify eligibility of the children in a sample of household applications approved for the school year by the local educational agency, as determined by the Secretary in accordance with this subsection.

(iii) SAMPLE SIZE.—Except as otherwise provided in this paragraph, the sample for a local educational agency for a school year shall equal the lesser of—

(I) 3 percent of all applications approved by the local educational agency for the school year, as of October 1 of the school year, selected from error prone applications; or

(II) 3,000 error prone applications approved by the local educational agency for the school year, as of October 1 of the school year.

(iv) ALTERNATIVE SAMPLE SIZE.—

(I) IN GENERAL.—If the conditions described in subclause (IV) are met, the verification sample size for a local educational agency shall be the sample size described in subclause (II) or (III), as determined by the local educational agency.

(II) 3,000/3 PERCENT OPTION.—The sample size described in this subclause shall be the lesser of 3,000, or 3 percent of, applications selected at random from applications approved by the local educational agency for the school year, as of October 1 of the school year.

(III) 1,000/1 PERCENT PLUS OPTION.—

(aa) IN GENERAL.—The sample size described in this subclause shall be the sum of—

(AA) the lesser of 1,000, or 1 percent of, all applications approved by the local educational agency for the school year, as of October 1 of the school year, selected from error prone applications; and

(BB) the lesser of 500, or ½ of 1 percent of, applications approved by the local educational agency for the school year, as of October 1 of the school year, that provide a case number (in lieu of income information) showing participation in a program described in item (bb) selected from those approved applications that provide a case number (in lieu of income information) verifying the participation.

(bb) PROGRAMS.—The programs described in this item are—

(AA) the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.);

(BB) the food distribution program on Indian reservations established under section 4(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(b)); and

(CC) a State program funded under the program of block grants to States for temporary assistance for needy families established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995.

(IV) CONDITIONS.—The conditions referred to in subclause (I) shall be met for a local educational agency for a school year if—

(aa) the nonresponse rate for the local educational agency for the preceding school year is less than 20 percent; or

(bb) the local educational agency has more than 20,000 children approved by application by the local educational agency as eligible for free or reduced price meals for the school year, as of October 1 of the school year, and—

(AA) the nonresponse rate for the preceding school year is at least 10 percent below the nonresponse rate for the second preceding school year; or

(BB) in the case of the school year beginning July 2005, the local educational agency attempts to verify all approved household applications selected for verification through use of public agency records from at least 2 of the programs or sources of information described in subparagraph (F)(i).

(v) ADDITIONAL SELECTED APPLICATIONS.—A sample for a local educational agency for a school year under clauses (iii) and (iv)(III)(AA) shall include the number of additional randomly selected approved household applications that are required to comply with the sample size requirements in those clauses.

(E) PRELIMINARY REVIEW.—

(i) REVIEW FOR ACCURACY.—

(I) IN GENERAL.—Prior to conducting any other verification activity for approved household applications selected for verification, the local educational agency shall ensure that the initial eligibility determination for each approved household application is reviewed for accuracy by an individual other than the individual making the initial eligibility determination, unless otherwise determined by the Secretary.

(II) WAIVER.—The requirements of subclause (I) shall be waived for a local educational agency if the local educational agency is using a technology-based solution that demonstrates a high level of accuracy, to the satisfaction of the Secretary, in processing an initial eligibility determination in accordance with the income eligibility guidelines of the school lunch program.

(ii) CORRECT ELIGIBILITY DETERMINATION.—If the review indicates that the initial eligibility determination is correct, the local educational agency shall verify the approved household application.

(iii) INCORRECT ELIGIBILITY DETERMINATION.—If the review indicates that the initial eligibility determina-

tion is incorrect, the local educational agency shall (as determined by the Secretary)—

(I) correct the eligibility status of the household;

(II) notify the household of the change;

(III) in any case in which the review indicates that the household is not eligible for free or reduced-price meals, notify the household of the reason for the ineligibility and that the household may reapply with income documentation for free or reduced-price meals; and

(IV) in any case in which the review indicates that the household is eligible for free or reduced-price meals, verify the approved household application.

(F) DIRECT VERIFICATION.—

(i) IN GENERAL.—Subject to clauses (ii) and (iii), to verify eligibility for free or reduced price meals for approved household applications selected for verification, the local educational agency may (in accordance with criteria established by the Secretary) first obtain and use income and program participation information from a public agency administering—

(I) the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.);

(II) the food distribution program on Indian reservations established under section 4(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(b));

(III) the temporary assistance for needy families program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

(IV) the State medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.); or

(V) a similar income-tested program or other source of information, as determined by the Secretary.

(ii) FREE MEALS.—Public agency records that may be obtained and used under clause (i) to verify eligibility for free meals for approved household applications selected for verification shall include the most recent available information (other than information reflecting program participation or income before the 180-day period ending on the date of application for free meals) that is relied on to administer—

(I) a program or source of information described in clause (i) (other than clause (i)(IV)); or

(II) the State plan for medical assistance under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) in—

(aa) a State in which the income eligibility limit applied under section 1902(l)(2)(C) of that Act (42 U.S.C. 1396a(l)(2)(C)) is not more than 133 percent of the official poverty line

described in section 1902(l)(2)(A) of that Act (42 U.S.C. 1396a(l)(2)(A)); or

(bb) a State that otherwise identifies households that have income that is not more than 133 percent of the official poverty line described in section 1902(l)(2)(A) of that Act (42 U.S.C. 1396a(l)(2)(A)).

(iii) REDUCED PRICE MEALS.—Public agency records that may be obtained and used under clause (i) to verify eligibility for reduced price meals for approved household applications selected for verification shall include the most recent available information (other than information reflecting program participation or income before the 180-day period ending on the date of application for reduced price meals) that is relied on to administer—

(I) a program or source of information described in clause (i) (other than clause (i)(IV)); or

(II) the State plan for medical assistance under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) in—

(aa) a State in which the income eligibility limit applied under section 1902(l)(2)(C) of that Act (42 U.S.C. 1396a(l)(2)(C)) is not more than 185 percent of the official poverty line described in section 1902(l)(2)(A) of that Act (42 U.S.C. 1396a(l)(2)(A)); or

(bb) a State that otherwise identifies households that have income that is not more than 185 percent of the official poverty line described in section 1902(l)(2)(A) of that Act (42 U.S.C. 1396a(l)(2)(A)).

(iv) EVALUATION.—Not later than 3 years after the date of enactment of this subparagraph, the Secretary shall complete an evaluation of—

(I) the effectiveness of direct verification carried out under this subparagraph in decreasing the portion of the verification sample that must be verified under subparagraph (G) while ensuring that adequate verification information is obtained; and

(II) the feasibility of direct verification by State agencies and local educational agencies.

(v) EXPANDED USE OF DIRECT VERIFICATION.—If the Secretary determines that direct verification significantly decreases the portion of the verification sample that must be verified under subparagraph (G), while ensuring that adequate verification information is obtained, and can be conducted by most State agencies and local educational agencies, the Secretary may require a State agency or local educational agency to implement direct verification through 1 or more of the programs described in clause (i), as determined by the Secretary, unless the State agency or local educational agency demonstrates (under criteria established by the

Secretary) that the State agency or local educational agency lacks the capacity to conduct, or is unable to implement, direct verification.

(G) HOUSEHOLD VERIFICATION.—

(i) IN GENERAL.—If an approved household application is not verified through the use of public agency records, a local educational agency shall provide to the household written notice that—

(I) the approved household application has been selected for verification; and

(II) the household is required to submit verification information to confirm eligibility for free or reduced price meals.

(ii) PHONE NUMBER.—The written notice in clause (i) shall include a toll-free phone number that parents and legal guardians in households selected for verification can call for assistance with the verification process.

(iii) FOLLOWUP ACTIVITIES.—If a household does not respond to a verification request, a local educational agency shall make at least 1 attempt to obtain the necessary verification from the household in accordance with guidelines and regulations promulgated by the Secretary.

(iv) CONTRACT AUTHORITY FOR SCHOOL FOOD AUTHORITIES.—A local educational agency may contract (under standards established by the Secretary) with a third party to assist the local educational agency in carrying out clause (iii).

(H) VERIFICATION DEADLINE.—

(i) GENERAL DEADLINE.—

(I) IN GENERAL.—Subject to subclause (II), not later than November 15 of each school year, a local educational agency shall complete the verification activities required for the school year (including followup activities).

(II) EXTENSION.—Under criteria established by the Secretary, a State may extend the deadline established under subclause (I) for a school year for a local educational agency to December 15 of the school year.

(ii) ELIGIBILITY CHANGES.—Based on the verification activities, the local educational agency shall make appropriate modifications to the eligibility determinations made for household applications in accordance with criteria established by the Secretary.

(I) LOCAL CONDITIONS.—In the case of a natural disaster, civil disorder, strike, or other local condition (as determined by the Secretary), the Secretary may substitute alternatives for—

(i) the sample size and sample selection criteria established under subparagraph (D); and

(ii) the verification deadline established under subparagraph (H).

(J) INDIVIDUAL REVIEW.—In accordance with criteria established by the Secretary, the local educational agency may, on individual review—

(i) decline to verify no more than 5 percent of approved household applications selected under subparagraph (D); and

(ii) replace the approved household applications with other approved household applications to be verified.

(K) FEASIBILITY STUDY.—

(i) IN GENERAL.—The Secretary shall conduct a study of the feasibility of using computer technology (including data mining) to reduce—

(I) overcertification errors in the school lunch program under this Act;

(II) waste, fraud, and abuse in connection with this paragraph; and

(III) errors, waste, fraud, and abuse in other nutrition programs, as determined to be appropriate by the Secretary.

(ii) REPORT.—Not later than 180 days after the date of enactment of this paragraph, the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing—

(I) the results of the feasibility study conducted under this subsection;

(II) how a computer system using technology described in clause (i) could be implemented;

(III) a plan for implementation; and

(IV) proposed legislation, if necessary, to implement the system.

(4) DIRECT CERTIFICATION FOR CHILDREN IN SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM HOUSEHOLDS.—

(A) IN GENERAL.—Subject to subparagraph (D), each State agency shall enter into an agreement with the State agency conducting eligibility determinations for the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.).

(B) PROCEDURES.—Subject to paragraph (6), the agreement shall establish procedures under which a child who is a member of a household receiving assistance under the supplemental nutrition assistance program shall be certified as eligible for free lunches under this Act and free breakfasts under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), without further application.

(C) CERTIFICATION.—Subject to paragraph (6), under the agreement, the local educational agency conducting eligibility determinations for a school lunch program under this Act and a school breakfast program under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) shall certify a child who is a member of a household receiving assistance under the supplemental nutrition assistance program as eligible for free lunches under this Act and free break-

fasts under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), without further application.

(D) APPLICABILITY.—This paragraph applies to—

(i) in the case of the school year beginning July 2006, a school district that had an enrollment of 25,000 students or more in the preceding school year;

(ii) in the case of the school year beginning July 2007, a school district that had an enrollment of 10,000 students or more in the preceding school year; and

(iii) in the case of the school year beginning July 2008 and each subsequent school year, each local educational agency.

(E) PERFORMANCE AWARDS.—

(i) IN GENERAL.—Effective for each of the school years beginning July 1, 2011, July 1, 2012, and July 1, 2013, the Secretary shall offer performance awards to States to encourage the States to ensure that all children eligible for direct certification under this paragraph are certified in accordance with this paragraph.

(ii) REQUIREMENTS.—For each school year described in clause (i), the Secretary shall—

(I) consider State data from the prior school year, including estimates contained in the report required under section 4301 of the Food, Conservation, and Energy Act of 2008 (42 U.S.C. 1758a); and

(II) make performance awards to not more than 15 States that demonstrate, as determined by the Secretary—

(aa) outstanding performance; and

(bb) substantial improvement.

(iii) USE OF FUNDS.—A State agency that receives a performance award under clause (i)—

(I) shall treat the funds as program income; and

(II) may transfer the funds to school food authorities for use in carrying out the program.

(iv) FUNDING.—

(I) IN GENERAL.—On October 1, 2011, and each subsequent October 1 through October 1, 2013, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary—

(aa) $2,000,000 to carry out clause (ii)(II)(aa); and

(bb) $2,000,000 to carry out clause (ii)(II)(bb).

(II) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this clause the funds transferred under subclause (I), without further appropriation.

(v) PAYMENTS NOT SUBJECT TO JUDICIAL REVIEW.—A determination by the Secretary whether, and in what

amount, to make a performance award under this subparagraph shall not be subject to administrative or judicial review.

(F) CONTINUOUS IMPROVEMENT PLANS.—

(i) DEFINITION OF REQUIRED PERCENTAGE.—In this subparagraph, the term "required percentage" means—

(I) for the school year beginning July 1, 2011, 80 percent;

(II) for the school year beginning July 1, 2012, 90 percent; and

(III) for the school year beginning July 1, 2013, and each school year thereafter, 95 percent.

(ii) REQUIREMENTS.—Each school year, the Secretary shall—

(I) identify, using data from the prior year, including estimates contained in the report required under section 4301 of the Food, Conservation, and Energy Act of 2008 (42 U.S.C. 1758a), States that directly certify less than the required percentage of the total number of children in the State who are eligible for direct certification under this paragraph;

(II) require the States identified under subclause (I) to implement a continuous improvement plan to fully meet the requirements of this paragraph, which shall include a plan to improve direct certification for the following school year; and

(III) assist the States identified under subclause (I) to develop and implement a continuous improvement plan in accordance with subclause (II).

(iii) FAILURE TO MEET PERFORMANCE STANDARD.—

(I) IN GENERAL.—A State that is required to develop and implement a continuous improvement plan under clause (ii)(II) shall be required to submit the continuous improvement plan to the Secretary, for the approval of the Secretary.

(II) REQUIREMENTS.—At a minimum, a continuous improvement plan under subclause (I) shall include—

(aa) specific measures that the State will use to identify more children who are eligible for direct certification, including improvements or modifications to technology, information systems, or databases;

(bb) a timeline for the State to implement those measures; and

(cc) goals for the State to improve direct certification results.

(G) WITHOUT FURTHER APPLICATION.—

(i) IN GENERAL.—In this paragraph, the term "without further application" means that no action is required by the household of the child.

(ii) CLARIFICATION.—A requirement that a household return a letter notifying the household of eligibility for

direct certification or eligibility for free school meals does not meet the requirements of clause (i).

(5) DISCRETIONARY CERTIFICATION.—Subject to paragraph (6), any local educational agency may certify any child as eligible for free lunches or breakfasts, without further application, by directly communicating with the appropriate State or local agency to obtain documentation of the status of the child as—

(A) a member of a family that is receiving assistance under the temporary assistance for needy families program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995;

(B) a homeless child or youth (defined as 1 of the individuals described in section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2));

(C) served by the runaway and homeless youth grant program established under the Runaway and Homeless Youth Act (42 U.S.C. 5701 et seq.);

(D) a migratory child (as defined in section 1309 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6399)); or

(E)(i) a foster child whose care and placement is the responsibility of an agency that administers a State plan under part B or E of title IV of the Social Security Act (42 U.S.C. 621 et seq.); or

(ii) a foster child who a court has placed with a caretaker household.

(6) USE OR DISCLOSURE OF INFORMATION.—

(A) IN GENERAL.—The use or disclosure of any information obtained from an application for free or reduced price meals, or from a State or local agency referred to in paragraph (3)(F), (4), or (5), shall be limited to—

(i) a person directly connected with the administration or enforcement of this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) (including a regulation promulgated under either Act);

(ii) a person directly connected with the administration or enforcement of—

(I) a Federal education program;

(II) a State health or education program administered by the State or local educational agency (other than a program carried out under title XIX or XXI of the Social Security Act (42 U.S.C. 1396 et seq.; 42 U.S.C. 1397aa et seq.)); or

(III) a Federal, State, or local means-tested nutrition program with eligibility standards comparable to the school lunch program under this Act;

(iii)(I) the Comptroller General of the United States for audit and examination authorized by any other provision of law; and

(II) notwithstanding any other provision of law, a Federal, State, or local law enforcement official for the purpose of investigating an alleged violation of any program covered by this paragraph or paragraph (3)(F), (4), or (5);

(iv) a person directly connected with the administration of the State medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) or the State children's health insurance program under title XXI of that Act (42 U.S.C. 1397aa et seq.) solely for the purposes of—

(I) identifying children eligible for benefits under, and enrolling children in, those programs, except that this subclause shall apply only to the extent that the State and the local educational agency or school food authority so elect; and

(II) verifying the eligibility of children for programs under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.); and

(v) a third party contractor described in paragraph (3)(G)(iv).

(B) LIMITATION ON INFORMATION PROVIDED.—Information provided under clause (ii) or (v) of subparagraph (A) shall be limited to the income eligibility status of the child for whom application for free or reduced price meal benefits is made or for whom eligibility information is provided under paragraph (3)(F), (4), or (5), unless the consent of the parent or guardian of the child for whom application for benefits was made is obtained.

(C) CRIMINAL PENALTY.—A person described in subparagraph (A) who publishes, divulges, discloses, or makes known in any manner, or to any extent not authorized by Federal law (including a regulation), any information obtained under this subsection shall be fined not more than $1,000 or imprisoned not more than 1 year, or both.

(D) REQUIREMENTS FOR WAIVER OF CONFIDENTIALITY.—A State that elects to exercise the option described in subparagraph (A)(iv)(I) shall ensure that any local educational agency or school food authority acting in accordance with that option—

(i) has a written agreement with 1 or more State or local agencies administering health programs for children under titles XIX and XXI of the Social Security Act (42 U.S.C. 1396 et seq. and 1397aa et seq.) that requires the health agencies to use the information obtained under subparagraph (A) to seek to enroll children in those health programs; and

(ii)(I) notifies each household, the information of which shall be disclosed under subparagraph (A), that the information disclosed will be used only to enroll children in health programs referred to in subparagraph (A)(iv); and

(II) provides each parent or guardian of a child in the household with an opportunity to elect not to have the information disclosed.

(E) USE OF DISCLOSED INFORMATION.—A person to which information is disclosed under subparagraph (A)(iv)(I) shall use or disclose the information only as necessary for the purpose of enrolling children in health programs referred to in subparagraph (A)(iv).

(7) FREE AND REDUCED PRICE POLICY STATEMENT.—

(A) IN GENERAL.—After the initial submission, a local educational agency shall not be required to submit a free and reduced price policy statement to a State educational agency under this Act unless there is a substantive change in the free and reduced price policy of the local educational agency.

(B) ROUTINE CHANGE.—A routine change in the policy of a local educational agency (such as an annual adjustment of the income eligibility guidelines for free and reduced price meals) shall not be sufficient cause for requiring the local educational agency to submit a policy statement.

(8) COMMUNICATIONS.—

(A) IN GENERAL.—Any communication with a household under this subsection or subsection (d) shall be in an understandable and uniform format and, to the maximum extent practicable, in a language that parents and legal guardians can understand.

(B) ELECTRONIC AVAILABILITY.—In addition to the distribution of applications and descriptive material in paper form as provided for in this paragraph, the applications and material may be made available electronically via the Internet.

(9) ELIGIBILITY FOR FREE AND REDUCED PRICE LUNCHES.—

(A) FREE LUNCHES.—Any child who is a member of a household whose income, at the time the application is submitted, is at an annual rate which does not exceed the applicable family size income level of the income eligibility guidelines for free lunches, as determined under paragraph (1), shall be served a free lunch.

(B) REDUCED PRICE LUNCHES.—

(i) IN GENERAL.—Any child who is a member of a household whose income, at the time the application is submitted, is at an annual rate greater than the applicable family size income level of the income eligibility guidelines for free lunches, as determined under paragraph (1), but less than or equal to the applicable family size income level of the income eligibility guidelines for reduced price lunches, as determined under paragraph (1), shall be served a reduced price lunch.

(ii) MAXIMUM PRICE.—The price charged for a reduced price lunch shall not exceed 40 cents.

(C) DURATION.—Except as otherwise specified in paragraph (3)(E), (3)(H)(ii), and section 11(a), eligibility for free or reduced price meals for any school year shall remain in effect—

(i) beginning on the date of eligibility approval for the current school year; and

(ii) ending on a date during the subsequent school year determined by the Secretary.

(10) No physical segregation of or other discrimination against any child eligible for a free lunch or a reduced price lunch under this subsection shall be made by the school nor shall there be any overt identification of any child by special tokens or tickets, announced or published list of names, or by other means.

(11) Any child who has a parent or guardian who (A) is responsible for the principal support of such child and (B) is unemployed shall be served a free or reduced price lunch, respectively, during any period (i) in which such child's parent or guardian continues to be unemployed and (ii) the income of the child's parents or guardians during such period of unemployment falls within the income eligibility criteria for free lunches or reduced price lunches, respectively, based on the current rate of income of such parents or guardians. Local educational agencies shall publicly announce that such children are eligible for free or reduced price lunch, and shall make determinations with respect to the status of any parent or guardian of any child under clauses (A) and (B) of the preceding sentence on the basis of a statement executed in such form as the Secretary may prescribe by such parent or guardian. No physical segregation of, or other discrimination against, any child eligible for a free or reduced price lunch under this paragraph shall be made by the school nor shall there be any overt identification of any such child by special tokens or tickets, announced or published lists of names, or by any other means.

(12)(A) A child shall be considered automatically eligible for a free lunch and breakfast under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), respectively, without further application or eligibility determination, if the child is—

(i) a member of a household receiving assistance under the supplemental nutrition assistance program authorized under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.);

(ii) a member of a family (under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)) that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995;

(iii) enrolled as a participant in a Head Start program authorized under the Head Start Act (42 U.S.C. 9831 et seq.), on the basis of a determination that the child meets the eligibility criteria prescribed under section 645(a)(1)(B) of the Head Start Act (42 U.S.C. 9840(a)(1)(B));

(iv) a homeless child or youth (defined as 1 of the individuals described in section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)));

(v) served by the runaway and homeless youth grant program established under the Runaway and Homeless Youth Act (42 U.S.C. 5701 et seq.);

(vi) a migratory child (as defined in section 1309 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6399)); or

(vii)(I) a foster child whose care and placement is the responsibility of an agency that administers a State plan under part B or E of title IV of the Social Security Act (42 U.S.C. 621 et seq.); or

(II) a foster child who a court has placed with a caretaker household.

(B) Proof of receipt of supplemental nutrition assistance program benefits or assistance under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995, or of enrollment or participation in a Head Start program on the basis described in subparagraph (A)(iii), shall be sufficient to satisfy any verification requirement imposed under this subsection.

(13) EXCLUSION OF CERTAIN MILITARY HOUSING ALLOWANCES.—The amount of a basic allowance provided under section 403 of title 37, United States Code, on behalf of a member of a uniformed service for housing that is acquired or constructed under subchapter IV of chapter 169 of title 10, United States Code, or any related provision of law, shall not be considered to be income for the purpose of determining the eligibility of a child who is a member of the household of the member of a uniformed service for free or reduced price lunches under this Act.

(14) COMBAT PAY.—

(A) DEFINITION OF COMBAT PAY.—In this paragraph, the term "combat pay" means any additional payment under chapter 5 of title 37, United States Code, or otherwise designated by the Secretary to be appropriate for exclusion under this paragraph, that is received by or from a member of the United States Armed Forces deployed to a designated combat zone, if the additional pay—

(i) is the result of deployment to or service in a combat zone; and

(ii) was not received immediately prior to serving in a combat zone.

(B) EXCLUSION.—Combat pay shall not be considered to be income for the purpose of determining the eligibility for free or reduced price meals of a child who is a member of the household of a member of the United States Armed Forces.

(15) DIRECT CERTIFICATION FOR CHILDREN RECEIVING MEDICAID BENEFITS.—

(A) DEFINITIONS.—In this paragraph:

(i) ELIGIBLE CHILD.—The term "eligible child" means a child—

(I)(aa) who is eligible for and receiving medical assistance under the Medicaid program; and

(bb) who is a member of a family with an income as measured by the Medicaid program before the application of any expense, block, or other income disregard, that does not exceed 133 percent of the poverty line (as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2), including any revision required by such section)) applicable to a family of the size

used for purposes of determining eligibility for the Medicaid program; or

(II) who is a member of a household (as that term is defined in section 245.2 of title 7, Code of Federal Regulations (or successor regulations) with a child described in subclause (I).

(ii) MEDICAID PROGRAM.—The term "Medicaid program" means the program of medical assistance established under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

(B) DEMONSTRATION PROJECT.—

(i) IN GENERAL.—The Secretary, acting through the Administrator of the Food and Nutrition Service and in cooperation with selected State agencies, shall conduct a demonstration project in selected local educational agencies to determine whether direct certification of eligible children is an effective method of certifying children for free lunches and breakfasts under section 9(b)(1)(A) of this Act and section 4(e)(1)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(e)(1)(A)).

(ii) SCOPE OF PROJECT.—The Secretary shall carry out the demonstration project under this subparagraph—

(I) for the school year beginning July 1, 2012, in selected local educational agencies that collectively serve 2.5 percent of students certified for free and reduced price meals nationwide, based on the most recent available data;

(II) for the school year beginning July 1, 2013, in selected local educational agencies that collectively serve 5 percent of students certified for free and reduced price meals nationwide, based on the most recent available data; and

(III) for the school year beginning July 1, 2014, and each subsequent school year, in selected local educational agencies that collectively serve 10 percent of students certified for free and reduced price meals nationwide, based on the most recent available data.

(iii) PURPOSES OF THE PROJECT.—At a minimum, the purposes of the demonstration project shall be—

(I) to determine the potential of direct certification with the Medicaid program to reach children who are eligible for free meals but not certified to receive the meals;

(II) to determine the potential of direct certification with the Medicaid program to directly certify children who are enrolled for free meals based on a household application; and

(III) to provide an estimate of the effect on Federal costs and on participation in the school lunch program under this Act and the school breakfast program established by section 4 of the Child Nu-

trition Act of 1966 (42 U.S.C. 1773) of direct certification with the Medicaid program.

(iv) COST ESTIMATE.—For each of 2 school years of the demonstration project, the Secretary shall estimate the cost of the direct certification of eligible children for free school meals through data derived from—

(I) the school meal programs authorized under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.);

(II) the Medicaid program; and

(III) interviews with a statistically representative sample of households.

(C) AGREEMENT.—

(i) IN GENERAL.—Not later than July 1 of the first school year during which a State agency will participate in the demonstration project, the State agency shall enter into an agreement with the 1 or more State agencies conducting eligibility determinations for the Medicaid program.

(ii) WITHOUT FURTHER APPLICATION.—Subject to paragraph (6), the agreement described in subparagraph (D) shall establish procedures under which an eligible child shall be certified for free lunches under this Act and free breakfasts under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773), without further application (as defined in paragraph (4)(G)).

(D) CERTIFICATION.—For the school year beginning on July 1, 2012, and each subsequent school year, subject to paragraph (6), the local educational agencies participating in the demonstration project shall certify an eligible child as eligible for free lunches under this Act and free breakfasts under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), without further application (as defined in paragraph (4)(G)).

(E) SITE SELECTION.—

(i) IN GENERAL.—To be eligible to participate in the demonstration project under this subsection, a State agency shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

(ii) CONSIDERATIONS.—In selecting States and local educational agencies for participation in the demonstration project, the Secretary may take into consideration such factors as the Secretary considers to be appropriate, which may include—

(I) the rate of direct certification;

(II) the share of individuals who are eligible for benefits under the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) who participate in the program, as determined by the Secretary;

(III) the income eligibility limit for the Medicaid program;

(IV) the feasibility of matching data between local educational agencies and the Medicaid program;

(V) the socioeconomic profile of the State or local educational agencies; and

(VI) the willingness of the State and local educational agencies to comply with the requirements of the demonstration project.

(F) ACCESS TO DATA.—For purposes of conducting the demonstration project under this paragraph, the Secretary shall have access to—

(i) educational and other records of State and local educational and other agencies and institutions receiving funding or providing benefits for 1 or more programs authorized under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.); and

(ii) income and program participation information from public agencies administering the Medicaid program.

(G) REPORT TO CONGRESS.—

(i) IN GENERAL.—Not later than October 1, 2014, the Secretary shall submit to the Committee on Education and Labor of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, an interim report that describes the results of the demonstration project required under this paragraph.

(ii) FINAL REPORT.—Not later than October 1, 2015, the Secretary shall submit a final report to the committees described in clause (i).

(H) FUNDING.—

(i) IN GENERAL.—On October 1, 2010, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out subparagraph (G) $5,000,000, to remain available until expended.

(ii) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out subparagraph (G) the funds transferred under clause (i), without further appropriation.

(c) School lunch programs under this Act shall be operated on a nonprofit basis. Commodities purchased under the authority of section 32 of the Act of August 24, 1935, may be donated by the Secretary to schools, in accordance with the needs as determined by local school authorities, for utilization in the school lunch program under this Act as well as to other schools carrying out nonprofit school lunch programs and institutions authorized to receive such commodities. The requirements of this section relating to the service of meals without cost or at a reduced cost shall apply to the lunch program of any school utilizing commodities donated under any provision of law.

(d)(1) The Secretary shall require as a condition of eligibility for receipt of free or reduced price lunches that the member of the household who executes the application furnish the last 4 digits of the social security account number of the parent or guardian who

is the primary wage earner responsible for the care of the child for whom the application is made, or that of another appropriate adult member of the child's household, as determined by the Secretary.

(2) No member of a household may be provided a free or reduced price lunch under this Act unless—

(A) appropriate documentation relating to the income of such household (as prescribed by the Secretary) has been provided to the appropriate local educational agency so that the local educational agency may calculate the total income of such household;

(B) documentation showing that the household is participating in the supplemental nutrition assistance program under the Food and Nutrition Act of 2008 has been provided to the appropriate local educational agency;

(C) documentation has been provided to the appropriate local educational agency showing that the family is receiving assistance under the State program funded under part A of title IV of the Social Security Act that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995;

(D) documentation has been provided to the appropriate local educational agency showing that the child meets the criteria specified in clauses (iv) or (v) of subsection (b)(12)(A);

(E) documentation has been provided to the appropriate local educational agency showing the status of the child as a migratory child (as defined in section 1309 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6399));

(F)(i) documentation has been provided to the appropriate local educational agency showing the status of the child as a foster child whose care and placement is the responsibility of an agency that administers a State plan under part B or E of title IV of the Social Security Act (42 U.S.C. 621 et seq.); or

(ii) documentation has been provided to the appropriate local educational agency showing the status of the child as a foster child who a court has placed with a caretaker household; or

(G) documentation has been provided to the appropriate local educational agency showing the status of the child as an eligible child (as defined in subsection (b)(15)(A)).

(e) A school or school food authority participating in a program under this Act may not contract with a food service company to provide a la carte food service unless the company agrees to offer free, reduced price, and full-price reimbursable meals to all eligible children.

(f) NUTRITIONAL REQUIREMENTS.—

(1) IN GENERAL.—Schools that are participating in the school lunch program or school breakfast program shall serve lunches and breakfasts that—

(A) are consistent with the goals of the most recent Dietary Guidelines for Americans published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341); and

(B) consider the nutrient needs of children who may be at risk for inadequate food intake and food insecurity.

(2) To assist schools in meeting the requirements of this subsection, the Secretary—

(A) shall—

(i) develop, and provide to schools, standardized recipes, menu cycles, and food product specification and preparation techniques; and

(ii) provide to schools information regarding nutrient standard menu planning, assisted nutrient standard menu planning, and food-based menu systems; and

(B) may provide to schools information regarding other approaches, as determined by the Secretary.

(3) USE OF ANY REASONABLE APPROACH.—

(A) IN GENERAL.—A school food service authority may use any reasonable approach, within guidelines established by the Secretary in a timely manner, to meet the requirements of this subsection, including—

(i) using the school nutrition meal pattern in effect for the 1994–1995 school year; and

(ii) using any of the approaches described in paragraph (3).

(B) NUTRIENT ANALYSIS.—The Secretary may not require a school to conduct or use a nutrient analysis to meet the requirements of this subsection.

(4) WAIVER OF REQUIREMENT FOR WEIGHTED AVERAGES FOR NUTRIENT ANALYSIS.—During the period ending on September 30, 2010, the Secretary shall not require the use of weighted averages for nutrient analysis of menu items and foods offered or served as part of a meal offered or served under the school lunch program under this Act or the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773).

(g) Not later than 1 year after the date of enactment of this subsection, the Secretary shall provide a notification to Congress that justifies the need for production records required under section 210.10(b) of title 7, Code of Federal Regulations, and describes how the Secretary has reduced paperwork relating to the school lunch and school breakfast programs.

(h) FOOD SAFETY.—

(1) IN GENERAL.—A school participating in the school lunch program under this Act or the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) shall—

(A) at least twice during each school year, obtain a food safety inspection conducted by a State or local governmental agency responsible for food safety inspections;

(B) post in a publicly visible location a report on the most recent inspection conducted under subparagraph (A); and

(C) on request, provide a copy of the report to a member of the public.

(2) STATE AND LOCAL GOVERNMENT INSPECTIONS.—Nothing in paragraph (1) prevents any State or local government from adopting or enforcing any requirement for more frequent food safety inspections of schools.

(3) AUDITS AND REPORTS BY STATES.—For fiscal year [2017] *2018*, each State shall annually—

(A) audit food safety inspections of schools conducted under paragraphs (1) and (2); and

(B) submit to the Secretary a report of the results of the audit.

(4) AUDIT BY THE SECRETARY.—For fiscal year [2017] *2018*, the Secretary shall annually audit State reports of food safety inspections of schools submitted under paragraph (3).

(5) SCHOOL FOOD SAFETY PROGRAM.—

(A) IN GENERAL.—Each school food authority shall implement a school food safety program, in the preparation and service of each meal served to children, that complies with any hazard analysis and critical control point system established by the Secretary.

(B) APPLICABILITY.—Subparagraph (A) shall apply to any facility or part of a facility in which food is stored, prepared, or served for the purposes of the school nutrition programs under this Act or section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773).

(i) SINGLE PERMANENT AGREEMENT BETWEEN STATE AGENCY AND SCHOOL FOOD AUTHORITY; COMMON CLAIMS FORM.—

(1) IN GENERAL.—If a single State agency administers any combination of the school lunch program under this Act, the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773), the summer food service program for children under section 13 of this Act, or the child and adult care food program under section 17 of this Act, the agency shall—

(A) require each school food authority to submit to the State agency a single agreement with respect to the operation by the authority of the programs administered by the State agency; and

(B) use a common claims form with respect to meals and supplements served under the programs administered by the State agency.

(2) ADDITIONAL REQUIREMENT.—The agreement described in paragraph (1)(A) shall be a permanent agreement that may be amended as necessary.

(j) PURCHASES OF LOCALLY PRODUCED FOODS.—The Secretary shall—

(1) encourage institutions receiving funds under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) to purchase unprocessed agricultural products, both locally grown and locally raised, to the maximum extent practicable and appropriate;

(2) advise institutions participating in a program described in paragraph (1) of the policy described in that paragraph and paragraph (3) and post information concerning the policy on the website maintained by the Secretary; and

(3) allow institutions receiving funds under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), including the Department of Defense Fresh Fruit and Vegetable Program, to use a geographic preference for the procurement of

unprocessed agricultural products, both locally grown and locally raised.

(k) INFORMATION ON THE SCHOOL NUTRITION ENVIRONMENT.—

(1) IN GENERAL.—The Secretary shall—

(A) establish requirements for local educational agencies participating in the school lunch program under this Act and the school breakfast program established by section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) to report information about the school nutrition environment, for all schools under the jurisdiction of the local educational agencies, to the Secretary and to the public in the State on a periodic basis; and

(B) provide training and technical assistance to States and local educational agencies on the assessment and reporting of the school nutrition environment, including the use of any assessment materials developed by the Secretary.

(2) REQUIREMENTS.—In establishing the requirements for reporting on the school nutrition environment under paragraph (1), the Secretary shall—

(A) include information pertaining to food safety inspections, local wellness policies, meal program participation, the nutritional quality of program meals, and other information as determined by the Secretary; and

(B) ensure that information is made available to the public by local educational agencies in an accessible, easily understood manner in accordance with guidelines established by the Secretary.

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection such sums as are necessary for each of fiscal years 2011 through 2015.

(l) FOOD DONATION PROGRAM.—

(1) IN GENERAL.—Each school and local educational agency participating in the school lunch program under this Act may donate any food not consumed under such program to eligible local food banks or charitable organizations.

(2) GUIDANCE.—

(A) IN GENERAL.—Not later than 180 days after the date of the enactment of this subsection, the Secretary shall develop and publish guidance to schools and local educational agencies participating in the school lunch program under this Act to assist such schools and local educational agencies in donating food under this subsection.

(B) UPDATES.—The Secretary shall update such guidance as necessary.

(3) LIABILITY.—Any school or local educational agency making donations pursuant to this subsection shall be exempt from civil and criminal liability to the extent provided under the Bill Emerson Good Samaritan Food Donation Act (42 U.S.C. 1791).

(4) DEFINITION.—In this subsection, the term "eligible local food banks or charitable organizations" means any food bank or charitable organization which is exempt from tax under section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. 501(c)(3)).

* * * * * * *

SEC. 26. INFORMATION CLEARINGHOUSE.

(a) IN GENERAL.—The Secretary shall enter into a contract with a nongovernmental organization described in subsection (b) to establish and maintain a clearinghouse to provide information to nongovernmental groups located throughout the United States that assist low-income individuals or communities regarding food assistance, self-help activities to aid individuals in becoming self-reliant, and other activities that empower low-income individuals or communities to improve the lives of low-income individuals and reduce reliance on Federal, State, or local governmental agencies for food or other assistance.

(b) NONGOVERNMENTAL ORGANIZATION.—The nongovernmental organization referred to in subsection (a) shall be selected on a competitive basis and shall—

(1) be experienced in the gathering of first-hand information in all the States through onsite visits to grassroots organizations in each State that fight hunger and poverty or that assist individuals in becoming self-reliant;

(2) be experienced in the establishment of a clearinghouse similar to the clearinghouse described in subsection (a);

(3) agree to contribute in-kind resources towards the establishment and maintenance of the clearinghouse and agree to provide clearinghouse information, free of charge, to the Secretary, States, counties, cities, antihunger groups, and grassroots organizations that assist individuals in becoming self-sufficient and self-reliant;

(4) be sponsored by an organization, or be an organization, that—

(A) has helped combat hunger for at least 10 years;

(B) is committed to reinvesting in the United States; and

(C) is knowledgeable regarding Federal nutrition programs;

(5) be experienced in communicating the purpose of the clearinghouse through the media, including the radio and print media, and be able to provide access to the clearinghouse information through computer or telecommunications technology, as well as through the mails; and

(6) be able to provide examples, advice, and guidance to States, counties, cities, communities, antihunger groups, and local organizations regarding means of assisting individuals and communities to reduce reliance on government programs, reduce hunger, improve nutrition, and otherwise assist low-income individuals and communities become more self-sufficient.

(c) AUDITS.—The Secretary shall establish fair and reasonable auditing procedures regarding the expenditures of funds to carry out this section.

(d) FUNDING.—Out of any moneys in the Treasury not otherwise appropriated, the Secretary of the Treasury shall pay to the Secretary to provide to the organization selected under this section, to establish and maintain the information clearinghouse, $200,000 for each of fiscal years 1995 and 1996, $150,000 for fiscal year 1997, $100,000 for fiscal year 1998, $166,000 for each of fiscal years 1999 through 2004, and $250,000 for each of fiscal years [2010 through 2017] *2010 through 2018*. The Secretary shall be entitled to receive

the funds and shall accept the funds, without further appropriation.

* * * * * * *

SECTION 514 OF THE HOUSING ACT OF 1949

INSURANCE OF LOANS FOR THE PROVISION OF HOUSING AND RELATED FACILITIES FOR DOMESTIC FARM LABOR

SEC. 514. (a) The Secretary is authorized to insure and make commitments to insure loans made by lenders other than the United States to the owner of any farm or any association of farmers for the purpose of providing housing and related facilities for domestic farm labor, or to any Indian tribe for such purpose, or to any State (or political subdivision thereof), or any broad-based public or private nonprofit organization, or any limited partnership in which the general partner is a nonprofit entity, or any nonprofit organization of farm workers incorporated within the State for the purpose of providing housing and related facilities for domestic farm labor any place within the State where a need exists. All such loans shall be made in accordance with terms and conditions substantially identical with those specified in section 502, except that—

(1) no such loan shall be insured in an amount in excess of the value of the farm involved less any prior liens in the case of a loan to an individual owner of a farm, or the total estimated value of the structures and facilities with respect to which the loan is made in the case of any other loan;

(2) no such loan shall be insured if it bears interest at a rate in excess of 1 per centum per annum;

(3) out of interest payments by the borrower the Secretary shall retain a charge in an amount not less than one-half of 1 per centum per annum of the unpaid principal balance of the loan;

(4) the insurance contracts and agreements with respect to any loan may contain provisions for servicing the loan by the Secretary or by the lender, and for the purchase by the Secretary of the loan if it is not in default, on such terms and conditions as the Secretary may prescribe; and

(5) the Secretary may take mortgages creating a lien running to the United States for the benefit of the insurance fund referred to in subsection (b) notwithstanding the fact that the note may be held by the lender or his assignee.

(b) The Secretary shall utilize the insurance fund created by section 11 of the Bankhead Jones Farm Tenant Act (7 U.S.C. 1005a) and the provisions of section 13 (a), (b), and (c) of such Act (7 U.S.C. 1005c (a), (b), and (c)) to discharge obligations under insurance contracts made pursuant to this section, and

(1) the Secretary may utilize the insurance fund to pay taxes, insurance, prior liens, and other expenses to protect the security for loans which have been insured hereunder and to acquire such security property at foreclosure sales or otherwise;

(2) the notes and security therefor acquired by the Secretary under insurance contracts made pursuant to this section shall become a part of the insurance fund. Loans insured under this section may be held in the fund and collected in accordance with their terms or may be sold and reinsured. All proceeds from such collections, including the liquidation of security and the proceeds of sales, shall become a part of the insurance fund; and

(3) of the charges retained by the Secretary out of interest payments by the borrower, amounts not less than one-half of 1 per centum per annum of the unpaid principal balance of the loan shall be deposited in and become a part of the insurance fund. The remainder of such charges shall be deposited in the Treasury of the United States and shall be available for administrative expenses of the Farmers Home Administration, to be transferred annually to and become merged with any appropriation for such expenses.

(c) Any contract of insurance executed by the Secretary under this section shall be an obligation of the United States and incontestable except for fraud or misrepresentation of which the holder of the contract has actual knowledge.

(e) Amounts made available pursuant to section 513 of this Act shall be available for administrative expenses incurred under this section.

(f) As used in this section—

(1) the term "housing" means (A) new structures (including household furnishings) suitable for dwelling use by domestic farm labor, and (B) existing structures (including household furnishings) which can be made suitable for dwelling use by domestic farm labor by rehabilitation, alteration, conversion, or improvements;

(2) the term "related facilities" means (A) new stuctures (including household furnishings) suitable for use as dining halls, community rooms or buildings, or infirmaries, or for other essential services facilities, (B) existing structures (including household furnishings) which can be made suitable for the above uses by rehabilitation, alteration, conversion, or improvement and (C) necessary for an adequate site; and

(3) the term "domestic farm labor" means any person (and the family of such person) who receives a substantial portion of his or her income from primary production of agricultural or aquacultural commodities, the handling of agricultural or aquacultural commodities in the unprocessed stage, or the processing of agricultural or aquacultural commodities, without respect to the source of employment, except that—

(A) such person shall be a citizen of the United States, or a person legally admitted for permanent residence*, or a person legally admitted to the United States and authorized to work in agriculture*;

(B) such term includes any person (and the family of such person) who is retired or disabled, but who was domestic farm labor at the time of retirement or becoming disabled; and

(C) in applying this paragraph with respect to vacant units in farm labor housing, the Secretary shall make

units available for occupancy in the following order of priority:

(i) to active farm laborers (and their families);

(ii) to retired or disabled farm laborers (and their families) who were active in the local farm labor market at the time of retiring or becoming disabled; and

(iii) to other retired or disabled farm laborers (and their families).

(g) The Secretary may waive the interest rate limitation contained in subsection (a)(2) and the requirement of section 501(c)(3) in any case in which the Secretary determines that qualified public or private nonprofit sponsors are not currently available and are not likely to become available within a reasonable period of time and such waiver is necessary to permit farmers to provide housing and related facilities for migrant domestic farm laborers, except that the benefits resulting from such waiver shall accrue to the tenants, and the interest rate on a loan insured under this section and for which the Secretary permits such waiver shall be no less than one-eighth of 1 per centum above the average interest rate on notes or other obligations which are issued under section 511 and have maturities comparable to such a loan.

(h) In making available assistance in any area under this section or section 516, the Secretary shall—

(1) in determining the need for the assistance, take into consideration the housing needs only of domestic farm labor, including migrant farmworkers, in the area; and

(2) in determining whether to provide such assistance, make such determination without regard to the extent or nature of other housing needs in the area.

(i) Housing and related facilities constructed with loans under this section may be used for tenants eligible for occupancy under section 515 if the Secretary determines that—

(1) there is no longer a need in the area for farm labor housing; or

(2) the need for such housing in the area has diminished to the extent that the purpose of the loan, providing housing for domestic farm labor, can no longer be met.

COMMODITY EXCHANGE ACT

* * * * * * *

[Section 760 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2018 provides: "[t]he provisions of sections 202 and 320 of H.R. 238, One Hundred Fifteenth Congress (the 'Commodity End-User Relief Act'), as passed by the House of Representatives on January 12, 2017, are hereby enacted into law". The following provisions reflect the proposed amendments from the version of H.R. 238, One Hundred Fifteenth Congress, as passed the House of Representatives on January 12, 2017.]

SEC. 1a. DEFINITIONS.

As used in this Act:

(1) ALTERNATIVE TRADING SYSTEM.—The term "alternative trading system" means an organization, association, or group of persons that—

(A) is registered as a broker or dealer pursuant to section 15(b) of the Securities Exchange Act of 1934 (except paragraph (11) thereof);

(B) performs the functions commonly performed by an exchange (as defined in section 3(a)(1) of the Securities Exchange Act of 1934);

(C) does not—

(i) set rules governing the conduct of subscribers other than the conduct of such subscribers' trading on the alternative trading system; or

(ii) discipline subscribers other than by exclusion from trading; and

(D) is exempt from the definition of the term "exchange" under such section 3(a)(1) by rule or regulation of the Securities and Exchange Commission on terms that require compliance with regulations of its trading functions.

(2) APPROPRIATE FEDERAL BANKING AGENCY.—The term "appropriate Federal banking agency"—

(A) has the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813);

(B) means the Board in the case of a noninsured State bank; and

(C) is the Farm Credit Administration for farm credit system institutions.

(3) ASSOCIATED PERSON OF A SECURITY-BASED SWAP DEALER OR MAJOR SECURITY-BASED SWAP PARTICIPANT.—The term "associated person of a security-based swap dealer or major security-based swap participant" has the meaning given the term in section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)).

(4) ASSOCIATED PERSON OF A SWAP DEALER OR MAJOR SWAP PARTICIPANT.—

(A) IN GENERAL.—The term "associated person of a swap dealer or major swap participant" means a person who is associated with a swap dealer or major swap participant as a partner, officer, employee, or agent (or any person occupying a similar status or performing similar functions), in any capacity that involves—

(i) the solicitation or acceptance of swaps; or

(ii) the supervision of any person or persons so engaged.

(B) EXCLUSION.—Other than for purposes of section 4s(b)(6), the term "associated person of a swap dealer or major swap participant" does not include any person associated with a swap dealer or major swap participant the functions of which are solely clerical or ministerial.

(5) BOARD.—The term "Board" means the Board of Governors of the Federal Reserve System.

(6) BOARD OF TRADE.—The term "board of trade" means any organized exchange or other trading facility.

(7) CLEARED SWAP.—The term "cleared swap" means any swap that is, directly or indirectly, submitted to and cleared by

a derivatives clearing organization registered with the Commission.

(8) COMMISSION.—The term "Commission" means the Commodity Futures Trading Commission established under section 2(a)(2).

(9) COMMODITY.—The term "commodity" means wheat, cotton, rice, corn, oats, barley, rye, flaxseed, grain sorghums, mill feeds, butter, eggs, Solanum tuberosum (Irish potatoes), wool, wool tops, fats and oils (including lard, tallow, cottonseed oil, peanut oil, soybean oil, and all other fats and oils), cottonseed meal, cottonseed, peanuts, soybeans, soybean meal, livestock, livestock products, and frozen concentrated orange juice, and all other goods and articles, except onions (as provided by the first section of Public Law 85–839 (7 U.S.C. 13–1)) and motion picture box office receipts (or any index, measure, value, or data related to such receipts), and all services, rights, and interests (except motion picture box office receipts, or any index, measure, value or data related to such receipts) in which contracts for future delivery are presently or in the future dealt in.

(10) COMMODITY POOL.—

(A) IN GENERAL.—The term "commodity pool" means any investment trust, syndicate, or similar form of enterprise operated for the purpose of trading in commodity interests, including any—

(i) commodity for future delivery, security futures product, or swap;

(ii) agreement, contract, or transaction described in section 2(c)(2)(C)(i) or section 2(c)(2)(D)(i);

(iii) commodity option authorized under section 4c; or

(iv) leverage transaction authorized under section 19.

(B) FURTHER DEFINITION.—The Commission, by rule or regulation, may include within, or exclude from, the term "commodity pool" any investment trust, syndicate, or similar form of enterprise if the Commission determines that the rule or regulation will effectuate the purposes of this Act.

(11) COMMODITY POOL OPERATOR.—

(A) IN GENERAL.—The term "commodity pool operator" means any person—

(i) engaged in a business that is of the nature of a commodity pool, investment trust, syndicate, or similar form of enterprise, and who, in connection therewith, solicits, accepts, or receives from others, funds, securities, or property, either directly or through capital contributions, the sale of stock or other forms of securities, or otherwise, for the purpose of trading in commodity interests, including any—

(I) commodity for future delivery, security futures product, or swap;

(II) agreement, contract, or transaction described in section 2(c)(2)(C)(i) or section 2(c)(2)(D)(i);

(III) commodity option authorized under section 4c; or

(IV) leverage transaction authorized under section 19; or

(ii) who is registered with the Commission as a commodity pool operator.

(B) FURTHER DEFINITION.—The Commission, by rule or regulation, may include within, or exclude from, the term "commodity pool operator" any person engaged in a business that is of the nature of a commodity pool, investment trust, syndicate, or similar form of enterprise if the Commission determines that the rule or regulation will effectuate the purposes of this Act.

(12) COMMODITY TRADING ADVISOR.—

(A) IN GENERAL.—Except as otherwise provided in this paragraph, the term "commodity trading advisor" means any person who—

(i) for compensation or profit, engages in the business of advising others, either directly or through publications, writings, or electronic media, as to the value of or the advisability of trading in—

(I) any contract of sale of a commodity for future delivery, security futures product, or swap;

(II) any agreement, contract, or transaction described in section 2(c)(2)(C)(i) or section 2(c)(2)(D)(i)

(III) any commodity option authorized under section 4c; or

(IV) any leverage transaction authorized under section 19;

(ii) for compensation or profit, and as part of a regular business, issues or promulgates analyses or reports concerning any of the activities referred to in clause (i);

(iii) is registered with the Commission as a commodity trading advisor; or

(iv) the Commission, by rule or regulation, may include if the Commission determines that the rule or regulation will effectuate the purposes of this Act.

(B) EXCLUSIONS.—Subject to subparagraph (C), the term "commodity trading advisor" does not include—

(i) any bank or trust company or any person acting as an employee thereof;

(ii) any news reporter, news columnist, or news editor of the print or electronic media, or any lawyer, accountant, or teacher;

(iii) any floor broker or futures commission merchant;

(iv) the publisher or producer of any print or electronic data of general and regular dissemination, including its employees;

(v) the fiduciary of any defined benefit plan that is subject to the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.);

(vi) any contract market or derivatives transaction execution facility; and

(vii) such other persons not within the intent of this paragraph as the Commission may specify by rule, regulation, or order.

(C) INCIDENTAL SERVICES.—Subparagraph (B) shall apply only if the furnishing of such services by persons referred to in subparagraph (B) is solely incidental to the conduct of their business or profession.

(D) ADVISORS.—The Commission, by rule or regulation, may include within the term "commodity trading advisor", any person advising as to the value of commodities or issuing reports or analyses concerning commodities if the Commission determines that the rule or regulation will effectuate the purposes of this paragraph.

(13) CONTRACT OF SALE.—The term "contract of sale" includes sales, agreements of sale, and agreements to sell.

(14) COOPERATIVE ASSOCIATION OF PRODUCERS.—The term "cooperative association of producers" means any cooperative association, corporate, or otherwise, not less than 75 percent in good faith owned or controlled, directly or indirectly, by producers of agricultural products and otherwise complying with the Act of February 18, 1922 (42 Stat. 388, chapter 57; 7 U.S.C. 291 and 292), including any organization acting for a group of such associations and owned or controlled by such associations, except that business done for or with the United States, or any agency thereof, shall not be considered either member or nonmember business in determining the compliance of any such association with this Act.

(15) DERIVATIVES CLEARING ORGANIZATION.—

(A) IN GENERAL.—The term "derivatives clearing organization" means a clearinghouse, clearing association, clearing corporation, or similar entity, facility, system, or organization that, with respect to an agreement, contract, or transaction—

(i) enables each party to the agreement, contract, or transaction to substitute, through novation or otherwise, the credit of the derivatives clearing organization for the credit of the parties;

(ii) arranges or provides, on a multilateral basis, for the settlement or netting of obligations resulting from such agreements, contracts, or transactions executed by participants in the derivatives clearing organization; or

(iii) otherwise provides clearing services or arrangements that mutualize or transfer among participants in the derivatives clearing organization the credit risk arising from such agreements, contracts, or transactions executed by the participants.

(B) EXCLUSIONS.—The term "derivatives clearing organization" does not include an entity, facility, system, or organization solely because it arranges or provides for—

(i) settlement, netting, or novation of obligations resulting from agreements, contracts, or transactions, on a bilateral basis and without a central counterparty;

(ii) settlement or netting of cash payments through an interbank payment system; or

(iii) settlement, netting, or novation of obligations resulting from a sale of a commodity in a transaction in the spot market for the commodity.

(16) ELECTRONIC TRADING FACILITY.—The term "electronic trading facility" means a trading facility that—

(A) operates by means of an electronic or telecommunications network; and

(B) maintains an automated audit trail of bids, offers, and the matching of orders or the execution of transactions on the facility.

(17) ELIGIBLE COMMERCIAL ENTITY.—The term "eligible commercial entity" means, with respect to an agreement, contract or transaction in a commodity—

(A) an eligible contract participant described in clause (i), (ii), (v), (vii), (viii), or (ix) of paragraph (18)(A) that, in connection with its business—

(i) has a demonstrable ability, directly or through separate contractual arrangements, to make or take delivery of the underlying commodity;

(ii) incurs risks, in addition to price risk, related to the commodity; or

(iii) is a dealer that regularly provides risk management or hedging services to, or engages in market-making activities with, the foregoing entities involving transactions to purchase or sell the commodity or derivative agreements, contracts, or transactions in the commodity;

(B) an eligible contract participant, other than a natural person or an instrumentality, department, or agency of a State or local governmental entity, that—

(i) regularly enters into transactions to purchase or sell the commodity or derivative agreements, contracts, or transactions in the commodity; and

(ii) either—

(I) in the case of a collective investment vehicle whose participants include persons other than—

(aa) qualified eligible persons, as defined in Commission rule 4.7(a) (17 CFR 4.7(a));

(bb) accredited investors, as defined in Regulation D of the Securities and Exchange Commission under the Securities Act of 1933 (17 CFR 230.501(a)), with total assets of $2,000,000; or

(cc) qualified purchasers, as defined in section 2(a)(51)(A) of the Investment Company Act of 1940;

in each case as in effect on the date of the enactment of the Commodity Futures Modernization Act of 2000, has, or is one of a group of vehicles under common control or management having in the aggregate, $1,000,000,000 in total assets; or

(II) in the case of other persons, has, or is one of a group of persons under common control or

management having in the aggregate, $100,000,000 in total assets; or

(C) such other persons as the Commission shall determine appropriate and shall designate by rule, regulation, or order.

(18) ELIGIBLE CONTRACT PARTICIPANT.—The term "eligible contract participant" means—

(A) acting for its own account—

(i) a financial institution;

(ii) an insurance company that is regulated by a State, or that is regulated by a foreign government and is subject to comparable regulation as determined by the Commission, including a regulated subsidiary or affiliate of such an insurance company;

(iii) an investment company subject to regulation under the Investment Company Act of 1940 (15 U.S.C. 80a–1 et seq.) or a foreign person performing a similar role or function subject as such to foreign regulation (regardless of whether each investor in the investment company or the foreign person is itself an eligible contract participant);

(iv) a commodity pool that—

(I) has total assets exceeding $5,000,000; and

(II) is formed and operated by a person subject to regulation under this Act or a foreign person performing a similar role or function subject as such to foreign regulation (regardless of whether each investor in the commodity pool or the foreign person is itself an eligible contract participant) provided, however, that for purposes of section 2(c)(2)(B)(vi) and section 2(c)(2)(C)(vii), the term "eligible contract participant" shall not include a commodity pool in which any participant is not otherwise an eligible contract participant;

(v) a corporation, partnership, proprietorship, organization, trust, or other entity—

(I) that has total assets exceeding $10,000,000;

(II) the obligations of which under an agreement, contract, or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support, or other agreement by an entity described in subclause (I), in clause (i), (ii), (iii), (iv), or (vii), or in subparagraph (C); or

(III) that—

(aa) has a net worth exceeding $1,000,000; and

(bb) enters into an agreement, contract, or transaction in connection with the conduct of the entity's business or to manage the risk associated with an asset or liability owned or incurred or reasonably likely to be owned or incurred by the entity in the conduct of the entity's business;

(vi) an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (29

U.S.C. 1001 et seq.), a governmental employee benefit plan, or a foreign person performing a similar role or function subject as such to foreign regulation—

(I) that has total assets exceeding $5,000,000; or

(II) the investment decisions of which are made by—

(aa) an investment adviser or commodity trading advisor subject to regulation under the Investment Advisers Act of 1940 (15 U.S.C. 80b–1 et seq.) or this Act;

(bb) a foreign person performing a similar role or function subject as such to foreign regulation;

(cc) a financial institution; or

(dd) an insurance company described in clause (ii), or a regulated subsidiary or affiliate of such an insurance company;

(vii)(I) a governmental entity (including the United States, a State, or a foreign government) or political subdivision of a governmental entity;

(II) a multinational or supranational government entity; or

(III) an instrumentality, agency, or department of an entity described in subclause (I) or (II);

except that such term does not include an entity, instrumentality, agency, or department referred to in subclause (I) or (III) of this clause unless (aa) the entity, instrumentality, agency, or department is a person described in clause (i), (ii), or (iii) of paragraph (17)(A); (bb) the entity, instrumentality, agency, or department owns and invests on a discretionary basis $50,000,000 or more in investments; or (cc) the agreement, contract, or transaction is offered by, and entered into with, an entity that is listed in any of subclauses (I) through (VI) of section 2(c)(2)(B)(ii);

(viii)(I) a broker or dealer subject to regulation under the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) or a foreign person performing a similar role or function subject as such to foreign regulation, except that, if the broker or dealer or foreign person is a natural person or proprietorship, the broker or dealer or foreign person shall not be considered to be an eligible contract participant unless the broker or dealer or foreign person also meets the requirements of clause (v) or (xi);

(II) an associated person of a registered broker or dealer concerning the financial or securities activities of which the registered person makes and keeps records under section 15C(b) or 17(h) of the Securities Exchange Act of 1934 (15 U.S.C. 78o–5(b), 78q(h));

(III) an investment bank holding company (as defined in section 17(i) of the Securities Exchange Act of 1934 (15 U.S.C. 78q(i));

(ix) a futures commission merchant subject to regulation under this Act or a foreign person performing a

similar role or function subject as such to foreign regulation, except that, if the futures commission merchant or foreign person is a natural person or proprietorship, the futures commission merchant or foreign person shall not be considered to be an eligible contract participant unless the futures commission merchant or foreign person also meets the requirements of clause (v) or (xi);

(x) a floor broker or floor trader subject to regulation under this Act in connection with any transaction that takes place on or through the facilities of a registered entity (other than an electronic trading facility with respect to a significant price discovery contract) or an exempt board of trade, or any affiliate thereof, on which such person regularly trades; or

(xi) an individual who has amounts invested on a discretionary basis, the aggregate of which is in excess of—

(I) $10,000,000; or

(II) $5,000,000 and who enters into the agreement, contract, or transaction in order to manage the risk associated with an asset owned or liability incurred, or reasonably likely to be owned or incurred, by the individual;

(B)(i) a person described in clause (i), (ii), (iv), (v), (viii), (ix), or (x) of subparagraph (A) or in subparagraph (C), acting as broker or performing an equivalent agency function on behalf of another person described in subparagraph (A) or (C); or

(ii) an investment adviser subject to regulation under the Investment Advisers Act of 1940, a commodity trading advisor subject to regulation under this Act, a foreign person performing a similar role or function subject as such to foreign regulation, or a person described in clause (i), (ii), (iv), (v), (viii), (ix), or (x) of subparagraph (A) or in subparagraph (C), in any such case acting as investment manager or fiduciary (but excluding a person acting as broker or performing an equivalent agency function) for another person described in subparagraph (A) or (C) and who is authorized by such person to commit such person to the transaction; or

(C) any other person that the Commission determines to be eligible in light of the financial or other qualifications of the person.

(19) EXCLUDED COMMODITY.—The term "excluded commodity" means—

(i) an interest rate, exchange rate, currency, security, security index, credit risk or measure, debt or equity instrument, index or measure of inflation, or other macroeconomic index or measure;

(ii) any other rate, differential, index, or measure of economic or commercial risk, return, or value that is—

(I) not based in substantial part on the value of a narrow group of commodities not described in clause (i); or

(II) based solely on one or more commodities that have no cash market;

(iii) any economic or commercial index based on prices, rates, values, or levels that are not within the control of any party to the relevant contract, agreement, or transaction; or

(iv) an occurrence, extent of an occurrence, or contingency (other than a change in the price, rate, value, or level of a commodity not described in clause (i)) that is—

(I) beyond the control of the parties to the relevant contract, agreement, or transaction; and

(II) associated with a financial, commercial, or economic consequence.

(20) EXEMPT COMMODITY.—The term "exempt commodity" means a commodity that is not an excluded commodity or an agricultural commodity.

(21) FINANCIAL INSTITUTION.—The term "financial institution" means—

(A) a corporation operating under the fifth undesignated paragraph of section 25 of the Federal Reserve Act (12 U.S.C. 603), commonly known as "an agreement corporation";

(B) a corporation organized under section 25A of the Federal Reserve Act (12 U.S.C. 611 et seq.), commonly known as an "Edge Act corporation";

(C) an institution that is regulated by the Farm Credit Administration;

(D) a Federal credit union or State credit union (as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752));

(E) a depository institution (as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813));

(F) a foreign bank or a branch or agency of a foreign bank (each as defined in section 1(b) of the International Banking Act of 1978 (12 U.S.C. 3101(b)));

(G) any financial holding company (as defined in section 2 of the Bank Holding Company Act of 1956);

(H) a trust company; or

(I) a similarly regulated subsidiary or affiliate of an entity described in any of subparagraphs (A) through (H).

(22) FLOOR BROKER.—

(A) IN GENERAL.—The term "floor broker" means any person—

(i) who, in or surrounding any pit, ring, post, or other place provided by a contract market for the meeting of persons similarly engaged, shall purchase or sell for any other person—

(I) any commodity for future delivery, security futures product, or swap; or

(II) any commodity option authorized under section 4c; or

(ii) who is registered with the Commission as a floor broker.

(B) FURTHER DEFINITION.—The Commission, by rule or regulation, may include within, or exclude from, the term "floor broker" any person in or surrounding any pit, ring, post, or other place provided by a contract market for the meeting of persons similarly engaged who trades for any other person if the Commission determines that the rule or regulation will effectuate the purposes of this Act.

(23) FLOOR TRADER.—

(A) IN GENERAL.—The term "floor trader" means any person—

(i) who, in or surrounding any pit, ring, post, or other place provided by a contract market for the meeting of persons similarly engaged, purchases, or sells solely for such person's own account—

(I) any commodity for future delivery, security futures product, or swap; or

(II) any commodity option authorized under section 4c; or

(ii) who is registered with the Commission as a floor trader.

(B) FURTHER DEFINITION.—The Commission, by rule or regulation, may include within, or exclude from, the term "floor trader" any person in or surrounding any pit, ring, post, or other place provided by a contract market for the meeting of persons similarly engaged who trades solely for such person's own account if the Commission determines that the rule or regulation will effectuate the purposes of this Act.

(24) FOREIGN EXCHANGE FORWARD.—The term "foreign exchange forward" means a transaction that solely involves the exchange of 2 different currencies on a specific future date at a fixed rate agreed upon on the inception of the contract covering the exchange.

(25) FOREIGN EXCHANGE SWAP.—The term "foreign exchange swap" means a transaction that solely involves—

(A) an exchange of 2 different currencies on a specific date at a fixed rate that is agreed upon on the inception of the contract covering the exchange; and

(B) a reverse exchange of the 2 currencies described in subparagraph (A) at a later date and at a fixed rate that is agreed upon on the inception of the contract covering the exchange.

(26) FOREIGN FUTURES AUTHORITY.—The term "foreign futures authority" means any foreign government, or any department, agency, governmental body, or regulatory organization empowered by a foreign government to administer or enforce a law, rule, or regulation as it relates to a futures or options matter, or any department or agency of a political subdivision of a foreign government empowered to administer or enforce a law, rule, or regulation as it relates to a futures or options matter.

(27) FUTURE DELIVERY.—The term "future delivery" does not include any sale of any cash commodity for deferred shipment or delivery.

(28) FUTURES COMMISSION MERCHANT.—

(A) IN GENERAL.—The term "futures commission merchant" means an individual, association, partnership, corporation, or trust—

(i) that—

(I) is—

(aa) engaged in soliciting or in accepting orders for—

(AA) the purchase or sale of a commodity for future delivery;

(BB) a security futures product;

(CC) a swap;

(DD) any agreement, contract, or transaction described in section 2(c)(2)(C)(i) or section 2(c)(2)(D)(i);

(EE) any commodity option authorized under section 4c; or

(FF) any leverage transaction authorized under section 19; or

(bb) acting as a counterparty in any agreement, contract, or transaction described in section 2(c)(2)(C)(i) or section 2(c)(2)(D)(i); and

(II) in or in connection with the activities described in items (aa) or (bb) of subclause (I), accepts any money, securities, or property (or extends credit in lieu thereof) to margin, guarantee, or secure any trades or contracts that result or may result therefrom; or

(ii) that is registered with the Commission as a futures commission merchant.

(B) FURTHER DEFINITION.—The Commission, by rule or regulation, may include within, or exclude from, the term "futures commission merchant" any person who engages in soliciting or accepting orders for, or acting as a counterparty in, any agreement, contract, or transaction subject to this Act, and who accepts any money, securities, or property (or extends credit in lieu thereof) to margin, guarantee, or secure any trades or contracts that result or may result therefrom, if the Commission determines that the rule or regulation will effectuate the purposes of this Act.

(29) HYBRID INSTRUMENT.—The term "hybrid instrument" means a security having one or more payments indexed to the value, level, or rate of, or providing for the delivery of, one or more commodities.

(30) INTERSTATE COMMERCE.—The term "interstate commerce" means commerce—

(A) between any State, territory, or possession, or the District of Columbia, and any place outside thereof; or

(B) between points within the same State, territory, or possession, or the District of Columbia, but through any

place outside thereof, or within any territory or possession, or the District of Columbia.

(31) INTRODUCING BROKER.—

(A) IN GENERAL.—The term "introducing broker" means any person (except an individual who elects to be and is registered as an associated person of a futures commission merchant)—

(i) who—

(I) is engaged in soliciting or in accepting orders for—

(aa) the purchase or sale of any commodity for future delivery, security futures product, or swap;

(bb) any agreement, contract, or transaction described in section 2(c)(2)(C)(i) or section 2(c)(2)(D)(i);

(cc) any commodity option authorized under section 4c; or

(dd) any leverage transaction authorized under section 19; and

(II) does not accept any money, securities, or property (or extend credit in lieu thereof) to margin, guarantee, or secure any trades or contracts that result or may result therefrom; or

(ii) who is registered with the Commission as an introducing broker.

(B) FURTHER DEFINITION.—The Commission, by rule or regulation, may include within, or exclude from, the term "introducing broker" any person who engages in soliciting or accepting orders for any agreement, contract, or transaction subject to this Act, and who does not accept any money, securities, or property (or extend credit in lieu thereof) to margin, guarantee, or secure any trades or contracts that result or may result therefrom, if the Commission determines that the rule or regulation will effectuate the purposes of this Act.

(32) MAJOR SECURITY-BASED SWAP PARTICIPANT.—The term "major security-based swap participant" has the meaning given the term in section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)).

(33) MAJOR SWAP PARTICIPANT.—

(A) IN GENERAL.—The term "major swap participant" means any person who is not a swap dealer, and—

(i) maintains a substantial position in swaps for any of the major swap categories as determined by the Commission, excluding—

(I) positions held for hedging or mitigating commercial risk; and

(II) positions maintained by any employee benefit plan (or any contract held by such a plan) as defined in paragraphs (3) and (32) of section 3 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002) for the primary purpose of hedging or mitigating any risk directly associated with the operation of the plan;

(ii) whose outstanding swaps create substantial counterparty exposure that could have serious adverse effects on the financial stability of the United States banking system or financial markets; or

(iii)(I) is a financial entity that is highly leveraged relative to the amount of capital it holds and that is not subject to capital requirements established by an appropriate Federal banking agency; and

(II) maintains a substantial position in outstanding swaps in any major swap category as determined by the Commission.

(B) DEFINITION OF SUBSTANTIAL POSITION.—For purposes of subparagraph (A), the Commission shall define by rule or regulation the term "substantial position" at the threshold that the Commission determines to be prudent for the effective monitoring, management, and oversight of entities that are systemically important or can significantly impact the financial system of the United States. In setting the definition under this subparagraph, the Commission shall consider the person's relative position in uncleared as opposed to cleared swaps and may take into consideration the value and quality of collateral held against counterparty exposures.

(C) SCOPE OF DESIGNATION.—For purposes of subparagraph (A), a person may be designated as a major swap participant for 1 or more categories of swaps without being classified as a major swap participant for all classes of swaps.

(D) EXCLUSIONS.—The definition under this paragraph shall not include an entity whose primary business is providing financing, and uses derivatives for the purpose of hedging underlying commercial risks related to interest rate and foreign currency exposures, 90 percent or more of which arise from financing that facilitates the purchase or lease of products, 90 percent or more of which are manufactured by the parent company or another subsidiary of the parent company.

(34) MEMBER OF A REGISTERED ENTITY; MEMBER OF A DERIVATIVES TRANSACTION EXECUTION FACILITY.—The term "member" means, with respect to a registered entity or derivatives transaction execution facility, an individual, association, partnership, corporation, or trust—

(A) owning or holding membership in, or admitted to membership representation on, the registered entity or derivatives transaction execution facility; or

(B) having trading privileges on the registered entity or derivatives transaction execution facility.

A participant in an alternative trading system that is designated as a contract market pursuant to section 5f is deemed a member of the contract market for purposes of transactions in security futures products through the contract market.

(35) NARROW-BASED SECURITY INDEX.—

(A) The term "narrow-based security index" means an index—

(i) that has 9 or fewer component securities;

(ii) in which a component security comprises more than 30 percent of the index's weighting;

(iii) in which the five highest weighted component securities in the aggregate comprise more than 60 percent of the index's weighting; or

(iv) in which the lowest weighted component securities comprising, in the aggregate, 25 percent of the index's weighting have an aggregate dollar value of average daily trading volume of less than $50,000,000 (or in the case of an index with 15 or more component securities, $30,000,000), except that if there are two or more securities with equal weighting that could be included in the calculation of the lowest weighted component securities comprising, in the aggregate, 25 percent of the index's weighting, such securities shall be ranked from lowest to highest dollar value of average daily trading volume and shall be included in the calculation based on their ranking starting with the lowest ranked security.

(B) Notwithstanding subparagraph (A), an index is not a narrow-based security index if—

(i)(I) it has at least 9 component securities;

(II) no component security comprises more than 30 percent of the index's weighting; and

(III) each component security is—

(aa) registered pursuant to section 12 of the Securities Exchange Act of 1934;

(bb) one of 750 securities with the largest market capitalization; and

(cc) one of 675 securities with the largest dollar value of average daily trading volume;

(ii) a board of trade was designated as a contract market by the Commodity Futures Trading Commission with respect to a contract of sale for future delivery on the index, before the date of the enactment of the Commodity Futures Modernization Act of 2000;

(iii)(I) a contract of sale for future delivery on the index traded on a designated contract market or registered derivatives transaction execution facility for at least 30 days as a contract of sale for future delivery on an index that was not a narrow-based security index; and

(II) it has been a narrow-based security index for no more than 45 business days over 3 consecutive calendar months;

(iv) a contract of sale for future delivery on the index is traded on or subject to the rules of a foreign board of trade and meets such requirements as are jointly established by rule or regulation by the Commission and the Securities and Exchange Commission;

(v) no more than 18 months have passed since the date of the enactment of the Commodity Futures Modernization Act of 2000 and—

(I) it is traded on or subject to the rules of a foreign board of trade;

(II) the offer and sale in the United States of a contract of sale for future delivery on the index was authorized before the date of the enactment of the Commodity Futures Modernization Act of 2000; and

(III) the conditions of such authorization continue to be met; or

(vi) a contract of sale for future delivery on the index is traded on or subject to the rules of a board of trade and meets such requirements as are jointly established by rule, regulation, or order by the Commission and the Securities and Exchange Commission.

(C) Within 1 year after the date of the enactment of the Commodity Futures Modernization Act of 2000, the Commission and the Securities and Exchange Commission jointly shall adopt rules or regulations that set forth the requirements under subparagraph (B)(iv).

(D) An index that is a narrow-based security index solely because it was a narrow-based security index for more than 45 business days over 3 consecutive calendar months pursuant to clause (iii) of subparagraph (B) shall not be a narrow-based security index for the 3 following calendar months.

(E) For purposes of subparagraphs (A) and (B)—

(i) the dollar value of average daily trading volume and the market capitalization shall be calculated as of the preceding 6 full calendar months; and

(ii) the Commission and the Securities and Exchange Commission shall, by rule or regulation, jointly specify the method to be used to determine market capitalization and dollar value of average daily trading volume.

(36) OPTION.—The term "option" means an agreement, contract, or transaction that is of the character of, or is commonly known to the trade as, an "option", "privilege", "indemnity", "bid", "offer", "put", "call", "advance guaranty", or "decline guaranty".

(37) ORGANIZED EXCHANGE.—The term "organized exchange" means a trading facility that—

(A) permits trading—

(i) by or on behalf of a person that is not an eligible contract participant; or

(ii) by persons other than on a principal-to-principal basis; or

(B) has adopted (directly or through another nongovernmental entity) rules that—

(i) govern the conduct of participants, other than rules that govern the submission of orders or execution of transactions on the trading facility; and

(ii) include disciplinary sanctions other than the exclusion of participants from trading.

(38) PERSON.—The term "person" imports the plural or singular, and includes individuals, associations, partnerships, corporations, and trusts.

(39) PRUDENTIAL REGULATOR.—The term "prudential regulator" means—

(A) the Board in the case of a swap dealer, major swap participant, security-based swap dealer, or major security-based swap participant that is—

(i) a State-chartered bank that is a member of the Federal Reserve System;

(ii) a State-chartered branch or agency of a foreign bank;

(iii) any foreign bank which does not operate an insured branch;

(iv) any organization operating under section 25A of the Federal Reserve Act or having an agreement with the Board under section 225 of the Federal Reserve Act;

(v) any bank holding company (as defined in section 2 of the Bank Holding Company Act of 1965 (12 U.S.C. 1841)), any foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978 (12 U.S.C. 3101(b)(7)) that is treated as a bank holding company under section 8(a) of the International Banking Act of 1978 (12 U.S.C. 3106(a)), and any subsidiary of such a company or foreign bank (other than a subsidiary that is described in subparagraph (A) or (B) or that is required to be registered with the Commission as a swap dealer or major swap participant under this Act or with the Securities and Exchange Commission as a security-based swap dealer or major security-based swap participant);

(vi) after the transfer date (as defined in section 311 of the Dodd-Frank Wall Street Reform and Consumer Protection Act), any savings and loan holding company (as defined in section 10 of the Home Owners' Loan Act (12 U.S.C. 1467a)) and any subsidiary of such company (other than a subsidiary that is described in subparagraph (A) or (B) or that is required to be registered as a swap dealer or major swap participant with the Commission under this Act or with the Securities and Exchange Commission as a security-based swap dealer or major security-based swap participant); or

(vii) any organization operating under section 25A of the Federal Reserve Act (12U.S.C. 611 et seq.) or having an agreement with the Board under section 25 of the Federal Reserve Act (12 U.S.C. 601 et seq.);

(B) the Office of the Comptroller of the Currency in the case of a swap dealer, major swap participant, security-based swap dealer, or major security-based swap participant that is—

(i) a national bank;

(ii) a federally chartered branch or agency of a foreign bank; or

(iii) any Federal savings association;

(C) the Federal Deposit Insurance Corporation in the case of a swap dealer, major swap participant, security-

based swap dealer, or major security-based swap participant that is—

(i) a State-chartered bank that is not a member of the Federal Reserve System; or

(ii) any State savings association;

(D) the Farm Credit Administration, in the case of a swap dealer, major swap participant, security-based swap dealer, or major security-based swap participant that is an institution chartered under the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.); and

(E) the Federal Housing Finance Agency in the case of a swap dealer, major swap participant, security-based swap dealer, or major security-based swap participant that is a regulated entity (as such term is defined in section 1303 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992).

(40) REGISTERED ENTITY.—The term "registered entity" means—

(A) a board of trade designated as a contract market under section 5;

(B) a derivatives clearing organization registered under section 5b;

(C) a board of trade designated as a contract market under section 5f;

(D) a swap execution facility registered under section 5h;

(E) a swap data repository registered under section 21; and

(F) with respect to a contract that the Commission determines is a significant price discovery contract, any electronic trading facility on which the contract is executed or traded.

(41) SECURITY.—The term "security" means a security as defined in section 2(a)(1) of the Securities Act of 1933 (15 U.S.C. 77b(a)(1)) or section 3(a)(10) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(10)).

(42) SECURITY-BASED SWAP.—The term "security-based swap" has the meaning given the term in section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)).

(43) SECURITY-BASED SWAP DEALER.—The term "security-based swap dealer" has the meaning given the term in section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)).

(44) SECURITY FUTURE.—The term "security future" means a contract of sale for future delivery of a single security or of a narrow-based security index, including any interest therein or based on the value thereof, except an exempted security under section 3(a)(12) of the Securities Exchange Act of 1934 as in effect on the date of the enactment of the Futures Trading Act of 1982 (other than any municipal security as defined in section 3(a)(29) of the Securities Exchange Act of 1934 as in effect on the date of the enactment of the Futures Trading Act of 1982). The term "security future" does not include any agreement, contract, or transaction excluded from this Act under section 2(c), 2(d), 2(f), or 2(g) of this Act (as in effect on the date of the enactment of the Commodity Futures Moderniza-

tion Act of 2000) or title IV of the Commodity Futures Modernization Act of 2000.

(45) SECURITY FUTURES PRODUCT.—The term "security futures product" means a security future or any put, call, straddle, option, or privilege on any security future.

(46) SIGNIFICANT PRICE DISCOVERY CONTRACT.—The term "significant price discovery contract" means an agreement, contract, or transaction subject to section 2(h)(5).

(47) SWAP.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the term "swap" means any agreement, contract, or transaction—

(i) that is a put, call, cap, floor, collar, or similar option of any kind that is for the purchase or sale, or based on the value, of 1 or more interest or other rates, currencies, commodities, securities, instruments of indebtedness, indices, quantitative measures, or other financial or economic interests or property of any kind;

(ii) that provides for any purchase, sale, payment, or delivery (other than a dividend on an equity security) that is dependent on the occurrence, nonoccurrence, or the extent of the occurrence of an event or contingency associated with a potential financial, economic, or commercial consequence;

(iii) that provides on an executory basis for the exchange, on a fixed or contingent basis, of 1 or more payments based on the value or level of 1 or more interest or other rates, currencies, commodities, securities, instruments of indebtedness, indices, quantitative measures, or other financial or economic interests or property of any kind, or any interest therein or based on the value thereof, and that transfers, as between the parties to the transaction, in whole or in part, the financial risk associated with a future change in any such value or level without also conveying a current or future direct or indirect ownership interest in an asset (including any enterprise or investment pool) or liability that incorporates the financial risk so transferred, including any agreement, contract, or transaction commonly known as—

(I) an interest rate swap;
(II) a rate floor;
(III) a rate cap;
(IV) a rate collar;
(V) a cross-currency rate swap;
(VI) a basis swap;
(VII) a currency swap;
(VIII) a foreign exchange swap;
(IX) a total return swap;
(X) an equity index swap;
(XI) an equity swap;
(XII) a debt index swap;
(XIII) a debt swap;
(XIV) a credit spread;

(XV) a credit default swap;
(XVI) a credit swap;
(XVII) a weather swap;
(XVIII) an energy swap;
(XIX) a metal swap;
(XX) an agricultural swap;
(XXI) an emissions swap; and
(XXII) a commodity swap;

(iv) that is an agreement, contract, or transaction that is, or in the future becomes, commonly known to the trade as a swap;

(v) including any security-based swap agreement which meets the definition of "swap agreement" as defined in section 206A of the Gramm-Leach-Bliley Act (15 U.S.C. 78c note) of which a material term is based on the price, yield, value, or volatility of any security or any group or index of securities, or any interest therein; or

(vi) that is any combination or permutation of, or option on, any agreement, contract, or transaction described in any of clauses (i) through (v).

(B) EXCLUSIONS.—The term "swap" does not include—

(i) any contract of sale of a commodity for future delivery (or option on such a contract), leverage contract authorized under section 19, security futures product, or agreement, contract, or transaction described in section 2(c)(2)(C)(i) or section 2(c)(2)(D)(i);

(ii) any sale of a nonfinancial commodity or security for deferred shipment or delivery, so long as the transaction is intended to be physically settled;

(iii) any put, call, straddle, option, or privilege on any security, certificate of deposit, or group or index of securities, including any interest therein or based on the value thereof, that is subject to—

(I) the Securities Act of 1933 (15 U.S.C. 77a et seq.); and

(II) the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.);

(iv) any put, call, straddle, option, or privilege relating to a foreign currency entered into on a national securities exchange registered pursuant to section 6(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78f(a));

(v) any agreement, contract, or transaction providing for the purchase or sale of 1 or more securities on a fixed basis that is subject to—

(I) the Securities Act of 1933 (15 U.S.C. 77a et seq.); and

(II) the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.);

(vi) any agreement, contract, or transaction providing for the purchase or sale of 1 or more securities on a contingent basis that is subject to the Securities Act of 1933 (15 U.S.C. 77a et seq.) and the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), unless the agreement, contract, or transaction predicates the

purchase or sale on the occurrence of a bona fide contingency that might reasonably be expected to affect or be affected by the creditworthiness of a party other than a party to the agreement, contract, or transaction;

(vii) any note, bond, or evidence of indebtedness that is a security, as defined in section 2(a)(1) of the Securities Act of 1933 (15 U.S.C. 77b(a)(1));

(viii) any agreement, contract, or transaction that is—

(I) based on a security; and

(II) entered into directly or through an underwriter (as defined in section 2(a)(11) of the Securities Act of 1933 (15 U.S.C. 77b(a)(11)) by the issuer of such security for the purposes of raising capital, unless the agreement, contract, or transaction is entered into to manage a risk associated with capital raising;

(ix) any agreement, contract, or transaction a counterparty of which is a Federal Reserve bank, the Federal Government, or a Federal agency that is expressly backed by the full faith and credit of the United States; and

(x) any security-based swap, other than a security-based swap as described in subparagraph (D).

(C) RULE OF CONSTRUCTION REGARDING MASTER AGREEMENTS.—

(i) IN GENERAL.—Except as provided in clause (ii), the term "swap" includes a master agreement that provides for an agreement, contract, or transaction that is a swap under subparagraph (A), together with each supplement to any master agreement, without regard to whether the master agreement contains an agreement, contract, or transaction that is not a swap pursuant to subparagraph (A).

(ii) EXCEPTION.—For purposes of clause (i), the master agreement shall be considered to be a swap only with respect to each agreement, contract, or transaction covered by the master agreement that is a swap pursuant to subparagraph (A).

(D) MIXED SWAP.—The term "security-based swap" includes any agreement, contract, or transaction that is as described in section 3(a)(68)(A) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(68)(A)) and also is based on the value of 1 or more interest or other rates, currencies, commodities, instruments of indebtedness, indices, quantitative measures, other financial or economic interest or property of any kind (other than a single security or a narrow-based security index), or the occurrence, non-occurrence, or the extent of the occurrence of an event or contingency associated with a potential financial, economic, or commercial consequence (other than an event described in subparagraph (A)(iii)).

(E) TREATMENT OF FOREIGN EXCHANGE SWAPS AND FORWARDS.—

(i) IN GENERAL.—Foreign exchange swaps and foreign exchange forwards shall be considered swaps under this paragraph unless the Secretary makes a written determination under section 1b that either foreign exchange swaps or foreign exchange forwards or both—

(I) should be not be regulated as swaps under this Act; and

(II) are not structured to evade the Dodd-Frank Wall Street Reform and Consumer Protection Act in violation of any rule promulgated by the Commission pursuant to section 721(c) of that Act.

(ii) CONGRESSIONAL NOTICE; EFFECTIVENESS.—The Secretary shall submit any written determination under clause (i) to the appropriate committees of Congress, including the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives. Any such written determination by the Secretary shall not be effective until it is submitted to the appropriate committees of Congress.

(iii) REPORTING.—Notwithstanding a written determination by the Secretary under clause (i), all foreign exchange swaps and foreign exchange forwards shall be reported to either a swap data repository, or, if there is no swap data repository that would accept such swaps or forwards, to the Commission pursuant to section 4r within such time period as the Commission may by rule or regulation prescribe.

(iv) BUSINESS STANDARDS.—Notwithstanding a written determination by the Secretary pursuant to clause (i), any party to a foreign exchange swap or forward that is a swap dealer or major swap participant shall conform to the business conduct standards contained in section 4s(h).

(v) SECRETARY.—For purposes of this subparagraph, the term "Secretary" means the Secretary of the Treasury.

(F) EXCEPTION FOR CERTAIN FOREIGN EXCHANGE SWAPS AND FORWARDS.—

(i) REGISTERED ENTITIES.—Any foreign exchange swap and any foreign exchange forward that is listed and traded on or subject to the rules of a designated contract market or a swap execution facility, or that is cleared by a derivatives clearing organization, shall not be exempt from any provision of this Act or amendments made by the Wall Street Transparency and Accountability Act of 2010 prohibiting fraud or manipulation.

(ii) RETAIL TRANSACTIONS.—Nothing in subparagraph (E) shall affect, or be construed to affect, the applicability of this Act or the jurisdiction of the Commission with respect to agreements, contracts, or transactions in foreign currency pursuant to section 2(c)(2).

(G) TREATMENT OF TRANSACTIONS BETWEEN AFFILIATES.—

(i) EXEMPTION FROM SWAP RULES.—An agreement, contract, or transaction described in subparagraphs (A) through (F) shall not be regulated as a swap under this Act if all of the following apply with respect to the agreement, contract, or transaction:

(I) AFFILIATION.—One counterparty, directly or indirectly, holds a majority ownership interest in the other counterparty, or a third party, directly or indirectly, holds a majority ownership interest in both counterparties.

(II) FINANCIAL STATEMENTS.—The affiliated counterparty that holds the majority interest in the other counterparty or the third party that, directly or indirectly, holds the majority interests in both affiliated counterparties, reports its financial statements on a consolidated basis under generally accepted accounting principles or International Financial Reporting Standards, or other similar standards, and the financial statements include the financial results of the majority-owned affiliated counterparty or counterparties.

(ii) REPORTING REQUIREMENT.—If at least one counterparty to an agreement, contract, or transaction that meets the requirements of clause (i) is a swap dealer or major swap participant, that counterparty shall report the agreement, contract, or transaction pursuant to section 4r, within such time period as the Commission may by rule or regulation prescribe—

(I) to a swap data repository; or

(II) if there is no swap data repository that would accept the agreement, contract or transaction, to the Commission.

(iii) RISK MANAGEMENT REQUIREMENT.—If at least one counterparty to an agreement, contract, or transaction that meets the requirements of clause (i) is a swap dealer or major swap participant, the agreement, contract, or transaction shall be subject to a centralized risk management program pursuant to section 4s(j) that is reasonably designed to monitor and to manage the risks associated with the agreement, contract, or transaction.

(iv) VARIATION MARGIN REQUIREMENT.—Affiliated counterparties to an agreement, contract, or transaction that meets the requirements of clause (i) shall exchange variation margin to the extent prescribed under any rule promulgated by the Commission or any prudential regulator pursuant to section 4s(e).

(v) ANTI-EVASION REQUIREMENT.—An agreement, contract, or transaction that meets the requirements of clause (i) shall not be structured to evade the Dodd-Frank Wall Street Reform and Consumer Protection Act in violation of any rule promulgated by the Commission pursuant to section 721(c) of such Act.

(48) SWAP DATA REPOSITORY.—The term "swap data repository" means any person that collects and maintains information or records with respect to transactions or positions in, or the terms and conditions of, swaps entered into by third parties for the purpose of providing a centralized recordkeeping facility for swaps.

(49) SWAP DEALER.—

(A) IN GENERAL.—The term "swap dealer" means any person who—

(i) holds itself out as a dealer in swaps;

(ii) makes a market in swaps;

(iii) regularly enters into swaps with counterparties as an ordinary course of business for its own account; or

(iv) engages in any activity causing the person to be commonly known in the trade as a dealer or market maker in swaps,

provided however, in no event shall an insured depository institution be considered to be a swap dealer to the extent it offers to enter into a swap with a customer in connection with originating a loan with that customer.

(B) INCLUSION.—A person may be designated as a swap dealer for a single type or single class or category of swap or activities and considered not to be a swap dealer for other types, classes, or categories of swaps or activities.

(C) EXCEPTION.—The term "swap dealer" does not include a person that enters into swaps for such person's own account, either individually or in a fiduciary capacity, but not as a part of a regular business.

(D) DE MINIMIS EXCEPTION.—The Commission shall exempt from designation as a swap dealer an entity that engages in a de minimis quantity of swap dealing in connection with transactions with or on behalf of its customers. The Commission shall promulgate regulations to establish factors with respect to the making of this determination to exempt.

(50) SWAP EXECUTION FACILITY.—The term "swap execution facility" means a trading system or platform in which multiple participants have the ability to execute or trade swaps by accepting bids and offers made by multiple participants in the facility or system, through any means of interstate commerce, including any trading facility, that—

(A) facilitates the execution of swaps between persons; and

(B) is not a designated contract market.

(51) TRADING FACILITY.—

(A) IN GENERAL.—The term "trading facility" means a person or group of persons that constitutes, maintains, or provides a physical or electronic facility or system in which multiple participants have the ability to execute or trade agreements, contracts, or transactions—

(i) by accepting bids or offers made by other participants that are open to multiple partipants in the facility or system; or

(ii) through the interaction of multiple bids or multiple offers within a system with a pre-determined non-discretionary automated trade matching and execution algorithm.

(B) EXCLUSIONS.—The term "trading facility" does not include—

(i) a person or group of persons solely because the person or group of persons constitutes, maintains, or provides an electronic facility or system that enables participants to negotiate the terms of and enter into bilateral transactions as a result of communications exchanged by the parties and not from interaction of multiple bids and multiple offers within a predetermined, nondiscretionary automated trade matching and execution algorithm;

(ii) a government securities dealer or government securities broker, to the extent that the dealer or broker executes or trades agreements, contracts, or transactions in government securities, or assists persons in communicating about, negotiating, entering into, executing, or trading an agreement, contract, or transaction in government securities (as the terms "government securities dealer", "government securities broker", and "government securities" are defined in section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a))); or

(iii) facilities on which bids and offers, and acceptances of bids and offers effected on the facility, are not binding.

Any person, group of persons, dealer, broker, or facility described in clause (i) or (ii) is excluded from the meaning of the term "trading facility" for the purposes of this Act without any prior specific approval, certification, or other action by the Commission.

(C) SPECIAL RULE.—A person or group of persons that would not otherwise constitute a trading facility shall not be considered to be a trading facility solely as a result of the submission to a derivatives clearing organization of transactions executed on or through the person or group of persons.

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SEC. 15. CONSIDERATION OF COSTS AND BENEFITS AND ANTITRUST LAWS.

(a) COSTS AND BENEFITS.—

[(1) IN GENERAL.—Before promulgating a regulation under this Act or issuing an order (except as provided in paragraph (3)), the Commission shall consider the costs and benefits of the action of the Commission.

[(2) CONSIDERATIONS.—The costs and benefits of the proposed Commission action shall be evaluated in light of—

[(A) considerations of protection of market participants and the public;

[(B) considerations of the efficiency, competitiveness, and financial integrity of futures markets;

[(C) considerations of price discovery;

[(D) considerations of sound risk management practices; and

[(E) other public interest considerations.]

(1) IN GENERAL.—Before promulgating a regulation under this Act or issuing an order (except as provided in paragraph (3)), the Commission, through the Office of the Chief Economist, shall assess and publish in the regulation or order the costs and benefits, both qualitative and quantitative, of the proposed regulation or order, and the proposed regulation or order shall state its statutory justification.

(2) CONSIDERATIONS.—In making a reasoned determination of the costs and the benefits, the Commission shall evaluate—

(A) considerations of protection of market participants and the public;

(B) considerations of the efficiency, competitiveness, and financial integrity of futures and swaps markets;

(C) considerations of the impact on market liquidity in the futures and swaps markets;

(D) considerations of price discovery;

(E) considerations of sound risk management practices;

(F) available alternatives to direct regulation;

(G) the degree and nature of the risks posed by various activities within the scope of its jurisdiction;

(H) the costs of complying with the proposed regulation or order by all regulated entities, including a methodology for quantifying the costs (recognizing that some costs are difficult to quantify);

(I) whether the proposed regulation or order is inconsistent, incompatible, or duplicative of other Federal regulations or orders;

(J) the cost to the Commission of implementing the proposed regulation or order by the Commission staff, including a methodology for quantifying the costs;

(K) whether, in choosing among alternative regulatory approaches, those approaches maximize net benefits (including potential economic and other benefits, distributive impacts, and equity); and

(L) other public interest considerations.

(3) APPLICABILITY.—This subsection does not apply to the following actions of the Commission:

(A) An order that initiates, is part of, or is the result of an adjudicatory or investigative process of the Commission.

(B) An emergency action.

(C) A finding of fact regarding compliance with a requirement of the Commission.

(4) JUDICIAL REVIEW.—Notwithstanding section 24(d), a court shall affirm a Commission assessment of costs and benefits under this subsection, unless the court finds the assessment to be an abuse of discretion.

(b) ANTITRUST LAWS.—The Commission shall take into consideration the public interest to be protected by the antitrust laws and endeavor to take the least anticompetitive means of achieving the objectives of this Act, as well as the policies and purposes of this

Act, in issuing any order or adopting any Commission rule or regulation (including any exemption under section 4(c) or 4c(b)), or in requiring or approving any bylaw, rule, or regulation of a contract market or registered futures association established pursuant to section 17 of this Act.

* * * * * * *

CHANGES IN THE APPLICATION OF EXISTING LAW

Pursuant to clause 3(f)(1)(A) of rule XIII of the Rules of the House of Representatives, the following statements are submitted describing the effect of provisions in the accompanying bill that directly or indirectly change the application of existing law.

The bill includes a number of provisions which place limitations on the use of funds in the bill or change existing limitations and which might, under some circumstances, be construed as changing the application of existing law:

1. *Office of the Secretary*.—Language is included to limit the amount of funds for official reception and representation expenses, as determined by the Secretary.

2. *Departmental Administration*.—Language is included to reimburse the agency for travel expenses incident to the holding of hearings.

3. *Agricultural Research Service*.—Language is included that allows the Agricultural Research Service to grant easements at the Beltsville, MD, agricultural research center and to grant easements at any facility for the construction of a research facility for use by the agency.

4. *Animal and Plant Health Inspection Service*.—A provision carried in the bill since fiscal year 1973 regarding state matching funds has been continued to assure more effective operation of the brucellosis control program through state cost sharing, with resulting savings to the Federal budget.

Language is included to allow APHIS to recoup expenses incurred from providing technical assistance goods, or services to non-APHIS personnel, and to allow transfers of funds for agricultural emergencies.

Language is included to limit the amount of funds for representational allowances.

5. *Agricultural Marketing Service, Limitation on Administrative Expenses*.—The bill includes language to allow AMS to exceed the limitation on administrative expenses by 10 percent with notification to the Appropriations Committees. This allows flexibility in case crop size is understated and/or other uncontrollable events occur.

6. *Grain Inspection, Packers and Stockyards Administration, Inspection and Weighing Services*.—The bill includes authority to exceed the limitation on inspection and weighing services by 10 percent with notification to the Appropriations Committees. This allows for flexibility if export activities require additional supervision and oversight, or other uncontrollable factors occur.

7. *Dairy Indemnity Program*.—Language is included by reference that allows the Secretary to utilize the services of the Commodity Credit Corporation for the purpose of making dairy indemnity payments.

8. *Agricultural Credit Insurance Fund Program Account.*—Language is included that deems the pink bollworm a boll weevil for the purposes of administering the boll weevil loan program.

9. *Risk Management Agency.*—Language is included to limit the amount of funds for official reception and representation expenses.

10. *Commodity Credit Corporation Fund.*—Language is included to provide for the reimbursement appropriation. Language is also included to allow certain funds transferred from the Commodity Credit Corporation to be used for information resource management. In addition, language is included which limits the amount of funds that can be spent on operation and maintenance costs of CCC hazardous waste sites.

11. *Natural Resources Conservation Service.*—Conservation Operations.—Language which has been included in the bill since 1938 prohibits construction of buildings on land not owned by the government, although construction on land owned by states and counties is permitted as authorized by law.

12. *Rural Development Salaries and Expenses.*—Language is included to allow funds to be used for advertising and promotional activities and to limit the amount of funds to provide modest nonmonetary awards to non-USDA employees.

13. *Rental Assistance Program.*—Language is included which provides that agreements entered into during the current fiscal year be funded for a one-year period. Language also is included to renew contracts once during any 12-month period.

14. *Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).*—Language is included to purchase infant formula except in accordance with law and pay for activities that are not fully reimbursed by other departments or agencies unless authorized by law.

15. *Supplemental Nutrition Assistance Program.*—Language is included to enter into contracts and employ staff to conduct studies, evaluations, or to conduct activities related to program integrity.

16. *Foreign Agricultural Service.*—Language carried since 1979 enables this agency to use funds received by an advance or by reimbursement to carry out its activities involving international development and technical cooperation. Language is included to limit the amount of funds for official reception and representation expenses.

17. *Commodity Futures Trading Commission.*—Language is included to limit the amount of funds for official reception and representation expenses. Language is also included to allow the Chairman of the Commission to adjust compensation and benefits if furloughs may result from collective bargaining agreements and language that allows the Commission to record prior year lease obligations to correct a violation of the Anti-Deficiency Act.

18. *Farm Credit Administration.*—The bill includes authority to exceed the limitation on assessments by 10 percent with notification to the Appropriations Committees.

19. *General Provisions.*—Section 704: This provision provides that none of the funds in this Act may be made available to pay indirect costs charged against competitive agricultural research, education, or extension grants awarded by the National Institute of Food and Agriculture in excess of 10 percent of total direct costs.

Section 705: This provision allows funds made available in the current fiscal year for the Rural Development Loan Fund program account; the Rural Electrification and Telecommunications Loans program account; and the Rural Housing Insurance Fund program account to remain available until expended to disburse obligations.

Section 706: Language is included that requires approval of the Chief Information Officer and the concurrence of the Executive Information Technology Investment Review Board for acquisition of new information technology systems or significant upgrades, and that prohibits the transfer of funds to the Office of the Chief Information Officer without the notification of the Committees on Appropriations of both Houses of Congress.

Section 707: Language is included regarding the availability of funds for certain conservation programs.

Section 708: Language is included regarding certain Rural Utilities Service Programs.

Section 709: Language is included that allows unobligated balances of the Farm Service Agency and Rural Development mission areas to be used for information technology purposes.

Section 710: Language is included regarding the prohibition of first-class travel by the employees of agencies funded in this Act.

Section 711: Language is included regarding the funds of the Commodity Credit Corporation.

Section 712 Language is included that limits the amount of spending for USDA Advisory Committees.

Section 713: Language is included regarding indirect costs for grants.

Section 714: Language regarding certain limitations of mandatory programs.

Section 715: Language regarding certain limitations of mandatory programs.

Section 716: Language is included that prohibits funds from being used to prepare a budget submission to Congress that assumes reductions from the previous year's budget due to user fee proposals unless the submission also identifies spending reductions which should occur if the user fees are not enacted.

Section 717: Language is included that requires certain reprogramming procedures of funds provided in Appropriations Acts.

Section 718: Language is included regarding fees for the business and industry guaranteed loan program.

Section 719: This provision prohibits the Department of Agriculture or the Food and Drug Administration from transmitting or making available to any non-Department of Agriculture or non-Department of Health and Human Services employee questions or responses to questions that are a result of information requested for the appropriations hearing process.

Section 720: Language regarding prepackaged news stories.

Section 721: This provision prohibits any employee of the Department of Agriculture from being detailed or assigned to any other agency or office of the Department for more than 60 days unless the individual's employing agency or office is fully reimbursed by the receiving agency or office for the salary and expenses of the employee for the period of assignment.

Section 722: Language is included Congressional notification of grant awards.

Section 723: Language is included requiring spending plans for each agency funded by the Act.

Section 724: Language is included regarding the use funds for humanitarian food assistance programs.

Section 725: Language is included regarding the Single Family Housing Direct Loan Program.

Section 726: Language is included on certain USDA loan programs.

Section 727: Language is included regarding the Working Capital Fund.

Section 728: Language is included regarding purchases made through child nutrition programs.

Section 729: Language is included regarding an emergency rural development program.

Section 730: Language is included regarding the Agriculture and Food Research Institute.

Section 731: Language is included regarding interagency coordination of nutrition research.

Section 732: Language is included regarding rural loan programs.

Section 733: Language is included regarding disclosure of information for pharmaceuticals.

Section 734: Language is included regarding FDA biologics review.

Section 735: Language is included regarding spent grains for animal feed.

Section 736: Language is included regarding APHIS regulations.

Section 737: Language is included regarding APHIS regulations.

Section 738: Language is included regarding partially hydrogenated oils.

Section 739: Language is included regarding the Rural Housing Service.

Section 740: Language is included regarding federal IT regulations.

Section 741: Language is included regarding a rescission of funds.

Section 742: Language is included regarding domestic preference.

Section 743: Language is included regarding child nutrition programs.

Section 744: Language is included regarding rural poverty programs.

Section 745: Language is included regarding eligibility for Rural Development Programs.

Section 746: Language is included regarding lobbying by federal employees.

Section 747: Language is included regarding SNAP regulations.

Section 748: Language is included regarding FDA regulation.

Section 749: Language is included regarding housing programs.

Section 750: Language is included regarding a rescission of funds.

Section 751: Language is included regarding CFTC regulation.

Section 752: Language is included regarding FDA regulation.

Section 753: Language is included regarding FDA regulation.

Section 754: Language is included regarding FSIS regulation.

Section 755: Language is included regarding the Commodity Credit Corporation.

Section 756: Language is included regarding the National Ocean Policy.

Section 757: Language is included regarding the 21st Century Cures Act.

Section 758: Language is included regarding citrus greening.

Section 759: Language is included regarding the Healthy Food Financing Initiative.

Section 760: Language is included regarding CFTC regulation.

Section 761: Spending Reduction Account.

APPROPRIATIONS NOT AUTHORIZED BY LAW

Pursuant to clause 3(f)(1)(B) of rule XIII of the Rules of the House of Representatives, the following table lists the appropriations in the accompanying bill which are not authorized by law for the period concerned:

Agency/Program	Last Year of Authorization	Authorization Level	Appropriation in Last Year of Authorization	Appropriations in This Bill
CFTC	2013	Such sums	205,000,000	248,000,000
Farmers' Market Nutrition Program	2015	Such sums	16,548,000	18,548,000
State Administrative Expenses	2015	Such sums	263,686,000	299,139,000
Summer Food Service Program	2015	Such sums	495,521,000	639,789,000
WIC	2015	Such sums	6,623,000,000	6,150,000,000
Multi-Family Revitalization Program	2016	Such sums	41,400,000	35,000,000
Broadband Telecommunications Grants	2016	Such sums	34,500,000	[1] – – –

[1] Funding is included in the Rural Economic Infrastructure Grant account.

COMPARISON WITH THE BUDGET RESOLUTION

Pursuant to clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a)(1)(A) of the Congressional Budget Act of 1974, the following table compares the levels of new budget authority provided in the bill with the appropriate allocation under section 302(b) of the Budget Act:

[In millions of dollars]

	302(b) Allocation		This Bill	
	Budget Authority	Outlays	Budget Authority	Outlays
Comparison of amounts in the bill with Committee allocations to its subcommittees: Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies:				
Mandatory	110,691	99,326	110,691	[1] 99,326
Discretionary	20,001	21,750	20,001	21,464

[1] Includes outlays from prior-year budget authority.

FIVE YEAR OUTLAY PROJECTIONS

Pursuant to clause 3(c)(2) of rule XIII and section 308(a)(1)(B) of the Congressional Budget Act of 1974, the following table contains five-year projections associated with the budget authority provided in the accompanying bill as provided to the Committee by the Congressional Budget Office:

[In millions of dollars]

	302(b) Allocation		This Bill	
	Budget Authority	Outlays	Budget Authority	Outlays
Projection of outlays associated with the recommendation:				
2018	n.a	n.a	n.a	[1] [2] 104,664
2019	n.a	n.a	n.a	5,229
2020	n.a	n.a	n.a	469
2021	n.a	n.a	n.a	453
2022 and future years	n.a	n.a	n.a	263

[1] Excludes outlays from prior-year budget authority.
[2] Excludes outlays from amounts provided pursuant to sections 1001–1004 of the 21st Century Cures Act (P.L. 114–255).

Assistance to State and Local Governments

Pursuant to clause 3(c)(2) of rule XIII and section 308(a)(1)(C) of the Congressional Budget Act of 1974, the Congressional Budget Office has provided the following estimates of the amounts of financial assistance to State and local governments is as follows:

[In millions of dollars]

	302(b) Allocation		This Bill	
	Budget Authority	Outlays	Budget Authority	Outlays
Financial assistance to State and local governments for 2018	n.a	n.a	40,149	[1] 32,405

[1] Excludes outlays from prior-year budget authority.

Program Duplication

No provision of this bill establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the GAO to Congress pursuant to section 21 of Public Law 111 139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

Directed Rule Making

Pursuant to section 3(i) of H. Res. 5 (115th Congress), the bill includes the following directed rule makings:

(1) Supplemental Nutrition Assistance Program, retailer standards (in section 747 of Title VII)

(2) Food and Drug Administration, product labeling (in section 753 of Title VII)

(3) Food Safety Inspection Service, poultry products (in section 754 of Title VII).

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2017
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2018
(Amounts in thousands)

	FY 2017 Enacted	FY 2018 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE I - AGRICULTURAL PROGRAMS					
Processing, Research, and Marketing					
Office of the Secretary					
Office of the Secretary	5,051	4,859	4,850	-201	-9
Office of Tribal Relations	502	501	501	-1	---
Assistant to the Secretary for Rural Development	---	---	800	+800	+800
Office of Homeland Security and Emergency Coordination	1,496	1,448	1,448	-48	---
Office of Advocacy and Outreach	1,209	1,171	1,171	-38	---
Office of the Assistant Secretary for Administration	804	802	800	-4	-2
Departmental Administration	24,124	22,501	2,781	-21,343	-19,720
Subtotal, Departmental Administration	24,928	23,303	3,581	-21,347	-19,722
Office of the Assistant Secretary for Congressional Relations	3,869	3,521	3,091	-778	-430
Office of Communications	7,500	7,261	6,261	-1,239	-1,000
Total, Office of the Secretary	44,555	42,064	21,703	-22,852	-20,361

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2017
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2018
(Amounts in thousands)

	FY 2017 Enacted	FY 2018 Request	Bill	Bill vs. Enacted	Bill vs. Request
Executive Operations					
Office of the Chief Economist	18,917	17,211	16,777	-2,140	-434
Office of Hearings and Appeals	13,399	14,716	13,399	---	-1,317
Office of Budget and Program Analysis	9,525	9,093	9,093	-432	---
Subtotal, Executive Operations	41,841	41,020	39,269	-2,572	-1,751
Office of the Chief Information Officer	49,538	58,950	49,538	---	-9,412
Office of the Chief Financial Officer	8,028	5,836	5,836	-2,192	---
Office of the Assistant Secretary for Civil Rights	901	896	800	-101	-96
Office of Civil Rights	24,206	23,304	23,304	-902	---
Building and Facilities					
Agriculture Buildings and Facilities	84,189	62,145	---	-84,189	-62,145
Hazardous materials management	3,633	3,503	3,503	-130	---
Office of Inspector General	98,208	92,689	95,628	-2,580	+2,939
Office of the General Counsel	44,697	42,970	42,970	-1,727	---
Office of Ethics	4,136	3,538	3,945	-191	+407
Total, Departmental Administration	403,932	376,915	286,496	-117,436	-90,419
Office of the Under Secretary for Research, Education, and Economics	893	891	800	-93	-91
Economic Research Service	86,757	76,690	76,788	-9,969	+98
National Agricultural Statistics Service	171,239	185,677	183,781	+12,542	-1,896
Census of Agriculture	(42,177)	(63,900)	(63,350)	(+21,173)	(-550)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2017
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2018
(Amounts in thousands)

	FY 2017 Enacted	FY 2018 Request	Bill	Bill vs. Enacted	Bill vs. Request
Agricultural Research Service:					
Salaries and expenses	1,170,235	993,144	1,132,625	-37,610	+139,481
Buildings and facilities	99,600	---	60,000	-39,600	+60,000
Total, Agricultural Research Service	1,269,835	993,144	1,192,625	-77,210	+199,481
National Institute of Food and Agriculture:					
Research and education activities	849,518	769,613	830,402	-19,116	+60,789
Native American Institutions Endowment Fund	(11,880)	(11,857)	(11,880)	---	(+23)
Extension activities	477,391	462,890	475,876	-1,515	+12,986
Integrated activities	36,000	20,276	35,000	-1,000	+14,724
Total, National Institute of Food and Agriculture	1,362,909	1,252,779	1,341,278	-21,631	+88,499
Office of the Under Secretary for Marketing and Regulatory Programs	901	891	800	-101	-91
Animal and Plant Health Inspection Service:					
Salaries and expenses	946,212	810,000	906,400	-39,812	+96,400
Buildings and facilities	3,175	2,852	---	-3,175	-2,852
Total, Animal and Plant Health Inspection Service	949,387	812,852	906,400	-42,987	+93,548
Agricultural Marketing Service:					
Marketing Services	84,933	77,462	77,573	-7,360	+111
Standardization activities (user fees)	(65,000)	---	(65,000)	---	(+65,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2017
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2018
(Amounts in thousands)

	FY 2017 Enacted	FY 2018 Request	Bill	Bill vs. Enacted	Bill vs. Request
(Limitation on administrative expenses, from fees collected)	(61,227)	(60,982)	(61,227)	---	(+245)
Funds for strengthening markets, income, and supply (Section 32):					
Permanent, Section 32	1,322,000	1,344,000	1,344,000	+22,000	---
Marketing agreements and orders (transfer from section 32)	(20,705)	(20,489)	(20,705)	---	(+216)
Payments to States and Possessions	1,235	1,109	1,109	-126	---
Total, Agricultural Marketing Service program	1,469,395	1,483,553	1,483,909	+14,514	+356
Grain Inspection, Packers and Stockyards Administration:					
Salaries and expenses	43,482	42,975	42,888	-594	-87
Limitation on inspection and weighing services	(55,000)	(60,000)	(60,000)	(+5,000)	---
Office of the Under Secretary for Food Safety	819	814	800	-19	-14
Food Safety and Inspection Service	1,032,062	1,038,069	1,038,069	+6,007	---
Lab accreditation fees	(1,000)	(1,000)	(1,000)	---	---
Total, Processing, Research, and Marketing	6,730,384	6,204,268	6,493,407	-236,977	+289,139
Total, Title I, Agricultural Programs	6,730,384	6,204,268	6,493,407	-236,977	+289,139
(By transfer)	(20,705)	(20,489)	(20,705)	---	(+216)
(Loan authorization)	---	---	---	---	---
(Limitation on administrative expenses)	(116,227)	(120,982)	(121,227)	(+5,000)	(+245)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2017
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2018
(Amounts in thousands)

	FY 2017 Enacted	FY 2018 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE II - Farm Production and Conservation Programs					
Farm Production Programs					
Office of the Under Secretary for Farm Production and Conservation	901	896	875	-26	-21
Farm Service Agency:					
Salaries and expenses	1,206,110	1,130,163	1,166,317	-39,793	+36,154
(Transfer from Food for Peace (P.L. 480))	(149)	(149)	(149)	---	---
(Transfer from export loans)	(2,463)	(353)	(353)	(-2,110)	---
(Transfer from ACIF)	(306,998)	(297,386)	(297,386)	(-9,612)	---
Subtotal, transfers from program accounts	(309,610)	(297,888)	(297,888)	(-11,722)	---
Total, Salaries and expenses	(1,515,720)	(1,428,051)	(1,464,205)	(-51,515)	(+36,154)
State mediation grants	3,904	3,398	3,398	-506	---
Grassroots source water protection program	6,500	---	6,000	-500	+6,000
Dairy indemnity program	500	500	500	---	---
Subtotal, Farm Service Agency	1,217,014	1,134,061	1,176,215	-40,799	+42,154

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2017
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2018
(Amounts in thousands)

	FY 2017 Enacted	FY 2018 Request	Bill	Bill vs. Enacted	Bill vs. Request
Agricultural Credit Insurance Fund (ACIF) Program Account:					
Loan authorizations:					
Farm ownership loans:					
Direct	(1,500,000)	(1,500,000)	(1,500,000)	---	---
Guaranteed	(2,750,000)	(2,500,000)	(2,500,000)	(-250,000)	---
Subtotal	(4,250,000)	(4,000,000)	(4,000,000)	(-250,000)	---
Farm operating loans:					
Direct	(1,530,000)	(1,304,851)	(1,304,851)	(-225,149)	---
Unsubsidized guaranteed	(1,960,000)	(1,393,423)	(1,593,423)	(-366,577)	(+200,000)
Subtotal	(3,490,000)	(2,698,274)	(2,898,274)	(-591,726)	(+200,000)
Emergency loans	(22,576)	(25,610)	(25,610)	(+3,034)	---
Indian tribe land acquisition loans	(20,000)	(20,000)	(20,000)	---	---
Conservation loans:					
Guaranteed	(150,000)	(150,000)	(150,000)	---	---
Indian Highly Fractionated Land Loans	(10,000)	---	(10,000)	---	(+10,000)
Boll weevil eradication loans	(60,000)	(60,000)	(60,000)	---	---
Total, Loan authorizations	(8,002,576)	(6,953,884)	(7,163,884)	(-838,692)	(+210,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2017
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2018
(Amounts in thousands)

	FY 2017 Enacted	FY 2018 Request	Bill	Bill vs. Enacted	Bill vs. Request
Loan subsidies:					
Farm operating loans:					
Direct	65,178	52,716	52,716	-12,462	---
Unsubsidized guaranteed	20,972	15,467	17,687	-3,285	+2,220
Subtotal	86,150	68,183	70,403	-15,747	+2,220
Emergency Loans	1,262	1,260	1,260	-2	---
Indian Highly Fractionated Land Loans	2,550	---	2,272	-278	+2,272
Total, Loan subsidies and grants	89,962	69,443	73,935	-16,027	+4,492
ACIF administrative expenses:					
Salaries and Expenses (transfer to FSA)	306,998	297,386	297,386	-9,612	---
Administrative expenses	10,070	7,905	7,905	-2,165	---
Total, ACIF expenses	317,068	305,291	305,291	-11,777	---
Total, Agricultural Credit Insurance Fund	407,030	374,734	379,226	-27,804	+4,492
(Loan authorization)	(8,002,576)	(6,953,884)	(7,163,884)	(-838,692)	(+210,000)
Total, Farm Service Agency	1,624,945	1,509,691	1,556,316	-68,629	+46,625

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2017
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2018
(Amounts in thousands)

	FY 2017 Enacted	FY 2018 Request	Bill	Bill vs. Enacted	Bill vs. Request
Risk Management Agency:					
RMA Salaries and Expenses	74,829	55,000	55,000	-19,829	---
Subtotal, Risk Management Agency	74,829	55,000	55,000	-19,829	---
Total, Farm Production Programs	1,699,774	1,564,691	1,611,316	-88,458	+46,625
Office of the Under Secretary for Natural Resources and Environment	901	896	---	-901	-896
Natural Resources Conservation Service:					
Private Lands Conservation Operations	864,474	766,000	858,911	-5,563	+92,911
Farm Security and Rural Investment program (transfer authority)	---	(985,000)	---	---	(-985,000)
Total, Conservation operations	864,474	766,000	858,911	-5,563	+92,911
Watershed flood and prevention operations	150,000	---	40,000	-110,000	+40,000
Watershed rehabilitation program	12,000	---	10,000	-2,000	+10,000
Total, Natural Resources Conservation Service	1,026,474	766,000	908,911	-117,563	+142,911

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2017
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2018
(Amounts in thousands)

	FY 2017 Enacted	FY 2018 Request	Bill	Bill vs. Enacted	Bill vs. Request
Corporations					
Federal Crop Insurance Corporation:					
Federal crop insurance corporation fund.....	8,667,000	8,245,000	8,245,000	-422,000	---
Commodity Credit Corporation Fund:					
Reimbursement for net realized losses.....	21,290,712	17,483,000	17,483,000	-3,807,712	---
Hazardous waste management (limitation on expenses).....	(5,000)	(5,000)	(5,000)	---	---
Total, Corporations.....	29,957,712	25,728,000	25,728,000	-4,229,712	---
Total, Title II, Farm Production and Conservation Programs.....	32,684,861	28,059,587	28,248,227	-4,436,634	+188,640

TITLE III - RURAL DEVELOPMENT

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2017
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2018
(Amounts in thousands)

	FY 2017 Enacted	FY 2018 Request	Bill	Bill vs. Enacted	Bill vs. Request
Office of the Under Secretary for Rural Development...	896	891	---	-896	-891
Rural Development:					
Rural development expenses:					
Salaries and expenses.....	225,835	186,076	220,835	-5,000	+34,759
(Transfer from RHIF).....	(412,254)	(244,249)	(401,300)	(-10,954)	(+157,051)
(Transfer from RCFP).....	---	(147,591)	---	---	(-147,591)
(Transfer from RDLFP).....	(4,468)	---	(4,230)	(-238)	(+4,230)
(Transfer from RETLP).....	(33,270)	(38,027)	(30,750)	(-2,520)	(-7,277)
(Transfer from DLTBP).....	---	(8,057)	---	---	(-8,057)
Subtotal, Transfers from program accounts.	(449,992)	(437,924)	(436,280)	(-13,712)	(-1,644)
Total, Rural development expenses.....	(675,827)	(624,000)	(657,115)	(-18,712)	(+33,115)
Rural Housing Service:					
Rural Housing Insurance Fund Program Account:					
Loan authorizations:					
Single family direct (Sec. 502).....	(1,000,000)	---	(900,000)	(-100,000)	(+900,000)
Unsubsidized guaranteed.....	(24,000,000)	(24,000,000)	(24,000,000)	---	---
Subtotal, Single family.....	(25,000,000)	(24,000,000)	(24,900,000)	(-100,000)	(+900,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2017
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2018
(Amounts in thousands)

	FY 2017 Enacted	FY 2018 Request	Bill	Bill vs. Enacted	Bill vs. Request
Housing repair (Sec. 504).....	(26,278)	---	(24,000)	(-2,278)	(+24,000)
Rental housing (Sec. 515).....	(35,000)	---	(28,398)	(-6,602)	(+28,398)
Multi-family housing guarantees (Sec. 538)	(230,000)	(250,000)	(230,000)	---	(-20,000)
Site development loans (Sec. 524).....	(5,000)	---	(5,000)	---	(+5,000)
Single family housing credit sales.....	(10,000)	(10,000)	(10,000)	---	---
Self-help housing land development housng loans (Sec. 523).....	(5,000)	---	(5,000)	---	(+5,000)
Farm Labor Housing (Sec.514).....	(23,855)	---	(15,000)	(-8,855)	(+15,000)
Total, Loan authorizations.....	(25,335,133)	(24,260,000)	(25,217,398)	(-117,735)	(+957,398)
Loan subsidies:					
Single Family Direct (Sec. 502).....	67,700	---	34,650	-33,050	+34,650
Housing repair (Sec. 504).....	3,663	---	2,959	-704	+2,959
Rental housing (Sec. 515).....	10,360	---	7,472	-2,888	+7,472
Farm labor housing (Sec.514).....	7,051	---	4,008	-3,043	+4,008
Self-Help Land Devleopment Housing Loans (Sec.523).....	417	---	368	-49	+368
Site Development Loans (Sec.524).....	111	---	58	-53	+58
Total, Loan subsidies.....	89,302	---	49,515	-39,787	+49,515
Farm labor housing grants.....	8,336	---	6,000	-2,336	+6,000
RHIF administrative expenses (transfer to RD).	412,254	244,249	401,300	-10,954	+157,051
Total, Rural Housing Insurance Fund program.	509,892	244,249	456,815	-53,077	+212,566
(Loan authorization).....	(25,335,133)	(24,260,000)	(25,217,398)	(-117,735)	(+957,398)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2017
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2018
(Amounts in thousands)

	FY 2017 Enacted	FY 2018 Request	Bill	Bill vs. Enacted	Bill vs. Request
Rental assistance program:					
Rental assistance (Sec. 521).....	1,405,033	1,345,293	1,345,293	-59,740	---
Multi-Family Housing Revitalization Program Account:					
Rural housing voucher program.....	19,400	20,000	20,000	+600	---
Multi-family housing revitalization program.....	22,000	---	15,000	-7,000	+15,000
Total, Multi-family housing revitalization..	41,400	20,000	35,000	-6,400	+15,000
Mutual and self-help housing grants.....	30,000	---	25,000	-5,000	+25,000
Rural housing assistance grants.....	33,701	---	---	-33,701	---
Rural community facilities program account:					
Loan authorizations:					
Community facility:					
Direct.....	(2,600,000)	(3,000,000)	(2,600,000)	---	(-400,000)
Guaranteed.....	(148,305)	---	(148,305)	---	(+148,305)
Total, Loan authorizations.....	(2,748,305)	(3,000,000)	(2,748,305)	---	(-251,695)
Loan subsidies and grants:					
Community facility:					
Guaranteed.....	3,322	---	4,849	+1,527	+4,849
Grants.....	30,000	---	---	-30,000	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2017
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2018
(Amounts in thousands)

	FY 2017 Enacted	FY 2018 Request	Bill	Bill vs. Enacted	Bill vs. Request
Rural community development initiative....	4,000	---	---	-4,000	---
Economic impact initiative grants.....	5,778	---	---	-5,778	---
Tribal college grants.....	4,000	---	---	-4,000	---
RCFP administrative expenses (transfer to RD).	---	147,591	---	---	-147,591
Total, RCFP Loan subsidies and grants...	47,100	147,591	4,849	-42,251	-142,742
Subtotal, grants and payments.....	110,801	147,591	29,849	-80,952	-117,742
Total, Rural Housing Service.....	2,067,126	1,757,133	1,866,957	-200,169	+109,824
(Loan authorization).....	(28,083,438)	(27,260,000)	(27,965,703)	(-117,735)	(+705,703)
Rural Business--Cooperative Service:					
Rural Business Program Account:					
(Guaranteed business and industry loans).....	(919,765)	---	(819,000)	(-100,765)	(+819,000)
Loan subsidies and grants:					
Guaranteed business and industry subsidy..	35,319	---	33,251	-2,068	+33,251
Rural business development grants.....	24,000	---	20,000	-4,000	+20,000
Delta Regional Authority and Appalachian Regional Commission.....	6,000	---	5,000	-1,000	+5,000
Total, RBP loan subsidies and grants.....	65,319	---	58,251	-7,068	+58,251
Intermediary Relending Program Fund Account:					
(Loan authorization).....	(18,889)	---	(17,500)	(-1,389)	(+17,500)
Loan subsidy.....	5,476	---	4,041	-1,435	+4,041
Administrative expenses (transfer to RD).....	4,468	---	4,230	-238	+4,230
Total, IRP Fund.....	9,944	---	8,271	-1,673	+8,271

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2017
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2018
(Amounts in thousands)

	FY 2017 Enacted	FY 2018 Request	Bill	Bill vs. Enacted	Bill vs. Request
Rural Economic Development Loans Program Account:					
(Loan authorization)	(42,213)	---	(33,077)	(-9,136)	(+33,077)
Limit cushion of credit interest spending	(132,000)	(176,000)	(196,000)	(+64,000)	(+20,000)
(Rescission)	-132,000	-176,000	-196,000	-64,000	-20,000
Rural Cooperative Development Grants:					
Cooperative development	5,800	---	5,500	-300	+5,500
Appropriate Technology Transfer for Rural Areas	2,750	---	2,500	-250	+2,500
Grants to assist minority producers	3,000	---	3,000	---	+3,000
Value-added agricultural product market development	15,000	---	10,000	-5,000	+10,000
Total, Rural Cooperative development grants	26,550	---	21,000	-5,550	+21,000
Rural Energy for America Program					
(Loan authorization)	(7,576)	---	(7,520)	(-56)	(+7,520)
Loan subsidy and grants	352	---	291	-61	+291
Total, Rural Energy for America Program	352	---	291	-61	+291
Total, Rural Business-Cooperative Service	-29,835	-176,000	-108,187	-78,352	+67,813
(Loan authorization)	(988,443)	---	(877,097)	(-111,346)	(+877,097)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2017
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2018
(Amounts in thousands)

	FY 2017 Enacted	FY 2018 Request	Bill	Bill vs. Enacted	Bill vs. Request
Rural Utilities Service:					
Rural water and waste disposal program account:					
Loan authorizations:					
Direct	(1,200,000)	---	(1,200,000)	---	(+1,200,000)
Guaranteed	(50,000)	---	(50,000)	---	(+50,000)
Total, Loan authorization	1,250,000	---	1,250,000	---	+1,250,000
Loan subsidies and grants:					
Direct subsidy	52,080	---	25,680	-26,400	+25,680
Guaranteed subsidy	240	---	230	-10	+230
Water and waste revolving fund	1,000	---	1,000	---	+1,000
Water well system grants	993	---	993	---	+993
Colonias and AK/HI grants	64,000	---	45,000	-19,000	+45,000
Water and waste technical assistance	20,000	---	20,000	---	+20,000
Circuit rider program	16,897	---	16,897	---	+16,897
Solid waste management grants	4,000	---	4,000	---	+4,000
High energy cost grants	10,000	---	---	-10,000	---
Water and waste disposal grants	391,980	---	358,900	-33,080	+358,900
306A(i)(2) grants	10,000	---	---	-10,000	---
Total, Loan subsidies and grants	571,190	---	472,700	-98,490	+472,700

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2017
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2018
(Amounts in thousands)

	FY 2017 Enacted	FY 2018 Request	Bill	Bill vs. Enacted	Bill vs. Request
Rural Electrification and Telecommunications Loans Program Account:					
Loan authorizations:					
Electric:					
Direct, FFB	(5,500,000)	(5,500,000)	(5,500,000)	---	---
Guaranteed underwriting	(750,000)	---	(750,000)	---	(+750,000)
Subtotal, Electric	(6,250,000)	(5,500,000)	(6,250,000)	---	(+750,000)
Telecommunications:					
Direct, Treasury rate	(345,000)	(345,000)	(345,000)	---	---
Direct, FFB	(345,000)	(345,000)	(345,000)	---	---
Subtotal, Telecommunications	(690,000)	(690,000)	(690,000)	---	---
Total, Loan authorizations	(6,940,000)	(6,190,000)	(6,940,000)	---	(+750,000)
Loan Subsidy:					
Telecommunications Direct, Treasury Rate	3,071	863	863	-2,208	---
Total, Loan subsidies	3,071	863	863	-2,208	---
RETLP administrative expenses (transfer to RD)	33,270	38,027	30,750	-2,520	-7,277
Total, Rural Electrification and Telecommunications Loans Program Account	36,341	38,890	31,613	-4,728	-7,277
(Loan authorization)	(6,940,000)	(6,190,000)	(6,940,000)	---	(+750,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2017
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2018
(Amounts in thousands)

	FY 2017 Enacted	FY 2018 Request	Bill	Bill vs. Enacted	Bill vs. Request
Broadband Program:					
Loan authorizations:					
Broadband telecommunications	(27,043)	(26,991)	(26,991)	(-52)	---
Total, Loan authorizations	(27,043)	(26,991)	(26,991)	(-52)	---
Loan subsidies and grants:					
Distance learning and telemedicine:					
Grants	26,600	---	---	-26,600	---
Broadband telecommunications:					
Direct	4,500	4,521	4,521	+21	---
Grants	34,500	---	---	-34,500	---
Total, Loan subsidies and grants	65,600	4,521	4,521	-61,079	---
DLTBP administrative expenses (transfer to RD)	---	8,057	---	---	-8,057
Total, Rural Utilities Service	673,131	51,468	508,834	-164,297	+457,366
(Loan authorization)	(8,217,043)	(6,216,991)	(8,216,991)	(-52)	(+2,000,000)
Rural Economic Infrastructure Grants	---	161,893	122,692	+122,692	-39,201
Total, Title III, Rural Development Programs	2,937,153	1,981,461	2,611,131	-326,022	+629,670
(By transfer)	(449,992)	(437,924)	(436,280)	(-13,712)	(-1,644)
(Loan authorization)	(37,288,924)	(33,476,991)	(37,059,791)	(-229,133)	(+3,582,800)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2017
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2018
(Amounts in thousands)

	FY 2017 Enacted	FY 2018 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE IV - DOMESTIC FOOD PROGRAMS					
Office of the Under Secretary for Food, Nutrition and Consumer Services	814	809	800	-14	-9
Food and Nutrition Service:					
Child nutrition programs	22,745,982	24,233,309	24,232,944	+1,486,962	-365
School breakfast program equipment grants	25,000	---	25,000	---	+25,000
Demonstration projects (Summer EBT)	23,000	22,957	23,000	---	+43
Total, Child nutrition programs	22,793,982	24,256,266	24,280,944	+1,486,962	+24,678
Special supplemental nutrition program for women, infants, and children (WIC)	6,350,000	6,150,000	6,150,000	-200,000	---
Supplemental nutrition assistance program:					
(Food stamp program)	75,479,696	70,611,504	70,608,952	-4,870,744	-2,552
Reserve	3,000,000	3,000,000	3,000,000	---	---
FDPIR nutrition education services	998	996	998	---	+2
Total, Food stamp program	78,480,694	73,612,500	73,609,950	-4,870,744	-2,550
Fiscal year 2017	(78,480,694)	(73,612,500)	(73,609,950)	(-4,870,744)	(-2,550)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2017
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2018
(Amounts in thousands)

	FY 2017 Enacted	FY 2018 Request	Bill	Bill vs. Enacted	Bill vs. Request
Commodity assistance program:					
Commodity supplemental food program.....	236,120	238,120	238,120	+2,000	---
Farmers market nutrition program.....	18,548	---	18,548	---	+18,548
Emergency food assistance program.....	59,401	54,401	59,401	---	+5,000
Pacific island and disaster assistance.....	1,070	1,070	1,070	---	---
Total, Commodity assistance program.....	315,139	293,591	317,139	+2,000	+23,548
Nutrition programs administration.....	170,716	148,541	148,541	-22,175	---
Total, Food and Nutrition Service.....	108,110,531	104,460,898	104,506,574	-3,603,957	+45,676
FY 2017.....	(108,110,531)	(104,460,898)	(104,506,574)	(-3,603,957)	(+45,676)
Total, Title IV, Domestic Food Programs.....	108,111,345	104,461,707	104,507,374	-3,603,971	+45,667
FY 2017.....	(108,110,531)	(104,460,898)	(104,506,574)	(-3,603,957)	(+45,676)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2017
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2018
(Amounts in thousands)

	FY 2017 Enacted	FY 2018 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE V - FOREIGN ASSISTANCE AND RELATED PROGRAMS					
Office of the Under Secretary for Trade and Foreign Agricultural Affairs	---	---	875	+875	+875
Foreign Agricultural Service					
Salaries and expenses	196,571	188,167	195,268	-1,303	+7,101
(Transfer from export loans)	(6,074)	(6,382)	(6,382)	(+308)	---
Total, Salaries and expenses	202,645	194,549	201,650	-995	+7,101
Food for Peace Title I Direct Credit and Food for Progress Program Account, Administrative Expenses Farm Service Agency, Salaries and expenses (transfer to FSA)	149	149	149	---	---
Food for Peace Title II Grants: Expenses	1,466,000	---	1,400,000	-66,000	+1,400,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2017
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2018
(Amounts in thousands)

	FY 2017 Enacted	FY 2018 Request	Bill	Bill vs. Enacted	Bill vs. Request
Commodity Credit Corporation Export Loans					
Program Account (administrative expenses):					
Salaries and expenses (Export Loans):					
Foreign Agriculture Service, S&E (transfer to FAS)	6,074	6,382	6,382	+308	---
Farm Service Agency S&E (transfer to FSA)	2,463	353	353	-2,110	---
Total, CCC Export Loans Program Account	8,537	6,735	6,735	-1,802	---
McGovern-Dole International Food for Education and Child Nutrition program grants	201,626	---	201,626	---	+201,626
Total, Title V, Foreign Assistance and Related Programs	1,872,883	195,051	1,804,653	-68,230	+1,609,602
(By transfer)	(6,074)	(6,382)	(6,382)	(+308)	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2017
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2018
(Amounts in thousands)

	FY 2017 Enacted	FY 2018 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE VI - RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION					
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Food and Drug Administration					
Salaries and expenses, direct appropriation.....	2,759,378	1,819,718	2,759,378	---	+939,660
Prescription drug user fees.....	(754,524)	(1,262,182)	(937,434)	(+182,910)	(-324,748)
Medical device user fees.....	(126,083)	(439,001)	(193,291)	(+67,208)	(-245,710)
Human generic drug user fees	(323,011)	(615,746)	(493,600)	(+170,589)	(-122,146)
Biosimilar biological products user fees	(22,079)	(86,736)	(54,000)	(+31,921)	(-32,736)
Animal drug user fees.....	(23,673)	(70,252)	(24,142)	(+469)	(-46,110)
Animal generic drug user fees	(11,341)	(18,475)	(12,100)	(+759)	(-6,375)
Tobacco product user fees	(635,000)	(672,000)	(672,000)	(+37,000)	---
Subtotal, user fees, enacted and definite.....	(1,895,711)	(3,164,392)	(2,386,567)	(+490,856)	(-777,825)
Subtotal (including user fees).....	(4,655,089)	(4,984,110)	(5,145,945)	(+490,856)	(+161,835)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2017
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2018
(Amounts in thousands)

	FY 2017 Enacted	FY 2018 Request	Bill	Bill vs. Enacted	Bill vs. Request
Mammography user fees	(20,522)	(21,000)	(21,000)	(+478)	---
Export and color certification user fees	(14,378)	(15,000)	(15,000)	(+622)	---
Food and Feed Recall user fees	(1,434)	(1,000)	(1,000)	(-434)	---
Food Reinspection fees	(6,414)	(6,000)	(6,000)	(-414)	---
Voluntary qualified importer program fees	(5,300)	(5,000)	(5,000)	(-300)	---
Pharmacy compounding fees (CBO estimate)	(1,370)	(1,000)	(1,000)	(-370)	---
Priority review vouchers (PRV) pediatric disease	(7,686)	(8,000)	(8,000)	(+314)	---
Third party auditor	(1,400)	(1,000)	(1,000)	(-400)	---
Subtotal, FDA user fees	(1,954,215)	(3,222,392)	(2,444,567)	(+490,352)	(-777,825)
Subtotal, FDA (including user fees)	(4,713,593)	(5,042,110)	(5,203,945)	(+490,352)	(+161,835)
Buildings and facilities	11,788	8,771	8,771	-3,017	---
Total, FDA (w/user fees, including proposals)	(4,725,381)	(5,050,881)	(5,212,716)	(+487,335)	(+161,835)
Total, FDA (w/enacted user fees only)	(4,725,381)	(5,050,881)	(5,212,716)	(+487,335)	(+161,835)
Total, FDA (excluding user fees)	2,771,166	1,828,489	2,768,149	-3,017	+939,660
INDEPENDENT AGENCIES					
Commodity Futures Trading Commission 1/	250,000	250,000	248,000	-2,000	-2,000
Farm Credit Administration (limitation on administrative expenses)	(68,600)	(72,600)	(68,600)	---	(-4,000)
Total, Title VI, Related Agencies and Food and Drug Administration	3,021,166	2,078,489	3,016,149	-5,017	+937,660

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2017
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2018
(Amounts in thousands)

	FY 2017 Enacted	FY 2018 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE VII - GENERAL PROVISIONS					
Limit Dam Rehab (Sec.714(1))	-54,000	-55,000	-55,000	-1,000	---
Limit Environmental Quality Incentives Program (Sec.714(2))	-179,000	-209,000	---	+179,000	+209,000
Limit Rural Energy for America Program (Sec. 714 (2)) (rescission)	---	---	-46,000	-46,000	-46,000
Limit Biomass Crop Assistance Program (Sec.714(3))	-20,000	-20,000	-21,000	-1,000	-1,000
Limit Biorefinery Assistance (Sec.714(4))	-20,000	---	-175,000	-155,000	-175,000
Limit Ag Management Assistance (Sec. 714 (5))	-2,000	-9,000	-9,000	-7,000	---
Limit Biorefinery Assistance (Sec. 714 (4)) (cancellation)	---	-175,000	---	---	+175,000
RESP (rescission)	---	---	-8,000	-8,000	-8,000
Limit fruit and vegetable program (Sec.715)	-125,000	-125,000	-125,000	---	---
Section 32 (Sec.715) (rescission)	-231,000	-263,000	-263,000	-32,000	---
APHIS B&F - Fruit Fly Rearing (Sec. 743)	47,000	---	---	-47,000	---
WIC (rescission) (Sec. 745)	-850,000	-1,000,000	-600,000	+250,000	+400,000
CBO adjustment to WIC (rescission) (CBO re-estimate of Request)	---	500,000	---	---	-500,000
Subtotal, WIC (rescission) (CBO re-estimate of Request)	(-850,000)	(-500,000)	(-600,000)	(+250,000)	(-100,000)
TEFAP (Sec. 748)	19,000	---	---	-19,000	---
Ebola/Zika Funding (Sec. 752)	10,000	---	---	-10,000	---
Citrus Greening (Sec. 757)	5,500	---	5,500	---	+5,500
RD balances (Sec. 758) (rescission)	-3,951	---	---	+3,951	---
Healthy Food Financing Initiative	1,000	---	1,000	---	+1,000
RD unobligated balances (rescission)	---	-108,000	---	---	+108,000
ARS B&F unobligated balances (rescission)	---	-211,697	---	---	+211,697
Hardwood Trees (Reforestation Pilot Program)	600	---	---	-600	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2017
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2018
(Amounts in thousands)

	FY 2017 Enacted	FY 2018 Request	Bill	Bill vs. Enacted	Bill vs. Request
Water Bank program	4,000	---	---	-4,000	---
Geographic Disadvantaged farmers	1,996	---	---	-1,996	---
Emergency Conservation Program	28,651	---	---	-28,651	---
Food for Peace	134,000	---	---	-134,000	---
Rural Energy Savings Program	8,000	---	---	-8,000	---
Maturing mortgage pilot	1,000	---	---	-1,000	---
FSA ARC pilot	5,000	---	---	-5,000	---
NIFA Military Veteran Grants	5,000	---	---	-5,000	---
Electric Loan Refinancing	13,800	---	---	-13,800	---
STEM Program	500	---	---	-500	---
Total, Title VII, General Provisions	-1,199,904	-1,675,697	-1,295,500	-95,596	+380,197
Grand total	154,157,888	141,304,866	145,385,441	-8,772,447	+4,080,575
Appropriations fiscal year 2017	(155,374,839)	(142,738,563)	(146,498,441)	(-8,876,398)	(+3,759,878)
Disaster relief	---	---	---	---	---
Rescissions	(-1,216,951)	(-1,433,697)	(-1,113,000)	(+103,951)	(+320,697)
Advance appropriations, FY 2017	---	---	---	---	---
(By transfer)	(786,381)	(762,683)	(761,255)	(-25,126)	(-1,428)
(Loan authorization)	(45,291,500)	(40,430,875)	(44,223,675)	(-1,067,825)	(+3,792,800)
(Limitation on administrative expenses)	(189,827)	(198,582)	(194,827)	(+5,000)	(-3,755)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2017
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2018
(Amounts in thousands)

	FY 2017 Enacted	FY 2018 Request	Bill	Bill vs. Enacted	Bill vs. Request
RECAPITULATION					
Title I - Agricultural programs	6,730,384	6,204,268	6,493,407	-236,977	+289,139
Mandatory	(1,322,000)	(1,344,000)	(1,344,000)	(+22,000)	---
Discretionary	(5,408,384)	(4,860,268)	(5,149,407)	(-258,977)	(+289,139)
Title II - Farm Production and Conservation Programs	32,684,861	28,059,587	28,248,227	-4,436,634	+188,640
Mandatory	29,958,212	25,728,500	25,728,500	-4,229,712	---
Discretionary	2,726,649	2,331,087	2,519,727	-206,922	+188,640
Title III - Rural development (discretionary)	2,937,153	1,981,461	2,611,131	-326,022	+629,670
Title IV - Domestic food programs	108,111,345	104,461,707	104,507,374	-3,603,971	+45,667
Mandatory	(101,226,676)	(97,845,809)	(97,842,894)	(-3,383,782)	(-2,915)
Discretionary	(6,884,669)	(6,615,898)	(6,664,480)	(-220,189)	(+48,582)
Title V - Foreign assistance and related programs (discretionary)	1,872,883	195,051	1,804,653	-68,230	+1,609,602
Title VI - Related agencies and Food and Drug Administration (discretionary)	3,021,166	2,078,489	3,016,149	-5,017	+937,660
Title VII - General provisions (discretionary)	-1,199,904	-1,675,697	-1,295,500	-95,596	+380,197
Total	186,842,749	169,364,453	173,633,668	-13,209,081	+4,269,215

Note: In FY17, the Commodity Futures Trading Commission was enacted on the Financial Services and General Government Appropriations Act, 2017. This amount is included for comparability purposes as the Agriculture Subcommittee carries this funding.

VIEWS OF THE HON. NITA LOWEY AND THE HON. SANFORD D. BISHOP, JR.

The FY2018 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations bill is 5% ($1.13 billion) below the 2017 enacted level. The low allocation makes it difficult to fully meet the needs of our nation.

First, we are appreciative of the collaborative relationship with the Chairman that allowed us to address many of our priorities in markup, such as restoring funding for the McGovern-Dole Food for Education Program to the 2017 level, providing funding for the Healthy Food Financing Initiative, providing a $200 million increase for farm operating guaranteed loans, increasing diversity in agriculture career fields, addressing healthcare access issues in rural America, and making important improvements to language in the bill related to the importation of poultry products from China.

We are disappointed the bill does not maintain the 2017 level of $1.6 billion for Food for Peace, especially now when the need around the world is so great.

We deeply regret the Committee's failure to adopt Rep. Roybal-Allard's amendment to prohibit the inspection of horses for slaughter for human food. There are far better and more humane ways to deal with unwanted horses, and the past experience in this country of slaughtering horses for human food was, frankly, a disaster.

The Committee's unprecedented and ill-advised bill language, allowing the chairman of the Commodity Futures Trading Commission (CFTC) *alone* to determine if furloughs or reductions in force might result from a collective bargaining agreement and then adjust the schedule of pay and benefits any way he chooses, was also disappointing. Specifically, we are concerned this language could be expanded beyond the CFTC to employees at other financial regulatory agencies, as well as other agencies whose collective bargaining rights could be put at risk, including federal air traffic controllers.

The report states the "language is the result of numerous attempts by the Commission to impose a coercive deficiency upon Congress by threatening furloughs or RIFs." The suggestion that the Commission or its staff threatened or misled the Committee is deeply offensive.

It should not go unnoticed that the Commission's budget has been held at a mere $250 million since fiscal year 2015, and this bill recommends an even lower funding level. With the implementation of new enforcement tools, coupled with the expanded oversight jurisdiction, it is evident that the CFTC is severely underfunded. In order to keep pace with the technological advancements in commodity trading, we strongly urge the majority to fund this agency at the higher level it needs to achieve its mission in protecting U.S. customers.

We are disappointed that the bill included bill language locking in the swap dealer *de minimis* level at $8 billion. An appropriations bill is not the appropriate place to deal with this issue, and this is the *fifth* consecutive year in which the Committee has interjected itself into this matter.

As the legislative process continues, we will do our best to address the concerns described here. But without a larger discussion of the Federal budget it will be nearly impossible to pass an Agriculture appropriations bill for FY 2018 into law. The inadequacy of this bill's allocation can only be fixed if Democrats and Republicans negotiate new caps for spending that do not slash the investments needed in this bill and others to grow the economy. Unfortunately, to date, Republicans are choosing to close ranks around a partisan effort to cut programs depended on by millions of Americans even though they know it will lead to another forced crisis to keep the government open. Democrats stand ready to work with Republicans on appropriations bills that invest in the American people.

NITA M. LOWEY.
SANFORD D. BISHOP, JR.

ADDITIONAL VIEWS OF THE HON. NITA M. LOWEY

I am very concerned with the inclusion of Section 752 and Section 753 in the FY 2018 Agriculture Appropriations bill. The Tobacco Control Act (TCA), which passed Congress with broad bipartisan support, provided FDA with the tools to review new tobacco products. Since enactment, tobacco products including e-cigarettes and flavored cigars have made significant gains in popularity, particularly among youth.

According to the CDC, e-cigarette use among teens has risen tenfold in the past decade, rising to 16% of teens in 2015, an estimated three million American teens. E-Cigarettes are now more popular among teens than traditional cigarettes.

And yet, the FY 2018 Agriculture Appropriations bill would put the tobacco companies in the driver's seat, exempting so-called premium cigars from the regulatory structure of the TCA and allowing thousands of e-cigarette products to remain on the market without scientific review.

I am particularly concerned by inclusion of Section 753 and offered an amendment to strike it from the underlying bill. Under Section 753, the predicate date for review for new tobacco products would be delayed, allowing future tobacco products which are substantially similar to those on the market since 2009 to be sold to the public without FDA premarket review. As a result, FDA would not be able to put the genie back in the bottle, unable to regulate, or even know what is in, e-cigarette products, forever.

In addition, new language would allow for an alternative review process, outside of the one passed by Congress in the TCA, which would create unnecessary delays and open the door for even more tobacco products to come on the market without FDA review. Under this weakened alternative, it would be harder for FDA to address tobacco companies' use of kid-friendly flavors, such as Gummy Bears, Swedish Fish, and approximately 7,000 other flavors. The FDA is already preparing to address flavors and could do so much faster if this rider was not included.

Proponents of Section 753 on the Appropriations Committee maintain that e-cigarettes can help smokers quit based on anecdotal evidence. However, the American Medical Association and 12 other medical societies have determined that "currently available data do not support the use of e-cigarette products as a smoking cessation strategy." [1]

On the date following the markup, the American Thoracic Society (ATS) wrote to the Chairman and Ranking Members of the House and Senate Appropriations Committee, stating concern that proponents of Section 753 cite the sole—and questionable—report, by

[1] "Joint Letter to Congress Opposing Tobacco Riders." *American Academy of Family Physicians, et al.* 17 November 2016. *http://www.aafp.org/dam/AAFP/documents/advocacy/prevention/tobacco/LT-Congress-Tobacco-111716.pdf.*

the Royal College of Physicians (RCP), that suggests vaping products support smoking cessation. The letter stated:

> The ATS is also concerned that Congress and the Administration will use the absence of definitive data on e-cigarettes and the questionable findings of the RCP report as justification for relaxing regulations on e-cigarettes and other novel tobacco products. Any such relaxation would be a significant policy mistake and will put the health and well-being of our nation, particularly our youth, at needless risk.

Section 752 and 753 are a Trojan horse, allowing the tobacco industry to gain an advantage so it can continue to sell deadly products that lead to almost half a million deaths each year.

The American people trust FDA to evaluate the data and make unbiased decisions about product safety. Congress certainly lacks the expertise to make such an assessment. The Fiscal Year 2018 Agriculture Appropriations bill should not politicize the science and take aim at the FDA's ability to regulate tobacco products under the Tobacco Control Act.

NITA M. LOWEY.

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