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108TH CONGRESS } 2d Session }	SENATE	{ REPORT 108-340
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AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIA- TIONS BILL, 2005

SEPTEMBER 14, 2004.—Ordered to be printed

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

REPORT

[To accompany S. 2803]

The Committee on Appropriations reports the bill (S. 2803) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2005, and for other purposes, reports favorably thereon and recommends that the bill do pass.

Total obligational authority, fiscal year 2005

Amount of bill as reported to the Senate	\$84,053,760,000
Amount of 2004 appropriations acts to date	86,587,372,000
Amount of estimates, 2005	83,324,539,000
The bill as recommended to the Senate:	
Under the appropriations provided in 2004	2,708,076,000
Over the estimates for 2005	729,221,000

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BREAKDOWN BY TITLE

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

	2004	2005 Committee recommendation
Title I: Agricultural programs	\$32,848,079,000	\$26,986,917,000
Title II: Conservation programs	1,026,969,000	993,881,000
Title III: Rural economic and community development programs	2,447,943,000	2,441,042,000
Title IV: Domestic food programs	47,262,481,000	50,512,886,000
Title V: Foreign assistance and related programs	1,503,398,000	1,549,540,000
Title VI: Related agencies	1,475,639,000	1,560,594,000
Title VII: General provisions	22,863,000	8,900,000
Total, new budget (obligational) authority	86,587,372,000	84,053,760,000

OVERVIEW AND SUMMARY OF THE BILL

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

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

Given the budgetary constraints that the Committee faces, the bill as reported provides the proper amount of emphasis on agricultural and rural development programs and on other programs and activities funded by the bill. It is within the subcommittee's allocation for fiscal year 2005.

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

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

GOVERNMENT PERFORMANCE AND RESULTS ACT

Public Law 103-62, the Government Performance and Results Act [GPRA] of 1993, requires Federal agencies to develop succinct and precise strategic plans and annual performance plans that focus on results of funding decisions made by the Congress. Rather than simply providing details of activity levels, agencies will set outcome goals based on program activities and establish performance measures for use in management and budgeting. In an era of restricted and declining resources, it is paramount that agencies focus on the difference they make in citizens' lives.

The Committee supports the concepts of this law and intends to use the agencies' plans for funding purposes. The Committee considers GPRA to be a viable way to reduce Federal spending while achieving a more efficient and effective Government and will closely monitor compliance with this law. The Committee is fully committed to the success and outcome of GPRA requirements as envisioned by the Congress, the administration, and this Committee.

DISPLAY OF FISCAL YEAR 2004 SPENDING LEVELS

Section 168 of Division H of Public Law 108–199, the Consolidated Appropriations Act, 2004, imposed, with few exceptions, a rescission of 0.59 percent of the budget authority provided for all discretionary accounts in Divisions A through H of that Act. Division A of Public Law 108–199 provided appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2004.

The 0.59 percent rescission applied to all discretionary accounts of Division A with the exception of levels of budget authority provided through the collection of user fees. Accordingly, all fiscal year 2004 spending levels displayed in this report for which the 0.59 percent rescission did apply reflect the 0.59 percent rescission.

USER FEE LEGISLATIVE PROPOSALS

The fiscal year 2005 budget request includes legislative proposals to authorize the collection and expenditure of user fees for a number of agencies under the jurisdiction of this subcommittee. These agencies include: the Animal and Plant Health Inspection Service; the Grain Inspection, Packers and Stockyards Administration; and the Food Safety and Inspection Service. The fiscal year 2005 budget assumes the collection and expenditure of these fees, and therefore reduces the fiscal year 2005 spending for this subcommittee by an additional \$164,231,000 from current levels.

Jurisdiction for the authorization of these fees in the Senate lies with the Committee on Agriculture, Nutrition, and Forestry, not the Committee on Appropriations. Further, the U.S. Constitution requires that all revenue measures originate in the House of Representatives and to the extent that these proposals are held to be revenue measures (for which similar proposals in the past have), unilateral action by the Senate in this matter risks violation of Constitutional principles.

This Committee again admonishes the administration for including in an annual budget request to the Appropriations Committee legislative proposals for which this Committee has no jurisdiction, proposals which have budgetary implications, and which raise possible Constitutional points of order. The Committee notes that similar proposals by this and past administrations have not met approval by the authorizing committees and there is no evidence to indicate that these proposals will meet with any greater success.

The Committee included a General Provision (Section 721) in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2004 (Division A of Public Law 108–199) which requires the President to identify reductions from his fiscal year 2005 budget submission in the event the authorization of the proposed fees has not been enacted prior to the convening of a committee on conference for the fiscal year 2005 appropriations act. Notwithstanding the delayed enactment of Public Law 108–199, the Committee expects compliance with Section 721, and urges the administration identify these reductions as soon as possible.

TITLE I—AGRICULTURAL PROGRAMS

PRODUCTION, PROCESSING, AND MARKETING

OFFICE OF THE SECRETARY

Appropriations, 2004	\$5,062,000
Budget estimate, 2005	5,185,000
Committee recommendation	5,124,000

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

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

COMMITTEE RECOMMENDATIONS

For the Office of the Secretary, the Committee recommends an appropriation of \$5,124,000. This amount is \$62,000 more than the fiscal year 2004 appropriation.

Hearing Responses.—The Committee is concerned about the Department’s failure to respond to questions submitted during the fiscal year 2005 budget hearings. The Committee relies on the Department’s answers and policy positions to carefully draft the appropriation bill. Failure to respond has affected the requests for specific programs and policy initiatives. Accordingly, the Committee directs that all answers to hearing questions submitted for the record for the fiscal year 2006 budget be provided to the Committee no later than 60 days following submission of such questions. In the event any answer is not so provided, the Secretary is directed to notify the Committee by such date the reason that the answer is not forthcoming and the office, on that date, whose action or approval is necessary prior to further processing of that particular question.

Drought Mitigation.—The Committee is concerned by the lack of a coherent national policy to combat drought. When drought strikes, it is a very serious disaster bringing economic and personal hardships to large sections of the nation. Long term drought conditions in the Intermountain West, as one example, have resulted in water supplies for agriculture falling below 50 percent of normal

supply. The report of the National Drought Commission, “Preparing for Drought in the 21st Century”, recommends that Congress pass a National Drought Preparedness Act. Such an act would establish a Federal/non-Federal partnership through a National Drought Council responsible for implementing a national drought policy. The Committee expects the Secretary to carry out the recommendations of the National Drought Commission and coordinate USDA mission areas to provide a response to drought-stricken areas in as prompt and meaningful a way as possible.

Administrative Convergence.—The Secretary is expected to seek the Committee’s approval before implementing a merger or reduction of any administrative or information technology functions relating to the Farm Service Agency, Natural Resources Conservation Service, USDA Rural Development, or any other agency of the Department.

Federal Procurement of Biobased Products.—The Committee urges the Secretary to make the implementation of section 9002 of the Farm Security and Rural Investment Act of 2002 a priority. The biobased product purchasing program is an important initiative that will benefit farmers, biobased manufacturers, rural citizens, and the natural environment. Thus far, USDA has lagged behind in its implementation of several key aspects of the program, according to a recent GAO report.

Chesapeake Bay Watershed.—The Committee remains concerned that the Department has failed to take action on the application submitted nearly 2 years ago by the Governors of Maryland, Virginia, Pennsylvania, the Mayor of the District of Columbia, and the Chair of the Chesapeake Bay Commission under section 2003 of the Farm Security and Rural Investment Act of 2002, entitled “Partnerships and Cooperation”. In the Joint Explanatory Statement to accompany that Act, the Secretary is “strongly encouraged to be proactive in establishing partnerships in critical areas such as the Chesapeake Bay” to address vital resource conservation issues. The Committee strongly urges the Department to utilize the authorities and funding made available under section 2003 and to proceed expeditiously with issuing an RFP, reviewing and evaluating proposals, and making awards before the end of 2004 with special attention given to the Chesapeake Bay.

Coordination With the Department of Homeland Security.—The Homeland Security Act of 2002 transferred a number of functions previously under the direct jurisdiction of USDA to the newly-created Department of Homeland Security [DHS]. Among these functions were research and diagnostic activities located at Plum Island, New York, and Agricultural Quarantine Inspection [AQI] activities located along our nation’s borders and at select transportation centers. The Committee is aware of ongoing concerns within the agriculture sector that the transfer of these responsibilities may shift the focus away from agriculture to other priority areas of DHS. In order to ensure that the interests of U.S. agriculture are protected and that the intent of the Homeland Security Act of 2002 is being fully met, including the proper allocation of AQI and other funds, the Committee requests the Government Accountability Office to provide a report, no later than March 1, 2005, on the coordination between USDA and DHS in protecting the U.S.

agriculture sector, including a description of the long-term objectives of joint activities at Plum Island and the effectiveness of AQI and other inspection activities.

First Responders.—The Committee remains concerned that intentional or accidental introduction of infectious or pathogenic materials could pose substantial harm to the U.S. economy and present actual risk to this Nation's food security. Similarly, natural disasters often create demand for immediate assistance to rural areas like civil defense structures provide "first responder" services in urban areas. For these reasons, the Committee requests that the Secretary work with State Departments of Agriculture to ascertain the advisability of establishing a program to provide Federal assistance for the homeland security efforts of these departments.

Alternative Fuels.—The continuing development of bio-based energy products, such as E-85 capable vehicle technologies, provides economic and environmental opportunities for producers of agricultural products and consumers. The Secretary should use resources of the Department toward educational and infrastructure promotion to expand the availability of these products in Minnesota and other States.

Washington Semester American Indian Program.—The Committee notes that Executive Order 13270 directs Federal agencies to take steps to enhance access to Federal opportunities and resources for American Indian and Alaska Native students from tribal colleges and other post-secondary institutions. The Washington Internships for Native Students [WINS] program, in cooperation with American University, is an effort founded on the idea that young people of the sovereign Native American nations can build leadership skills while living, studying, and interning in Washington, DC, and bring those skills back to their communities. The Committee urges the Department of Agriculture to participate in this worthwhile program.

Economic Losses.—The Committee encourages the Secretary to utilize the authorities and resources of the Commodity Credit Corporation to provide assistance to compensate United States entities that export United States beef to be processed in Canada for re-importation to the United States that suffered economic losses as a direct result of the BSE-related border closing between the United States and Canada. The Committee is aware of the need to compensate an entity for such losses in Minnesota.

The Committee encourages the Secretary to utilize the authorities and resources of the Commodity Credit Corporation to provide assistance to compensate goose producers in South Dakota for losses related to West Nile Virus.

Foreign Office Security.—The Committee provides appropriations in this Act for covering certain costs associated with improving security at State Department overseas facilities for which it is anticipated that USDA personnel, notably of the Animal and Plant Health Inspection Service and the Foreign Agricultural Service, will be located. While USDA costs associated with these improvements are relatively modest in the first year, projected increases for USDA donations are substantial. The Committee is aware that the Government Accountability Office is reviewing the capital cost sharing proposal for these facilities and expects the Secretary of

Agriculture to receive assurances from the Secretary of State that costs assigned to USDA accurately reflect actual space needs, are reasonable, and that guarantees are in place to ensure that USDA personnel will be able to occupy anticipated space as scheduled in association with a space needs cost analysis. While this Committee provides appropriations to initiate the capital cost sharing proposal, future requests for this activity will be weighed heavily against assurances obtained by the Secretary of Agriculture and the conclusions of the Government Accountability Office.

National Veterinary Medical Service Act.—The Committee encourages the Secretary to move forward with implementation of the National Veterinary Medical Service Act (Public Law 108–161). The Committee believes the Act will encourage veterinarians to provide services to rural and underserved areas of the United States.

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

Remote Telemedicine Services.—The Committee is aware of and encourages the Secretary to support the utilization of remote telemedicine services capable of transmitting medical information in both real-time and stored scenarios for diagnosis, medical monitoring, and emergency purposes. Furthermore, the Committee recognizes the need for integration and interoperability of real-time remote mobile medical technology with other devices, systems, and services which together offer increased capabilities, functionality, and levels of care.

Wildlife Habitat Management Institute.—The Committee has included a general provision (Sec. 776) regarding the management of the Wildlife Habitat Management Institute [WHMI] in the State of Mississippi. The mission of the WHMI is to develop and disseminate scientifically based technical materials to assist the field staff of the National Resources Conservation Service and other relevant entities and individuals; to promote conservation and stewardship of fish and wildlife habitat; and to deliver sound habitat management principles and practices to land users in the United States. The Committee expects the Secretary to ensure that the WHMI has the resources and capabilities to fulfill its mission. Additionally, the Committee expects the Secretary to ensure that the WHMI has adequate staffing for the continuation of established, and development of additional, cooperative research agreements with non-governmental organizations and Federal, State, and local agencies.

Nutrition Education.—The Committee encourages the Secretary of Agriculture to continue the existing Pennsylvania Food Stamp Nutrition Education Program in food pantries and shelters. The Committee also requests that the Department of Agriculture report to Congress on the adequacy and effectiveness of the Pennsylvania demonstration project, and how to increase its effectiveness in conjunction with Federal food commodity distribution. The Committee expects the Department of Agriculture to provide the requested report within 60 days of enactment.

Soybean Rust.—The Committee is concerned about the potential introduction of soybean rust in the continental United States.

Therefore, the Committee urges the Secretary to expedite training of county-based USDA employees and private sector crop scouts and consultants to be able to identify infestation of *Phakopsora pachyrhizi* (soybean rust) in host species, not only soybeans but other vulnerable species such as kudzu and edible beans. The Secretary is urged to establish a streamlined reporting procedure for suspected outbreaks; it is crucial that the appropriate test be conducted quickly so that migration procedures can be initiated if necessary.

Remote Housing.—The Committee is concerned about the lack of housing for Natural Resources Conservation Service [NRCS] employees in remote areas of Alaska not located on the road system. Within 60 days of enactment of this Act, the Secretary, in consultation with the State Conservationist, shall provide the Committee a report detailing the actions necessary to ensure adequate housing for NRCS employees working in remote areas of Alaska. The report shall contain information on the current availability of housing in these areas, the need for such housing, the potential beneficial impact to NRCS program delivery if housing was provided, and the estimated costs to provide housing.

Food Aid Quality.—The Committee encourages the Secretary to work with a nonprofit organization to implement section 3013 of the Farm Security and Rural Investment Act of 2002 (Public Law 107–171) for the Food Aid Quality Enhancement Project, to improve the quality of food commodities purchased by the Department of Agriculture for the government's domestic and foreign food assistance programs.

EXECUTIVE OPERATIONS

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

CHIEF ECONOMIST

Appropriations, 2004	\$8,656,000
Budget estimate, 2005	14,949,000
Committee recommendation	9,817,000

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

COMMITTEE RECOMMENDATIONS

For the Office of the Chief Economist, the Committee recommends \$9,817,000. This amount is \$1,161,000 more than the fis-

cal year 2004 appropriation. The Committee provides \$1,000,000 for preferred procurement and labeling for biobased products.

NATIONAL APPEALS DIVISION

Appropriations, 2004	\$13,589,000
Budget estimate, 2005	14,826,000
Committee recommendation	14,154,000

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

COMMITTEE RECOMMENDATIONS

For the National Appeals Division, the Committee recommends \$14,154,000. This amount is \$565,000 more than the fiscal year 2004 appropriation. The Committee provides \$300,000 for hardware and software modernization, as requested in the budget.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

Appropriations, 2004	\$7,694,000
Budget estimate, 2005	8,146,000
Committee recommendation	8,128,000

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

COMMITTEE RECOMMENDATIONS

For the Office of Budget and Program Analysis, the Committee recommends \$8,128,000. This amount is \$434,000 more than the fiscal year 2004 appropriation.

HOMELAND SECURITY STAFF

Appropriations, 2004	\$496,000
Budget estimate, 2005	1,491,000
Committee recommendation	1,000,000

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

culture-related international civil emergency planning and related activities.

COMMITTEE RECOMMENDATIONS

For the Homeland Security Staff, the Committee recommends \$1,000,000. This amount is \$504,000 more than the fiscal year 2004 appropriation, and includes \$495,000 to continue operations originally funded by counterterrorism/homeland security supplemental funds.

OFFICE OF THE CHIEF INFORMATION OFFICER

Appropriations, 2004	\$15,402,000
Budget estimate, 2005	22,093,000
Committee recommendation	17,595,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends \$17,595,000 for the Office of the Chief Information Officer. This amount is \$2,193,000 more than the fiscal year 2004 appropriation, and includes \$2,000,000 for requested program initiatives such as information systems certification and accreditation and the information survivability program which the CIO determines to be a priority.

Information Technology Expenditures.—The Committee is aware of a recent General Accounting Office report which outlined significant systemic problems with the management of information technology within the Department. The Committee believes that the only way for the Department to address the underlying issues is to ensure that there is a coordinated effort throughout the Department. Therefore, the Committee has included statutory language (section 764) which requires that all expenditures over \$25,000 of funds from any fiscal year for information technology must be approved in writing by the Chief Information Officer.

COMMON COMPUTING ENVIRONMENT

Appropriations, 2004	\$118,585,000
Budget estimate, 2005	136,736,000
Committee recommendation	125,585,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends \$125,585,000 for the Common Computing Environment. This amount is \$7,000,000 more than the fiscal year 2004 appropriation which is for requested program initiatives such as improved information technology security which the CIO determines to be a priority.

The Committee is concerned about the lack of progress in certifying data for counties across the Nation required prior to implementation of the Geographical Information System and encourages the Department to place a high priority on completing this task.

OFFICE OF THE CHIEF FINANCIAL OFFICER

Appropriations, 2004	\$5,650,000
Budget estimate, 2005	8,063,000
Committee recommendation	5,742,000

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

COMMITTEE RECOMMENDATIONS

For the Office of the Chief Financial Officer, the Committee recommends \$5,742,000. This amount is \$92,000 more than the fiscal year 2004 appropriation.

National Finance Center.—The Committee has been informed that the Department of Agriculture's National Finance Center [NFC] proposal for e-payroll consolidation was rated the highest in

the internal competition held by the Office of Management and Budget [OMB] and the Office of Personnel Management [OPM]. The Committee believes that the NFC's demonstrated ability to provide a high level of service while operating on a fee-for-service basis similar to commercial industry provides a significant opportunity to utilize a public/private partnership to provide private sector investment and shared risk in the modernization of systems and infrastructure creation for e-payroll at the NFC. The Committee directs the Department of Agriculture to work with OMB and OPM to investigate the feasibility of creating a public/private partnership to help leverage scarce Federal resources to expand upon the existing e-payroll program to include such functions as automated data processing, cross-servicing capabilities, and other beneficial services to Federal agencies. The Committee further directs that the Secretary provide a feasibility report on this proposal to the Committee by March 1, 2005.

WORKING CAPITAL FUND

Appropriations, 2004	
Budget estimate, 2005	\$12,850,000
Committee recommendation	

The Working Capital Fund was established in the 1944 Appropriations Act. It was created for certain central services in the Department of Agriculture, including duplicating and other visual information services, art and graphics, video services, supply, centralized accounting system, centralized automated data processing system for payroll, personnel, and related services, voucher payments services, and ADP systems. The National Finance Center's expenses are also funded through this fund.

COMMITTEE RECOMMENDATIONS

The Committee is unable to fund the Working Capital Fund in fiscal year 2005 due to budgetary constraints. However, in an effort to continue to address the need for disaster recovery and continuity of operations issues at the National Finance Center, the Committee again includes a General Provision (Section 704) which provides authority for the Secretary to transfer unobligated balances of the Department of Agriculture to the Working Capital Fund.

The Committee notes that funding provided in fiscal year 2003 for disaster recovery and continuity activities for the National Finance Center has not been fully utilized.

OFFICE OF THE ASSISTANT SECRETARY FOR CIVIL RIGHTS

Appropriations, 2004	\$803,000
Budget estimate, 2005	819,000
Committee recommendation	819,000

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

COMMITTEE RECOMMENDATIONS

For the Office of the Assistant Secretary for Civil Rights, the Committee recommends an appropriation of \$819,000. This amount is \$16,000 more than the fiscal year 2004 appropriation and equals the budget request.

Opportunities for Minority Farmers.—The Committee notes the progress being made by the Assistant Secretary for Civil Rights to address long-standing minority farmer issues within the Department. In particular, the Committee congratulates the Assistant Secretary for the recent Memorandum of Understanding which may increase opportunities for minority farmers to provide products to the hospitality industry by providing training, technical assistance, and mentoring. The Committee encourages the Assistant Secretary to continue efforts to be a strong advocate for minority farmers throughout the country.

OFFICE OF CIVIL RIGHTS

Appropriations, 2004	\$17,347,000
Budget estimate, 2005	22,283,000
Committee recommendation	20,347,000

The Office of Civil Rights provides overall leadership responsibility for all Department-wide civil rights activities. These activities include employment opportunity as well as program non-discrimination policy development, analysis, coordination, and compliance. The Office is responsible for providing leadership in facilitating the fair and equitable treatment of Department of Agriculture [USDA] employees, and for monitoring program activities to ensure that all USDA programs are delivered in a non-discriminatory manner. The Office's outreach functions provide leadership, coordination, facilitation, and expertise to internal and external partners to ensure equal and timely access to USDA programs for all constituents, with emphasis on the underserved, through information sharing, technical assistance, and training.

COMMITTEE RECOMMENDATION

For the Office of Civil Rights, the Committee recommends an appropriation of \$20,347,000. This amount is \$3,000,000 more than fiscal year 2004. The Committee notes that the Office of Civil Rights has received substantial increases in funding and staff levels in recent years to improve efficiencies, including caseload reduction.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

Appropriations, 2004	\$669,000
Budget estimate, 2005	808,000
Committee recommendation	682,000

The Office of the Assistant Secretary for Administration directs and coordinates the work of the departmental staff in carrying out the laws enacted by the Congress relating to real and personal property management, personnel management, ethics, and other general administrative functions. In addition, the Office of the Assistant Secretary for Administration is responsible for certain ac-

tivities financed under the Department's working capital fund (7 U.S.C. 2235).

COMMITTEE RECOMMENDATIONS

For the Office of the Assistant Secretary for Administration, the Committee recommends \$682,000. This amount is \$13,000 more than the fiscal year 2004 appropriation.

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

Appropriations, 2004	\$155,546,000
Budget estimate, 2005	203,938,000
Committee recommendation	170,870,000

Rental Payments.—Annual appropriations are made to finance the appropriated portion of the payments to the General Services Administration [GSA] for rental of space and for related services to all USDA agencies, except the Forest Service, which is funded by another appropriations bill.

The requirement that GSA charge commercial rent rates to agencies occupying GSA-controlled space was established by the Public Buildings Amendments of 1972. The methods used to establish commercial rent rates in GSA space follow commercial real estate appraisal practices. Appeal and rate review procedures are in place to assure that agencies have an opportunity to contest rates they feel are incorrect.

Building Operations and Maintenance.—On October 1, 1984, the General Services Administration [GSA] delegated the operations and maintenance function for the buildings in the D.C. complex to the Department. This activity provides departmental staff and support services to operate, maintain, and repair the buildings in the D.C. complex. GSA expanded the delegation to include two additional buildings on October 1, 1986. One building is the Government-owned warehouse for forms in Lanham, MD, and the other is a leased warehouse for the excess property operation located at 49 L Street SW, Washington, DC. GSA retains responsibility for major nonrecurring repairs. In fiscal year 1999, USDA began operations and maintenance of the Beltsville office facility.

Strategic Space Plan.—The Department's headquarters staff is presently housed in a four-building Government-owned complex in downtown Washington, DC, and in leased buildings in the Metropolitan Washington, DC, area. In 1995, USDA initiated a plan to improve the delivery of USDA programs to the American people, including streamlining the USDA organization. A high-priority goal in the Secretary's plan is to improve the operation and effectiveness of the USDA headquarters in Washington, DC. To implement this goal, a strategy for efficient reallocation of space to house the restructured headquarters agencies in modern and safe facilities has been proposed. This USDA strategic space plan will correct serious problems USDA has faced in its facility program, including the inefficiencies of operating out of scattered leased facilities and serious safety hazards which exist in the Agriculture South Building.

COMMITTEE RECOMMENDATIONS

For U.S. Department of Agriculture buildings and facilities and payments for the rental of space and related services, the Committee recommends \$170,870,000. This amount is \$15,324,000 more than the fiscal year 2004 appropriation, and includes \$5,000,000 in the building operations and maintenance account for requested program initiatives such as homeland security requirements and Fair Labor Standards Act requirements.

The following table reflects the Committee's specific recommendations for this account as compared to the fiscal year 2004 and budget request levels:

[In thousands of dollars]

	2004 enacted	2005 budget request	Committee recommendation
Rental Payments	123,179	128,319	128,319
Building Operations	32,367	41,642	37,551
Strategic Space Plan		33,977	5,000
Total	155,546	203,938	170,870

HAZARDOUS MATERIALS MANAGEMENT

Appropriations, 2004	\$15,519,000
Budget estimate, 2005	15,730,000
Committee recommendation	15,532,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends \$15,532,000 for hazardous materials management. This amount is \$13,000 more than the fiscal year 2004 appropriation.

DEPARTMENTAL ADMINISTRATION

Appropriations, 2004	\$22,895,000
Budget estimate, 2005	26,361,000
Committee recommendation	22,626,000

Departmental administration is comprised of activities that provide staff support to top policy officials and overall direction and coordination of administrative functions of the Department. These activities include departmentwide programs for human resource management, ethics, occupational safety and health management, real and personal property management, procurement, contracting, motor vehicle and aircraft management, supply management, civil rights and equal opportunity, participation of small and disadvantaged businesses and socially disadvantaged farmers and ranchers in the Department's program activities, emergency preparedness, small and disadvantaged business utilization, and the regulatory

hearing and administrative proceedings conducted by the Administrative Law Judges and Judicial Officer. Departmental administration also provides administrative support to the Board of Contract Appeals. Established as an independent entity within the Department, the Board adjudicates contract claims by and against the Department, and is funded as a reimbursable activity.

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

COMMITTEE RECOMMENDATIONS

For Departmental Administration, the Committee recommends an appropriation of \$22,626,000. This amount is \$269,000 less than the fiscal year 2004 appropriation.

OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS

Appropriations, 2004	\$3,774,000
Budget estimate, 2005	4,263,000
Committee recommendation	3,852,000

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

COMMITTEE RECOMMENDATIONS

For the Office of the Assistant Secretary for Congressional Relations, the Committee recommends an appropriation of \$3,852,000. This amount is \$78,000 more than the fiscal year 2004 appropriation.

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

OFFICE OF COMMUNICATIONS

Appropriations, 2004	\$9,174,000
Budget estimate, 2005	10,288,000
Committee recommendation	9,365,000

The Office of Communications provides direction, leadership, and coordination in the development and delivery of useful information through all media to the public on USDA programs. The Office

serves as the liaison between the Department and the many associations and organizations with an interest in USDA's mission areas.

COMMITTEE RECOMMENDATIONS

For the Office of Communications, the Committee recommends an appropriation of \$9,365,000. This amount is \$191,000 more than the fiscal year 2004 appropriation.

OFFICE OF THE INSPECTOR GENERAL

Appropriations, 2004	\$76,825,000
Budget estimate, 2005	78,392,000
Committee recommendation	78,289,000

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

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

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

COMMITTEE RECOMMENDATIONS

For the Office of Inspector General, the Committee recommends an appropriation of \$78,289,000. This amount is \$1,464,000 more than the fiscal year 2004 appropriation. The Committee provides the fiscal year 2004 level for OIG to continue to address violations of section 26 of the Animal Welfare Act (7 U.S.C. 2156) and to coordinate with State and local law enforcement personnel in this effort.

OFFICE OF THE GENERAL COUNSEL

Appropriations, 2004	\$34,495,000
Budget estimate, 2005	38,589,000
Committee recommendation	36,236,000

The Office of the General Counsel provides all legal advice, counsel, and services to the Secretary and to all agencies, offices, and corporations of the Department. The Office represents the Department in administrative proceedings; non-litigation debt collection

proceedings; State water rights adjudications; proceedings before the Environmental Protection Agency, Interstate Commerce Commission, Federal Maritime Administration, and International Trade Commission; and, in conjunction with the Department of Justice, in judicial proceedings and litigation.

COMMITTEE RECOMMENDATIONS

For the Office of the General Counsel, the Committee recommends an appropriation of \$36,236,000. This amount is \$1,741,000 more than the fiscal year 2004 appropriation to meet the initiatives included in the budget request. The Committee provides an increase of \$1,000,000 for requested program initiatives, such as additional legal services and support staff, information technology, and subscription renewals.

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

Appropriations, 2004	\$592,000
Budget estimate, 2005	805,000
Committee recommendation	605,000

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

COMMITTEE RECOMMENDATIONS

For the Office of the Under Secretary for Research, Education, and Economics, the Committee recommends an appropriation of \$605,000. This amount is \$13,000 more than the fiscal year 2004 appropriation.

The Committee directs the Under Secretary to provide by March 1, 2005, a feasibility study regarding the establishment of a supercomputing facility dedicated to agricultural and allied research. The study should review current supercomputing access for agricultural researchers, evaluate the need for a dedicated facility, discuss potential benefits to agricultural research, estimate establishment and recurring operational costs, and other pertinent information.

The Committee notes the need to enhance awareness of animal disease outbreaks, whether intentional or naturally occurring, which could spread with devastating consequences to the national economy and international trade. In order to strengthen professional capabilities, and as an element of homeland security, the Committee encourages that resources available through education programs related to animal health, and veterinary sciences in particular, include components that focus on this growing area of national and international concern. The Committee expects that related research findings will be properly forwarded to institutions of higher learning and especially to accredited schools of veterinary medicine.

Section 7404(a)(2) of the Farm Security and Rural Investment Act of 2002 (Public Law 107–171) established a task force to evaluate the merits of creating a National Institute for Plant and Agricultural Sciences. The challenge of this task force is to determine whether the National Institutes of Health [NIH] would be an appropriate model for advanced plant and agricultural research which would supplement existing USDA research programs. The Committee looks forward to reviewing the conclusions reached by the task force.

ECONOMIC RESEARCH SERVICE

Appropriations, 2004	\$70,981,000
Budget estimate, 2005	80,032,000
Committee recommendation	75,268,000

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

COMMITTEE RECOMMENDATIONS

For the Economic Research Service, the Committee recommends an appropriation of \$75,268,000. This amount is \$4,287,000 more than the fiscal year 2004 appropriation, and includes \$4,000,000 for requested program initiatives such as the food market surveillance system. The Committee directs that no less than \$500,000 be used for the collection of information on the financial condition, production practices, resources used, and economic well-being of organic farming households.

NATIONAL AGRICULTURAL STATISTICS SERVICE

Appropriations, 2004	\$128,161,000
Budget estimate, 2005	137,594,000
Committee recommendation	130,299,000

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

The Service is also responsible for administration of the Census of Agriculture, which was transferred from the Department of Commerce to the Department of Agriculture in fiscal year 1997 to consolidate agricultural statistics programs. The Census of Agriculture is taken every 5 years and provides comprehensive data on the agricultural economy including: data on the number of farms, land use, production expenses, farm product values, value of land and buildings, farm size and characteristics of farm operators, market

value of agricultural production sold, acreage of major crops, inventory of livestock and poultry, and farm irrigation practices.

COMMITTEE RECOMMENDATIONS

For the National Agricultural Statistics Service, the Committee recommends an appropriation of \$130,299,000. This amount is \$2,138,000 more than the fiscal year 2004 appropriation, and includes \$3,500,000 for requested program initiatives such as agricultural estimates and information technology security. Also included in this amount is \$22,405,000 for the Census of Agriculture.

The Committee encourages NASS to conduct Monthly Hogs and Pigs Inventory reporting, and Barrow and Gilt Slaughter reporting. The Committee also expects that the potato objective yield survey will be continued. The Committee also encourages NASS to use any available funding to ensure that timely, accurate, and useful statistics are provided for the organic industry.

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

Appropriations, 2004	\$1,082,468,000
Budget estimate, 2005	987,597,000
Committee recommendation	1,090,261,000

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

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

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

The mission of ARS research is to develop new knowledge and technology which will ensure an abundance of high-quality agricultural commodities and products at reasonable prices to meet the increasing needs of an expanding economy and to provide for the continued improvement in the standard of living of all Americans. This mission focuses on the development of technical information and technical products which bear directly on the need to: (1) manage and use the Nation's soil, water, air, and climate resources, and improve the Nation's environment; (2) provide an adequate supply of agricultural products by observing practices that will maintain a sustainable and effective agriculture sector; (3) improve the nutri-

tion and well-being of the American people; (4) improve living in rural America; and (5) strengthen the Nation's balance of payments.

COMMITTEE RECOMMENDATIONS

For salaries and expenses of the Agricultural Research Service, the Committee recommends \$1,090,261,000. This is \$7,793,000 more than the 2004 level.

The Committee recognizes the need to ensure that the citizens of this Nation have a safe food supply, whether contaminations are intentional or unintentional. The Committee has provided the following amounts in the ARS salaries and expenses account for the Food and Agriculture Defense Initiative: \$7,200,000 for food safety research, \$3,000,000 for control of exotic and emerging diseases of animals, \$2,000,000 for control of exotic and emerging diseases of plants, and \$3,000,000 for the national plant disease recovery system.

The Committee concurs with the Department's initiative to promote a healthier lifestyle for the Nation's population, and to address the obesity epidemic in the United States. Therefore, the Committee directs that the funding for diet, nutrition, and obesity research carried out by ARS at the Pennington Biomedical Research Center, as well as funding at the Human Nutrition Center for the Aging, Tufts University, which are proposed for termination in the fiscal year 2005 budget request, be restored at the fiscal year 2004 levels to finance these important nutrition and obesity research programs.

For fiscal year 2005, the Committee recommends funding increases, as specified below, for ongoing research activities. The remaining increase in appropriations from the fiscal year 2005 level is to be applied to pay and related cost increases to prevent the further erosion of the agency's capacity to maintain a viable research program at all research locations.

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

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

The Committee has again included statutory language to return to Colorado State University land which was conveyed to the Agricultural Research Service on February 1, 1966. This land is no longer being used by ARS. This transfer is expected to be completed in fiscal year 2005.

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

Agricultural Genome Bioinformatics.—The Committee provides an increase of \$250,000 above the fiscal year 2004 funding level to enhance work on the Bioinformatics Institute for Model Plant Species at the National Center for Genome Resources in New Mexico, as authorized in Section 227 of the Agriculture Risk Protection Act (Public Law 106–224).

Agricultural Law, Drake University.—The Committee continues the fiscal year 2004 funding level for support of a national center focusing on State and local food and agricultural law and policy. Drake University in Des Moines, Iowa, is highly qualified to serve as the location of the center.

Agriculture and Food System Security.—The Committee supports the efforts of USDA in implementing a national policy for defending the agriculture and food systems against terrorist attacks, as described in the Homeland Security Presidential Directive 9 [HSPD–9]. The Committee encourages USDA and ARS to consider the Illinois Institute of Technology [IIT] and its National Center for Food Safety and Technology (National Center) in implementing relevant tasks within HSPD–9. IIT and the National Center have been developing new counterterrorism technologies designed to contribute to detection of biological and chemical agents, screening and inspection of imported agricultural and food items, and recovery, disposal, and decontamination systems.

Air Quality Research.—Agricultural operations produce a variety of particulates and gases that influence air quality. Agriculture, through wind erosion, tillage and harvest operations, burning, diesel-powered machinery and animal operations, is a source of particulate matter that can cause pulmonary problems to humans. While extensive regulatory measures have severely impacted agricultural production efficiencies, continuing urban expansion into high production regions have exacerbated the need for producers to further modify effective production practices to reduce harmful emissions.

The Committee recognizes that expanded research is needed to quantify these emissions, determine emission factors, and to develop management practices for producers to address this problem. The Committee provides an increase of \$250,000 above the fiscal year 2004 funding level for collaborative research with Utah State University's Space Dynamics Laboratory [SDL] to develop and evaluate sensors, protocols, and statistical procedures that accurately measure particulates and gaseous emissions from agriculture operations.

Alternative Crops and Value-Added Products.—The Committee is aware that alternative crops and value-added products provide potential opportunities to enhance profitability. Niche marketing of agriculture products displaying “identity-preserved” traits have received premiums in the marketplace. The Committee continues the fiscal year 2004 funding level for alternative and value-added products.

Animal Waste Treatment.—Animal production, a major component of the U.S. agricultural economy, is at risk because of both real and perceived animal environmental programs. Dramatic advancements are required to protect the environment, save the vital animal industry, and maintain food security in the United States. The USDA–ARS facility at Florence, SC, and its cooperators are

leaders in this effort. The Committee provides an increase of \$50,000 above the fiscal year 2004 funding level to enhance this effort.

Appalachian Fruit Research Station.—The Committee recognizes the importance of the fruit research program carried out at the Appalachian Fruit Research Station in Kearneysville, WV, and continues the fiscal year 2004 funding level for essential staffing to support the station's ongoing research to identify new alternatives for chemical control of insects, and to develop disease-resistant trees.

Appalachian Horticulture Research.—Ornamental horticulture, floriculture and nursery crops, collectively constitute the third most important crop in the United States, surpassed only by corn and soybeans, with an average estimated value of more than \$11,000,000,000 a year. Tennessee has a vibrant nursery industry and a growing floriculture industry. The Committee provides an increase of \$250,000 above the fiscal year 2004 funding level for collaborative research with the University of Tennessee and Tennessee State University, including efforts to develop resistant genes in dogwoods and other woody ornamentals, new tissue culture techniques, and techniques to enable rapid deployment of new cultivars for the marketplace.

Appalachian Pasture-Based Beef Systems.—The Committee is aware of the benefits to be derived from the pasture-raised beef research program currently underway at the ARS Appalachian Farming Systems Research Center located in Beaver, WV. The research partnership, which includes West Virginia University, Virginia Tech, and ARS, is targeted to Appalachian cattle farmers. The Committee continues the fiscal year 2004 funding level for this research, which will ensure the economic viability of these farmers and conserve and protect the region's environment.

Aquaculture Research.—The Committee provides an increase of \$250,000 above the fiscal year 2004 funding level to continue development of grain-based products for use in fish feeds, human food, and industrial products from novel cultivars of barley and oats in cooperation with the University of Idaho Hagerman Fish Culture Experiment Station in Hagerman, ID.

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

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

scientists develop ways to mass-produce the best fungi and apply them in the field to stimulate crop growth and yield. The Committee provides an increase of \$87,000 which shall be directed to the Rodale Institute's Farming Systems Trial for fungi research.

Arid Lands Research.—The challenges for agricultural production and natural resource management in the desert Southwest and adjoining border regions are immense. Technologies for arid land agriculture are needed for the remediation of arid and semi-arid rangelands, sustainable agriculture production for growers of irrigated cotton and selected crops, and the restoration of disturbed lands. The Committee continues the fiscal year 2004 funding level for research in rangeland resource management, irrigated farming technology, and environmental horticulture at the Jornada Experimental Range Station at Las Cruces, NM.

Arkansas Children's Nutrition Center, Little Rock, AR.—The Committee notes the importance of optimizing the nutrition and health of children from conception through adolescence. The Center is leading major research efforts to understand the relationship between chronic disease and diet, genetics, and lifestyle. The Committee provides an increase of \$250,000 above the fiscal year 2004 funding level for investigations on these issues.

Biological Control Research.—The Committee has been impressed by results of the various approaches which have been taken by the Jamie Whitten Delta States Research Center in the area of biological controls of cotton insect pests. The economic and environmental benefits of this research could eventually reduce the vulnerability of crops to major insect pests and create alternatives to traditional crop protection methods. The Committee continues funding for this project at the fiscal year 2004 funding level.

Biomass Crop Production.—The Committee continues the fiscal year 2004 level for cooperative research between ARS and South Dakota State University to further investigate the applicability of using a method of fiber extrusion to dry and process wet distiller grains from ethanol production into high value feed for cattle, as well as conversion to increased ethanol production.

Biomedical Materials in Plants.—Increased research is needed to carry out studies on tobacco and other plants as a medium to produce vaccines and other biomedical products for the prevention of many human and animal diseases. The Committee continues the fiscal year 2004 funding level for cooperative research with the Biotechnology Foundation.

Biotechnology Research and Development Corporation.—The Committee directs the agency to continue its support of the Biotechnology Research and Development Corporation's research on both plants and animals at the fiscal year 2004 level.

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

transmitted electronically, and analyzed. The Committee continues the fiscal year 2004 funding level at Stoneville, MS, to support cooperative research in genomics and bioinformatics and in the use of biophotonics for the imaging of animal physiological processes at the cellular level.

Broiler Production in the Mid South.—Reduced broiler production costs are essential for the industry to increase net profit and remain competitive internationally. The Committee recognizes the importance of the cooperation between the ARS Poultry Research Unit and the Mississippi Agricultural and Forestry Experiment Station at Mississippi State. This cooperation has resulted in improved bird nutrition, control of mycoplasma disease with vaccines, and overall health, vigor, and growth of the birds through improved housing environmental controls. The Committee continues the fiscal year 2004 funding level for cooperative research on reducing ammonia levels in poultry litter, improving environmental controls, and reducing mortality in broiler flocks.

Cacao Germplasm.—The Committee is aware of the climatic differences encountered in maintaining cacao germplasm at the ARS facility in Florida and is also aware of the sharp increase in commercial planting of cacao in Hawaii. The Committee recommends that ARS consider moving its cacao germplasm collection to the Pacific Basin Agricultural Research Center to take advantage of the more compatible cacao growing conditions at this location and to provide the applied research support needed by Hawaii's emerging chocolate industry.

Canada Thistle.—The Committee recognizes the importance of controlling and eradicating the Canada thistle, a noxious, invasive weed that has surpassed leafy spurge in infested acreage in North Dakota. The Committee continues the fiscal year 2004 funding level to carry out research experiments to examine the population genetics and biology of Canada thistle and to combat this weed in North Dakota and surrounding States. The research is to be conducted at the ARS research facility at Fargo, ND.

Catfish Genome Research.—Catfish is the major aquaculture species in the United States, accounting for 68 percent of all aquaculture production. The catfish industry has been steadily growing for decades and has strong potential for continued growth. To keep this industry competitive in the global market, the Committee provides an increase of \$250,000 above the fiscal year 2004 funding level for catfish genome research at Auburn University.

Catfish Health.—Disease-causing bacteria, viruses, and parasites threaten the economic viability of the Nation's billion dollar catfish industry. Rapid expansion of the U.S. channel catfish industry increases the vulnerability of the industry to outbreaks of diseases and parasites. Research urgently is needed to identify disease vectors, modes of transmission, life cycles and methods for controlling catfish diseases caused by parasites, fungi, bacteria, and viruses. A thorough understanding of the impact of environmental factors on disease will lead to improved management practices for conventional catfish culture in earthen ponds. The Committee continues the fiscal year 2004 funding level for the comprehensive catfish health research program based at the Stoneville, MS, National Warmwater Aquaculture Center. This Center is strategically lo-

cated in the mid-delta, proximal to the vast majority of the U.S. commercial catfish farming acreage and already has a critical mass of scientists, facilities, and instrumentation addressing the disease issue. Ongoing research in genomics and breeding can be expanded to select for fish with disease and parasite resistance, but additional scientists, including a parasitologist and virologist, are required for a comprehensive disease and parasite genetic resistance research program.

Center for Food Safety and Postharvest Technology.—The Committee is aware of the significance of the research currently underway relating to catfish and other food products at the Mississippi Center for Food Safety and Postharvest Technology and continues the fiscal year 2004 funding level for research on shellfish safety and methods of decreasing risks to consumers.

Central Great Plains Research Station.—This is the only ARS station conducting research aimed at solving dryland production problems in Colorado, Nebraska, Kansas, and Wyoming. The Committee provides an increase of \$50,000 above the fiscal year 2004 funding level to the Central Great Plains Research Station at Akron, CO, for research on extensive crop rotation strategies. Research will focus on biological diversity to reduce weed, disease, and insects inherent in single crop rotation and utilize a complete systems approach to quantify comparative yield benefits under various rotation schemes.

Cereal Disease Research.—The Committee continues the fiscal year 2004 funding level to support the core group of scientists currently performing research at the Cereal Disease Research Laboratory, St. Paul, Minnesota.

Children's Nutrition Research Center.—The Children's Nutrition Research Center at the Baylor College of Medicine, Houston, TX, has helped define the role of nutrition in children's health, growth, and development; contributed to nutritional guidelines used by physicians, parents, and others responsible for the care and feeding of children, and is unique in its ability to address a broad array of children's nutritional issues. The Committee continues the fiscal year 2004 funding level for increased investigation of the nutritional needs of pregnant and nursing women, and children from conception to adolescence, at the Children's Nutrition Research Center, Houston, TX.

Chronic Wasting Disease [CWD].—In order to reduce livestock losses and to improve efficiency of production, it is important to eradicate transmissible spongiform encephalopathies [TSE] in domestic animals. Scrapie of sheep and goats, bovine spongiform encephalopathies [BSE] and chronic wasting disease [CWD] of deer and elk are classes of TSE's of ruminant animals and are fatal diseases that can affect both animals and humans. The Committee continues the fiscal year 2004 funding level to the Animal Disease Laboratory, Pullman, WA, and the National Animal Disease Laboratory, Ames, IA, for urgent research on CWD.

Coffee and Cocoa.—The disease resistance and alternative crop research program for coffee and cocoa has important economic benefits and implications for foreign policy goals in South Central America and West Africa. As a globally marketable cash crop, cocoa can provide an alternative, environmentally beneficial choice for

small farmers and an incentive to Andean farmers to abandon illegal crops for those that can provide stable long-term economic benefit. Cocoa is produced primarily by small farmers in the tropics of South Central America and West Africa that is also under severe disease pressure which threatens the stability of world supply of cocoa and the economies of other cocoa-producing nations. The Committee continues the fiscal year 2004 funding level to fully realize the research potential of coffee and cocoa as alternatives to illegal crops.

Corn Germplasm.—Corn is a key resource in Iowa and throughout the world, providing food, industrial uses, livestock feed and export. It is important to broaden the germplasm base of corn hybrids grown by American farmers to establish genetic diversity and stability in corn production. The Committee provides an increase of \$100,000 above the fiscal year 2004 funding level for the ARS Corn Germplasm Research Laboratory at Ames, Iowa for research to increase the productivity and genetic diversity of maize grown in the United States.

Corn Resistant to Aflatoxin.—Contamination of corn by aflatoxin limits corn production in the southern United States. Understanding the corn genome and where the genes for resistance are located on the genome will accelerate the plant breeding process leading to resistant corn lines. The Committee recognizes the progress already made in the discovery and transfer of aflatoxin-resistant corn germplasm to commercial seed companies as a result of the cooperation between the Mississippi Agricultural and Forestry Experiment Station and the ARS Corn Host Plant Resistance Research Unit at Mississippi State. The Committee continues the fiscal year 2004 funding level at Mississippi State to continue this cooperative research on the development of corn plants resistant to aflatoxin.

Cotton Genetics Research.—Global competition in the textile industry has caused domestic textile manufacturers to adopt more efficient cotton farm spinning technologies. These new technologies require higher fiber strength to operate resistance to nematodes and insect pests that annually inflict significant losses to the cotton industry. There is a need to broaden the genetic base of cotton germplasm with fiber properties that will meet today's more efficient yarn spinning machines, as well as cotton varieties with improved host resistance to insects and pathogens. The Committee continues the fiscal year 2004 funding level for cotton genetics research.

Cotton Genomics, Breeding, and Variety Development.—The Committee recognizes the progress that has been made through the cooperative efforts of the ARS and the Mississippi Agricultural and Forestry Experiment Station at Stoneville, MS, in the research, development, and transfer of improved cotton germplasm to the cotton industry. This cooperative research must incorporate new genetic material into agronomically-acceptable varieties and to transfer reniform nematode and other pest resistance into improved cotton lines. The Committee continues the fiscal year 2004 funding level for the public cotton breeding program conducted by ARS at Stoneville, MS.

Cotton Ginning Laboratory.—The Committee continues the fiscal year 2004 funding level for ARS cotton ginning research.

Cropping Systems Management.—Crop management practices to limit erosion on the highly erodible soils of Tennessee and other southern States impacts soybean diseases, both favorably and adversely. Research is needed to optimize disease control while maintaining the best crop management practices to protect soil and water quality. The Committee provides an increase of \$50,000 above the fiscal year 2004 funding level for cropping systems research at the University of Tennessee and the West Tennessee Agriculture Experiment Station.

Dairy Forage Research.—The Committee recognizes the important research on dairy forage carried out by ARS at the U.S. Dairy Forage Research Center in Madison, WI. The Committee provides an increase of \$450,000 above the fiscal year 2004 funding level for expanded dairy forage research at the center.

Delta Nutrition.—The Committee provides an increase of \$100,000 above the fiscal year 2004 funding level for nutrition activities through a cooperative agreement with the Southern University Center for Food Nutrition and Health Promotion in Louisiana. This funding will advance research to assess the human health and nutrition status of underserved rural communities.

Ecology of Tamarix.—Tamarix (salt cedar) are woody invasive plants which threaten aquatic systems by consuming large amounts of water, out competing native vegetation like willow and cottonwood trees for water. It is a serious problem in Nevada, California, Colorado, Texas, and other Western States. The Committee is aware of the ARS biocontrol field trials on China beetles to eradicate tamarix and continues the fiscal year 2004 funding level for research on tamarix control using China beetles and other biocontrols, and to continue research on cheat grass at the ARS research station in Reno, NV.

Fish Disease Research.—The development of safe and effective vaccines for prevention of disease in catfish is essential to the growth of the catfish industry. There are currently only a number of approved therapeutic compounds available for farmers to heal diseases of fish. Vaccinations, successful in other animals, appear to be the best means of preventing diseases. The Committee continues the fiscal year 2004 funding level at the ARS Fish Disease and Parasitic Research Laboratory at Auburn, AL, for increased research on the development of commercially approved vaccines for catfish.

Floriculture and Nursery Research.—Nursery and greenhouse products rank third in production in the Nation. As the public demands more plants and trees to help clean the air, prevent water runoff and soil erosion, and improve water conservation and quality, the nursery industry is playing an expanding and significant role in enhancing environmental quality. The Committee continues the fiscal year 2004 funding level for floriculture and nursery research aimed at reducing chemical use, improved post-harvest life of flowers and plants, disease and pest resistant flowers and plants, control of root diseases, robotics research, and control of run-off from greenhouse and nursery operations.

Food Safety and Engineering.—The Committee continues the fiscal year 2004 funding level for increased collaborative research with Purdue University in the area of food safety and engineering.

Forage and Range Research.—The Committee recognizes the important research being carried out by ARS at the Forage and Range Research Laboratory, Logan, UT. The research program seeks to develop and improve range and pasture plants, reinvigorate disturbed and over-used rangelands, effect revegetation following wild fires, combat invasive weeds, and provide improved forages for livestock. The Committee continues the fiscal year 2004 funding level for research required to develop range and pasture plant varieties, and provides an increase of \$250,000 to support the creation of a turfgrass geneticist research position.

Formosan Subterranean Termite.—The management of this termite is essential to Louisiana economic well-being. This termite has infested 32 parishes in Louisiana, with the most severe infestations occurring in the New Orleans and Lake Charles areas. This insect has caused millions of dollars worth of damage with an astonishing \$300,000,000 impact in New Orleans alone. The Committee continues the fiscal year 2004 funding level to the Southern Regional Research Center at New Orleans, LA, for research efforts focusing on improved termite detection systems, evaluation of wood products for protecting building materials, and enhancement of bait technology.

The Committee also recognizes the University of Mississippi's ongoing research and development efforts to assist USDA entomologists who are focused on the reduction of Formosan subterranean termites. The National Center for Physical Acoustics at the University of Mississippi plays a unique role in development and application of acoustic detection methods for accurately locating Formosan termites in structures of the French Quarter in New Orleans. Accurate detection is an important aspect in control of these insects. The Committee continues the fiscal year 2004 funding level for continued research and development in the use of insect acoustics.

Glassy-Winged Sharpshooter.—The Committee continues to be concerned about the serious costs that the Glassy-winged sharpshooter [GWSS] and Pierce's disease [PD] inflict on U.S. vineyards. Citrus and nursery stock growers now have costly new shipping requirements to inspect and treat plants and crops to curb the spread of GWSS-PD. The Committee continues the fiscal year 2004 funding level to the ARS Parlier, CA, laboratory to continue its research efforts and collaborations to control and eradicate this devastating carrier and disease.

Grand Forks Human Nutrition Laboratory.—Research is needed to study rural health problems related to diet in the Northern Great Plains. Particular emphasis will be given to the diets of Native Americans and the rural elderly. The Committee provides an increase of \$150,000 above the fiscal year 2004 level for the Grand Forks Human Nutrition Lab to work with the Northern Great Plains Research Laboratory, Mandan, ND, the University of North Dakota and North Dakota State University on a healthy beef initiative.

Great Lakes Aquaculture Research.—The Committee recognizes the important research studies that ARS carries out nationwide that benefit the aquaculture industry and the American consumer. There is a great need for expanded fundamental and applied research to improve production technology of Great Lakes species such as whitefish, lake trout, yellow perch walleye, and northern pike. The Committee continues the fiscal year 2004 funding level for a cooperative program with the Great Lakes Aquaculture Center to support this research.

Harry Dupree National Aquaculture Research Center.—Arkansas leads the Nation in raising hybrid striped bass, as well as in producing 80 percent of the Nation's baitfish and other food fishes. The Committee understands that this Center plays a significant role in meeting the needs of the U.S. aquaculture industry by conducting research aimed at improving yields, food quality, disease control, and stress tolerance. The Committee continues the fiscal year 2004 funding level for increased research on the genetic improvement of hybrid striped bass.

Hawaii Agriculture Research Center.—The Committee continues the fiscal year 2004 funding level for the Hawaii Agriculture Research Center to enhance the competitiveness of U.S. sugarcane producers and to continue to support the expansion of new crops and products, including those from agroforestry, to complement sugarcane production in Hawaii.

Hides and Leather Research.—The USDA's only hides and leather research is carried out at the Eastern Regional Research Center in Wyndmoor, PA. The research provides the hides and leather industry with cost-effective and environmentally safe tanning processes which will enhance U.S. producers' competitiveness in world markets. The Committee provides an increase of \$150,000 above the fiscal year 2004 funding level for this research.

Hops Research.—The Committee is aware of the importance of research to the hops industry in the Pacific Northwest. Hops are grown commercially in Oregon, Washington, and Idaho. The Committee continues the fiscal year 2004 funding level for research on powdery mildew that has caused widespread devastation to the hops production in the Northwest, to be carried out at the ARS research station at Corvallis, OR.

Human Nutrition Research Center on Aging [HNRCA].—The HNRCA at Tufts University is one of six USDA research centers that study the effects of human nutrition on health. The program at HNRCA requires additional resources to maintain existing research. Not only are core instruments becoming increasingly obsolete, unreliable, and cost-prohibitive to repair, researchers in the new laboratories have no access to relatively new technologies. Therefore, the Committee provides an increase of \$200,000 above the fiscal year 2004 funding level for new laboratory equipment.

Improved Animal Waste Management.—The Committee understands the need for additional research to find new and economical treatments to eliminate animal wastes. The ARS research station at Florence, SC, is investigating alternative treatments and techniques to respond to this major problem in swine production. The Committee continues the fiscal year 2004 funding level for this research.

Improved Crop Production Practices.—The Committee continues the fiscal year 2004 funding level for cooperative projects at Auburn University, Tuskegee, and A&M working on integration of conservation tillage precision agriculture, and management of poultry litter. The Committee provides an increase of \$250,000 above the fiscal year 2004 funding level for Auburn University to modernize the soil testing lab and develop web-based access information systems for producers.

Improved Forage-Livestock Production.—This joint research project with the University of Kentucky focuses on enhancing the sustainability of forage-based farming systems. The research ranges from the molecular level to whole organism levels, and seeks to apply the best plant and animal technologies to promote animal health and profitability while preserving the environment. This program supported the landmark discovery that caterpillars were the vectors for Mare Reproductive Loss Syndrome. The Committee provides an increase of \$180,000 to expand this research.

Integrated Farming Systems.—The Committee understands that Integrated Farming Systems represents the agriculture operation in its entirety, including finances, natural resources and off-farm environmental impacts. The National Soil Tilth Laboratory in Ames, IA, conducts this research with special emphasis on nutrient management. The Committee continues the fiscal year 2004 funding level.

Irrigated Cropping Systems in the Mid-South.—Irrigation in the Mid-South United States is essential for economically sustainable crop production systems. Growers cannot tolerate the risk associated with sporadic rainfall. The Committee continues the fiscal year 2004 funding level for cooperative research by ARS and the Mississippi Agricultural and Forestry Experiment Station at Stoneville, focusing on reducing plant stress, ameliorating the field environment, and managing water resources.

Johne's Disease (Bovine Paratuberculosis).—Johne's is a contagious disease that causes chronic wasting or debilitating enteritis and eventual death in cattle, sheep, goats, deer and other wild and domestic ruminants. Infected animals intermittently shed the microorganisms into milk and feces. Infection is difficult to diagnose because of the fastidious, slow growth of the microorganisms and the poor reliability of the sero-diagnostic tools. Additional research is needed to develop improved diagnostics and vaccines, and better understanding of the pathogenicity of the organism. The Committee continues the fiscal year 2004 funding level for research to control this devastating disease affecting this Nation's beef and dairy industries.

Karnal Bunt.—The Committee is aware of the significant threat karnal bunt poses to the U.S. wheat industry and U.S. wheat exports. To aid in development of karnal bunt resistance and control methods, the Committee continues the fiscal year 2004 funding level for research in this area. The Committee expects ARS to work with Kansas State University to establish a consortium in Manhattan, KS, that will work with other land grant universities in this research area.

Livestock and Range Research.—The Committee recognizes the threat to long-term sustainability of the Northern Great Plains

range livestock industry from infestations of noxious weeds such as leafy spurge and spotted knapweed. The objective of the Fort Keogh, MT, station is to develop low-input rangeland management strategies that impede or control the spread of noxious weeds into native rangelands and planted pastures. The Committee continues the fiscal year 2004 funding level. Further, the Committee provides an increase of \$100,000 above the fiscal year 2004 funding level to enhance the beef cattle molecular genomics program. This funding will allow ARS to hire two additional laboratory technicians to accelerate processing and analysis of DNA samples and to enhance the functional genetics program at Miles City, Montana.

Livestock Genome Sequencing.—The Committee continues the fiscal year 2004 funding level for the U.S. Meat Animal Research Center at Clay Center, NE, for genomics research to identify the genes that influence disease resistance, reproduction, nutrition, and other economically important traits in livestock. This research is to be performed in collaboration with the University of Illinois.

Malignant Catarrhal Fever [MCF] Virus.—The Committee acknowledges the importance of research for the sheep-associated virus, Malignant Catarrhal Fever [MCF], infecting small ruminants. The Committee continues the fiscal year 2004 funding level for research on the development of vaccines critical to the systematic eradication of MCF virus in small ruminants at the ARS laboratory at Pullman, WA, in cooperation with the ARS sheep station at Dubois, ID, and Washington State University.

Michael Fields Agricultural Institute.—The Committee continues the fiscal year 2004 funding level for ARS to initiate collaborative research with the Michael Fields Agricultural Institute. This research will develop high-quality corn in Wisconsin and other Mid-Western States for increased nutritional value and adaptation to sustainable farming systems. Collaborative research will be directed at corn breeding, analysis, corn quality, on-farm research and information dissemination.

Microbial Genomics.—The Committee recognizes the importance and significance of the joint microbial genomics initiative between the ARS Animal Disease Research Unit at Pullman, WA, and the ARS Tick Research Unit at Kerrville, TX, and continues the fiscal year 2004 funding level.

National Cold Water Marine Aquaculture Center.—The Committee notes the importance of aquaculture research to the State of Maine, which leads the Nation in Atlantic salmon cultivation. Other important aquaculture species in Maine include shellfish and trout. Research on marine finfish is vitally important to Maine's aquaculture program. Finfish, including haddock, halibut, and cod, are primary candidates for future diversity of Maine's aquaculture industry. The Committee provides an increase of \$100,000 above the fiscal year 2004 funding level for this research, which will be undertaken at the Franklin, Maine, research location.

National Corn to Ethanol Research Pilot Plant.—The National Corn to Ethanol Research Pilot Plant at Edwardsville, IL, was constructed to avail researchers and commercial producers with a state-of-the-art facility to develop more efficient production of ethanol. The plant will operate on a time-share basis to Federal and State agencies, universities, and commercial producers. The plant

has the near-term potential to improve the efficiency and decrease the cost of corn conversion for ethanol production. The Committee continues the fiscal year 2004 funding level for ARS research at the pilot plant. The research will utilize both wet milled and dry milled projects and will focus on processing efficiencies that can be adapted commercially in the near term.

National Nutrition Monitoring System.—Health and dietary information gathered from a combined U.S. Department of Agriculture/Department of Health and Human Services is critical to the Nation and plays a key role in shaping national food policies and programs including food safety, food labeling, child nutrition, food assistance and dietary guidance. The Committee continues the fiscal year 2004 funding level for the combined national nutrition monitoring program.

National Sclerotinia Initiative.—The Committee recognizes the importance of controlling this disease which affects sunflowers, soybeans, canola, edible beans, peas and lentils. The Committee continues the fiscal year 2004 funding level for this research initiative which is centered at the ARS research station at Fargo, ND.

National Sedimentation Laboratory.—The National Center for Computational Hydrosience and Engineering, in cooperation with the Agriculture Research Service at Oxford, MS, has developed a series of mathematical models to assess and mitigate upland soil erosion, stream bank failure, and the transport and impact of sediment on stream morphology and ecology. These models have been recognized nationally and internationally as being at the forefront of research on understanding sediment transport processes. The Committee continues the fiscal year 2004 funding level at Oxford for expanding cooperative research with the Center and accelerating the transfer of the modeling technology to Federal and State agencies responsible for mitigating soil erosion and sediment transport in streams.

National Soil Dynamics Laboratory.—The extent of soil degradation in the South not only impairs soil and water quality but also reduces profitability and economic sustainability of farms in the region. Improving profitability of farms in the South is critical to rural economies as farm numbers continue to decline. The Committee continues the fiscal year 2004 funding level to the ARS Soil Dynamics Laboratory at Auburn, AL, for research to develop technologies and strategies for managing soils to increase farm profitability, and preserve the soil resource for future generations.

Natural Products.—The Committee continues the fiscal year 2004 funding level for cooperative research with the National Center for Natural Products Research to discover and develop natural product chemicals for use in agriculture.

New England Plant, Soil, and Water Laboratory.—The USDA-ARS New England Plant, Soil, and Water Laboratory, Orono, ME, performs a critical function that benefits not only the Maine economy, but the agriculture industry as a whole. The research performed at this laboratory—including cropping systems and management practices, efficient use of nutrients and water, and control of pathogens, insects and weeds—benefits numerous agricultural interests, most notably the potato and livestock industries.

It is especially vital to New England potato growers that this lab continue and even increase its important research. The laboratory conducts experiments to address unique challenges that face potato growers both in the region and across the Nation. Research at the Orono facility, for example, has included tracking late blight disease, a devastating epidemic that costs potato growers approximately \$3,000,000,000 annually. Of the nation-wide locations of USDA-ARS laboratories, this is the only laboratory located in New England and it should be noted that 95 percent of the potato acreage in the six New England States are in Maine where the laboratory has the benefit of being in close proximity to the grower's fields.

The Committee continues the fiscal year 2004 funding level to maintain the New England Plant, Soil, and Water Laboratory and research programs.

Northern Grains Insect Research Laboratory.—Diverse economic and environmental pressures have impacted agriculture in the Northern Plains. The Northern Grains Insect Research Laboratory in Brookings, South Dakota focuses on production agriculture problems for the Northern Plains. This laboratory is working on research that directly benefits farmers, such as new cropping systems and innovative crop rotations that minimize use of chemicals and tillage. The Committee continues the fiscal year 2004 level to address the diverse economic and environmental problems in the Northern Plains.

Northern Great Plains Ecosystem.—The Committee is aware of the research and outreach programs conducted by the ARS Biological Control and Soil Conservation Laboratory at Sidney, Montana. A major focus of research at the station is targeted to biocontrol of invasive and noxious weeds and enhancing the long-term sustainability of range, irrigated and dryland agriculture. Invasive weeds alter ecosystem structure and function, reduces biodiversity, displaces native plants and requires widespread use of herbicides. The Committee continues the fiscal year 2004 funding level to strengthen this program to increase the impact and efficiency of the biological weed control research.

Northern Plains Agricultural Research Laboratory.—The Committee understands the importance of expanding research on irrigated cropping practices, crop rotation, water use, and integrated pest management of weeds in irrigated and dryland crops in the Northern Plains. This research will improve production and crop quality, and will increase long-term economic returns to growers. The Committee provides an increase of \$150,000 above the fiscal year 2004 funding level for this research at the Northern Plains Agricultural Research Laboratory.

Noxious Weeds in the Desert Southwest.—Invasive and noxious weeds are expected to infest 140 million acres in the United States by the year 2010. Rangeland and pastures will be the primary land types invaded by these species. The Committee supports the biocontrol research on invasive non-native and tree species carried out by ARS at the Jornada Experimental Range in Las Cruces and continues the fiscal year 2004 funding level for this research.

Nutrition Interventions.—Obesity is the Nation's fastest growing public health problem, affecting every segment of the American

population. The Committee recognizes the importance and benefits of healthy diets to prevent obesity. The Committee provides an increase of \$50,000 which shall be directed to the National Center of Excellence in Foods and Nutrition Research in Pennsylvania to assist with implementation of a national approach to increase levels and results of nutrition research and development, and to allow low-income families to participate in and benefit from service-based research programs, including rural delivery of nutritional counseling.

NW Small Fruits Research.—The Committee supports the ongoing research conducted by the Small Fruit Genetics and Pathology Research unit at Corvallis, OR. The demand for fresh and processed berries and grapes in both domestic and international markets continues to grow at a rapid rate. The Committee continues the fiscal year 2004 funding level for this research which involves cooperation between industry, State and Federal research.

Obesity.—The Committee provides increases of \$350,000 above the fiscal year 2004 funding level for obesity research at the Children's Nutrition Research Center in Houston, TX, and \$250,000 at the Human Nutrition Research on Aging in Boston, MA.

Ogallala Aquifer.—Surface water in the Central High Plains region is severely limited and the Ogallala Aquifer, which underlies this area, has provided water for the development of a highly significant agricultural economy. However, the Ogallala Aquifer is a finite resource. The Committee provides an increase of \$450,000 above the fiscal year 2004 funding level for research into the complex nature of water availability, potential uses, and costs which will help determine future water policy in this region. This research is to be based in Texas but coordinated with other affected States, including Kansas.

Organic Research.—The Committee is aware of the growing interest in the production, marketing, and consumption of organic products. By some accounts, the level of retail sales in the United States has reached 1.8 percent of the entire food market, yet the dedication of USDA research directed to organic is well below that figure. The Committee encourages ARS, when appropriate, to direct research resources in a manner that reflects the growing interest in organic production and the need to provide enhanced research for this growing agricultural sector, and to conduct activities pursuant to section 7408 of the Farm Security and Rural Investment Act of 2002. The Committee requests ARS to submit a report by March 1, 2005, on the levels of research funding directed to the various areas of the organics industry.

Ornamental and Horticulture Research.—The Committee recognizes the collaborative research program between ARS and the University of Vermont [UVM]. Research currently underway at UVM includes Pear thrips and the Asian Long-horned Beetle. UVM research is critical to the protection of the ornamental and horticulture industries throughout New England. The Committee continues the 2004 funding level for Pear thrips research.

Papaya Ringspot Virus.—The Committee provides the fiscal year 2004 funding level to the University of Hawaii College of Tropical Agriculture and Human Resources to monitor and refine control of the papaya ringspot virus; to induce nematode resistance, flowering

control, and mealy bug wilt disease resistance in commercial pineapple varieties; and, to expand the techniques and knowledge obtained from this program to create disease and pest resistance in other tropical crops such as banana and flowers where there is strong industry support and interest in these transgenic approaches. The Committee views the development of pest and disease resistant plants as supportive of a national agricultural research agenda to minimize the application of chemical pesticides.

Phytoestrogens Research.—The Committee is aware of the increased consumption of soy products and controversies surrounding the health claims from those products. Phytoestrogens, plant-derived products that can mimic or block estrogen, remain a priority issue for USDA researchers. Research studies have suggested that phytoestrogens have a range of human health benefits that can prevent certain diseases. However, extensive studies on their long-term benefits and side effects are lacking. The Committee continues the fiscal year 2004 funding level for this research. Current research is carried out at the Southern Regional Research Center in New Orleans in collaboration with other universities. The Committee directs that the same amount provided in fiscal year 2004 shall be used in collaboration with the University of Toledo to continue efforts to fingerprint and isolate novel products in stressed and unstressed soy.

Plant Genetic Diversity and Gene Discovery Center.—The Committee recognizes the challenges of water availability, invasive weeds, fire cycles, and conservation in the Western United States. To meet these needs, the Committee continues to support the plant genetic diversity and gene discovery center at the ARS Forage and Range Research Laboratory in collaboration with the Utah Agricultural Experiment Station. The center will continue to access plant genetic relationships and identify native plant species through DNA technologies to help conservation efforts in genetic diversity and support wild lands rehabilitation efforts after fire, mining, and invasive weed control activities. The Committee continues the fiscal year 2004 funding level for this program.

Poisonous Plant Research.—The USDA Poisonous Plant Research Laboratory at Logan, Utah conducts vital research on the effects of poisonous plants on livestock in support of the Nation's livestock industry. The Committee is aware of the important investigations carried out by this laboratory and the significant contributions it has made in agricultural plant and animal sciences. The Committee provides an increase of \$450,000 above the fiscal year 2004 funding level. These funds are necessary in order to add a biotechnology scientist and a chemist, and strengthen the technician base.

Potato Breeding Research.—The Committee is concerned that funding levels and lack of personnel resources limit ARS' ability to address some aspects of potato variety research. The Committee continues the fiscal year 2004 funding level to meet research staffing needs at the Aberdeen, ID, research laboratory.

Potato Production.—The Committee recognizes the important contributions made by the USDA-ARS research units at Prosser and Wapato, Washington, but encourages closer cooperation be-

tween the units in conducting research and solving problems in potato production.

Potato Research.—The Committee expects that the potato research funds appropriated to the ARS Research Unit in Wapato, Washington, be used for actual potato research, and recommends that ARS allocate a proportionate amount of these funds for potato entomology research, rather than only staff and indirect costs.

Potato Storage.—The Committee recognizes the need for expanded investigations on potato storage and continues the fiscal year 2004 funding level for this work. Research will be conducted at the ARS Madison, WI, laboratory on plant physiology, fumigation, and cultural practices to help growers reduce pesticide inputs.

Precision Agriculture Research.—The Committee continues the fiscal year 2004 funding level for the Mandan Northern Great Plains Research Laboratory for a precision agriculture research project and global climate change research. The precision agriculture research should be conducted in cooperation with the Upper Midwest Aerospace Consortium and DigitalGlobe. In addition, the Committee has restored the funding provided last year for the Hettinger Extension Service Southwest Feeders Program. ARS researchers can contribute significantly to the knowledge base UMAC can transfer to producers.

Program Continuations.—The Committee directs the Agricultural Research Service to continue to fund the following areas of research in fiscal year 2005 at the same funding level provided in fiscal year 2004: Advanced Animal Vaccines, Greenport, NY; Agricultural Genome Bioinformatics, Ames, IA; Agricultural Law, Drake University, NAL; Agroforestry Research, Booneville, AR; Air Quality Research, Logan, UT, Manhattan, KS, HQ; Air Quality Research, Pullman, WA; Alternative Crops and Value Added Products, Stoneville, MS; Animal Health Consortium, Peoria, IL; Animal Waste Treatment, Florence, SC; Animal Welfare Information Center, NAL; Appalachian Fruit Research Station, Kearneysville, WV; Appalachian Horticulture Research, Poplarville, MS; University of TN/TN State; Appalachian Pasture Based Beef Systems, Beaver, WV; Aquaculture Initiative for Mid-Atlantic Highlands, Leetown, WV; Aquaculture Research, Aberdeen, ID; Arctic Germplasm, Palmer, AK; Arid Lands Research, Las Cruces, NM; Arkansas Children's Nutrition Center, Little Rock, AR; Asian Bird Influenza, Athens, GA; Barley Food Health Benefits, Beltsville, MD; Bee Research, Logan, UT; Biomass Crop Production, Brookings, SD; Biomedical Materials in Plants, Beltsville, MD; Biomineral Soil Amendments for Control of Nematodes, Beltsville, MD; Biotechnology Research and Development Corp, Peoria, IL; Biotechnology Research to Improve Crops and Livestock, Stoneville, MS; Bovine Genetics, Beltsville, MD; Broiler Production in the Mid-South, Mississippi State, MS; Broomweed Biological Controls, Albany, CA; Canada Thistle, Fargo, ND; Catfish Genome, Auburn, AL; Catfish Health, Stoneville, MS; Central Great Plains Research Station, Akron, CO; Cereal Crops Research, Madison, WI; Cereal Crops, Northern Crops, Fargo, ND; Cereal Disease Research, St. Paul, MN; Chloroplast Genetic Engineering Research, Urbana, IL; Coffee and Cocoa Research, Miami, FL; Beltsville, MD; Corn Germplasm, Mississippi State, MS; Corn Germplasm, Ames, IA;

Corn Resistant to Aflatoxin, Mississippi State, MS; Cotton Genetics Research, Florence, SC; Cotton Genomics, Breeding, and Variety Development, Stoneville, MS; Cotton Ginning Research, Las Cruces, NM; Crop Production and Food Processing, Peoria, IL; Cropping Systems Research, Stoneville, MS; Dairy Forage, Madison, WI; Dairy Genetics, Beltsville, MD; Delta Nutrition Intervention Initiative, Little Rock, AR; Diet Nutrition and Obesity Research, Pennington Biomedical Research Center; Dryland Production, Akron, CO; Ecology of Tamarix, Reno, NV; Emissions From Livestock Wastewater, Florence, SC; Endophyte Research, Booneville, AR; Feed Efficiency in Cattle, Clay Center, NE; Flood/Control Acoustic Technology, National Sedimentation Lab, Oxford, MS; Floriculture and Nursery Crops, HQ; Food Safety and Engineering, Wyndmoor, PA; Food Safety for Listeria and E.coli, Albany, CA; Wyndmoor, PA; HQ; Forage and Range Research, Logan, UT; Formosan Subterranean Termites, New Orleans, LA; Foundry Sand By-Products, Beltsville, MD; Golden Nematode, Ithaca, NY; Grain Legume Plant Pathologist Position, Pullman, WA; Grain Research, Manhattan, KS; Grand Forks Human Nutrition Laboratory, Grand Forks, ND; Grape Genetics, Geneva, NY; Grape Rootstock, Geneva, NY; Great Lakes Aquaculture Research, Ashland, WI; Milwaukee, WI; Greenhouse Lettuce Germplasm, Salinas, CA; Harry Dupree National Aquaculture Research Center, Stuttgart, AR; Hides and Leather Research, Wyndmoor, PA; Hops Research, Corvallis, OR; Human Nutrition Research Center on Aging, Boston, MA; Improved Animal Waste Management, Florence, SC; Improved Crop Production Practices, Auburn, AL; Improved Forage Livestock Production, Lexington, KY; Integrated Farming Systems, Ames, IA; Integrated Farming Systems/Dairy Forage, Madison, WI; Invasive Aphid Research, Stillwater, OK; IPM for Northern Climate Crops, Fairbanks, AK; Irrigated Cropping Systems in the Mid-South, Stoneville, MS; John's Disease, Ames, IA; Beltsville, MD; Jornada Experimental Range Research Station, Las Cruces, NM; Karnal Bunt, Manhattan, KS; Late Blight Fungus, Orono, ME; Livestock and Range Research, Miles City, MT; Livestock Genome Mapping, Clay Center, NE; Malignant Catarrhal Fever [MCF] Virus, Pullman, WA; Manure Management Research, Ames, IA; Medicinal Botanical Production and Processing, Beaver, WV; Michael Fields Agricultural Institute, Madison, WI; Microbial Genomics, Kerrville, TX; Pullman, WA; Minor Use Pesticide (IR-4); National Center for Cool and Cold Water Aquaculture, Leetown, WV; National Center for Cool and Cold Water Aquaculture—Aquaculture Systems—Freshwater Institute, Leetown, WV; National Cold Water Marine Aquaculture, Orono, ME; National Corn to Ethanol Research Pilot Plant; National Germplasm Resources Program; National Nutrition Monitoring System, Beltsville, MD; National Sclerotinia Initiative, Fargo, ND; National Sedimentation Laboratory Acoustics, Oxford, MS; National Sedimentation Laboratory Yazoo Basin, Oxford, MS; National Sedimentation Laboratory Yazoo Basin/TMDLs, Oxford, MS; National Soil Dynamics Laboratory, Auburn, AL; National Soil Erosion Laboratory, West Lafayette, IN; National Warmwater Aquaculture Center, Stoneville, MS; Natural Products, Oxford, MS; Nematology Research, Tifton, GA; New England Plant, Soil, and Water Research, Orono, ME; Northern Grain Insect Laboratory,

Brookings, SD; Northern Great Plains Ecosystem, Sidney, MT; Northern Great Plains Research Laboratory, Mandan, ND; Northern Plains Agricultural Research Laboratory Agricultural Systems Research Unit Staffing, Sidney, MT; Noxious Weeds in the Desert Southwest, Las Cruces, NM; Nutritional Requirements, Houston, TX; NW Small Fruits Research, Corvallis, OR; Oat Virus, West Lafayette, IN; Ogallala Aquifer, Bushland, TX; Olive Fruit Fly, Parlier, CA; Montpelier, FR; Organic Minor Crop Research, Salinas, CA; Ornamental and Horticulture Research, Ithaca, NY; Pear Thrips, University of Vermont; Phytoestrogen Research, New Orleans, LA; Pierce's Disease/Glassy-Winged Sharpshooter, Davis, CA; Parlier, CA; Ft. Pierce, FL; Plant Genetic Diversity and Gene Discovery Center, Logan, UT; Poisonous Plant Research Laboratory, Logan, UT; Post-Harvest and Controlled Atmosphere Chamber (lettuce), Salinas, CA; Potato Breeding Research, Aberdeen, ID; Potato Research Enhancement, Prosser, WA; Potato Storage, Madison, WI; Poultry Disease (Avian Coccidiosis), Beltsville, MD; Poultry Disease (Avian Leukosis-J Virus), HQ; Poultry Disease, Athens, GA; Precision Agriculture Research, Mandan, ND; Rainbow Trout, Aberdeen, ID; Rainbow Trout, Leetown, WV; Rangeland Resource Management, Cheyenne, WY; Rangeland Resources Research, Las Cruces, NM; Red Imported Fire Ants, Stoneville, MS; Regional Molecular Genotyping, Fargo, ND; Manhattan, KS; Pullman, WA; Residue Management in Sugarcane, Houma, LA; Resistance Management and Risk Assessment in Bt Cotton, Stoneville, MS; Rice Research, Stuttgart, AR; Risk Assessment for Bt Corn, Ames, IA; Root Diseases in Wheat and Barley, Pullman, WA; Seafood Waste, Fairbanks, AK; Sedimentation Issues in Flood-Control Dam Rehabilitations, Oxford, MS; Seismic and Acoustic Technologies in Soils Sedimentation Laboratory, Oxford, MS; Shellfish Genetics, Newport, OR; Small Farms, Booneville, AR; Small Fruits Research, Poplarville, MS; Soil Plant Nutrient Research, Ft. Collins, CO; Soil Tilth Research, Ames, IA; Sorghum Research, Little Rock, AR; Manhattan, KS; Stillwater, OK; Bushland, TX; Lubbock, TX; Soybean Cyst Nematode, Stoneville, MS; Soybean Genetics, Columbia, MO; Soybean Research in the South, Stoneville, MS; Sudden Oak Disease, Frederick, MD; Sugarbeet Research, Kimberly, ID; Sugarcane Variety Research, Canal Point, FL; Sustainable Olive Production, Weslaco, TX; Sustainable Vineyard Practices, Davis, CA; Sustainable Viticulture Research, Davis, CA; Sweet Potato Research, Stoneville, MS; Swine Lagoon Alternatives Research, Florence, SC; Temperate Fruit Flies, Wapato, WA; Tree Fruit Quality Research, Wenatchee, WA; Trout Genome Mapping, Leetown, WV; Turfgrass Research, Washington, DC; U.S. Pacific Basin Ag Research Center, Hilo, HI; U.S. Vegetable Laboratory/Staffing, Charleston, SC; Vaccines and Microbe Control for Fish Health, Auburn, AL; Vegetable Crops Research, Madison, WI; Verticillium Wilt, Salinas, CA; Virus-Free Fruit Tree Cultivars, Wapato, WA; Virus-Free Potato Germplasm, Fairbanks, AK; Viticulture, Corvallis, OR; Waste Management Research, Bowling Green, KY; Waste Management Research, Mississippi State, MS; Water Management Research Laboratory, Brawley, CA; Water Use Reduction/Producer Enhancement Research, Dawson, GA; Watershed Research, Columbia, MO; Weed Management Research, Beltsville, MD; Western Grazinglands,

Burns, OR; Western Wheat Quality Laboratory, Pullman, WA; Wheat and Barley Scab Initiative, Manhattan, KS; Raleigh, NC; Fargo, ND; Wheat Quality Research, Manhattan, KS; Fargo, ND; Wooster, OH; Pullman, WA; Wine Grape Foundation Block, Prosser, WA; Woody Genomics and Breeding for the Southeast, Poplarville, MS.

Rainbow Trout.—The Committee continues the fiscal year 2004 funding level to develop and test improved rainbow trout strains and alternative grain-based fish feeds in cooperation with the University of Idaho Hagerman Fish Culture Experiment Station in Hagerman, Idaho.

Red Imported Fire Ants.—Nationally, the red imported fire ant causes damage and control costs of over \$1,000,000,000 per year. As an invasive species, it has expanded from its apparent point of entry at Mobile, Alabama, to encompass over 300 million acres in 12 Southern States including Mississippi and Texas, three Western States including California, and Puerto Rico. Range expansion into one-fourth of the United States and parts of Mexico is expected to continue without centralized aggressive action. The Committee recognizes the leadership provided by ARS at Stoneville, MS, in the development of natural enemy mass propagation and release technologies for area-wide suppression of the red imported fire ant and halting its spread. Other research is directed toward development of toxic baits and use of geographic information systems and remote sensing technologies to detect the delineate fire ant infested areas. The Committee continues the fiscal year 2004 funding level for cooperative research to implement multi-year, community-wide trials in the mid-South to eliminate populations of the imported fire ant.

Residue Management in Sugarcane.—Sugarcane farmers have traditionally burned cane in the field before transport to the mill to achieve efficiency, a practice that is crucial to the survival of the sugarcane industry. However, residue from burning is a nuisance and potential hazard to nearby neighborhoods. The ARS Research Station in Houma, LA, conducts research to provide viable, cost-effective “green cane” harvesting methods that will provide alternatives to burning cane in the field. The Committee provides an increase of \$250,000 above the fiscal year 2004 funding level for research on breeding, germplasm enhancement, and crop protection; integrated weed protection; and green cane harvesting methods.

Resistance Management and Risk Assessment in Bt Cotton and Other Plant Incorporated Protectants.—Transgenic Bt cottons have provided outstanding control of insecticide-resistant tobacco budworms and suppressed other cotton caterpillar pests. However, potential evolution of resistance in caterpillar pests to the Bt protein(s) in transgenic cotton threaten the viability of the Bt plant protectant technology. The Environmental Protection Agency has imposed strategies for managing the evolution of resistance to preserve the Bt technology, but it is important to develop data to validate these strategies. The Committee continues the fiscal year 2004 funding level to ARS at Stoneville, MS, to coordinate a national program for devising the most effective and economically sustainable production systems for ensuring the long-term integrity of Bt crop protection and resistance management.

Seafood Waste.—The disposal of seafood waste continues to be a national and international problem. Additional research is needed to determine alternative uses of discarded fish as a possible source of additional income for seafood producers. The Committee supports the existing ARS/University of Alaska collaborative research project on feedstuff that can be generated from materials usually wasted during processing of seafoods. The Committee provides an increase of \$320,000 from the level of funding available in fiscal year 2004 funding level for expanded research to address this problem, of which \$100,000 shall be available to the State of Alaska.

Sedimentation Issues in Flood-Control Dam Rehabilitation.—Nearly 11,000 flood control dams have been constructed by the United States Department of Agriculture nationwide in 2,000 watersheds since 1944. These watershed projects represent a \$14,000,000,000 infrastructure, providing flood control, municipal water supply, recreation, and wildlife habitat enhancement. The life expectancy of these dams is projected to be 50 years. Sedimentation has reduced water-holding capacity, structural components have deteriorated, and safety regulations have become more strict. The Committee continues the fiscal year 2004 funding level to ARS at Oxford, MS, for assessing the efficiency of these structures in regulating floodwater, including the use of acoustics techniques, and hazards that the sediments may pose if introduced into the environment.

Shellfish Genetics.—ARS has established a shellfish genetics research program that focuses on genetics, ecology and food quality. The Committee recognizes the importance of this multi-State research program and continues the fiscal year 2004 funding level for shellfish genetics research at the Oregon State University Hatfield Marine Science Center in Newport, OR.

Silverleaf Whitefly.—The silverleaf whitefly, also known as the sweetpotato whitefly, causes millions of dollars in crop damage in several States, including Hawaii. The Committee recommends participation by all affected States in the collaborative effort to control this pest.

Small Fruits Research.—The Committee recognizes the importance of the cooperation between the ARS Small Fruits Research Unit and the Mississippi Agricultural and Forestry Experiment Station at Poplarville, MS. This cooperation catalyzed and now undergirds the Gulf Coast blueberry and other small fruit industries. This cooperation has expanded into the development of vegetable, melon, and ornamental industries and can revitalize small farms in the south. The Committee continues the fiscal year 2004 funding level for the cooperative research and development efforts on ornamentals, vegetables, and melons at Poplarville, MS.

Soil, Plant, Nutrient Research.—The Committee understands the important contributions made by the ARS Fort Collins Soil, Plant, Nutrient Laboratory and continues the fiscal year 2004 funding level to support the cropping systems and nitrogen management research program carried out at this laboratory.

Sorghum Research.—Sorghum is fourth on the list of economically important grains, behind corn, soybeans, and wheat. However, very little is known about the alternative uses of this major U.S. cash crop with an estimated value of over \$2,100,000,000. The

Committee continues the fiscal year 2004 funding level for research at the ARS Grain Sorghum Research Laboratory, Manhattan, KS, on the measurement of sorghum quality and the development of alternative uses of this important crop.

Soybean Research in the South.—The Committee continues the fiscal year 2004 funding level for the soybean research program located at the Delta Branch Experiment Station in Stoneville, Mississippi with the USDA/ARS focusing on soybean genetics and breeding, and Mississippi Agriculture and Forestry Experiment Station devoting efforts to production systems research.

Soybean Rust.—The Committee notes the growing concern raised by the soybean industry due to the threat of soybean rust. Soybean rust is a fungus that first appears on the leaves of the plant and eventually causes pre-mature defoliation which brings about substantial yield loss. The Committee encourages the Department to accelerate research on plant varieties that improve tolerance to soybean rust pathogens.

Subterranean Termite.—The Committee continues the fiscal year 2004 funding level for termite research in Hawaii to devise and test control methods that are consistent with public health and environmental safety in Hawaii and other warm weather States.

Sudden Oak Disease Syndrome.—This is a fungus that has afflicted wood and nursery products in California and Oregon in the last several years. Very little is known on how the fungus is spread, which species are vulnerable, and how afflicted species can be treated. The Committee is concerned about the potential spread of the fungus to other parts of the country without the appropriate treatment and management of the disease. The Committee continues the fiscal year 2004 funding level to the ARS Ft. Detrick, MD, research laboratory for research critical in stemming the spread of this disease.

Sugarbeet Research.—There are 230,000 acres of sugarbeets grown in Idaho and eastern Oregon requiring research technologies to maintain and enhance production and profitability. The Committee notes that while there has been considerable work done on sugarbeet fertility, basic work is needed on the interactions between fertility, genotype, irrigation, and crop quality. Therefore, the Committee provides an increase of \$150,000 above the fiscal year 2004 funding level to hire an agronomist/crop fertility specialist to do work in this area. This research is carried out at the ARS Kimberly, ID, research station.

Sugarcane Variety Research.—The Sugarcane Field Station in Canal Point, Florida conducts research into sugarcane breeding, pathology, and soil conservation strategies. Ongoing research includes implementation of molecular marker-assisted breeding strategies, utilization of molecular tools for screening specific traits in order to minimize pesticide use, and production of true sugarcane varieties that maintain acceptable yields under reduced production inputs. The Committee provides an increase of \$150,000 above the fiscal year 2004 funding level to strengthen and expand these efforts.

Sweet Potato Research.—Sweet potato is a high value, nutritious, alternative crop for the Mid South. Improved production practices, including timing of planting, agronomic practices, and pest control,

have the potential for doubling the level of production per acre, further increasing the profitability of this small farm crop. The Committee continues the fiscal year 2004 funding level for ARS, Stoneville, MS, to conduct research on sweet potato production in cooperation with the Alcorn State University Demonstration Farm at Mound Bayou, MS.

Swine Lagoon Alternatives Research.—The Committee is aware of the research carried out at the ARS Florence, SC, laboratory to treat the waste on small swine farms at a reasonable cost while meeting stringent environmental regulations. The Committee continues the fiscal year 2004 funding level for this research.

Tomato Spotted Wilt Virus.—The Committee is aware of the widespread losses caused by the tomato spotted wilt virus in Hawaii and encourages the agency to collaborate with and fund as appropriate University of Hawaii scientists to transfer generic resistance to tomato spotted wilt virus into University of Hawaii breeding lines for the susceptible crops.

Transmissible Spongiform Encephalopathies.—The Committee strongly supports ARS research to combat transmissible spongiform encephalopathies, including bovine spongiform encephalopathy, chronic wasting disease, and scrapie. The Committee continues the fiscal year 2004 funding level to the Animal Disease Laboratory, Pullman, WA, and the National Animal Disease Laboratory, Ames, IA, for research on chronic wasting disease. In addition, the Committee provides an increase of \$450,000 to enhance overall research activities on these animal diseases.

Tree Fruit Industry.—The Committee provides an increase of \$150,000 above the fiscal year 2004 funding level for new genetics of fruit quality research at the ARS Wenatchee, WA facility. This research will provide the fundamental scientific knowledge that will allow development of new apple varieties that are juicier, sweeter, and more nutritious and attractive to consumers. This project is one of five parts of the National Tree Fruit Technology Roadmap which will help the United States be more competitive in the world apple market.

Trout Genome Mapping.—The Committee recognizes the important tools of molecular genetics and biotechnology, and their application to solve problems facing the cool and cold water aquaculture industry, which has had a flat growth profile nationally, but is an emerging industry in the Appalachian region. The Committee continues the fiscal year 2004 funding level for research on cool and cold water species at the National Center for Cool and Cold Water Aquaculture, in collaboration with West Virginia University.

Turfgrass Research.—The Committee provides an increase of \$300,000 above the fiscal year 2004 funding level for this program to create a turfgrass research position in Beaver, WV.

U.S. Pacific Basin Agricultural Research Center.—The Committee continues to support funding for the collaborative programmatic activities of the U.S. Pacific Basin Agricultural Research Center and provides an increase of \$250,000 over the fiscal year 2004 funding level to implement the staffing plan devised by the Center's director.

Vaccines and Microbe Control for Fish Health.—The increased frequency and severity of fish mortalities is recognized as one of

the top priorities of fish producers in the southeastern United States and other regions of the country. The development of new vaccines and methods for mass immunization is urgently needed to protect the U.S. industry and food supply. The Committee provides an increase of \$20,000 above the fiscal year 2004 funding level for continued collaborative research between ARS and Auburn University.

U.S. Vegetable Laboratory.—The Committee is aware of the important scientific staffing requirements of the newly completed U.S. Vegetable Laboratory located at Charleston, SC. Additional scientists are necessary to conduct priority research and to maximize use of the facility. The Committee continues the fiscal year 2004 funding level for research staffing.

Virus Free Fruit Tree Cultivars.—The Committee recognizes the need for rapid foreign and domestic exchange of varieties to sustain economic vitality of the U.S. tree fruit and nursery industries. The Committee continues the fiscal year 2004 funding level to implement new technologies for more rapid and dependable methods of pathogen detection and to provide secure production and maintenance of virus-free fruit tree cultivars. The collaborative research is to be carried out at the Prosser, WA research station with the Irrigated Agriculture Research and Extension Center.

Viticulture Research.—With the emerging importance of the grape and wine industry in the Pacific Northwest, the Committee continues the fiscal year 2004 funding level for the viticulture research position at the University of Idaho Parma Research and Extension Center, for research at the Center, and for cooperative research agreements with University of Idaho researchers for viticulture research.

Waste Management Research.—The Committee provides an increase of \$275,000 above the fiscal year 2004 funding level for the joint research project with Western Kentucky University. The cooperative program is located and carried out at Bowling Green, KY, and is directed toward management of poultry waste as a fertilizer source for pasture, food crops, as a nutrient source for cattle, and other agricultural applications.

Watershed Research, Columbia, MO.—The Committee continues the fiscal year 2004 funding level for laboratory analysis of water samples collected during implementation of, and in accordance with, the Missouri Watershed Research, Assessment, and Stewardship Project.

Weed Management Program.—The Committee is aware of the need for biologically-based weed management, using biocontrols and revegetation to provide economical and environmentally sound technologies to control weeds. The Committee continues the fiscal year 2004 funding level to develop non-chemical alternatives for weed control.

Western Wheat Quality Laboratory.—The Committee recognizes the important contributions made by the Western Wheat Quality Laboratory in Pullman, Washington. The Committee continues the fiscal year 2004 funding level to enhance its ability to handle more samples, modernize equipment, and develop new predictive quality tests.

Wheat and Barley Scab Initiative.—The Committee recognizes the importance of the research carried out through the ARS National Wheat and Barley Scab Initiative. Fusarium head blight is a major threat to agriculture, inflicting heavy losses to yield and quality on farms in 18 States. The Committee continues the fiscal year 2004 funding level for this research.

Wine Grape Foundation Block.—The Committee is concerned about the potential for virus-infected wine grape rootstock which could cause economic harm to Pacific Northwest wine grape growers and vintners. The Committee provides an increase of \$150,000 above the fiscal year 2004 funding level for wine grape foundation block research at Prosser, WA.

BUILDINGS AND FACILITIES

Appropriations, 2004	\$63,434,000
Budget estimate, 2005	178,000,000
Committee recommendation	172,838,000

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

COMMITTEE RECOMMENDATIONS

For Agricultural Research Service, Buildings and Facilities, the Committee recommends an appropriation of \$172,838,000. This is \$109,404,000 more than the 2004 appropriation. The Committee’s specific recommendations are indicated in the following table:

ARS BUILDINGS AND FACILITIES

[In thousands of dollars]

State and facility	Fiscal year—		Committee recommendation
	2004 enacted	2005 budget estimate	
California:			
Grape Genomics Research Center, Davis	2,684	.....	.....
U.S. Agricultural Research Station, Salinas	4,474	.....	.....
Hawaii: U.S. Pacific Basin Agricultural Research Center, Hilo	4,831	.....	3,000
Idaho: Aquaculture Facility, Aberdeen/Billingsley Creek .....	.....	.....	1,000
Illinois: National Center for Agricultural Utilization Research, Peoria	2,684	.....	.....
Iowa: National Animal Disease Center, Ames .....	.....	178,000	122,000
Kentucky:			
Animal Waste Management Research Laboratory, Bowling Green .....	.....	.....	2,300
Forage-Animal Research Laboratory, Lexington .....	.....	.....	3,000
Louisiana: ARS Sugarcane Research Laboratory, Houma	1,342	.....	3,000
Maine: Northeast Marine Cold Water Aquaculture Research Center, Orono/Franklin	2,684	.....	3,000
Maryland:			
Abraham Lincoln National Agricultural Library, Beltsville	895	.....	.....
Beltsville Agricultural Research Center, Beltsville	2,684	.....	3,000
Mississippi:			
Jamie Whitten Delta States Research Center, Stoneville	4,831	.....	3,000
Poultry Science Research Facility, Starkville .....	.....	.....	3,000
Missouri: National Plant and Genetics Security Center, Columbia	2,416	.....	5,000

ARS BUILDINGS AND FACILITIES—Continued

[In thousands of dollars]

State and facility	Fiscal year—		Committee recommendation
	2004 enacted	2005 budget estimate	
Montana:			
Animal Bioscience Facility, Bozeman .....	.....	.....	2,000
Northern Plains Agricultural Research Laboratory, Sidney	2,505	.....	.....
New York:			
Center for Grape Genetics, Geneva	2,416	.....	.....
Center for Crop-based Health Genomics, Ithaca	3,847	.....	.....
Ohio: University of Toledo, Toledo .....	.....	.....	2,000
Oklahoma:			
Grazinglands Research Laboratory, Fort Reno	2,147	.....	.....
Southern Plains Research Station, Woodward .....	.....	.....	3,000
South Carolina: U.S. Vegetable Laboratory, Charleston	3,132	.....	3,000
Washington: ARS Research Laboratory, Pullman	3,937	.....	3,000
West Virginia: Appalachian Fruit Laboratory, Kearnsville	1,789	.....	3,638
Wisconsin: Nutrient Management Laboratory, Marshfield	3,668	.....	4,900
Upgrade security at all ARS laboratories	10,468	.....	.....
Total ¹	63,434	178,000	172,838

¹ Totals may not add due to rounding.

The Committee provides funds for the following projects. Due to budgetary constraints, the Committee is unable to provide the full amounts required to complete construction of all projects.

U.S. Pacific Basin Agricultural Research Center.—The Committee provides \$3,000,000 toward the next phase of the U.S. Pacific Basin Agricultural Research Center in Hawaii.

Centers for Animal Health.—The Committee provides \$122,000,000 to complete the consolidated laboratory at the Centers for Animal Health in Ames, Iowa.

Aquaculture Facility.—The Committee provides \$1,000,000 for the design of an aquaculture facility in Aberdeen and Billingsley Creek, Idaho.

Animal Waste Management Research Laboratory.—The Committee provides \$2,300,000 for the design of the Animal Waste Management Research Laboratory in Bowling Green, Kentucky.

Forage-Animal Production Research Facility.—The Committee provides \$3,000,000 for the design of the Forage-Animal Production Research Facility in Lexington, Kentucky.

Sugarcane Research Laboratory.—The Committee provides \$3,000,000 toward the construction of a headhouse, photoperiod house, and greenhouse at the ARS Sugarcane Research Laboratory at Houma, Louisiana.

National Cold Water Marine Aquaculture Research Center.—The Committee provides \$3,000,000 for construction of the National Cold Water Marine Aquaculture Research Center [NCWMAC] in Franklin, Maine.

The Committee understands that the original proposal for the NCWMAC requested funding to build facilities at two locations: Franklin, Maine, in conjunction with the University of Maine Center for Cooperative Aquaculture and Orono, Maine, on the campus of the University of Maine. The Committee understands that the funds appropriated to date and the additional funds provided in

this Act will fully fund design and construction of the facilities at the Franklin location. This will permit ARS to begin design work immediately with the goal of initiating the construction of the Franklin facilities in fiscal year 2005.

Beltsville Agricultural Research Center.—The Committee provides \$3,000,000 toward the construction of the Beltsville Agriculture Research Center in Beltsville, Maryland.

Jamie Whitten Delta States Research Center.—The Jamie Whitten Delta States Research Center is strategically located in the agriculturally important Yazoo-Mississippi River Delta. Millions of acres of cotton, soybean, rice, and corn are located in this Delta area, and the Delta leads the world in channel catfish production. The Committee provides \$3,000,000 toward the next phase of this construction and modernization project.

Poultry Science Research Facility.—The Committee provides \$3,000,000 for planning and design of a Poultry Science Research Facility in Starkville, Mississippi.

National Plant and Genetics Security Center.—The Committee provides \$5,000,000 toward construction of this project. The Committee notes that the current collaborative effort between the ARS Plant Genetics Research Unit and the University of Missouri has resulted in a nationally-recognized crop biotechnology effort in maize, soybeans, and wheat at Columbia, Missouri.

Animal Bioscience Facility.—The Committee provides \$2,000,000 for the design of an animal bioscience facility at Montana State University in Bozeman, Montana. Montana is the leading beef cattle seed stock producer in the Nation. A new research program would address short-and long-term needs of the Montana stock growers and also address broader regional, national, and international problems facing American animal stock producers.

University of Toledo.—The Committee provides \$2,000,000 for the design of an ARS facility at the University of Toledo in Toledo, Ohio, to support research on basic and applied problems of greenhouse production including bioremediation, water and soil quality, and plant breeding.

Southern Plains Range Research Station.—The Committee provides \$3,000,000 toward completion of Phase II of the modernization of the Southern Plains Range Research Station in Woodward, Oklahoma.

U.S. Vegetable Laboratory.—The Committee provides \$3,000,000 toward the final phase of greenhouse and headhouse construction at the U.S. Vegetable Laboratory in Charleston, South Carolina.

ARS Research Laboratory.—The Committee provides \$3,000,000 toward the construction of an ARS research laboratory on the campus of Washington State University in Pullman, Washington.

Appalachian Fruit Laboratory.—The Committee provides \$3,638,000 to complete renovation and repair of the Appalachian Fruit Laboratory in Kearneysville, West Virginia.

Nutrient Management Laboratory.—The Committee provides \$4,900,000 toward the completion of the Nutrient Management Laboratory in Marshfield, Wisconsin.

Feasibility Studies.—The Committee notes that there is widespread interest in additional construction and renovation of ARS facilities throughout the country. This is not surprising when con-

sidering the fact that many of the existing facilities are decades old. The Committee continues to believe that the ARS needs a master plan for addressing these needs.

Until such a master plan can be developed, however, the Committee will not consider funding requests for projects for which a prospectus has not been completed and submitted to the Committee by March 1 of each year. Each prospectus shall, at a minimum, include the following information: the feasibility, requirements, and scope of the proposed project; details on building size, cost, associated facilities, scientific capacity, and other requirements; and details on existing and planned program and resource requirements. Further, the Committee strongly encourages the ARS to determine the merits and priority for these projects.

Research at Alcorn State University in Lorman, Mississippi, directly benefits small and disadvantaged farmers who grow crops that are often left out of agriculture research aimed at economies of scale. The Committee directs ARS to provide a prospectus on a biotechnology laboratory at ASU.

The Committee has been made aware of the need for a state-of-the-art animal disease facility at Laramie, Wyoming. The Committee directs ARS to provide a prospectus on this project.

The Committee directs ARS to conduct a feasibility study to review existing and future space requirements in Fairbanks and Palmer, Alaska.

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE

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

RESEARCH AND EDUCATION ACTIVITIES

Appropriations, 2004	\$617,780,000
Budget estimate, 2005	501,540,000
Committee recommendation	628,492,000

The research and education programs administered by the Cooperative State Research, Education, and Extension Service [CSREES] are the U.S. Department of Agriculture's principal entree to the university system of the United States to support higher education in food and agricultural sciences and to conduct agricultural research as authorized by the Hatch Act of 1887 (7 U.S.C. 361a–361i); the Cooperative Forestry Research Act of 1962 (16 U.S.C. 582a–7); Public Law 89–106, section (2) (7 U.S.C. 450i); the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.); the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301); the Agricultural Re-

search, Extension and Education Reform Act of 1998; and the Farm Security and Rural Investment Act of 2002. Through these authorities, the U.S. Department of Agriculture participates with State and other cooperators to encourage and assist the State institutions to conduct agricultural research and education through the State agricultural experiment stations of the 50 States, the District of Columbia, and the territories; by approved schools of forestry; by the 1890 land-grant institutions, Tuskegee University, and West Virginia State University; by colleges of veterinary medicine; and by other eligible institutions.

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

COMMITTEE RECOMMENDATIONS

For research and education activities of the Cooperative State Research, Education, and Extension Service, the Committee recommends \$628,492,000. This amount is \$10,712,000 more than the fiscal year 2004 appropriation.

The following table summarizes the Committee's recommendations for research and education activities of the Cooperative State Research, Education, and Extension Service, as compared to the fiscal year 2004 and budget request levels:

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

	Fiscal year 2004 enacted	Fiscal year 2005 budget	Committee rec- ommendation
Payments under Hatch Act	179,085	180,148	180,148
Cooperative forestry research (McIntire-Stennis)	21,755	21,884	23,000
Payments to 1890 colleges, Tuskegee University, and West Virginia State University	35,788	36,000	36,000
Special research grants (Public Law 89–106):			
Advanced genetic technologies (KY)	600	.....	700
Advanced spatial technologies (MS)	880	.....	1,005
Aegilops cylindrica (WA, ID)	341	.....	341
Agricultural diversification (HI)	113	.....	113
Agricultural diversity—Red River trade corridor (MN, ND)	544	.....	650
Agricultural science (OH)	444	.....	650
Agriculture water usage (GA)	260	.....	260
Agroecology (MD)	355	.....	425
Air quality (TX, KS)	895	.....	950
Alliance for food protection (GA, NE)	266	.....	266
Alternative nutrient management (VT)	148	.....	200
Alternative salmon products (AK)	565	.....	1,650
Alternative uses for tobacco (MD)	320	.....	320
Animal disease research (WY)	222	.....	450
Animal science food safety consortium (AR, IA, KS)	1,444	.....	1,444
Apple fire blight (MI, NY)	456	.....	498
Aquaculture (AR)	207	.....	207
Aquaculture (ID, WA)	689	.....	850
Aquaculture (LA)	313	.....	313
Aquaculture (MS)	521	.....	521
Aquaculture (NC)	260	.....	300
Aquaculture (VA)	179	.....	179
Aquaculture product and marketing development (WV)	671	.....	750
Armillaria root rot (MI)	142	.....	160

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

[In thousands of dollars]

	Fiscal year 2004 enacted	Fiscal year 2005 budget	Committee rec- ommendation
Asparagus technology and production (WA)	249	.....	249
Babcock Institute (WI)	537	.....	500
Beef technology transfer (MO)	261	.....	261
Berry research (AK)	179	.....	600
Biobased nanocomposite research (ND)	178	.....	178
Biomass-based energy research (OK, MS)	1,023	.....	1,023
Biotechnology (NC)	272	.....	272
Biotechnology test production (IA)	178	.....	178
Bovine tuberculosis (MI)	309	.....	400
Brucellosis vaccine (MT)	438	.....	450
Center for Public Lands and Rural Economies (UT)	224	.....	225
Center for Rural Studies (VT)	302	.....	400
Chesapeake Bay agroecology (MD)	284	.....	350
Childhood obesity and nutrition (VT)	133	.....	250
Citrus canker (FL)	447	.....	.....
Citrus tristeza (CA)	644	.....	.....
Competitiveness of agriculture products (WA)	604	.....	700
Computational agriculture (NY)	222	.....	.....
Cool season legume research (ID, WA, ND)	537	.....	600
Cotton fiber quality (GA)	447	.....	500
Council for Agriculture Science and Technology	134	.....	.....
Cranberry/blueberry (MA)	153	.....	153
Cranberry/blueberry disease and breeding (NJ)	210	.....	250
Crop diversification (MO)	355	.....	400
Crop integration and production (SD)	268	.....	325
Crop pathogens (NC)	178	.....	250
Dairy and meat goat research (TX)	57	.....	57
Dairy farm profitability (PA)	444	.....	444
Delta rural revitalization (MS)	183	.....	308
Designing foods for health (TX)	1,342	.....	1,400
Diaprepes/root weevil (FL)	400	.....	.....
Dietary intervention (OH)	895	.....	.....
Drought mitigation (NE)	201	.....	224
Drought management (UT)	671	.....	900
Efficient irrigation (NM, TX)	1,342	.....	1,342
Environmental biotechnology (RI)	533	.....	700
Environmental research (NY)	351	.....	.....
Environmental risk factors/cancer (NY)	198	.....	.....
Environmentally-safe products (VT)	746	.....	746
Ethnobotany research (AK)	268	.....	300
Exotic pest diseases (CA)	1,789	.....	1,789
Expanded wheat pasture (OK)	275	.....	275
Farm injuries and illnesses (NC)	247	.....	350
Feed barley for rangeland cattle (MT)	741	.....	741
Feed efficiency in cattle (FL)	222	.....	.....
Feedstock conversion (SD)	671	.....	675
Fish and shellfish technologies (VA)	403	.....	450
Floriculture (HI)	355	.....	355
Food and Agriculture Policy Research Institute (IA, MO)	1,365	.....	1,523
Food chain economic analysis (IA)	358	.....	358
Food Marketing Policy Center (CT)	582	.....	585
Food quality (AK)	313	.....	375
Food safety (AL)	1,000	.....	1,200
Food safety (OK)	556	.....	556
Food safety (TX)	178	.....	200
Food safety research consortium (NY)	800	.....	.....
Food safety risk assessment (ND)	1,377	.....	1,377
Food security (WA)	400	.....	400
Food Systems Research Group (WI)	492	.....	459
Forages for advancing livestock production (KY)	386	.....	400
Forestry (AR)	455	.....	475

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

[In thousands of dollars]

	Fiscal year 2004 enacted	Fiscal year 2005 budget	Committee rec- ommendation
Functional genomics (UT)	1,342	.....	1,625
Future foods (IL)	447	.....	475
Generic commodity promotions, research, and evaluation (NY) ..	174	.....	.....
Genomics (MS)	640	.....	1,140
Geographic information system .....	.....	.....	1,431
Global change/ultraviolet radiation	2,000	2,500	2,000
Grain sorghum (KS)	124	.....	150
Grapefruit juice/drug interaction (FL)	222	.....	.....
Grass seed cropping systems for sustainable agriculture (ID, OR, WA)	407	.....	407
Grazing research (WI)	224	.....	300
Greenhouse crop production (AK)	447	.....	450
Hispanic leadership in agriculture (TX)	447	.....	447
Hoop barns (IA)	291	.....	291
Horn fly research (AL)	134	.....	200
Human nutrition (IA)	655	.....	655
Human nutrition (LA)	712	.....	712
Human nutrition (NY)	547	.....	.....
Hydroponic tomato production (OH)	179	.....	.....
Illinois-Missouri Alliance for Biotechnology	1,079	.....	1,079
Improved dairy management practices (PA)	355	.....	355
Improved early detection of crop disease (NC)	173	.....	.....
Improved fruit practices (MI)	212	.....	212
Increasing shelf life of agricultural commodities (ID)	707	.....	950
Infectious disease research (CO)	667	.....	900
Institute for Biobased Products and Food Science (MT)	533	.....	600
Institute for Food Science and Engineering (AR)	1,087	.....	1,150
Integrated production systems (OK)	207	.....	207
Intelligent quality sensor for food safety (ND)	320	.....	.....
International arid lands consortium	582	.....	582
Iowa biotechnology consortium	1,789	.....	1,789
Leopold Center hypoxia project	224	.....	224
Livestock and dairy policy (NY, TX)	895	.....	895
Livestock genome sequencing (IL)	671	.....	.....
Livestock waste (IA)	268	.....	268
Lowbush blueberry research (ME)	236	.....	236
Maple research (VT)	133	.....	133
Meadowfoam (OR)	262	.....	262
Michigan biotechnology consortium	559	.....	559
Midwest Advanced Food Manufacturing Alliance (NE)	426	.....	429
Midwest agricultural products (IA)	578	.....	500
Midwest poultry consortium (IA)	626	.....	626
Milk safety (PA)	667	.....	717
Minor use animal drugs	526	588	526
Molluscan shellfish (OR)	351	.....	351
Montana Sheep Institute (MT)	497	.....	650
Multi-commodity research (OR)	355	.....	355
Multi-cropping strategies for aquaculture (HI)	110	.....	110
National beef cattle genetic evaluation consortium (NY, CO)	671	.....	900
National biological impact assessment	225	253	225
National Center for Soybean Technology (MO)	895	.....	1,000
Nematode resistance genetic engineering (NM)	130	.....	150
Nevada arid rangelands initiative	467	.....	500
New crop opportunities (AK)	447	.....	447
New crop opportunities (KY)	659	.....	800
Nursery, greenhouse, and turf specialties (AL)	275	.....	275
Oil resources from desert plants (NM)	201	.....	225
Organic cropping (WA)	224	.....	500
Organic waste utilization (NM)	88	.....	100
Oyster post harvest treatment (FL)	400	.....	.....
Ozone air quality (CA)	382	.....	425

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

[In thousands of dollars]

	Fiscal year 2004 enacted	Fiscal year 2005 budget	Committee rec- ommendation
Pasture and forage research (UT)	224	.....	225
Peach tree short life (SC)	233	.....	300
Perennial wheat (WA)	133	.....	.....
Pest control alternatives (SC)	271	.....	271
Phytophthora root rot (NM)	165	.....	200
Pierce's disease (CA)	2,013	.....	2,163
Plant biotechnology (IA)	222	.....	.....
Plant, drought, and disease resistance gene cataloging (NM) ..	220	.....	250
Potato research	1,409	.....	1,450
Precision agriculture (KY)	659	.....	700
Preharvest food safety (KS)	185	.....	200
Preservation and processing research (OK)	200	.....	200
Protein utilization (IA)	671	.....	950
Rangeland ecosystems (NM)	284	.....	284
Regional barley gene mapping project	676	.....	700
Regionalized implications of farm programs (MO, TX)	537	.....	537
Rice agronomy (MO)	178	.....	.....
Ruminant nutrition consortium (MT, ND, SD, WY)	447	.....	500
Rural development centers (ND, LA)	157	.....	157
Rural obesity (NY)	178	.....	.....
Rural Policies Research Institute (NE, IA, MO)	1,129	.....	1,300
Russian wheat aphid (CO)	284	.....	300
Seafood and aquaculture harvesting, processing, and mar- keting (MS)	269	.....	269
Seafood harvesting, processing, and marketing (AK)	1,067	.....	1,067
Seafood safety (MA)	378	.....	450
Seed research (AK)	358	.....	358
Seed technology (SD)	313	.....	400
Small fruit research (OR, WA, ID)	355	.....	400
Soil and environmental quality (DE)	115	.....	450
Southwest consortium for plant genetics and water resources ..	351	.....	375
Soybean cyst nematode (MO)	616	.....	.....
Soybean research (IL)	755	.....	1,171
STEEP III—water quality in Pacific Northwest	595	.....	625
Sudden oak death (CA)	88	.....	99
Sustainable agriculture (CA)	444	.....	.....
Sustainable agriculture (MI)	387	.....	387
Sustainable agriculture and natural resources (PA)	133	.....	250
Sustainable beef supply (MT)	890	.....	1,000
Sustainable engineered materials from renewable resources (VA)	533	.....	600
Sustainable pest management for dryland wheat (MT)	402	.....	.....
Swine and other animal waste management (NC)	440	.....	500
Synthetic gene technology (OH)	149	.....	.....
Tick borne disease prevention (RI)	88	.....	200
Tillage, silviculture, and waste management (LA)	378	.....	378
Tri-State joint peanut research (AL)	533	.....	600
Tropical aquaculture (FL)	213	.....	.....
Tropical and subtropical research/T STAR	8,947	.....	4,474
Uniform farm management program (MN)	266	.....	298
Value-added product development from agricultural resources (MT)	366	.....	450
Virtual plant database enhancement project (MO)	671	.....	700
Viticulture consortium (NY, CA, PA)	1,600	.....	1,700
Water conservation (KS)	71	.....	79
Water use efficiency and water quality enhancement (GA)	447	.....	447
Weed control (ND)	387	.....	387
West Nile virus (IL)	671	.....	500
Wetland plants (LA)	533	.....	600
Wheat genetic research (KS)	236	.....	255
Wheat sawfly research (MT)	449	.....	600

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

[In thousands of dollars]

	Fiscal year 2004 enacted	Fiscal year 2005 budget	Committee rec- ommendation
Wood utilization (AK, OR, MS, MN, NC, ME, MI, ID, TN, WV)	6,070	.....	6,500
Wool research (TX, MT, WY)	268	.....	300
Total, special research grants	110,655	3,341	108,731
Improved pest control:			
Expert IPM decision support system	158	177	158
Integrated pest management	2,439	2,725	2,439
IR-4 minor crop pest management	9,549	10,485	10,550
Pest management alternatives	1,448	1,619	1,448
Total, Improved pest control	13,594	15,006	14,595
1994 institutions research program	1,087	998	1,087
Alaska Native-serving and Native Hawaiian-serving institutions edu- cation grants	3,131	2,997	3,500
Alternative crops	1,063	.....	840
Animal health and disease (sec. 1433)	4,532	5,098	5,098
Aquaculture centers (sec. 1475)	4,000	3,996	4,000
Capacity building grants (1890 institutions)	11,411	11,411	11,411
Critical Agricultural Materials Act	1,111	.....	1,111
Graduate fellowships grants	2,883	4,500	2,883
Higher education agrosecurity program .....	.....	5,000	.....
Hispanic education partnership grants	4,645	4,645	4,645
Institution challenge grants	4,859	5,500	4,859
Joe Skeen Institute for Rangeland Management (NM, TX, MT)	895	.....	1,000
Multicultural scholars program	986	998	998
National Research Initiative	164,027	180,000	183,000
Payments to the 1994 institutions	1,679	2,250	1,689
Secondary agriculture education	890	1,000	890
Sustainable agriculture research and education	12,222	9,230	12,222
Federal administration:			
Agriculture-based industrial lubricants (IA)	403	.....	650
Agriculture development in the American Pacific	490	.....	490
Agriculture waste utilization (WV)	617	.....	690
Agriculture water policy (GA)	895	.....	895
Alternative fuels characterization laboratory (ND)	268	.....	300
Animal waste management (OK)	298	.....	298
Aquaculture (OH)	850	.....	750
Aquaculture (PA)	222	.....	222
Biotechnology research (MS)	667	.....	667
Botanical research (UT)	792	.....	1,000
Center for Agricultural and Rural Development (IA)	600	.....	600
Center for Food Industry Excellence (TX)	222	.....	.....
Center for Innovative Food Technology (OH)	1,043	.....	.....
Center for North American Studies (TX)	895	.....	895
Climate forecasting (FL)	3,131	.....	.....
Cotton research (TX)	2,237	.....	2,237
Council for Agriculture Science and Technology .....	.....	.....	150
Data information system (REEIS)	2,444	2,500	2,444
Electronic grants administration system	1,944	1,409	1,409
Feed efficiency (WV)	143	.....	160
Fruit and vegetable market analysis (AZ, MO)	302	.....	.....
Geographic information system	1,431	.....	.....
Germplasm development in forage grasses (OH)	88	.....	.....
Greenhouse nurseries (OH)	713	.....	.....
High value horticultural crops (VA)	447	.....	650
Information technology (GA)	222	.....	.....
Livestock marketing information center (CO)	175	.....	175
Mariculture (NC)	320	.....	320

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

[In thousands of dollars]

	Fiscal year 2004 enacted	Fiscal year 2005 budget	Committee rec- ommendation
Mississippi Valley State University, curriculum development	933	.....	933
Monitoring agricultural sewage sludge application (OH)	1,074	.....	.....
Office of Extramural Programs	401	448	401
Pasteurization of shell eggs	1,094	.....	.....
Pay costs	2,273	2,832	2,665
Peer panels	312	349	312
Phytoremediation plant research (OH)	569	.....	700
PM-10 air quality study (WA)	390	.....	390
Precision agriculture, Tennessee Valley Research Center (AL)	582	.....	625
Produce pricing (AZ)	72	.....	.....
Rural systems (MS)	311	.....	311
Salmon quality standards (AK)	134	.....	200
Shrimp aquaculture (AZ, HI, MA, MS, SC, TX)	3,746	.....	3,746
Sustainable agricultural development (OH)	179	.....	.....
Sustainable agricultural freshwater conservation (TX)	1,789	.....	.....
The Land Institute (KS)	89	.....	.....
Urban silviculture (NY)	215	.....	.....
Vitis gene discovery	358	.....	400
Water pollutants (WV)	537	.....	600
Water quality (ND)	386	.....	500
Wetland plants (WV)	179	.....	.....
Total, federal administration	37,482	7,538	26,785
Total, CSREES R&E	617,780	501,540	628,492

Hatch Act.—The Committee acknowledges the beneficial impact Hatch Act funding has on land-grant universities. Hatch Act provides the base funds necessary for higher education and research involving agriculture. The Committee recommends a funding level of \$180,148,000 for payments made under the Hatch Act.

Special Research Grants Under Public Law 89-106.—The Committee recommends a total of \$108,731,000. Specifics of individual grant allowances are included in the table above. Special items are discussed below.

The Committee is aware of the need for special research grants in order to conduct research to facilitate or expand promising breakthroughs in areas of food and agricultural sciences that are awarded on a discretionary basis. In addition to these grants, the Committee believes research should be supplemented by additional funding that is obtained on a competitive basis.

Alliance for Food Protection.—The Committee provides \$266,000 for the Alliance for Food Protection. Of this amount, \$133,000 is to continue integrated fruit and vegetable research at the University of Georgia.

Alternative Milk Policies.—The Committee directs that of the funds made available to the Food and Agriculture Policy Research Institute, the amount available in fiscal year 2004 shall be provided for collaborative work between the University of Missouri and the University of Wisconsin/Madison, for an analysis of dairy policy changes, including trade related matters, and assist Congress in making policy decisions.

Alternative Salmon Products.—The Committee provides \$1,650,000 for alternative salmon products research. Of this

amount, \$650,000 shall be used to continue research into and development of baby food containing salmon.

Aquaculture Centers.—The Committee recommends \$4,000,000, the same as the fiscal year 2004 level.

The Committee is aware of and supports aquaculture research efforts at the University of Wisconsin-Milwaukee Great Lakes Wisconsin Aquatic Technology and Environmental Research Institute that is carried out in collaboration with the North Central Regional Aquaculture Center.

Red River Valley Research Corridor Office.—Within the amount provided for Agricultural Diversity, the Committee continues the level provided in fiscal year 2004 for activities of the Red River Valley Research Corridor Office.

Technology Transfer.—The Committee directs CSREES to continue to support at the fiscal year 2004 level the cotton technology transfer coordinator at Stoneville, MS.

Aquaculture (MS).—Of the \$521,000 provided for this grant, the Committee recommends at least \$90,000 for continued studies of the use of acoustics in aquaculture research to be conducted by the National Center for Physical Acoustics in cooperation with the Mississippi Agricultural and Forestry Experiment Station [MAFES] and the Delta Research and Extension Center in Stoneville.

Midwest Agricultural Products [MATRIC].—The Committee directs the Department to allocate the designated funds for MATRIC equally between Iowa State University and the Greater Des Moines Partnership.

Food and Agriculture Policy Research Institute.—The Committee provides \$1,523,000 for the Food and Agriculture Policy Research Institute. Of this amount \$158,000 shall be used to fund the Center for Agricultural and Trade Policies for the Northern Plains Region at North Dakota State University.

Milk Safety.—The Committee provides \$717,000 for milk safety research. Of this amount \$50,000 shall be used for a cooperative agreement with the Pennsylvania Department of Agriculture's Center for Dairy Excellence.

Potato Research.—The Committee expects the Department to ensure that funds provided to CSREES for potato research are utilized for varietal development testing. Further, these funds are to be awarded competitively after review by the potato industry working group.

Wood Utilization Research.—The Committee recommends \$6,500,000 for wood utilization research and directs that all member institutions receive no less than the amount provided in fiscal year 2004. The Committee directs that funding continue at the fiscal year 2004 level for forest inventory work conducted by the Mississippi Forest and Wildlife Research Center.

Competitive Research Grants.—The Committee supports the National Research Initiative Competitive Grants Program [NRI] and provides funding of \$183,000,000 for the program, an increase of \$18,973,000 from the fiscal year 2004 level. The Committee includes a general provision to make 20 percent of these funds available for a program under the same terms and conditions as those provided in Section 401 of the Agricultural Research, Extension, and Education Reform Act of 1998.

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

Classical Research.—The Committee notes the substantial increase in public and private sector research related to genomics, genetics, and other breakthrough biotechnology developments. However, this shift in emphasis has resulted in a decline in classical research in the animal and plant sciences. The Committee encourages the Department, especially in the establishment of priorities within the National Research Initiative, to give consideration to research needs related to classical plant and animal breeding.

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

Alternative Crops.—The Committee recommends \$840,000 for alternative crop research to continue and strengthen research efforts on canola, \$223,000 less than the fiscal year 2004 level.

Sustainable Agriculture.—The Committee recommends \$12,222,000 for sustainable agriculture, the same as the fiscal year 2004 level.

Higher Education.—The Committee recommends \$30,875,000 for higher education. The Committee provides \$2,883,000 for graduate fellowships; \$4,859,000 for challenge grants; \$998,000 for multicultural scholarships; and \$4,645,000 for Hispanic education partnership grants.

The Committee notes that the Department's higher education multicultural scholars program enhances the mentoring of scholars from under-represented groups. The Committee directs the Department to ensure that Alaska Natives participate fully in this program.

Alaska Native-Serving and Native Hawaiian-Serving Institutions Education Grants.—The Committee provides \$3,500,000 for non-competitive grants to individual eligible institutions or consortia of eligible institutions in Alaska and in Hawaii, with grant funds to be awarded equally between Alaska and Hawaii to carry out the programs authorized in 7 U.S.C. 3242 (Section 759 of Public Law 106–78). The Committee directs the agency to fully comply with the use of grant funds as authorized.

Geographic Information System Program.—The Committee provides the fiscal year 2004 funding level for the Geographic Information System Program. The Committee recommends the amount pro-

vided shall be made available for program activities of entities in the same areas as in 2004 on a proportional basis. For fiscal year 2004, this program was funded under Federal Administration.

Federal Administration.—The Committee provides \$26,785,000 for Federal administration. The Committee's specific recommendations are reflected in the table above.

CAST.—The Committee provides \$150,000 for the Council for Agricultural Science and Technology [CAST]. For fiscal year 2004, this program was funded under Special Research Grants.

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND

Appropriations, 2004	\$8,947,000
Budget estimate, 2005	12,000,000
Committee recommendation	12,000,000

The Native American Institutions Endowment Fund authorized by Public Law 103–382 provides an endowment for the 1994 land-grant institutions (31 tribally controlled colleges). This program will enhance educational opportunity for Native Americans by building educational capacity at these institutions in the areas of student recruitment and retention, curricula development, faculty preparation, instruction delivery systems, and scientific instrumentation for teaching. Income funds are also available for facility renovation, repair, construction, and maintenance. On the termination of each fiscal year, the Secretary shall withdraw the income from the endowment fund for the fiscal year, and after making adjustments for the cost of administering the endowment fund, distribute the adjusted income as follows: 60 percent of the adjusted income from these funds shall be distributed among the 1994 land-grant institutions on a pro rata basis, the proportionate share being based on the Indian student count; and 40 percent of the adjusted income shall be distributed in equal shares to the 1994 land-grant institutions.

COMMITTEE RECOMMENDATIONS

For the Native American Institutions Endowment Fund, the Committee recommends \$12,000,000. This amount is \$3,053,000 more than the fiscal year 2004 appropriation.

EXTENSION ACTIVITIES

Appropriations, 2004	\$439,125,000
Budget estimate, 2005	421,174,000
Committee recommendation	443,061,000

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

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

COMMITTEE RECOMMENDATIONS

For extension activities of the Cooperative State Research, Education, and Extension Service, the Committee recommends an appropriation of \$443,061,000. This amount is \$3,936,000 more than the fiscal year 2004 appropriation.

The following table summarizes the Committee's recommendations for extension activities, as compared to the fiscal year 2004 and budget request levels:

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

[In thousands of dollars]

	Fiscal year 2004 enacted	Fiscal year 2005 budget	Committee rec- ommendation
Smith-Lever sections 3(b) and 3(c)	277,742	275,940	277,742
Smith-Lever section 3(d):			
Farm safety	4,911	.....	4,174
Food and nutrition education [EFNEP]	52,057	57,909	58,000
Indian reservation agents	1,774	1,996	1,774
Pest management	9,563	10,759	9,563
Sustainable agriculture	4,333	3,792	4,333
Youth at risk	7,538	8,481	7,538
Youth farm safety education and certification	444	499	444
1890 colleges, Tuskegee University, and West Virginia State University	31,720	32,117	32,117
1890 facilities grants	14,912	14,912	14,912
Extension services at the 1994 institutions	2,929	3,273	2,929
Grants to youth organizations	2,667	.....	2,667
Renewable Resources Extension Act [RREA]	4,040	4,093	4,093
Rural health and safety education	2,331	.....	1,981
Subtotal	416,961	413,771	422,267
Federal administration and special grants:			
Ag in the classroom	622	750	850
Agricultural and entrepreneurship education (WI)	232	.....	250
Alabama beef connection	336	.....	400
Beef producers improvement (AR)	174	.....	190
Botanical garden initiative (IL)	213	.....	.....
Conservation technology transfer (WI)	447	.....	486
Dairy education (IA)	211	.....	235
Dairy industry revitalization (WI)	336	.....	300
Diabetes detection and prevention (WA)	1,089	.....	1,089
E-commerce (MS)	334	.....	334
Efficient irrigation (NM, TX)	2,058	.....	2,058
Entrepreneurial alternatives (PA)	222	.....	222
Extension specialist (MS)	133	.....	133
Family farm beef industry network (OH)	1,240	.....	.....
Food Animal Residue Avoidance Databank	712	.....	712
Food preparation and marketing (AK)	268	.....	400
Food product development (AK)	402	.....	550
General administration	5,467	6,653	5,445
Health education leadership (KY)	800	.....	900
Income enhancement demonstration (OH)	214	.....	.....
Iowa vitality center	250	.....	250
National Center for Agriculture Safety (IA)	224	.....	262

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

	Fiscal year 2004 enacted	Fiscal year 2005 budget	Committee rec- ommendation
National Wild Turkey Federation	224	.....	225
Nursery production (RI)	222	.....	.....
Nutrition enhancement (WI)	895	.....	1,050
Ohio-Israel agriculture initiative	537	.....	600
Oquirrh Institute	268	.....	300
Pilot technology transfer (OK, MS)	300	.....	300
Pilot technology transfer (WI)	215	.....	.....
Potato pest management (WI)	358	.....	360
Range improvement (NM)	218	.....	250
Resilient communities (NY)	111	.....	.....
Rural business enhancement (WI)	179	.....	200
Rural development (AK)	626	.....	750
Rural development (NM)	351	.....	351
Rural technologies (HI, WI)	311	.....	313
Urban horticulture (WI)	783	.....	850
Urban market development (NY)	224	.....	.....
Web-based agriculture classes (MO)	179	.....	179
Wood biomass as an alternative farm product (NY)	179	.....	.....
Total, Federal Administration	22,164	7,403	20,794
Total, Extension Activities	439,125	421,174	443,061

Ag in the Classroom.—The Committee recommends \$850,000 for Ag in the Classroom and expects that no less than \$250,000 be used to expand efforts in Illinois to promote consumption of healthy foods and proper school nutrition.

Conservation Technology Transfer.—Of the funds provided for Conservation Technology Transfer, the Committee provides \$447,000 for a nutrient management and conservation education program to meet the needs of the Wisconsin comprehensive nutrient management program in cooperation with Professional Dairy Producers of Wisconsin, Dairy Business Association, and others. In addition, the Committee provides the fiscal year 2004 funding level for the Dairy Discovery Farm Program.

Farm Safety.—Of the funds recommended for farm safety, the Committee recommends a funding level of \$3,312,000 for the AgrAbility project being carried out in cooperation with the National Easter Seal Society.

Nutrition Enhancement.—Of the funds provided for nutrition enhancement, the Committee provides \$50,000 for the Research Institute for Family Health and Wellness at Marywood University in Scranton, Pennsylvania.

Potato Pest Management.—Of the funds provided for Potato Pest Management, the Committee provides the fiscal year 2004 funding level for the ongoing effort between the University of Wisconsin, World Wildlife Fund, and Wisconsin Potato and Vegetable Growers Association. The Committee also directs the fiscal year 2004 funding level for an ongoing project with the University of Wisconsin for pesticide use reduction efforts for other commodities.

Rural Business Enhancement.—The Committee provides the fiscal year 2004 funding level to the University of Wisconsin at

Platteville for collaborative work with the University of Wisconsin Extension.

Urban Horticulture.—The Committee provides the fiscal year 2004 funding level for Urban Horticulture. In addition to funds directed for University of Wisconsin Extension activities, the Committee provides the fiscal year 2004 funding level for Growing Power of Milwaukee, Wisconsin.

INTEGRATED ACTIVITIES

Appropriations, 2004	\$50,195,000
Budget estimate, 2005	76,865,000
Committee recommendation	57,242,000

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

COMMITTEE RECOMMENDATIONS

For integrated activities of the Cooperative State Research, Education, and Extension Service, the Committee recommends \$57,242,000. This amount is \$7,047,000 more than the fiscal year 2004 level.

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

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

[In thousands of dollars]

	Fiscal year 2004 enacted	Fiscal year 2005 budget	Committee rec- ommendation
Critical issues	444	2,500	444
Crops at risk from FQPA implementation	1,330	1,497	1,330
Food safety	13,305	14,967	13,305
FQPA risk mitigation program for major food crop systems	4,345	4,889	4,345
Homeland security	7,953	30,000	15,000
International science and education grants	895	1,000	895
Methyl bromide transition	3,131	2,498	3,131
Organic transition	1,889	499	1,889
Regional pest management centers	4,028	4,531	4,028
Regional rural development centers	1,345	1,513	1,345
Water quality	11,530	12,971	11,530
Total	50,195	76,865	57,242

OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS

Appropriations, 2004	\$5,935,000
Budget estimate, 2005	5,935,000
Committee recommendation	5,935,000

This program is authorized under section 2501 of title XXV of the Food, Agriculture, Conservation, and Trade Act of 1990. Grants are made to eligible community-based organizations with demonstrated experience in providing education on other agriculturally-related

services to socially disadvantaged farmers and ranchers in their area of influence. Also eligible are the 1890 land-grant colleges, Tuskegee University, West Virginia State University, Indian tribal community colleges, and Hispanic-serving postsecondary education facilities.

COMMITTEE RECOMMENDATIONS

For outreach for socially disadvantaged farmers, the Committee recommends an appropriation of \$5,935,000. This amount is the same as the fiscal year 2004 appropriation.

OFFICE OF THE UNDER SECRETARY FOR MARKETING AND REGULATORY PROGRAMS

Appropriations, 2004	\$721,000
Budget estimate, 2005	804,000
Committee recommendation	733,000

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

COMMITTEE RECOMMENDATIONS

For the Office of the Under Secretary for Marketing and Regulatory Programs, the Committee recommends an appropriation of \$733,000. This amount is \$12,000 more than the fiscal year 2004 appropriation.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

Appropriations, 2004	\$716,329,000
Budget estimate, 2005	828,361,000
Committee recommendation	786,866,000

The Secretary of Agriculture established the Animal and Plant Health Inspection Service [APHIS] on April 2, 1972, under the authority of reorganization plan No. 2 of 1953, and other authorities. The major objectives of APHIS are to protect the animal and plant resources of the Nation from diseases and pests. These objectives are carried out under the major areas of activity, as follows:

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

Agricultural Quarantine Inspection [AQI].—The agency collects user fees to cover the cost of inspection and quarantine activities

at U.S. ports of entry to prevent the introduction of exotic animal and plant diseases and pests.

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

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

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

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

COMMITTEE RECOMMENDATIONS

For salaries and expenses of the Animal and Plant Health Inspection Service, the Committee recommends total funding of \$786,866,000. This is \$70,537,000 more than the fiscal year 2004 appropriation. The Committee encourages the Secretary to utilize authorities and resources of the Commodity Credit Corporation [CCC] to provide assistance in response to animal and plant health threats, and to allow compensation to certain producers for losses sustained in connection with these threats in instances when the additional assistance is deemed necessary.

The Committee has provided the following amounts in the APHIS salaries and expenses account for new and enhanced activities under the Food and Agriculture Defense Initiative: \$33,197,000 for a national animal identification program, \$5,000,000 for State cooperative agreements, \$2,500,000 for biosurveillance, \$500,000 for the control of select agents, \$3,500,000 for the National Veterinary Vaccine Bank, and \$8,641,000 for BSE testing.

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

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

[In thousands of dollars]

	Fiscal year 2004 enacted	Fiscal year 2005 budget request	Committee rec- ommendation
Pest and disease exclusion:			
Agricultural quarantine inspection	25,450	25,031	24,802

ANIMAL AND PLANT HEALTH INSPECTION SERVICE—Continued

[In thousands of dollars]

	Fiscal year 2004 enacted	Fiscal year 2005 budget request	Committee rec- ommendation
Cattle ticks	6,495	6,720	6,720
Foot-and-mouth disease/emerging foreign animal diseases	8,685	12,969	8,740
Import/export	11,074	15,729	11,874
Trade issues resolution and management	12,472	15,727	12,578
Fruit fly exclusion and detection	56,722	63,514	57,443
Screwworm	30,300	30,825	30,374
Tropical bunt tick	421	2,920	425
Total, pest and disease exclusion	151,619	173,435	152,956
Plant and animal health monitoring:			
Animal health monitoring and surveillance	95,347	143,547	146,157
Animal and plant health regulatory enforcement	9,157	9,823	9,382
Biosurveillance		5,000	2,500
Emergency Management System	9,568	20,285	9,660
Pest detection	24,382	45,308	25,131
Total, plant and animal health monitoring	138,454	223,963	192,830
Pest and disease management programs:			
Aquaculture	1,243	1,600	1,255
Biocontrol	9,215	9,429	9,429
Boll weevil	50,700	17,320	47,500
Brucellosis eradication	10,242	8,861	10,356
Chronic wasting disease	18,522	20,067	18,839
Emerging plant pests	93,098	104,415	94,422
Golden nematode	787	985	801
Grasshopper	5,459	4,356	5,528
Gypsy moth	4,697	4,768	4,768
Imported fire ant	2,415	2,148	2,148
Johne's disease	18,689	3,155	18,740
Low pathogen avian influenza	994	12,783	12,783
Noxious weeds	1,987	1,146	1,991
Pink bollworm	2,019	1,751	2,060
Plum pox	3,451	3,471	3,471
Pseudorabies	4,291	4,350	4,350
Scrapie eradication	15,607	20,874	15,768
Tuberculosis	14,837	20,935	14,937
Wildlife services operations	71,313	71,684	73,225
Witchweed	1,517	1,523	1,523
Total, pest and disease management	331,083	315,621	343,894
Animal care:			
Animal welfare	16,303	16,618	16,618
Horse protection	487	497	497
Total, animal care	16,790	17,115	17,115
Scientific and technical services:			
Biosecurity	1,988	2,920	1,988
Biotechnology regulatory services	5,402	12,048	5,504
Environmental services	2,583	2,624	2,624
Plant methods development laboratories	8,160	8,381	8,381
Veterinary biologics	15,145	17,374	15,513
Veterinary diagnostics	19,829	24,672	20,325
Wildlife services methods development	16,999	13,876	17,428
Total, scientific and technical services	70,106	81,895	71,763
Contingency fund	4,088	4,119	4,119
APHIS information technology infrastructure	4,189	5,080	4,189

ANIMAL AND PLANT HEALTH INSPECTION SERVICE—Continued

[In thousands of dollars]

	Fiscal year 2004 enacted	Fiscal year 2005 budget request	Committee rec- ommendation
Physical security .....	.....	7,133	.....
Total, salaries and expenses	716,329	828,361	786,866

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

Pest and Disease Exclusion

AQI.—For fiscal year 2005, the Committee provides an appropriation of \$24,802,000 for the AQI appropriated account to conduct preclearance quarantine inspections of persons, baggage, cargo, and other articles destined for movement from the State of Hawaii to the continental United States, Guam, Puerto Rico, or the United States Virgin Islands. The Committee has included the fiscal year 2004 funding level for interline activities in Hawaii.

The Committee urges the Department to establish protocols that allow shipment of untreated fruits and vegetables grown in Hawaii to cold-weather States during winter months while maintaining reasonable assurances that potential transshipment of such produce will not jeopardize the phytosanitary standards of warm weather States.

The Committee continues its interest in more efficient and less disruptive inspection of passengers and cargo at Hawaii airports and, from within available funds, directs APHIS to provide not less than the number of inspectors and inspection equipment required in the APHIS-Hawaii staffing plan for fiscal year 2004. The Committee also encourages the agency to aggressively identify and evaluate flexible hiring and staff deployment arrangements, such as the Senior Environmental Employment Program, to minimize overtime rates charged to agricultural shippers. The Committee further encourages APHIS to acquire and deploy commercially available, state-of-the art inspection technology and equipment for key ports of entry, such as Hawaii, to screen passenger luggage for banned agricultural products to reduce the introduction of dangerous agricultural pests and diseases in the United States.

Fruit Fly Exclusion and Detection.—The Committee provides \$57,443,000 for the fruit fly exclusion and detection program, of which no less than the fiscal year 2004 level shall be used to enhance activities to prevent Medflies from moving into the United States as well as activities at U.S. borders. The Committee provides an increase of \$100,000 above the fiscal year 2004 funding level for fruit fly activities in the State of Texas.

Import Inspection.—The Committee provides \$11,874,000 for import inspection, which includes an increase of \$500,000 from the

fiscal year 2004 funding level to enhance inspection and surveillance activities related to products entering the State of California.

Plant and Animal Health Monitoring

Animal Health Monitoring and Surveillance.—The Committee provides \$146,157,000 for the Animal Health Monitoring and Surveillance account. The Committee provides \$33,197,000 for a national animal identification program. This funding is in addition to \$18,800,000 that was transferred from the Commodity Credit Corporation on April 27, 2004. The Committee also includes statutory language that prohibits the Secretary from implementing an animal identification program prior to the notification of the Committees on Appropriations and the Committee on Agriculture, Nutrition, and Forestry in the Senate and the Committee on Agriculture in the House of Representatives which shall include a detailed explanation of the components of such system.

The Committee provides an increase of \$200,000 above the fiscal year 2004 funding level for a cooperative agreement with the Wisconsin Department of Agriculture, Trade and Consumer Protection to continue work carried out by the Wisconsin Livestock Identification Consortium. The Committee also provides an increase of \$200,000 above the fiscal year 2004 funding level for the National Farm Animal Identification and Records Project. The Committee provides continued funding at the 2004 level for the New Mexico Rapid Syndrome Validation Program to develop an early detection and reporting system for infectious animal diseases.

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

In order to ensure the health of the United States cattle industry, the Committee believes it is necessary to implement a secure, reliable, speedy and efficient animal identification program at border crossings between the United States and Mexico so that identity can be reconnected when ear tags are lost and an animal health emergency is present. The Committee is aware of several biometric identification systems, such as DNA, nose printing, and retinal imaging, that can reliably reconnect identity. The Committee encourages the Department to consider these and other technologies when implementing any animal identification program.

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

The Committee provides the fiscal year 2004 level to continue the cooperative agreement with the Murray State University, Breathitt Veterinary Center, Hopkinsville, KY, to determine the impact on animal health from common agricultural chemical usage.

The Committee provides an increase of \$100,000 above the fiscal year 2004 funding level to address bio-safety issues relating to antibiotic resistant strains of bacterial pathogens in the State of Vermont.

The Committee provides an increase of \$200,000 above the fiscal year 2004 funding level for a national institute at Iowa State University devoted to risk assessment, mitigation, and communication for genetically modified agricultural products.

Animal and Plant Health Regulatory Enforcement.—The Committee continues funding for the animal and plant health regulatory enforcement account for activities in support of increased Animal Welfare Act compliance inspections.

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

Bovine Spongiform Encephalopathy.—The Committee is concerned about the Department's ongoing bovine spongiform encephalopathy [BSE] surveillance program. The Department's Inspector General, in addition to scientists and other BSE experts, has advocated for testing a statistically significant sample of cattle over 30 months old. Older cattle such as these may have eaten certain materials considered high risk for transmitting BSE-related disease in their feed before FDA implemented a feed ban on such materials and would help the agency get a true picture of the prevalence of the disease in cattle in this country. Testing older cattle helps calculate BSE prevalence directly from the science-based surveillance data rather than rely on complex and potentially faulty mathematical calculations. The Committee urges the Department to include testing of a statistically significant sample of cattle more than 30 months of age, in addition to the identified high-risk group, in its BSE surveillance program.

Emergency Management Systems.—The Committee provides an increase of \$92,000 for the emergency management systems program.

Pest Detection.—The Committee provides an increase of \$749,000 for pest detection. The Committee is concerned about continuing threats posed by the accidental or intentional introduction of pests, disease, or species into this country which could be devastating to our agricultural resources.

The Committee is aware of interest by the Florida Department of Agriculture and Consumer Services to move toward completion of the Western Escambia County Agriculture Interdiction Station and encourages APHIS to work with the State of Florida to determine and, if prudent, develop and support a collaborative agreement for operations at this station.

The Committee provides the fiscal year 2004 level to continue the California County Pest Detection Augmentation Program.

Pest and Disease Management

Aquaculture.—The Committee provides \$1,255,000 for the aquaculture program. The Committee provides funding at the fiscal year 2004 level to continue telemetry and population dynamics studies

to develop environmentally and economically sustainable methods to help catfish farmers manage cormorant and pelican populations.

Boll Weevil.—The Committee provides \$47,500,000 for fiscal year 2005 to continue the Boll Weevil Eradication Program. This funding will provide the active eradication zone areas with a 30 percent cost share and possible exceptions to address special funding requirements arising from extraordinary circumstances in some States.

Brucellosis Eradication.—The Committee provides an increase of \$114,000 above the fiscal year 2004 level for the brucellosis program. This amount continues funding at the fiscal year 2004 level for the State of Montana to protect the State's brucellosis-free status and for the operation of the bison quarantine facility and the testing of bison that surround Yellowstone National Park.

The Committee provides continued funding at the fiscal year 2004 level for the Greater Yellowstone Interagency Brucellosis Committee, and encourages the coordination of Federal, State, and private actions to eliminate brucellosis from wildlife in the Greater Yellowstone area. This amount shall be equally divided between the States of Idaho, Montana, and Wyoming.

Chronic Wasting Disease.—The Committee is concerned about the number of deer and elk in different regions of the U.S. testing positive for chronic wasting disease and provides an increase of \$317,000 for the chronic wasting disease certification and control program to include additional surveillance and disease control activities with free-ranging cervids, and to increase State testing capacity for the timely identification of the presence of this disease.

Of the amount provided for chronic wasting disease, the Committee continues the fiscal year 2004 levels for the State of Wisconsin, the State of Utah, and the Conservation Medicine Center of Chicago which is a collaboration between the University of Illinois College of Veterinary Medicine, Loyola University Chicago Stritch School of Medicine, and the Brookfield Zoo. Of the amount provided, \$250,000 is included to monitor chronic wasting disease in the State of Alaska.

Emerging Plant Pests.—The Committee provides an increase of \$1,324,000 above the fiscal year 2004 funding level for emerging plant pests. Within this total, the Committee provides an increase of \$750,000 above the fiscal year 2004 funding level for Pierce's disease. The Committee continues the fiscal year 2004 funding levels for citrus canker and the Asian long-horned beetle program in Illinois and New York, of which no less than the fiscal year 2004 funding level shall be for activities in the area of Chicago, IL. The Committee continues funding at the fiscal year 2004 funding level for sudden oak death syndrome. The Committee provides the fiscal year 2004 funding level for activities related to the emerald ash borer in the State of Michigan. The Committee expects the Secretary to make funds available from the CCC for activities related to these and other plant pests in fiscal year 2005, as necessary.

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

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

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

Grasshopper.—The Committee provides an increase of \$69,000 above the fiscal year 2004 level for the grasshopper account. Of this amount, no less than \$1,000,000 shall be for grasshopper and Mormon cricket activities in the State of Utah to prepare necessary environmental documents and continue control measures. The Committee also provides the fiscal year 2004 level for grasshopper and Mormon cricket activities in the State of Nevada, including survey, control, and eradication of crickets.

Imported Fire Ant.—The Committee provides \$2,148,000 for the imported fire ant account to continue sharing responsibility with the States to conduct detection and nursery surveys; compliance monitoring; enforcement for quarantine of nursery stock; and production, field release, and evaluation of promising control agents. The Committee continues funding at the fiscal 2004 level for the States of Tennessee and New Mexico for control activities.

Johne's Disease.—The Committee provides an increase of \$51,000 above the fiscal year 2004 level for Johne's disease to expand the agency's efforts to coordinate State certification programs for herd-testing, and to provide assistance to States to develop herd management plans that comply with APHIS's national standards for certification. The Committee expects APHIS to work with the Agricultural Research Service to coordinate activities to research and develop an effective diagnostic test for Johne's disease with appropriate field validation and methods development.

Low Pathogenic Avian Influenza.—The Committee provides \$12,783,000 for detection, control and eradication of Low Pathogenic Avian Influenza [LPAI]. This funding is in addition to \$13,700,000 that was transferred from the Commodity Credit Corporation [CCC] on May 12, 2004. The Committee notes that the funds from CCC have been used historically to provide compensation to producers for losses associated with containing this disease. The Committee believes that the Secretary should continue to utilize the CCC for purposes of such compensation.

The Committee is concerned that this disease, which appears to be endemic in certain live bird markets in urban areas, can be spread to the commercial poultry and egg industry causing significant economic harm to growers and processors. The Committee is also concerned that LPAI in certain cases can mutate into High Pathogenic Avian Influenza, a more virulent and dangerous form of the disease. To prevent this from happening, a robust surveillance and control program in both the commercial industry and live bird markets is important.

The Committee notes that APHIS has combated LPAI in some cases by utilizing a vaccination program. The Committee encourages APHIS to utilize funds of the CCC to indemnify producers for losses incurred in these vaccination programs.

The Committee is aware of the potential for the development of a plant-based avian influenza vaccine. With a plant-based avian influenza vaccine, and an accompanying diagnostic test, regions at risk of avian influenza infection would have the ability to implement a preventative disease control program which includes a vaccination plan. The Committee encourages APHIS to review and consider the benefits of a plant-based avian influenza vaccine.

Noxious Weeds.—The Committee provides \$1,991,000 for the noxious weeds account. This amount includes the fiscal year 2004 level for the Nez Perce Bio-Control Center to increase the availability and distribution of biological control organisms used in an integrated weed management system. The Committee provides continued funding at the fiscal year 2004 level for an invasive species program to prevent the spread of cogongrass in Mississippi, and requests that the agency take necessary steps to address this invasive weed as a regional infestation problem.

The Committee continues its concern for the serious threat to pastures and watersheds resulting from the introduction of alien weed pests, such as gorse and miconia, into Hawaii, and directs APHIS to work with the Hawaii Department of Agriculture and the Natural Resources Conservation Service to develop an integrated approach, including environmentally safe biological controls, for eradicating these pests, and to provide funds as necessary.

Scrapie Eradication.—The Committee provides an increase of \$161,000 above the fiscal year 2004 level for the scrapie eradication program, and directs the Secretary to use funds from the CCC, as necessary, for additional eradication activities in fiscal year 2005.

Tuberculosis.—The Committee provides \$14,937,000 for the tuberculosis program. Of this amount, no less than \$5,000,000 shall be for activities in Michigan. The Committee is concerned about the potential threats that wildlife poses for transmitting tuberculosis to domestic livestock and directs the agency to increase technical and operational assistance to Michigan producers to prevent or reduce the transmission of tuberculosis between wildlife and cattle. The Committee also encourages the agency to continue its research for developing methods to minimize the interaction between wildlife and livestock. The Committee encourages the Secretary to use funds from the CCC, as necessary, for additional surveillance and eradication activities in fiscal year 2005.

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

The Committee notes the success of the oral rabies vaccination program and provides the fiscal year 2004 level for rabies control

activities. The Committee encourages the Secretary to use funds from the CCC, as necessary, for additional control activities in fiscal year 2005.

The Committee provides continued funding at the fiscal year 2004 level to fully implement the recommendations of the Aviation Safety Review Committee.

Of the amount provided to conduct wildlife monitoring and surveillance activities to prevent the spread of foreign animal diseases in the United States, the Committee provides the fiscal year 2004 level for remote diagnostic and wildlife disease surveillance activities with North Dakota State University and Dickinson State University.

The Committee is concerned about the growing number of livestock that are killed or injured by preying animals, especially wolves, in the Western Great Lakes and Southwest regions of the United States. The Committee provides continued funding at the fiscal year 2004 level for integrated predation management activities in Minnesota, Wisconsin, Michigan, Arizona, and New Mexico. Of this amount, no less than \$1,215,000 shall be available for activities in the Western Great Lakes States. A portion of the funding shall be made available to assist livestock producers who are interested in the proper use of non-lethal alternatives and best management practices in order to fully ensure that all such methods are exhausted before any lethal control occurs.

The Committee provides continued funding at the fiscal year 2004 level for the Tri-state predator control program for livestock operators in Montana, Idaho, and Wyoming. Due to the increase in federally listed endangered species, the States' operations accounts for wildlife services have suffered financially.

The Committee provides continued funding at the fiscal year 2004 level for a cooperative agreement with the University of Georgia, Auburn University, and the Wildlife Services Operations in the State of Georgia to address the fluctuations in game bird and predator species resulting from recent changes in land use throughout the southeastern United States.

The Committee provides continued funding at the fiscal year 2004 level for the operation of the State Wildlife Services office in Hawaii to provide on-site coordination of prevention and control activities in Hawaii and the American Pacific. The Committee also continues funding at the fiscal year 2004 level for the Hawaii Department of Agriculture to coordinate and operate a comprehensive brown tree snake prevention and detection program for Hawaii and to initiate eradication and control of coqui frogs.

The Committee provides continued funding at the fiscal year 2004 level for wildlife service operations with the South Dakota Department of Game, Fish, and Parks to meet the growing demands of controlling predatory, nuisance, and diseased animals.

The Committee provides an increase of \$100,000 above the fiscal year 2004 funding level for the management of beavers in Mississippi. The Committee commends the agency's assistance in cooperative relationships with local and Federal partners to reduce beaver damage to cropland and forests. The Committee also provides an increase of \$300,000 above the fiscal year 2004 funding level for

beaver control equally divided between the State of Wisconsin, the Commonwealth of Kentucky, and the State of North Carolina.

The Committee provides continued funding at the fiscal year 2004 level to continue control measures for minimizing blackbird damage to sunflowers in North Dakota and South Dakota. The Committee continues the fiscal year 2004 funding level for blackbird management efforts in Louisiana.

The Committee provides funding at the fiscal year 2004 level to assist the Nevada Division of Wildlife with returning displaced wildlife back to its natural habitat. This rescue initiative shall be a cooperative effort between Federal, State, local, and private sources.

The Committee provides funding at the fiscal year 2004 level for a cooperative agreement with the Eastern Idaho Sandhill Crane Lure Crop Project for integrated predator management activities to reduce sandhill crane depredations and grain crop damage in Eastern Idaho. The Committee also provides \$35,000 for crane operations in the State of Wisconsin.

The Committee also provides an increase of \$200,000 above the fiscal year 2004 funding level for the Predator Research Station in the State of Utah. The Committee continues funding at the fiscal year 2004 level for the control of goose populations in the State of New York, the control of blackbirds in the State of Kansas, and to address wildlife damage in the State of New Hampshire. The Committee also provides \$50,000 for the Cooperative Livestock Protection Program in the State of Pennsylvania. This program will provide technical and operational assistance to agriculture producers in identifying and controlling nuisance wildlife.

The Committee provides an increase of \$100,000 above the fiscal year 2004 funding level to assist in the management of cormorants in the Lake Champlain Basin. The Committee also provides an increase of \$200,000 above the fiscal year 2004 funding level for Delta States operations to control cormorants.

Animal Care

Animal Welfare.—The Committee provides \$17,115,000 for the Animal Care Unit for horse protection and enforcement of the Animal Welfare Act.

The Committee does not assume collections from unauthorized animal welfare inspection user fees, as proposed in the President's budget.

Scientific and Technical Services

Veterinary Diagnostics.—The Committee provides \$20,325,000 for the veterinary diagnostics account for fiscal year 2005. The Committee provides the fiscal year 2004 level to continue to update equipment needed to test certain animal samples in the State of Colorado.

The Committee supports the ongoing activities of the Department to strengthen safeguards against the accidental or intentional introduction of catastrophic animal diseases. An important part of this effort is cooperation with the States to establish a National Diagnostic Network. As USDA continues this effort in fiscal year 2005, the Committee encourages the consideration of cooperative

agreements with Kansas State University, South Dakota State University, Washington State University, and Auburn University for modernization and facility upgrades through which these institutions can better contribute to this national effort.

Wildlife Services Methods Development.—The Committee provides \$17,428,000 for wildlife services methods development. Of this amount, the Committee provides the fiscal year 2004 level to continue existing research efforts at the National Wildlife Research Center field station in Starkville, MS, for resolving problems regarding bird damage to aquaculture farms in the Southeast. The Committee also provides an increase of \$200,000 above the fiscal year 2004 funding level to continue the existing program at the Jack Berryman Institute for addressing wildlife damage management issues, including wildlife disease threats and wildlife economics, and facilitating a cooperative relationship with the Mississippi Agricultural and Forestry Experiment Station. The Committee emphasizes the importance of close collaboration between the Jack Berryman Institute and the National Wildlife Research Center.

The Committee provides continued funding at the fiscal year 2004 level for the cooperative agreement with the Hawaii Agriculture Research Center for rodent control only in active agricultural areas.

The Committee provides the fiscal year 2004 level for the National Wildlife Research Station located in the State of Texas for activities related to emerging infectious diseases associated with wildlife populations and human health.

Projects identified in Senate Report 108–107, and Conference Report 108–401 that the Committee directed to be funded for fiscal year 2004 are not funded for fiscal year 2005 unless specifically mentioned herein.

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

BUILDINGS AND FACILITIES

Appropriations, 2004	\$4,967,000
Budget estimate, 2005	4,996,000
Committee recommendation	4,967,000

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

COMMITTEE RECOMMENDATIONS

For buildings and facilities of the Animal and Plant Health Inspection Service, the Committee recommends an appropriation of

\$4,967,000. This amount is the same as the fiscal year 2004 appropriation.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

Appropriations, 2004	\$74,985,000
Budget estimate, 2005	85,998,000
Committee recommendation	78,198,000

The Agricultural Marketing Service [AMS] was established by the Secretary of Agriculture on April 2, 1972. AMS carries out programs authorized by some 31 different statutory authorities, the primary ones being the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627); the U.S. Cotton Standards Act (7 U.S.C. 51–65); the Cotton Statistics and Estimates Act (7 U.S.C. 471–476); the Tobacco Inspection Act (7 U.S.C. 511–511q); the Perishable Agricultural Commodities Act (7 U.S.C. 499a–499s); the Egg Products Inspection Act (21 U.S.C. 1031–1056); and section 32 (15 U.S.C. 713c).

Programs administered by this Agency include the market news services, payments to States for marketing activities, the Plant Variety Protection Act, the Federal administration of marketing agreements and orders, standardization, grading, classing, and shell egg surveillance services, transportation services, and market protection and promotion.

COMMITTEE RECOMMENDATIONS

For marketing services of the Agricultural Marketing Service, the Committee recommends an appropriation of \$78,198,000. This amount is \$3,213,000 more than the fiscal year 2004 appropriation. Included in this amount is \$2,000,000 for the National Organic Program.

The Committee continues to encourage AMS to use this funding to finalize the hiring of an Executive Director for the National Organic Standards Board, to create a Peer Review Panel to oversee the USDA accreditation process for organic certifiers, and to improve scientific technical support for the NOSB. The Committee also encourages AMS to regularly collect and report agricultural price trends in the organic industry.

The Committee is aware that the current Processed Commodity Inventory Management System [PCIMS] was developed nearly two decades ago and has become inflexible and costly to maintain. Therefore, the Committee directs that no less than \$2,500,000 be used to begin development of a Web-Based Supply Chain Management System to improve purchase and management of commodities used in nutrition programs, and encourages the Secretary to use any available authorities to transfer the additional money necessary to fully fund this system from Section 32 funds.

The Committee provides \$14,645,000 for the Pesticide Data Program. The Committee recognizes the importance of the Pesticide Data Program [PDP] to collect reliable, scientific-based pesticide residue data that benefits consumers, food processors, crop protection, pesticide producers, and farmers. The PDP is of particular importance since the passage of the Food Quality Protection Act,

which requires thorough re-evaluation of agricultural pesticides and tolerances for uses on individual crops. The PDP is an effective tool to maintain the availability of critical products which allow the production of safe and affordable foods.

The Committee encourages the Department to make grants to the Kenai Peninsula Borough and Alaska regional marketing organizations to promote wild salmon.

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

The amount provided also includes \$6,195,000 for the microbiological data program so that baselines may be established for the incidence, number and types of food-borne microorganisms. The Committee expects AMS to coordinate with other agencies of USDA, other public health agencies of the government, and industry to avoid duplication of effort and to ensure that the data collected can be used by all interested parties.

The Committee is aware that U.S. farmers and ranchers operating beyond the contiguous 48 States tend to operate at a competitive disadvantage because of their location. They are located long distances from input and product markets and tend to have fewer transportation alternatives than producers in the contiguous 48 States. As such, they incur higher costs in transporting the inputs necessary for efficient production and shipping products to export markets. In November of 2003, USDA completed a study entitled "Report on Geographically Disadvantaged Farmers and Ranchers" and offered a number of actions to alleviate some of the disadvantages. The Committee encourages AMS to implement the recommendations made by this study.

The Committee encourages AMS to work with ERS, NASS and RMA on the collection of segregated data on the production and marketing of organic agricultural products. This data should be included in the ongoing baseline of data collection regarding agricultural production and marketing, as directed in the 2002 Farm Bill. Specifically, data should be collected on prices, yields, acreage and production costs in the organic sector.

The Committee is aware of the success of the Alaska Quality Seafood Program and encourages AMS to develop a similar program in Louisiana, modeled after the Alaska program.

The Committee encourages AMS to work with New York State producers to design and test a distribution system that will connect the products of upstate New York farmers with distributors in New York City.

LIMITATION ON ADMINISTRATIVE EXPENSES

Limitation, 2004	\$62,577,000
Budget limitation, 2004	64,459,000
Committee recommendation	64,459,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends a limitation on administrative expenses of the Agricultural Marketing Service of \$64,459,000. This amount is \$1,882,000 more than the fiscal year 2004 level.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY

(SECTION 32)

MARKETING AGREEMENTS AND ORDERS

Appropriations, 2004	\$15,392,000
Budget estimate, 2005	15,800,000
Committee recommendation	15,800,000

Under section 32 of the act of August 24, 1935, (7 U.S.C. 612c), an amount equal to 30 percent of customs receipts collected during each preceding calendar year and unused balances are available for encouraging the domestic consumption and exportation of agricultural commodities. An amount equal to 30 percent of receipts collected on fishery products is transferred to the Department of Commerce. Additional transfers to the child nutrition programs of the Food and Nutrition Service have been provided in recent appropriations Acts.

The following table reflects the status of this fund for fiscal years 2003–2005:

ESTIMATED TOTAL FUNDS AVAILABLE AND BALANCE CARRIED FORWARD, FISCAL YEARS 2003–2005

	2003 actual	Fiscal year 2004 current estimate	Fiscal year 2005 budget estimate
Appropriation (30 percent of Customs Receipts)	\$5,798,093,321	\$5,927,395,463	\$6,030,964,691
Fiscal Year 2003 Appropriation (Public Law 108–7)	250,000,000	.....	.....
Less Transfers:			
Food and Nutrition Service	– 4,745,663,000	– 4,699,661,000	– 5,152,962,000
Commerce Department	– 75,223,778	– 79,724,463	– 77,538,934
Total, Transfers	– 4,820,886,778	– 4,779,385,463	– 5,230,500,934
Budget Authority	1,227,206,543	1,148,010,000	800,463,757
Recoveries of Prior Year Obligations	40,157,220	.....	.....
Unobligated Balance Available Start of Year	192,642,712	134,321,602	348,893,243
Available for Obligation	1,460,006,475	1,282,331,602	1,149,357,000
Less Obligations:			
Commodity Procurement:			
Child Nutrition Purchases	200,000,000	400,000,000	400,000,000
Drought Relief	867,000,000	.....	.....
State Option Contract	948,480	5,000,000	5,000,000
Removal of Defective Commodities	999,919	1,000,000	1,000,000
Emergency Surplus Removal	222,090,274	164,628,359	.....

ESTIMATED TOTAL FUNDS AVAILABLE AND BALANCE CARRIED FORWARD, FISCAL YEARS 2003–
2005—Continued

	2003 actual	Fiscal year 2004 current estimate	Fiscal year 2005 budget estimate
Direct Payments	8,000,000	18,750,000	.....
Lamb Grading and Certification Support	103,343	100,000	.....
Disaster Relief	499,989	.....	.....
Estimated Future Purchases .....	.....	317,525,000	416,325,000
Total Commodity Procurement	1,299,642,005	907,003,359	822,325,000
Administrative Funds:			
Commodity Purchase Services	11,199,016	11,043,000	11,232,000
Marketing Agreements & Orders	14,843,852	15,392,000	15,800,000
Total, Administrative Funds	26,042,868	26,435,000	27,032,000
Total, Obligations	1,325,684,873	933,438,359	849,357,000
Unobligated Balance Available, End of Year	134,321,602	348,893,243	300,000,000

COMMITTEE RECOMMENDATIONS

The Committee recommends a transfer from section 32 funds of \$15,800,000 for the formulation and administration of marketing agreements and orders. This amount is \$408,000 more than the fiscal year 2004 level.

In previous fiscal years, section 32 funds have been spent to purchase and distribute salmon for donation to schools, institutions, and other domestic feeding programs. The Committee directs the Agricultural Marketing Service [AMS] to assess the existing inventories of pink salmon, salmon nuggets, and pouched salmon and determine whether there is a surplus and continued low prices. If a surplus exists, the Committee expects the Department to purchase salmon for use in schools, institutions, and other domestic feeding programs, and for humanitarian aid.

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

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

The Committee is aware of the recent pricing of cranberries below the cost of production that has negatively impacted cranberry producers in growing regions across the country. Given the anticipated industry inventory of 3,400,000 barrels during the coming fiscal year, the Committee directs USDA to use all existing authorities under the section 32 program to purchase no less than the average purchase amount over the past 3 fiscal years in order to prevent market instability.

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

The Committee is aware that fresh asparagus imports from countries benefiting from the Andean Trade Preference Act have displaced domestic asparagus producers, particularly in Washington State, and created a domestic surplus. The Committee is also aware that domestic asparagus producers have been unable to access Trade Adjustment Assistance. The Committee encourages the Department to use all existing authorities under the section 32 program to purchase surplus domestic asparagus.

PAYMENTS TO STATES AND POSSESSIONS

Appropriations, 2004	\$3,318,000
Budget estimate, 2005	1,347,000
Committee recommendation	3,847,000

The Federal-State Marketing Improvement Program [FSMIP] is authorized by section 204(b) of the Agricultural Marketing Act of 1946 and is also funded from appropriations. Payments are made to State marketing agencies to: identify and test market alternative farm commodities; determine methods of providing more reliable market information, and develop better commodity grading standards. This program has made possible many types of projects, such as electronic marketing and agricultural product diversification. Current projects are focused on the improvement of marketing efficiency and effectiveness, and seeking new outlets for existing farm produced commodities. The legislation grants the U.S. Department of Agriculture authority to establish cooperative agreements with State departments of agriculture or similar State agencies to improve the efficiency of the agricultural marketing chain. The States perform the work or contract it to others, and must contribute at least one-half of the cost of the projects.

COMMITTEE RECOMMENDATIONS

For payments to States and possessions for Federal-State marketing projects and activities, the Committee provides \$3,847,000. This amount is \$529,000 more than the fiscal year 2004 appropriation. The Committee directs that \$2,500,000 be provided to the Wisconsin Department of Agriculture, Trade and Consumer Protection for the development of specialty markets.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

SALARIES AND EXPENSES

Appropriations, 2004	\$35,678,000
Budget estimate, 2005	44,150,000
Committee recommendation	37,299,000

The Grain Inspection, Packers and Stockyards Administration [GIPSA] was established pursuant to the Secretary's 1994 reorganization. Grain inspection and weighing programs are carried out under the U.S. Grain Standards Act and other programs under the

authority of the Agricultural Marketing Act of 1946, including the inspection and grading of rice and grain-related products; conducting official weighing and grain inspection activities; and grading dry beans and peas, and processed grain products. Under the Packers and Stockyards Act, assurance of the financial integrity of the livestock, meat, and poultry markets is provided. The administration monitors competition in order to protect producers, consumers, and industry from deceptive and fraudulent practices which affect meat and poultry prices.

COMMITTEE RECOMMENDATIONS

For salaries and expenses of the Grain Inspection, Packers and Stockyards Administration, the Committee recommends an appropriation of \$37,299,000. This amount is \$1,621,000 more than the fiscal year 2004 appropriation, and includes \$1,000,000 for requested program initiatives such as IT security and BSE-related activities.

The Committee expects the Department to continue the market catalog reporting.

The Committee continues funding for the Swine Contract Library.

The Committee understands that GIPSA is assessing how to facilitate the efficient marketing of grain by augmenting, not supplanting, existing market mechanisms. The Committee encourages the Department to continue the cooperative relationship with the Iowa Corn Growers Association and the Illinois Corn Growers Association, and provides the fiscal year 2004 funding level for an ongoing study of process verification systems and protocols.

LIMITATION ON INSPECTION AND WEIGHING SERVICES EXPENSES

Limitation, 2004	\$42,463,000
Budget limitation, 2005	42,463,000
Committee recommendation	42,463,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends a \$42,463,000 limitation on inspection and weighing services expenses. This amount is the same as the fiscal year 2004 level.

OFFICE OF THE UNDER SECRETARY FOR FOOD SAFETY

Appropriations, 2004	\$595,000
Budget estimate, 2005	803,000
Committee recommendation	608,000

The Office of the Under Secretary for Food Safety provides direction and coordination in carrying out the laws enacted by the Congress with respect to the Department's inspection of meat, poultry,

and egg products. The Office has oversight and management responsibilities for the Food Safety and Inspection Service.

COMMITTEE RECOMMENDATIONS

For the Office of the Under Secretary for Food Safety, the Committee recommends an appropriation of \$608,000. This amount is \$13,000 more than the fiscal year 2004 appropriation.

FOOD SAFETY AND INSPECTION SERVICE

Appropriations, 2004	\$779,882,000
Budget estimate, 2005	838,660,000
Committee recommendation	823,757,000

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

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

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

COMMITTEE RECOMMENDATIONS

For the Food Safety and Inspection Service, the Committee recommends an appropriation of \$823,757,000. This amount is \$43,875,000 more than the fiscal year 2004 appropriation. This increase includes \$12,267,000 for front line inspection costs, bringing the total number of FSIS slaughter inspectors to 7,690. The Committee also provides \$7,000,000 to continue training for entry-level inspectors. In addition, the Committee provides \$3,000,000 to improve Bovine Spongiform Encephalopathy [BSE] surveillance, as requested in the budget.

The Committee has provided the following amounts in the Food Safety and Inspection Service account for new and enhanced activities under the Food and Agriculture Defense Initiative: \$2,500,000 for biosurveillance, \$7,000,000 for Food Emergency Response Network, \$1,250,000 for enhance lab capabilities, and \$1,000,000 for biosecurity training.

The Committee has provided an increase of \$105,000 from the fiscal year 2004 funding level for activities related to the *Codex Alimentarius*.

Humane Slaughter.—The Committee notes the positive steps taken by FSIS for enforcement of the Humane Methods of Slaughter Act [HMSA]. Among the steps taken by FSIS has been the establishment of a Humane Animal Tracking [HAT] system, and the Committee provides \$4,000,000 to incorporate the HAT system into

the FAIM architecture. The Committee further directs FSIS to provide notification to the Committees on Appropriations prior to obligating funds for incorporating HAT under FAIM. This notification should provide the Committees with details on specific costs associated with this action, a schedule for incorporation, and how this action will benefit enforcement of HMSA regulations.

The Committee provides the amount requested in the budget to maintain the 63 full time equivalent positions which have been increased for this purpose above the fiscal year 2002 level. The Committee strongly feels that a portion of that FTE increase should be used to allow additional FSIS personnel to work cooperatively with the existing District Veterinary Medical Specialists [DVMS], whose duties are specifically tied to HMSA enforcement, in order to increase the number of facility visits by FSIS personnel with special expertise in HMSA enforcement, and to allow each DVMS better opportunities to visit facilities in other FSIS districts to enhance communication and problem solving among all districts.

In addition, the Committee expects FSIS to consider a number of objective scoring techniques to measure more precisely the extent to and the occasions in which regulatory actions may be appropriate, and means by which FSIS personnel can actually document improvements or failures in animal handling and slaughter operations. Further, the Committee believes other scoring protocols will serve as useful tools to the agency in directing limited resources. Such protocols may include assigning overall facility ratings in regard to layout and adoption by facility management of a systematic approach to monitor and comply with HMSA requirements. In addition, the Committee encourages FSIS to enhance capabilities to observe animal handling and slaughter operations through the use of location or technological opportunities to make unannounced observations that will allow the initiation, when appropriate, of regulatory actions.

The Committee directs FSIS to report to the Committee by March 1, 2005, on additional progress or challenges the agency has met in HMSA enforcement, including the adoption or rejection of the recommendations made by the Committee.

Self-Contained Modular Facilities.—The Centers for Disease Control [CDC] has incorporated self-contained modular facilities [SCMF] and modular specimen triage units [STU] in the development and implementation of its 50 State public health laboratories and facilities comprising the Laboratory Response Network [LRN]. The Committee encourages the Food Safety and Inspection Service to consult with CDC to evaluate the benefits of incorporating self-contained modular facilities.

Import Inspection.—When a significant number of plants initially audited in a particular country fail to meet U.S. safety standards, the Committee continues to expect the Department to exercise all authorities to limit imports from all plants in that country which have not been audited in the previous 12 months, as well as imports from those plants that failed initial audits, until subsequent findings establish that proper inspection systems are in place.

Baseline Studies.—The Committee is aware that FSIS is currently conducting ongoing nationwide microbiological baseline studies for nine commodities. These studies will permit FSIS to collect

more appropriate scientific data in order to conduct risk assessments and to more accurately track prevalence and levels of foodborne disease-causing bacteria. The Committee directs that no less than \$2,000,000, an increase of \$350,000, be used to continue these baseline studies.

The following table represents the Committee's specific recommendations for the Food Safety and Inspection Service as compared to the fiscal year 2004 and budget request levels:

FOOD SAFETY AND INSPECTION SERVICE SALARIES AND EXPENSES

[In thousands of dollars]

	Fiscal year 2004 enacted	Fiscal year 2005 budget request	Committee rec- ommendation
Food safety inspection:			
Federal	697,682	758,702	740,835
State	49,564	53,198	52,552
International	18,290	19,815	19,425
Codex Alimentarius	2,621	2,726	2,726
FAIM	11,725	4,219	8,219
Total	779,882	838,660	823,757

OFFICE OF THE UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES

Appropriations, 2004	\$631,000
Budget estimate, 2005	933,000
Committee recommendation	648,000

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

COMMITTEE RECOMMENDATIONS

For the Office of the Under Secretary for Farm and Foreign Agricultural Services, the Committee recommends an appropriation of \$648,000. This amount is \$17,000 more than the fiscal year 2004 appropriation.

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

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

FARM SERVICE AGENCY

The Farm Service Agency [FSA] was established October 3, 1994, pursuant to the Federal Crop Insurance Reform and Department of

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

SALARIES AND EXPENSES

[In thousands of dollars]

	Appropriations	Transfers from program accounts	Total, FSA, sala- ries and expenses
Appropriations, 2004	982,934	283,244	1,266,178
Budget estimate, 2005	1,007,877	309,163	1,317,040
Committee recommendation	1,004,032	297,703	1,301,735

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

COMMITTEE RECOMMENDATIONS

For salaries and expenses of the Farm Service Agency [FSA], including funds transferred from other program accounts, the Committee recommends \$1,301,735,000. This amount is \$35,557,000 more than the fiscal year 2004 appropriation. The Committee includes funding for an information technology specialist, a clerical support person, a new program coordinator, and a new loan officer in the FSA headquarters in the State of Alaska.

STATE MEDIATION GRANTS

Appropriations, 2004	\$3,951,000
Budget estimate, 2005	4,000,000
Committee recommendation	4,000,000

This program is authorized under title V of the Agricultural Credit Act of 1987. Originally designed to address agricultural credit disputes, the program was expanded by the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 to include other agricultural issues such as wetland determinations, conservation compliance, rural water loan programs,

grazing on National Forest System lands, and pesticides. Grants are made to States whose mediation programs have been certified by the Farm Service Agency [FSA]. Grants will be solely for operation and administration of the State's agricultural mediation program.

COMMITTEE RECOMMENDATIONS

The Committee recommends \$4,000,000 for State mediation grants. This amount \$49,000 more than the fiscal year 2004 appropriation.

DAIRY INDEMNITY PROGRAM

Appropriations, 2004	\$100,000
Budget estimate, 2005	100,000
Committee recommendation	100,000

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

COMMITTEE RECOMMENDATIONS

For the dairy indemnity program, the Committee recommends \$100,000. This amount is the same as the fiscal year 2004 appropriation.

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

The Agricultural Credit Insurance Fund Program Account is used to insure or guarantee farm ownership, farm operating, and emergency loans to individuals, as well as the following types of loans to associations: irrigation and drainage, grazing, Indian tribe land acquisition and boll weevil eradication. The insurance endorsement on each insured loan may include an agreement by the Government to purchase the loan after a specified initial period.

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

The following programs are financed through this fund:

Farm Ownership Loans.—Made to borrowers who cannot obtain credit elsewhere to restructure their debts, improve or purchase farms, refinance nonfarm enterprises which supplement but do not supplant farm income, or make additions to farms. Total indebtedness to FSA may not exceed \$200,000 for direct loans and \$782,000 for guaranteed loans. Loans are made for 40 years or less.

Farm Operating Loans.—Provide short-to-intermediate term production or chattel credit to farmers who cannot obtain credit elsewhere, to improve their farm and home operations, and to develop or maintain a reasonable standard of living. Total indebtedness to

FSA may not exceed \$200,000 for direct loans and \$782,000 for guaranteed loans. The term of the loan varies from 1 to 7 years.

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

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

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

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

COMMITTEE RECOMMENDATIONS

The Committee recommends a total level for farm loans of \$3,362,000,000. This amount is \$115,751,000 more than the fiscal year 2004 level.

The Committee provides no new budget authority for the emergency loan program. Currently, this loan program has over \$175,000,000 available for eligible producers. Based on historical loan activity, this amount should meet all needs for emergency loans in this fiscal year.

The following table reflects the program levels for farm credit programs administered by the Farm Service Agency recommended by the Committee, as compared to the fiscal year 2004 and the budget request levels:

AGRICULTURAL CREDIT PROGRAMS—LOAN LEVELS

[In thousands of dollars]

	Fiscal year 2004 enacted	Fiscal year 2005 budget	Committee rec- ommendation
Farm ownership:			
Direct	128,396	200,000	210,000
Guaranteed	944,395	1,400,000	1,100,000
Farm operating:			
Direct	613,860	650,000	650,000
Guaranteed unsubsidized	1,192,920	1,200,000	1,000,000
Guaranteed subsidized	264,678	266,253	300,000
Indian tribe land acquisition	2,000	2,000	2,000
Boll weevil eradication	100,000	60,000	100,000
Emergency disaster		25,000	
Total, farm loans	3,246,249	3,803,253	3,362,000

LOAN SUBSIDIES AND ADMINISTRATIVE EXPENSES LEVELS

[In thousands of dollars]

	Subsidies			Administrative expenses		Total ACIF
	Insured loan	Guaranteed loan	Total	Appropriations	Transfer to FSA	
Appropriations, 2004	116,869	78,623	195,492	7,901	281,350	484,743
Budget estimate, 2005	79,625	81,618	161,243	8,000	305,011	474,254
Committee recommendation	76,925	78,060	154,985	8,000	293,764	456,749

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

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

[In thousands of dollars]

	2004 enacted	2005 budget	Committee recommendation
Loan subsidies:			
Farm ownership:			
Direct	28,350	10,700	11,235
Guaranteed	5,100	7,420	5,830
Farm operating:			
Direct	88,519	65,585	65,585
Guaranteed unsubsidized	39,724	38,760	32,300
Guaranteed subsidized	33,799	35,438	39,930
Indian tribe land acquisition ¹		105	105
Boll weevil eradication ²			
Emergency disaster		3,235	
Total, loan subsidies	195,492	161,243	154,985
ACIF expenses	289,251	313,011	301,764

¹ Negative subsidy rate for fiscal year 2004 is calculated for this program.

² Negative subsidy rate for fiscal years 2004 and 2005 is calculated for this program.

RISK MANAGEMENT AGENCY

Appropriations, 2004	\$71,001,000
Budget estimate, 2005	91,582,000
Committee recommendation	72,044,000

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

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

The 2002 Act maintains the basic crop insurance program largely without change. This Act also requires the continuation of the Adjusted Gross Revenue [AGR] pilot program, which provides insur-

ance coverage for crops for which traditional crop insurance is not available. However, the 2002 Act eliminates the ARPA provision that allowed selection of continuous coverage levels, rather than coverage levels at fixed intervals.

COMMITTEE RECOMMENDATIONS

For administrative and operating expenses for the Risk Management Agency, the Committee recommends an appropriation of \$72,044,000. This amount is \$1,043,000 more than the fiscal year 2004 appropriation.

The Committee encourages RMA to work with North Dakota State University on an actuarial study regarding a proposed pilot project that would develop an optional insurance program in North Dakota, South Dakota, and Minnesota on wheat, barley, soybeans, and corn.

The Committee encourages RMA to develop and implement an actuarially-sound rider option to the current crop insurance program for avocados to cover losses due to quarantines, and to do so in close cooperation with the California avocado industry. The Committee further requests the Department to report on the economic impacts of recent domestic quarantines and to analyze options for protecting avocado growers against future losses due to such regulatory actions.

USDA has initiated a number of new rules intended to ensure the safety of American beef. One of these rules prohibits the entry of any downer animals into the food supply. While the safety of the American food supply is of utmost importance, the Committee is aware that the downer prohibition will have financial implications for American farmers and ranchers who raise and send cattle to slaughter. Although it is the responsibility of these farmers and ranchers to work to ensure that their animal remain healthy until they reach the slaughter plant, the Committee suggests that USDA look into ways to manage financial risk to producers when an animal becomes a downer and is unable to be sent to the food supply. One such way could be the creation of an insurance program similar to the crop insurance program, which would cover and protect against the loss of income due to downer animals. The Committee requests USDA look into the development of such a program, and report on potential benefits and problems by June 1, 2005.

CORPORATIONS

FEDERAL CROP INSURANCE CORPORATION FUND

Appropriations, 2004 ¹	\$3,765,000,000
Budget estimate, 2005 ¹	4,095,128,000
Committee recommendation ¹	4,095,128,000

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

The Federal Crop Insurance Reform Act of 1994 was designed to replace the combination of crop insurance and ad hoc disaster payment programs with a strengthened crop insurance program.

The Federal Crop Insurance Act, as amended by the Federal Crop Insurance Reform Act of 1994, authorizes the payment of expenses which may include indemnity payments, loss adjustment,

delivery expenses, program-related research and development, startup costs for implementing this legislation such as studies, pilot projects, data processing improvements, public outreach, and related tasks and functions.

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

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

The Agricultural Risk Protection Act of 2000 [ARPA] amended the Federal Crop Insurance Act to strengthen the safety net for agricultural producers by providing greater access to more affordable risk management tools and improved protection from production and income loss, and to improve the efficiency and integrity of the Federal crop insurance program. ARPA allows for the improvement of basic crop insurance products by implementing higher premium subsidies to make buy-up coverage more affordable for producers; make adjustments in actual production history guarantees; and revise the administrative fees for catastrophic [CAT] coverage. More crops and commodities have become insurable through pilot programs effective with the 2001 crop year. ARPA provides for an investment for over \$8,200,000,000 in 5 years to further improve Federal crop insurance.

COMMITTEE RECOMMENDATIONS

For the Federal Crop Insurance Corporation fund, the Committee recommends an appropriation of such sums as may be necessary, estimated to be \$4,095,128,000. This amount is \$330,128,000 more than the current fiscal year 2004 estimate.

COMMODITY CREDIT CORPORATION FUND

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

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

payments for such land for the duration of Conservation Reserve Program contracts.

Corporation activities are primarily governed by the following statutes: the Commodity Credit Corporation Charter Act, as amended; the Agricultural Act of 1949, as amended (1949 Act); the Agricultural Adjustment Act of 1938, as amended (the 1938 Act); the Food Security Act of 1985, as amended (1985 Act); and the Farm Security and Rural Investment Act of 2002 (2002 Act), enacted May 13, 2002.

Under the 2002 Act, the Secretary is required to offer a program of direct and counter-cyclical payments and extend nonrecourse marketing assistance loans and loan deficiency payments for contract commodities (soybeans, wheat, corn, grain sorghum, barley, oats, upland cotton, rice, other oilseeds, and peanuts). The 2002 Act also provides for marketing loans for wool, mohair, honey, small chickpeas, lentils and dry peas. A national Milk Income Loss Contract [MILC] program was established by the 2002 Act, providing that producers enter into contracts extending through September 30, 2005. A milk price support program is also provided to support the price of milk via purchases of butter, cheese, and nonfat dry milk. The rate of support is \$9.90 per hundredweight.

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

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

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

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

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

The Corporation's capital stock of \$100,000,000 is held by the United States. Under present law, up to \$30,000,000,000 may be borrowed from the U.S. Treasury, from private lending agencies, and from others at any one time. The Corporation reserves a suffi-

cient amount of its borrowing authority to purchase at any time all notes and other obligations evidencing loans made by such agencies and others. All bonds, notes, debentures, and similar obligations issued by the Corporation are subject to approval by the Secretary of the Treasury.

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

REIMBURSEMENT FOR NET REALIZED LOSSES

Appropriations, 2004 ¹	\$22,937,000,000
Budget estimate, 2005 ¹	16,452,377,000
Committee recommendation ¹	16,452,377,000

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

COMMITTEE RECOMMENDATIONS

For the payment to reimburse the Commodity Credit Corporation [CCC] for net realized losses, the Committee recommends an appropriation of such sums as may be necessary, estimated in fiscal year 2005 to be \$16,452,377,000. This amount is \$6,484,623,000 less than the current estimated limitation.

HAZARDOUS WASTE MANAGEMENT

Limitation, 2004	\$5,000,000
Budget estimate, 2005	5,000,000
Committee recommendation	5,000,000

The Commodity Credit Corporation's [CCC] hazardous waste management program is intended to ensure compliance with the Comprehensive Environmental Response, Compensation, and Liability Act and the Resource Conservation and Recovery Act. The CCC funds operations and maintenance costs as well as site investigation and cleanup expenses. Investigative and cleanup costs associated with the management of CCC hazardous waste are also paid from USDA's hazardous waste management appropriation.

COMMITTEE RECOMMENDATIONS

For Commodity Credit Corporation hazardous waste management, the Committee provides a limitation of \$5,000,000. This amount is the same as the fiscal year 2004 limitation.

TITLE II—CONSERVATION PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT

Appropriations, 2004	\$741,000
Budget estimate, 2005	936,000
Committee recommendation	758,000

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

COMMITTEE RECOMMENDATIONS

For the Office of the Under Secretary for Natural Resources and Environment, the Committee recommends an appropriation of \$758,000. This amount is \$17,000 more than the fiscal year 2004 appropriation.

The Committee continues its opposition to administration proposals to fund technical assistance for Farm Bill conservation programs from discretionary accounts provided in this Act. The Committee provides statutory language under the Conservation Operations, the Watershed Surveys and Planning, the Watershed and Flood Prevention Operations, and the Watershed Rehabilitation Program accounts to prohibit the use of any funds appropriated under these accounts to provide technical assistance to carry out programs listed in section 1241(a) of the Food Security Act of 1985.

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

NATURAL RESOURCES CONSERVATION SERVICE

The Natural Resources Conservation Service [NRCS] was established pursuant to Public Law 103-354, the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962). NRCS combines the authorities of the former Soil Conservation Service as well as five natural resource conservation cost-share programs previously administered by the Agricultural Stabilization and Conservation Service. Through the years, this Service, together with the agricultural conservation programs and over 2 million conservation district cooperatives, has been a major factor in reducing pollution. The Natural Resources Conservation Service works with

conservation districts, watershed groups, and the Federal and State agencies having related responsibilities to bring about physical adjustments in land use that will conserve soil and water resources, provide for agricultural production on a sustained basis, and reduce damage by flood and sedimentation. The Service, with its dams, debris basins, and planned watersheds, provides technical advice to the agricultural conservation programs, where the Federal Government pays about one-third of the cost, and, through these programs, has done perhaps more to minimize pollution than any other activity. These programs and water sewage systems in rural areas tend to minimize pollution in the areas of greatest damage, the rivers and harbors near our cities.

The conservation activities of the Natural Resources Conservation Service are guided by the priorities and objectives as set forth in the National Conservation Program [NCP] which was prepared in response to the provisions of the Soil and Water Resources Conservation Act of 1977 [RCA] (Public Law 95-192). The long-term objectives of the program are designed to maintain and improve the soil, water, and related resources of the Nation's nonpublic lands by: reducing excessive soil erosion, improving irrigation efficiencies, improving water management, reducing upstream flood damages, improving range condition, and improving water quality.

CONSERVATION OPERATIONS

Appropriations, 2004	\$847,971,000
Budget estimate, 2005	710,412,000
Committee recommendation	845,863,000

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

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

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

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

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

Snow Survey and Water Forecasting.—Provides estimates of annual water availability from high mountain snow packs and relates to summer stream flow in the Western States and Alaska. Informa-

tion is used by agriculture, industry, and cities in estimating future water supplies.

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

COMMITTEE RECOMMENDATIONS

For conservation operations, the Committee recommends an appropriation of \$845,863,000. This amount is \$2,108,000 less than the 2004 level.

For fiscal year 2005, the Committee recommends funding, as specified below, for new and ongoing conservation activities. Amounts provided by the Committee for specific conservation measures shall be in addition to levels otherwise made available to States.

Projects identified in Conference Report 108–401 that were directed to be funded by the Committee for fiscal year 2004 are not funded for fiscal year 2005, unless specifically mentioned herein.

The Committee encourages the Secretary to utilize no less than \$5,000,000 from all appropriate funding sources to support sage-grouse habitat conservation in States within the current range of the greater sage-grouse. The Secretary shall make assistance available for habitat conservation efforts on private and leased public lands.

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

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

The Committee provides \$12,000,000 for Snow Survey and Water Supply Forecasting.

The Committee provides \$23,500,000 for the Grazing Lands Conservation Initiative.

The Committee provides \$3,000,000 to maintain a partnership between USDA and the National Fish and Wildlife Foundation.

The Committee directs the agency to maintain a national priority area pilot program under the guidelines of the Environmental Quality Incentives Program [EQIP] in the Delta of the State of Mississippi.

The Committee provides \$1,500,000 for the Franklin County Lake Project in the State of Mississippi.

The Committee provides \$1,500,000 for a study to characterize the on-site consequences, estimate off-site impacts, and develop

strategies to facilitate land use change while preserving critical natural resources. The agency is directed to work in cooperation with Clemson University.

The Committee provides \$300,000 to continue the expansion of the Potomac and Ohio River Basins Soil Nutrient Project to include Jefferson, Berkeley, and Greenbrier Counties. This funding will enable the NRCS, in cooperation with West Virginia University and the Appalachian Small Farming Research Center, Natural Soil Survey Laboratory in Lincoln, NE to identify and characterize phosphorous movement in soils to determine appropriate transportation, the holding capacity, and the management of phosphorous. This information is critical in helping Appalachian farmers deal with nutrient loading issues and in protecting the Chesapeake Bay from eutrophication and the Ohio River, Mississippi River, and Gulf of Mexico from depletion of life-sustaining oxygen.

The Committee provides \$950,000 for grazing land conservation activities in the State of Wisconsin.

The Committee provides \$315,000 to obtain and evaluate materials and seeds of plants indigenous to regions north of 52 degrees North Latitude and equivalent vegetated regions in the Southern Hemisphere (south of 52 degrees South Latitude). The Committee directs the agency to continue working in conjunction with the Alaska Division of Agriculture in this effort.

The Committee provides \$400,000 for a cooperative agreement with Western Kentucky University.

The Committee provides \$850,000 to expand to the entire State of Hawaii the agricultural development and resource conservation program currently serving the Island of Molokai.

The Committee provides \$860,000 to continue the Appalachian Small Farmer Outreach Program in the State of West Virginia.

The Committee directs NRCS to support all existing offices in the State of Alaska at current levels.

The Committee directs the agency to work with soil scientists at regional land-grant universities to continue the pilot project in Washington, Sharkey and Yazoo Counties, Mississippi, to determine the proper classification and taxonomic characteristics of Sharkey soils.

The Committee provides \$1,200,000 to address erosion in the Loess Hills/Hungry Canyon area in the State of Iowa.

The Committee provides \$1,400,000 for the Delta Conservation Demonstration Center in Washington County, Mississippi.

The Committee provides \$200,000 to continue the Idaho One-Plan in Canyon County, Idaho.

The Committee provides \$315,000 for commercialization of native plant materials in the State of Alaska.

The Committee provides \$1,000,000 for the continued development of a geographic information system database in the State of South Carolina to integrate commodity and conservation program data at the field level for watershed analysis purposes.

The Committee provides \$160,000 to conduct nitrogen soil tests and plant-available nitrogen tests, and to demonstrate poultry litter and wood composting in an effort to improve farmers' economic returns and minimize potential water quality conditions resulting

from excess application of nutrients from manure and fertilizers on West Virginia's cropland.

The Committee provides \$400,000 for the Little Red River Irrigation Project in the State of Arkansas.

The Committee provides \$2,800,000 to provide technical assistance for the Kentucky Soil Erosion Control/Soil Survey Program.

The Committee provides \$900,000 for cattle and nutrient management in stream crossings in cooperation with Mississippi Conservation Districts.

The Committee provides \$500,000 to continue the Certified Environmental Management Systems for Agriculture in cooperation with the Iowa Soybean Association.

The Committee provides \$4,500,000 for the Geographic Information System Center of Excellence at West Virginia University.

The Committee provides \$496,000 watershed management and demonstration projects in cooperation with the National Pork Producers Council and Iowa Soybean Association.

The Committee provides \$175,000 for a cooperative agreement between NRCS and Alcorn State University for the analysis of soil erosion and water quality.

The Committee provides \$5,813,000 for the Wildlife Habitat Management Institute.

The Committee provides \$1,000,000 to continue the conversion to sprinkler irrigation in the vicinity of Minidoka, Idaho.

The Committee provides \$900,000 for the New Jersey State Conservation Cost Share Program.

The Committee provides \$570,000 to continue assistance for conservation programs related to cranberry production in the States of Massachusetts and Wisconsin. Of the funds provided to Massachusetts, the NRCS should give consideration to improvement of cranberry bogs in that State.

The Committee provides \$350,000 to provide expedited conservation planning of the Lake Okeechobee Watershed project in the State of Florida. The Committee expects the agency to work in cooperation with the Florida Department of Agriculture and Consumer Services.

The Committee provides \$300,000 for the ecological site description project in the State of Idaho. The Committee directs the agency to work in cooperation with the Idaho Association of Soil Conservation Districts.

The Committee provides \$125,000 for fiscal year 2004 for flood protection around the Humphreys County Hospital and the City of Belzoni, Humphreys County, Mississippi.

The Committee provides \$300,000 for the Utah CAFO/AFO pilot project.

The Committee provides \$400,000 for geographic information system based mapping and hyperspectral imaging of agricultural lands in the State of Alaska.

The Committee provides \$2,500,000 for a native grassland demonstration project in the vicinity of Tar Creek, Oklahoma.

The Committee provides \$1,000,000 for the Dry Creek project in the State of Utah.

The Committee provides \$500,000 for drainage improvements in the City of Port Gibson, Claiborne County, Mississippi.

The Committee provides \$500,000 to continue a study to examine the environmental benefits of vegetative buffers along waterways. The agency is directed to work in cooperation with the University of Wisconsin-Madison.

The Committee provides \$650,000 for conservation programs in the Great Lakes Watershed.

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

The Committee provides \$3,750,000 to implement the Source Water Protection Program and encourages that these funds be used in States with the greatest needs.

The Committee provides \$300,000 to assist in the Wyoming soil survey mapping project.

The Committee notes that the Natural Resource Inventory [NRI] has not included the State of Alaska due to factors such as accessibility of remote locations, climate, and staff availability. The Committee believes that natural resources data collection in Alaska is of critical national importance. As such, the Committee provides \$1,200,000 to continue NRI pilot activity development in Alaska.

The Committee provides \$120,000 for the Conservation Land Internship Program in the State of Wisconsin.

The Committee provides \$500,000 to address concerns with the application of phosphorous on agricultural lands in the State of North Carolina.

The Committee provides \$250,000 for drainage improvements in Hinds County, Mississippi.

The Committee provides \$1,000,000 for additional conservation technical assistance funding to Kentucky Soil Conservation Districts.

The Committee provides \$750,000 for a study to examine the effect of vegetation manipulation on water yields and other watershed functions. The agency is directed to work in cooperation with Utah State University.

The Committee provides \$3,600,000 for the Georgia Soil and Water Conservation Commission cooperative agreement.

The Committee provides \$250,000 for drainage improvements in the City of Richland, Rankin County, Mississippi.

The Committee provides \$300,000 for the West Cary Watershed Project in the State of North Carolina.

The Committee provides \$500,000 for range revegetation at Fort Hood in the State of Texas.

The Committee provides \$800,000 for the Innovative Environmental Technologies program in the State of Indiana.

The Committee provides \$500,000 for a cooperative agreement with the University of Northern Iowa.

The Committee provides \$1,500,000 for a cooperative agreement with the Alaska Soil and Water Conservation District.

The Committee provides \$550,000 for the continued development of a conjunctive use optimization model in the Pawcatuck Watershed in the State of Rhode Island.

The Committee provides \$300,000 for the testing of emerging alternative technology in the State of Vermont to reduce phosphorus loading in Lake Champlain.

The Committee provides \$300,000 for a cooperative agreement with the Wisconsin Tribal Conservation Advisory Committee for conservation and sustainable agricultural activities.

The Committee provides \$1,200,000 for a cooperative agreement with the Sand County Foundation in the State of Wisconsin to carry out an expanded nitrogen removal test project.

The Committee provides \$300,000 for a cooperative agreement with the University of Wisconsin-Platteville for the Pioneer Farm project.

The Committee provides \$600,000 to carry out riparian restoration activities along the Rio Grande and Pecos Rivers in the State of New Mexico.

The Committee provides \$480,000 for a cooperative agreement with Tufts University to conduct pilot programs in the State of Connecticut to improve conservation practices and enhance the diversification of agricultural production in the area.

The Committee provides \$350,000 to the North Central Planning Council to continue a Devils Lake water utilization test project in the State of North Dakota to determine to what extent excess water from Devils Lake can be used to irrigate land for beneficial use.

The Committee provides \$1,000,000 to continue the Red River Basin Flood Prevention Project in the State of North Dakota in cooperation with the Energy and Environmental Research Center.

The Committee provides \$500,000 for assistance in the Iroquois River Watershed in Iroquois County, Illinois.

The Committee provides \$250,000 for the Illinois River Agricultural Water Conservation Project in the State of Illinois, in conjunction with Ducks Unlimited.

The Committee provides \$250,000 for a wildlife habitat education program in the State of Illinois, in conjunction with the National Wild Turkey Federation.

The Committee provides \$300,000 to establish a Pilot Farm Viability Program Project in the State of Vermont.

The Committee provides \$200,000 for assistance for an On Farm Management Systems Evaluation Network.

The Committee provides \$700,000 to continue the Delta Water Resources Study in the State of Mississippi.

The Committee provides \$1,500,000 for the Washington Fields project in the State of Utah.

The Committee provides \$300,000 for a cooperative agreement with the University of Wisconsin for the Conservation Technology Transfer project.

The Committee provides \$500,000 for a cooperative agreement between the Alabama Department of Conservation and Natural Resources and the Alabama Wildlife Federation for conservation education in Millbrook, Alabama.

The Committee provides \$250,000 for the Ozark nutrient management project in the State of Arkansas.

The Committee provides \$300,000 for the basalt and groundwater protection project in the State of Idaho.

The Committee provides \$250,000 for drainage improvements in Mill Creek, Rankin County, Mississippi.

Plant Materials Centers.—The Committee provides no less than \$16,000,000 for NRCS plant material centers.

The Committee provides \$1,750,000 for construction of the Fallon, Nevada plant materials center.

The Committee provides \$2,000,000 for construction of a storage facility at the Alaska plant materials center.

FARM BILL TECHNICAL ASSISTANCE

Appropriations, 2004	
Budget estimate, 2005	\$92,024,000
Committee recommendation	

As proposed, the Farm Bill Technical Assistance account would fund the technical assistance needed to plan, design, layout, and install conservation systems funded by the 2002 Farm bill for the Wetlands Reserve Program [WRP] and the Conservation Reserve Program [CRP]. This would include both NRCS's technical assistance costs, as well as the costs for certified, non-Federal technical service providers to provide technical assistance to farmers and ranchers for WRP and CRP.

COMMITTEE RECOMMENDATIONS

The Committee does not provide funding for the Farm Bill Technical Assistance Account. This subject is addressed under the Office of the Under Secretary for Natural Resources and Environment.

WATERSHED SURVEYS AND PLANNING

Appropriations, 2004	\$10,500,000
Budget estimate, 2005	5,083,000
Committee recommendation	7,500,000

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

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

Watershed planning activities provide for cooperation between the Federal Government and the States and their political subdivisions in a program of watershed planning. Watershed plans form the basis for installing works of improvement for floodwater retardation, erosion control, and reduction of sedimentation in the watersheds of rivers and streams and to further the conservation, development, utilization, and disposal of water. The work of the Department in watershed planning consists of assisting local organizations to develop their watershed work plan by making investigations and surveys in response to requests made by sponsoring local organizations. These plans describe the soil erosion, water management, and sedimentation problems in a watershed and works of improvement proposed to alleviate these problems. Plans also include estimated benefits and costs, cost-sharing and operating and maintenance arrangements, and other appropriate information necessary to justify Federal assistance for carrying out the plan.

COMMITTEE RECOMMENDATIONS

For watershed surveys and planning, the Committee recommends an appropriation of \$7,500,000. This amount is \$3,000,000 less than the fiscal year 2004 appropriation.

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

WATERSHED AND FLOOD PREVENTION OPERATIONS

Appropriations, 2004	\$86,487,000
Budget estimate, 2005	40,173,000
Committee recommendation	64,000,000

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

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

COMMITTEE RECOMMENDATIONS

For watershed and flood prevention operations, the Committee recommends an appropriation of \$64,000,000. This amount is \$22,487,000 less than the fiscal year 2004 appropriation.

The Committee provides funds for the agency to continue assistance for the Potomac Headwaters Land Treatment Project in the State of West Virginia.

The Committee provides funds for the agency to continue assistance for the Upper Deckers Creek watershed in the State of West Virginia.

The Committee provides funds for the agency to continue assistance for the Lost River Watershed Project in the State of West Virginia.

The Committee provides funds for the agency to continue assistance for the Square Butte Project in the State of North Dakota.

The Committee provides funds for the agency to continue assistance for Big Creek/Hurricane Creek, Moniteau Creek, East Locust Creek, West Fork of Big Creek, East Yellow Creek, McKenzie Creek, Hickory Creek, East Fork of Grand River, Troublesome Creek, Willow Cravens Creek, and Upper Locust Creek projects in the State of Missouri.

The Committee provides funds for the agency to complete the Lower Hamakua Ditch Watershed, Upcountry Maui Watershed, Lahaina Watershed, and the Wailuku-Alenaio Watershed projects in the State of Hawaii.

The Committee provides funds for the agency to complete the Kuhn Bayou Project in the State of Arkansas.

The Committee provides funds for the agency to continue assistance for the Turkey Creek, Troublesome Creek, 12-Mile Creek, East Fork of Grand River, West Fork of Big Creek, A&T Longbranch, Mill Creek, Hacklebarney, Bear Creek, Little Paint, Mill-Pacauyne, Soap Creek, Little Sioux River, and West Tarkio Creek projects in the State of Iowa.

The Committee provides funds for the agency to complete the Tri-Valley project and to continue the Coal Creek project in the State of Utah.

The Committee provides funds for the agency to continue assistance for small watershed projects in the State of Vermont.

The Committee provides funds for the agency to continue assistance for the Piney Creek Watershed Project in Yazoo County, Mississippi.

The Committee provides funding for the agency to continue assistance for the Matanuska River Erosion Control Project in the State of Alaska.

The Committee provides funds for the agency to continue assistance for Town Creek in Lee County, Mississippi.

The Committee provides funds for the agency to continue assistance for the Oaklimer watershed in the State of Mississippi.

The Committee provides funds for the agency to continue assistance for the Tanana River in the State of Alaska.

The Committee provides funds for the agency to continue assistance for McCarthy Creek in the State of Alaska.

WATERSHED REHABILITATION PROGRAM

Appropriations, 2004	\$29,629,000
Budget estimate, 2005	10,091,000
Committee recommendation	25,000,000

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

COMMITTEE RECOMMENDATIONS

For the watershed rehabilitation program, the Committee recommends \$25,000,000. This amount is \$4,629,000 less than the fiscal year 2004 level.

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

RESOURCE CONSERVATION AND DEVELOPMENT

Appropriations, 2004	\$51,641,000
Budget estimate, 2005	50,760,000
Committee recommendation	50,760,000

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

COMMITTEE RECOMMENDATIONS

For resource conservation and development, the Committee recommends an appropriation of \$50,760,000, as requested in the budget.

TITLE III—RURAL DEVELOPMENT PROGRAMS

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

OFFICE OF THE UNDER SECRETARY FOR RURAL DEVELOPMENT

Appropriations, 2004	\$632,000
Budget estimate, 2005	929,000
Committee recommendation	645,000

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

COMMITTEE RECOMMENDATIONS

For the Office of the Under Secretary for Rural Development, the Committee recommends an appropriation of \$645,000. This amount is \$13,000 more than the fiscal year 2004 appropriation.

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

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

The Committee recommends continued staffing and operations of the Rural Business Cooperative Service Office in Hilo, Hawaii, to

address the continuing and increasing demands for marketing and purchasing cooperatives.

The Committee is concerned that the Department is restricting not-for-profit developer-owners of essential community facilities from entering into contracts to provide services with a third party not-for-profit entity for childcare and other related services. The Committee strongly encourages the Secretary to address this policy prohibition to allow such activities and insure the government's interests are protected with third party contracts. The developer-owner should be responsible for securing Departmental approval for any changes in existing contracts addressing issues that include services provided, liability, maintenance and administrative fees.

The Committee directs the Under Secretary for Rural Development to consider an application for the construction of a public access seafood facility in Wrangell, Alaska, within the applicable procedures and guidelines and provide a grant if warranted.

The Committee is aware of distance learning and medical link opportunities in the State of Hawaii and urges the Department to fund a demonstration project to build upon existing resources and to further the use of advanced telecommunications by those island communities not having the direct access to services and information that are currently available in Honolulu.

The Committee is aware of recent advances in materials handling of biomass sources that greatly enhance the economic feasibility of producing ethanol from sugarcane bagasse and other unwieldy biomass sources and encourages the Department to give consideration to applications by the Kauai Bagasse to Ethanol commercial scale demonstration project for loans and grants from the renewable energy program.

The Committee encourages the Secretary to consider an application for assistance to Women in Technology in Wisconsin and Hawaii for consideration of a rural business enterprise grant for the purpose of establishing revolving loan programs.

The Committee notes that for some time Rural Development has considered relocating employees in the Abrams Federal Building in St. Louis, Missouri, to Federal facilities on Goodfellow Boulevard, also in St. Louis. The Committee encourages the Department to continue to work with the General Services Administration on the proposed move and to do so in a cost-effective manner without adversely impacting Rural Development employees or loan servicing.

The Committee is concerned that the current funding allocation for general support is insufficient to meet the notably higher operating expenses in the States of Alaska and Hawaii. Therefore, the Committee directs the Under Secretary to allocate \$10,000 per FTE for general support to the Alaska and Hawaii Rural Development State offices.

The Committee has included a general provision [Section 755) which provides \$2,000,000 for the Denali Commission to address deficiencies in solid waste management in the State of Alaska. The Committee directs the Commission to work with the State of Alaska to develop a legal framework for a solid waste management authority that can become self-sustaining and is authorized to establish a revolving loan fund to support solid waste projects.

RURAL COMMUNITY ADVANCEMENT PROGRAM

Appropriations, 2004	\$752,956,000
Budget estimate, 2005	541,979,000
Committee recommendation	733,360,000

The Rural Community Advancement Program [RCAP], authorized by the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104–127), consolidates funding for the following programs: direct and guaranteed water and waste disposal loans, water and waste disposal grants, emergency community water assistance grants, solid waste management grants, direct and guaranteed community facility loans, community facility grants, direct and guaranteed business and industry loans, rural business enterprise grants, and rural business opportunity grants. This proposal is in accordance with the provisions set forth in the Federal Agriculture Improvement and Reform Act of 1996, Public Law 104–127. Consolidating funding for these 12 rural development loan and grant programs under RCAP provides greater flexibility to tailor financial assistance to applicant needs.

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

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

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

The Rural Business and Industry Loans Program was created by the Rural Development Act of 1972, and finances a variety of rural industrial development loans. Loans are made for rural industrialization and rural community facilities under Rural Development

Act amendments to the Consolidated Farm and Rural Development Act authorities. Business and industrial loans are made to public, private, or cooperative organizations organized for profit, to certain Indian tribes, or to individuals for the purpose of improving, developing or financing business, industry, and employment or improving the economic and environmental climate in rural areas. Such purposes include financing business and industrial acquisition, construction, enlargement, repair or modernization, financing the purchase and development of land, easements, rights-of-way, buildings, payment of startup costs, and supplying working capital. Industrial development loans may be made in any area that is not within the outer boundary of any city having a population of 50,000 or more and its immediately adjacent urbanized and urbanizing areas with a population density of more than 100 persons per square mile. Special consideration for such loans is given to rural areas and cities having a population of less than 25,000.

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

Rural business opportunity grants are authorized under section 306(a)(11) of the Consolidated Farm and Rural Development Act, as amended. Grants may be made, not to exceed \$1,500,000 annually, to public bodies and private nonprofit community development corporations or entities. Grants are made to identify and analyze business opportunities that will use local rural economic and human resources; to identify, train, and provide technical assistance to rural entrepreneurs and managers; to establish business support centers; to conduct economic development planning and coordination, and leadership development; and to establish centers for training, technology, and trade that will provide training to rural businesses in the utilization of interactive communications technologies.

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

The solid waste grant program is authorized under section 310B(b) of the Consolidated Farm and Rural Development Act. Grants are made to public bodies and private nonprofit organizations to provide technical assistance to local and regional govern-

ments for the purpose of reducing or eliminating pollution of water resources and for improving the planning and management of solid waste disposal facilities.

COMMITTEE RECOMMENDATIONS

For the Rural Community Advancement Program [RCAP], the Committee recommends \$733,360,000. This amount is \$19,596,000 less than the fiscal year 2004 appropriation.

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

The following table provides the Committee's recommendations, as compared to the fiscal year 2004 and budget request levels:

RURAL COMMUNITY ADVANCEMENT PROGRAM

[Budget authority in thousands of dollars]

	Fiscal year—		Committee recommendation
	2004 appropriation	2005 budget request	
Community:			
Community facility loan subsidies		12,339	10,180
Community facility grants	15,825	17,000	15,000
Economic impact initiative grants	21,870		21,000
High energy costs grants	27,835		28,000
Rural community development initiative	5,965		6,500
Tribal college grants	3,976		5,000
Subtotal, community	75,471	29,339	85,680
Business:			
Business and industry guaranteed loan subsidies	26,841	30,180	30,180
Rural business enterprise grants	42,399	40,000	40,000
Rural business opportunity grants	2,982	3,000	3,000
Delta Regional Authority	1,740		1,000
Community planning grants	99	0	
Broadcasting system grants	1,988		
Subtotal, business	76,049	73,180	74,180
Utilities:			
Water and waste disposal direct loan subsidies	34,379	90,000	67,500
Water and waste disposal grants	543,994	345,960	500,000
Solid waste management grants	3,479	3,500	3,500
Emergency community water assistance grants	18,093		
Well system grants	994		2,000
Water and wastewater revolving funds	497		500
Subtotal, utilities	601,436	439,460	573,500
Total, loan subsidies and grants	752,956	541,979	733,360

Rural Community Advancement Program.—The Committee provides \$750,000 for transportation technical assistance.

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

The Committee directs that of the \$26,000,000 provided for loans and grants to benefit Federally Recognized Native American

Tribes, \$250,000 be used to implement an American Indian and Alaska Native passenger transportation development and assistance initiative.

Community Facilities Loans and Grants.—The Committee is aware of and encourages the Department to give consideration to applications relating to community facilities for the following: Jean Lafitte Emergency Shelter, LA; Grand Isle Multiplex, LA; Louisiana Forestry Museum; Chautauqua County Fairgrounds Equestrian Center, NY; Southside Economic District Community Resource Center, LA; John Breaux Multi-Purpose Community Facility, LA; Bawcomville Pumping Station, LA; Hurricane Evacuation Command Center in Golden Meadow, LA; St. Helena Parish ADA and Life Safety, LA; Coushatta Tribe of Louisiana; Jefferson Drainage Improvement Project, LA; Conservation Education Center, AL; Project Harvest Expansion, AL; Delaware State University Advanced Greenhouse; Farm Share Food Recovery, FL; Central Alabama Food Program; Town of Thompson, CT; Town of Chaplin, CT; Town of North Stonington, CT; Grambling Town Hall Complex, LA; Weather Radio System for Iron, Dickinson and Schoolcraft Counties, MI; Great Lakes Shipwreck Museum, MI; Cyclone II 95' Aerial Platform Truck, MI; National Museum of Cotton and Textiles, MS; Havre Human Resource Development Council, MT; God's Love We Deliver, NY; Redlands Community College at Darlington, OK; Union and Wallowa County Rail Line, OR; Tillamook County Processing Mill, OR; I-90 Corridor Emergency Medical Center, WA; Brigham City, UT; Snow College, Ephraim, UT; and the Canton Workforce Training Center, MS.

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

High Energy Cost Grants.—The Committee includes statutory language to provide \$28,000,000 for the Rural Community Advancement Program for communities with extremely high energy costs which is to be administered by the Rural Utilities Service. The Committee directs that these funds shall be transferred within 30 days of enactment of this Act.

Rural Business Opportunity Grants.—The Committee encourages the Department to give consideration to applications for rural business opportunity grants [RBOG] for the following: Agricultural Rural Development Initiative, GA; IDM Rural Opportunities Initiative, IA; and the Canton Strategic Development Plan, MS.

Rural Business Enterprise Grants.—The Committee is also aware of and encourages the Department to give consideration to applications for rural business enterprise grants [RBEG] for the following: Mission Mountain Market Business Incubation, MT; Southern University Center for Community Economic Development, LA; Project Harvest, AL; Bio-Diesel Alternative Plant, LA; Ouachita Terminal and General Purpose Dock, LA; Livingston Parish Alternative Fuels Initiative, LA; Maine Rural Community Innovation Center; University of Maryland Eastern Shore; Southeast Massachusetts Agricultural Partnership; Claire County Enterprise Community, MI; Hibbing Technology Business Center, MN; Albert Lee Business Development Center, MN; Blackfeet Tribal Feedlot, MT; Montana

Cannery Facility; Rural Revitalization at the Center for Rural Affairs, NE; Rural Enterprise Assistance Project, NE; 21st Century Fredonia Vineyard Laboratory, NY; Santiam Canyon Economic Development, OR; and the USC Salkehatchie Leadership Initiative, SC.

The Committee expects the Department to ensure that the system by which applications for rural business enterprise grants are considered does not discriminate against applications which may benefit multiple States.

Water and Waste Disposal Loans and Grants.—The Committee is aware of and encourages the Department to consider applications for water and waste disposal loans and grants for the following projects: Calaveras County Water District, CA; Laytonville Waste Water Treatment Project, CA; Washington Parish Water Reservoir, LA; St. John the Baptist Parish, LA; L'Anse Township USH 41 Watermain Extension Program, MI; Crystal Falls Township Water Improvement Project, MI; Alger County Water System, MI; Marion County, MS; Mississippi Band of Choctaws; North Ditch Water System for the Pueblos of Laguna and Acoma, NM; Columbus, NM; Lordsburg, NM; Pueblo of Jemez, NM; Picuris Pueblo, NM; Pueblo of San Felipe, NM; San Ildefonso Pueblo, NM; San Juan Pueblo, NM; Tucumcari, NM; Neuse Regional Water and Sewer Authority, NC; City of Perkins, OK; Water Supply System for Las Carolinas Sector, PR; Kane County Water Conservancy District, UT; and the Lake County Full Circle Project, CA.

The Committee includes statutory language to make up to \$28,000,000 in water and waste disposal loans and grants available for village safe water for the development of water systems for rural communities and native villages in Alaska. In addition, the Committee is aware of and encourages the Department to consider applications to the national program from small, regional hub villages in Alaska with a populations less than 5,000 which are not able to compete for village safe water funding; \$25,000,000 for water and waste systems for the Colonias along the United States-Mexico border; and \$26,000,000 for water and waste disposal systems for Federally Recognized Native American Tribes. In addition, the Committee makes up to \$13,500,000 available for the circuit rider program, and expects that the current level of circuit rider contracts in the State of Alaska shall be maintained.

The Committee directs the Department to use a portion of the funds provided to the Alaska Village Safe Water Program for the preparation or completion of comprehensive community plans by rural communities in Alaska. No more than 5 percent of the total amount of the grant may be made available for this purpose and the amount allocated shall not exceed \$35,000 per eligible Alaska community.

Individually Owned Household Water Well Program.—The Committee provides \$2,000,000 to continue the Individually Owned Household Water Well Program as authorized in section 6012 of Public Law 107–171.

Water and Waste Technical Assistance Training Grants.—The Committee provides a significant increase in the technical assistance account for water and waste systems and expects the Secretary to provide an increase in grant funding to the National

Drinking Water Clearinghouse. The Committee is aware of and encourages the Department to consider applications from the Alaska Village Safe Water Program to provide statewide training in water and waste systems operation and maintenance.

The Committee encourages the Department to provide technical assistance to Alachua County Critical Rural Services Initiative, FL; Western Kentucky University Water Center; wastewater system planning for Ketchum, Langley, and Disney, OK; and the Union-Lincoln Regional Water Supply Initiative, LA.

Solid Waste Management Grants.—The Committee is aware of the need for landfill improvements for Point Barrow, Alaska, and urges the Department to give priority consideration for an application for a solid waste management grant.

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

RURAL DEVELOPMENT SALARIES AND EXPENSES

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2004 appropriation	2005 budget request	
Appropriation	141,032	149,749	143,452
Transfer from:			
Rural Housing Insurance Fund Loan Program Account	440,687	465,886	448,342
Rural Electrification and Telecommunications Loans Program Account	37,630	39,933	38,277
Rural Telephone Bank Program Account	3,152	3,328	3,152
Rural Development Loan Fund Program Account	4,247	6,656	4,316
Total, RD salaries and expenses	626,748	665,552	637,539

These funds are used to administer the loan and grant programs of the Rural Utilities Service, the Rural Housing Service, and the Rural Business-Cooperative Service, including reviewing applications, making and collecting loans and providing technical assistance and guidance to borrowers; and to assist in extending other Federal programs to people in rural areas.

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

COMMITTEE RECOMMENDATIONS

The Committee recommends \$637,539,000 for salaries and expenses for the Rural Economic and Community Development Programs. This amount is \$10,791,000 more than the fiscal year 2004 appropriation.

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

Government subsidies provided under any of the direct or guaranteed loan programs of the Rural Development mission area or the Farm Service Agency.

The Committee is concerned about the delayed application processing time related to broadband loans and encourages the Secretary to provide additional resources, including new full time Federal employees within the Rural Utilities Service, to address this issue.

The Committee is aware that USDA Rural Development-Alaska area offices are separated by hundreds of miles of roadless area. To facilitate program outreach, RD-Alaska is authorized to fund a marketing program to increase participation in RD programs by Alaska Natives and other eligible Alaskans. Funds may be used for outreach through Alaska print or broadcast media, along with the purchase of promotional items.

RURAL HOUSING SERVICE

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

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

COMMITTEE RECOMMENDATIONS

The Committee recommends total appropriations of \$1,375,552,000 for the Rural Housing Service. This amount is \$7,494,000 more than the fiscal year 2004 appropriation.

The Committee is concerned about the lack of resources devoted to the oversight of the section 538 multi-family housing guaranteed program and encourages the Secretary to make the necessary staff adjustments, including training for field offices, to adequately protect the government's interest.

The Committee is concerned about the impact of the OMB allocation process that provided no funding in the first quarter for fiscal year 2002, fiscal year 2003 and fiscal year 2004 for the section 538 multi-family housing guaranteed program and encourages the Secretary to provide sufficient funding irrespective of prior year allocations for this program in fiscal year 2005.

The Committee encourages the Department to continue to set-aside funds within rural housing programs to support self-help housing, home ownership partnerships, housing preservation and

State rental assistance, and other related activities that facilitate the development of housing in rural areas.

The following table presents loan and grant program levels recommended by the Committee, as compared to the fiscal year 2004 levels and the 2005 budget request:

LOAN AND GRANT LEVELS

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2004	2005 request	
Rural Housing Insurance Fund Program Account loan levels:			
Single family housing (sec. 502):			
Direct	1,351,397	1,100,000	1,200,000
Unsubsidized guaranteed, purchase	2,485,250	2,500,000	2,500,000
Unsubsidized guaranteed, refinance	223,844	225,185	225,185
Housing repair (sec. 504)	34,797	35,000	35,000
Multifamily housing guarantees (sec. 538)	99,410	100,000	85,960
Rental housing (sec. 515)	115,857	60,000	90,000
Site loans (sec. 524)	5,045	5,045	5,045
Credit sales of acquired property	11,491	11,501	11,501
Self-help housing land development fund	2,421	5,000	5,000
Total, RHIF	4,329,512	4,041,731	4,157,691
Farm Labor Program:			
Farm labor housing loan level	42,574	41,999	35,000
Farm labor housing grants	17,901	17,000	15,000
Total, Farm Labor Program	60,475	58,999	50,000
Grants and payments:			
Mutual and self-help housing	33,799	34,000	34,000
Rental assistance	580,554	592,000	585,900
Rural housing assistance grants [RHAG]	45,949	42,500	46,992
Total, rural housing grants and payments	660,302	668,500	666,892
Total, RHS loans and grants	5,050,289	4,769,230	4,874,283

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

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

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

LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

The Federal Credit Reform Act of 1990 established the program account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated and loan guarantees committed in 2005, as well as for administrative expenses. The following table presents the loan subsidy levels as compared to the 2004 levels and the 2005 budget request:

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2004 level	2005 request	
Loan subsidies:			
Single family (sec. 502):			
Direct	125,274	127,380	138,960
Unsubsidized guaranteed, purchase	39,018	33,000	33,000
Unsubsidized guaranteed, refinance	649	608	608
Housing repair (sec. 504)	9,555	10,171	10,171
Multifamily housing guarantees (sec. 538)	5,915	3,490	3,000
Rental housing (sec. 515)	49,830	28,254	42,381
Site loans (sec. 524) ¹			
Credit sales of acquired property	659	727	727
Self-help housing land development fund ²	75		
Total, loan subsidies	230,975	203,630	228,847
Administrative expenses	440,687	465,886	448,342

¹ Negative subsidy rates for fiscal years 2004 and 2005 are calculated for this program.

² Negative subsidy rate for fiscal year 2005 is calculated for this program.

RENTAL ASSISTANCE PROGRAM

Appropriations, 2004	\$580,554,000
Budget estimate, 2005	592,000,000
Committee recommendation	585,900,000

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

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

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

for projects receiving new construction commitments under sections 514, 515, or 516 for very low-income families with certain limitations.

COMMITTEE RECOMMENDATIONS

For rural rental assistance payments, the Committee recommends an appropriation of \$585,900,000. This amount is \$5,346,000 more than the fiscal year 2004 appropriation.

The Committee is deeply concerned about the lack of accountability for the section 521 rental assistance program. The Committee has repeatedly brought this issue to the attention of the Department and has received inadequate responses. The March 2004 GAO Report, "Standardization of the Budget Estimation Processes Needed for Rental Assistance Program", outlined serious flaws in the management and budget processes for this large line-item appropriation account. The Committee strongly encourages the Secretary to provide the proper resources, oversight, and staff to accurately estimate the needs and increase the efficiency in administering this valuable and needed resource.

MUTUAL AND SELF-HELP HOUSING GRANTS

Appropriations, 2004	\$33,799,000
Budget estimate, 2005	34,000,000
Committee recommendation	34,000,000

This grant program is authorized by title V of the Housing Act of 1949. Grants are made to local organizations to promote the development of mutual or self-help programs under which groups of usually 6 to 10 families build their own homes by mutually exchanging labor. Funds may be used to pay the cost of construction supervisors who will work with families in the construction of their homes and for administrative expenses of the organizations providing the self-help assistance.

COMMITTEE RECOMMENDATIONS

The Committee recommends \$34,000,000 for mutual and self-help housing grants. This amount is \$201,000 more than the fiscal year 2004 appropriation.

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

RURAL HOUSING ASSISTANCE GRANTS

Appropriations, 2004	\$45,949,000
Budget estimate, 2005	42,500,000
Committee recommendation	46,992,000

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

Very Low-income Housing Repair Grants.—The Very Low-Income Housing Repair Grants Program is authorized under section 504 of title V of the Housing Act of 1949. The rural housing repair grant program is carried out by making grants to very low-income families to make necessary repairs to their homes in order to make

such dwellings safe and sanitary, and remove hazards to the health of the occupants, their families, or the community.

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

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

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

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

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

The purpose of the preservation program is to improve the delivery of rehabilitation assistance by employing the expertise of housing organizations at the local level. Eligible applicants will compete on a State-by-State basis for grants funds. These funds may be administered as loans, loan write-downs, or grants to finance home repair. The program will be administered by local grantees.

COMMITTEE RECOMMENDATIONS

For the Rural Housing Assistance Grants Program the Committee recommends \$46,992,000. This amount is \$1,043,000 more than the fiscal year 2004 appropriation.

The Committee provides \$6,000,000 for the preservation of the section 515 multi-family housing portfolio. The Committee encourages the Secretary to issue a Notice of Funding Availability within

90 days of enactment of this Act. The Secretary should give funding priority to entities with equal or greater matching funds, including housing tax credits for rural housing assistance. Additional priority should be provided to entities with experience in the administration of revolving loan funds and the preservation of multi-family housing.

The following table compares the grant program levels recommended by the Committee to the fiscal year 2004 levels and the budget request:

RURAL HOUSING ASSISTANCE GRANTS

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2004 level	2005 request	
Very low-income housing repair grants	31,110	31,500	31,110
Supervisory and technical assistance	986	1,000	1,000
Rural housing preservation grants	8,882	10,000	8,882
Demonstration housing grants for agricultural processing workers ..	4,971	.....	.....
Multi-family housing preservation .....	.....	.....	6,000
Total	45,949	42,500	46,992

FARM LABOR PROGRAM ACCOUNT

[In thousands of dollars]

	Loan level	Subsidy level	Grants
Appropriations, 2004	42,574	18,192	17,901
Budget estimate, 2005	41,999	19,765	17,000
Committee recommendation	35,000	16,471	15,000

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

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

COMMITTEE RECOMMENDATIONS

For the cost of direct farm labor housing loans and grants, the Committee recommends \$31,471,000. This amount is \$4,622,000 less than the fiscal year 2004 appropriation.

RURAL BUSINESS—COOPERATIVE SERVICE

The Rural Business—Cooperative Service [RBS] was established by Public Law 103–354, Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, dated October 13, 1994. Its programs were previously administered by the Rural Development Administration, the Rural Electrification Administration, and the Agricultural Cooperative Service.

The mission of the Rural Business-Cooperative Service is to enhance the quality of life for all rural residents by assisting new and existing cooperatives and other businesses through partnership with rural communities. The goals and objectives are to: (1) promote a stable business environment in rural America through financial assistance, sound business planning, technical assistance, appropriate research, education, and information; (2) support environmentally sensitive economic growth that meets the needs of the entire community; and (3) assure that the Service benefits are available to all segments of the rural community, with emphasis on those most in need.

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2004 level	2005 request	
Estimated loan level	39,764	34,213	34,213
Direct loan subsidy	17,206	15,868	15,868
Administrative expenses	4,247	6,656	4,316

The rural development (intermediary relending) loan program was originally authorized by the Economic Opportunity Act of 1964 (Public Law 88–452). The making of rural development loans by the Department of Agriculture was reauthorized by Public Law 99–425, the Human Services Reauthorization Act of 1986.

Loans are made to intermediary borrowers (this is, small investment groups) who in turn will relend the funds to rural businesses, community development corporations, private nonprofit organizations, public agencies, et cetera, for the purpose of improving business, industry, community facilities, and employment opportunities and diversification of the economy in rural areas.

The Federal Credit Reform Act of 1990 established the program account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated in 2004, as well as for administrative expenses.

COMMITTEE RECOMMENDATIONS

For rural development (intermediary relending) loans, the Committee recommends a total loan level of \$34,213,000. This amount is \$5,551,000 less than the 2004 loan level.

The Committee encourages the agency to consider the following for an intermediary relending loan: Rural Enterprise Assistance Project, NE.

RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

(In thousands of dollars)

	Fiscal year—		Committee recommendation
	2004 level	2005 request	
Estimated loan level	14,914	25,003	25,003
Direct loan subsidy ¹	2,776	4,698	4,698

¹ Offset by a rescission from interest on the cushion of credit payments as authorized by section 313 of the Rural Electrification Act of 1936.

The rural economic development loans program was established by the Reconciliation Act of December 1987 (Public Law 100–203), which amended the Rural Electrification Act of 1936, by establishing a new section 313. This section of the Rural Electrification Act (7 U.S.C. 901) established a cushion of credits payment program and created the rural economic development subaccount. The Administrator of RUS is authorized under the act to utilize funds in this program to provide zero interest loans to electric and telecommunications borrowers for the purpose of promoting rural economic development and job creation projects, including funding for feasibility studies, startup costs, and other reasonable expenses for the purpose of fostering rural economic development.

COMMITTEE RECOMMENDATION

The Committee recommends a direct loan subsidy appropriation for rural economic development loans of \$4,698,000. This amount is \$1,922,000 more than the fiscal year 2004 appropriation. As proposed in the budget, the \$4,698,000 provided is derived by transfer from interest on the cushion of credit payments.

RURAL COOPERATIVE DEVELOPMENT GRANTS

Appropriations, 2004	\$23,858,000
Budget estimate, 2005	21,000,000
Committee recommendation	24,000,000

Rural cooperative development grants are authorized under section 310B(e) of the Consolidated Farm and Rural Development Act, as amended. Grants are made to fund the establishment and operation centers for rural cooperative development with their primary purpose being the improvement of economic conditions in rural areas. Grants may be made to nonprofit institutions or institutions of higher education. Grants may be used to pay up to 75 percent of the cost of the project and associated administrative costs. The applicant must contribute at least 25 percent from non-Federal sources, except 1994 institutions, which only need to provide 5 percent. Grants are competitive and are awarded based on specific selection criteria.

Cooperative research agreements are authorized by 7 U.S.C. 2204b. The funds are used for cooperative research agreements, primarily with colleges and universities, on critical operational, organizational, and structural issues facing cooperatives.

Cooperative agreements are authorized under 7 U.S.C. 2201 to any qualified State departments of agriculture, university, and other State entity to conduct research that will strengthen and en-

hance the operations of agricultural marketing cooperatives in rural areas.

The Appropriate Technology Transfer for Rural Areas [ATTRA] program was first authorized by the Food Security Act of 1985. The program provides information and technical assistance to agricultural producers to adopt sustainable agricultural practices that are environmentally friendly and lower production costs.

COMMITTEE RECOMMENDATIONS

The Committee recommends \$24,000,000 for rural cooperative development grants. This amount is \$142,000 more than the fiscal year 2004 appropriation.

Of the funds provided, \$2,500,000 is provided for the Appropriate Technology Transfer for Rural Areas program through a cooperative agreement with the National Center for Appropriate Technology.

The Committee has included language in the bill that not more than \$1,500,000 shall be made available to cooperatives or associations of cooperatives whose primary focus is to provide assistance to small, minority producers.

The Committee provides \$15,000,000 for value-added agricultural product market development grants and encourages the Department to give consideration to applications for the following: Market Connection Program, MT; Lake County Community Development Corporation, MT; Montana Pulping and Paper Production Pilot; Gilliam County Wheat Quality Initiative, OR; and the Tillamook County Processing Mill, OR.

The Committee encourages the Department to give consideration to applications for rural cooperative grants for the following: Rhode Island Dairy Farm Cooperative; and the Small Farmers Distribution Center at Nelson Farms, NY.

RURAL EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES GRANTS

Appropriations, 2004	\$12,592,000
Budget estimate, 2005	
Committee recommendation	12,500,000

COMMITTEE RECOMMENDATIONS

The Committee recommends \$12,500,000 for Rural Empowerment Zones and Enterprise Communities Grants. This amount is \$92,000 less than the fiscal year 2004 appropriation.

RENEWABLE ENERGY PROGRAM

Appropriations, 2004	\$22,864,000
Budget estimate, 2005	10,770,000
Committee recommendation	20,000,000

Renewable Energy Systems and Energy Efficiency Improvements is authorized under 7 U.S.C. 8106. This program may provide direct loans, loan guarantees, and grants to farmers, ranchers, and small rural businesses for the purchase of renewable energy systems and for energy efficiency improvements.

COMMITTEE RECOMMENDATIONS

The Committee recommends \$20,000,000 for the renewable energy program. This amount is \$9,230,000 more than the budget request.

The Committee encourages the Department to give consideration to applications for loans and grants for the renewable energy program for the following: Ethanol Freedlot Project, NE.

RURAL UTILITIES SERVICE

The Rural Utilities Service [RUS] was established under the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (Public Law 103-354), October 13, 1994. RUS administers the electric and telephone programs of the former Rural Electrification Administration and the water and waste programs of the former Rural Development Administration.

The mission of the RUS is to serve a leading role in improving the quality of life in rural America by administering its electric, telecommunications, and water and waste programs in a service oriented, forward looking, and financially responsible manner. All three programs have the common goal of modernizing and revitalizing rural communities. RUS provides funding and support service for utilities serving rural areas. The public-private partnerships established by RUS and local utilities assist rural communities in modernizing local infrastructure. RUS programs are also characterized by the substantial amount of private investment which is leveraged by the public funds invested into infrastructure and technology, resulting in the creation of new sources of employment.

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS PROGRAM
ACCOUNT

The Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) provides the statutory authority for the electric and telecommunications programs.

The Federal Credit Reform Act of 1990 established the program account. An appropriation to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated and loan guarantees committed in 2004, as well as for administrative expenses.

COMMITTEE RECOMMENDATIONS

The following table reflects the Committee's recommendation for the rural electrification and telecommunications loans program account, the loan subsidy and administrative expenses, as compared to the fiscal year 2004 and budget request levels:

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2004 level	2005 request	
Loan authorizations:			
Electric:			
Direct, 5 percent	240,000	120,000	120,000
Direct, Muni	1,000,000	100,000	100,000
Direct, FFB	1,900,000	1,620,000	2,100,000

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2004 level	2005 request	
Direct, Treasury rate	750,000	700,000	1,000,000
Guaranteed	99,410	100,000	100,000
Guaranteed, Underwriting	1,000,000	.....	1,000,000
Subtotal	4,989,410	2,640,000	4,420,000
Telecommunications:			
Direct, 5 percent	145,000	145,000	145,000
Direct, Treasury rate	248,525	250,000	250,000
Direct, FFB	120,000	100,000	125,000
Subtotal	513,525	495,000	520,000
Total, loan authorizations	5,502,935	3,135,000	4,940,000
Loan Subsidies:			
Electric:			
Direct, 5 percent ¹ .....	.....	3,648	3,648
Direct, Muni ¹ .....	.....	1,350	1,350
Direct, FFB ² .....	.....	.....	.....
Direct, Treasury rate ² .....	.....	.....	.....
Guaranteed	60	60	60
Guaranteed, Underwriting ² .....	.....	.....	.....
Subtotal	60	5,058	5,058
Telecommunications:			
Direct, 5 percent ¹ .....	.....	.....	.....
Direct, Treasury rate	124	100	100
Direct, FFB ² .....	.....	.....	.....
Subtotal	124	100	100
Total, loan subsidies	184	5,158	5,158
Administrative expenses	37,630	39,933	38,277
Total, Rural Electrification and Telecommunications Loans Programs Account	37,814	45,091	43,435
(Loan authorization)	5,502,935	3,135,000	4,940,000

¹ Negative subsidy rate for fiscal year 2004 is calculated for this program.² Negative subsidy rates for fiscal years 2004 and 2005 are calculated for these programs.

RURAL TELEPHONE BANK PROGRAM ACCOUNT

[In thousands of dollars]

	Loan level	Direct loan subsidy	Administrative expenses
Appropriations, 2004 ¹	173,503	.....	3,152
Budget estimate, 2005 ¹ .....	.....	.....	3,328
Committee recommendation ¹	175,000	.....	3,152

¹ Negative subsidy rates for fiscal years 2004 and 2005 are calculated for this program.

The Rural Telephone Bank [RTB] is required by law to begin privatization (repurchase of federally owned stock) in fiscal year 1996. RTB borrowers are able to borrow at private market rates and no longer require Federal assistance.

The Rural Telephone Bank is managed by a 13-member board of directors. The Administrator of RUS serves as Governor of the

Bank until conversion to private ownership, control, and operation. This will take place when 51 percent of the class A stock issued to the United States and outstanding at any time after September 30, 1996, has been fully redeemed and retired. Activities of the Bank are carried out by RUS employees and the Office of the General Counsel of the U.S. Department of Agriculture.

The Federal Credit Reform Act of 1990 established the program account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated in 2004, as well as for administrative expenses.

COMMITTEE RECOMMENDATIONS

The Committee recommends a loan level of \$175,000,000. This amount is \$1,497,000 more than the fiscal year 2004 level.

DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND PROGRAM

LOANS AND GRANT LEVELS

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2004 level	2005 request	
Loan and Grant Levels:			
Distance Learning and Telemedicine Program:			
Direct loans	300,000	.....	20,000
Grants	38,770	25,000	25,000
Broadband Program:			
Direct loans .....	.....	35,917	.....
Treasury rate loans	598,101	255,164	600,000
Guaranteed loans .....	.....	40,000	.....
Grants	8,947	.....	9,000
Total, DLTB grants and loan authorizations	945,818	356,081	654,000

DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND PROGRAM

LOANS AND GRANTS

[Budget authority in thousands of dollars]

	Fiscal year—		
	2004 level	2005 request	Committee recommendation
Distance Learning and Telemedicine Program:			
Direct loan subsidies ¹ .....	.....	.....	284
Grants	38,770	25,000	38,000
Broadband Program:			
Direct loan subsidies .....	.....	2,877	.....
Treasury subsidies	13,039	5,435	12,780
Guaranteed subsidies .....	.....	1,572	.....
Grants	8,947	.....	9,000
Total, grants and loan subsidies	60,756	34,884	60,064

¹ Negative subsidy rate for fiscal year 2004 is calculated for this program.

The Distance Learning, Telemedicine, and Broadband Program is authorized by the Food, Agriculture, Conservation and Trade Act of 1990 (104 Stat. 4017, 7 U.S.C. 950aaa et seq.), as amended by the Federal Agriculture Improvement and Reform Act of 1996. This program provides incentives to improve the quality of phone serv-

ices, to provide access to advanced telecommunications services and computer networks, and to improve rural opportunities.

This program provides the facilities and equipment to link rural education and medical facilities with more urban centers and other facilities providing rural residents access to better health care through technology and increasing educational opportunities for rural students. These funds are available for loans and grants.

COMMITTEE RECOMMENDATIONS

For the Distance Learning, Telemedicine, and Broadband Program, the Committee recommends \$60,064,000. This amount is \$692,000 less than the fiscal year 2004 appropriation. Of this amount, the Committee has provided \$13,000,000 for public broadcasting systems grants to allow noncommercial educational television broadcast stations that serve rural areas to convert from analog to digital operations.

The Committee supports awarding grants to public television stations that provide a broadcast service to rural populations through one or more transmitters or associated translators, regardless of the location of their main transmitters. A public station's main transmitter may be physically located in a city; however, the signal may reach many rural communities throughout their entire digital coverage area. Therefore, consideration should be given to the overall population served by the television broadcast signal when establishing criteria for rurality and per capita income. The Committee notes that the purpose of this funding is to equip public television stations serving rural communities with the capacity to provide rich educational services through the use of their digital broadcast spectrum.

In addition, of the funds provided, \$9,000,000 in grants shall be made available to support broadband transmission and local dial-up Internet services for rural areas. The Department should continue to provide financial support in addition to the Distance Learning, Telemedicine, and Broadband grant and loan accounts.

The Committee is aware of and encourages the Department to give consideration to the following applications for grants and loans: College in the Downtown of Bridgetown, NJ; Alabama Rural Health Network, AL; Maui Community College SkyBridge Interactive Television Network, HI; Farm Resource Management System, KY; Coushatta Tribe Of Louisiana; Rural Telework Coordinating Center, MN; Technology Improvements at SUNY Potsdam, NY; Caswell County, NC; Rural Utility Corridor, OR; I-90 Corridor Emergency Medical Center, WA; Louisiana Broadband Initiative; Market Connection Program, MT; University of Maryland Eastern Shore; Rural Information Technology Job Initiative, WA; and the Adirondack-Champlain Community Fiber Network, NY.

TITLE IV—DOMESTIC FOOD PROGRAMS

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

Appropriations, 2004	\$595,000
Budget estimate, 2005	799,000
Committee recommendation	608,000

The Office of the Under Secretary for Food, Nutrition and Consumer Services provides direction and coordination in carrying out the laws enacted by the Congress with respect to the Department's food and consumer activities. The Office has oversight and management responsibilities for the Food and Nutrition Service.

COMMITTEE RECOMMENDATIONS

For the Office of the Under Secretary for Food, Nutrition and Consumer Services, the Committee recommends an appropriation of \$608,000. This amount is \$13,000 more than the fiscal year 2004 appropriation.

The Committee has provided increases throughout FNS to promote healthy eating and to combat obesity. The Committee believes it is imperative that USDA maintain and increase obesity prevention and nutrition education activities, and work with other government and private entities to provide the public with appropriate, up-to-date information on healthy eating and exercise habits. The Committee encourages the Department to utilize the International Fitness Diplomats to further educate children in regard to combating childhood obesity.

The Committee is aware of the efforts of several non-profit groups throughout the country, such as Farm Share in Florida, whose mission is to recover and distribute surplus fresh and nutritious fruits and vegetables. These organizations recover fresh produce in bulk or by gleaning fields with the help of volunteers. The produce is washed, sorted, packed, and distributed locally, statewide and throughout the United States to a network of participating social service agencies serving the homeless and low-income households. The Committee believes the activities carried out by these organizations are extremely worthwhile, and strongly encourages USDA to support their efforts in any way possible.

The Committee notes the growing problem of childhood obesity and recent reports that many school children receive a substantial percentage of their calories from sweetened drinks, candy, and high fat snacks. Likewise, many non-subsidized school lunches are high in fat content and low in certain nutrients linked to school performance such as Omega 3 fatty acids. The Committee directs the Food and Nutrition Service to work aggressively to develop food products for the school lunch program that are appealing to children, high in nutrition, and will foster lifelong healthy eating patterns. The

Committee also notes that learning disabilities and behavioral disorders have been linked to low serum levels of Omega 3 fatty acids. Therefore, particular attention should be paid to developing food choices that are high in Omega 3 fatty acids. FNS should develop incentives to encourage schools to serve healthy food choices and should impose disincentives to schools which continue to offer high fat and sugar content foods to children either through the school lunch program or other sources.

The Committee is aware of efforts in the State of Vermont to provide milk coolers and milk vending machines to schools through matching grants, and understands that these machines, which also dispense yogurt and individual portion cheese products, have been very successful and competed well with other products sold in vending machines. Therefore, the Committee encourages USDA to work with the State of Vermont to identify any available funding to expand their efforts.

FOOD AND NUTRITION SERVICE

The Food and Nutrition Service represents an organizational effort to eliminate hunger and malnutrition in this country. Nutrition assistance programs provide access to a nutritionally adequate diet for families and persons with low incomes and encourage better eating patterns among the Nation's children. These programs include:

Child Nutrition Programs.—The National School Lunch and School Breakfast, Summer Food Service, and Child and Adult Care Food programs provide funding to the States, Puerto Rico, the Virgin Islands, and Guam for use in serving nutritious lunches and breakfasts to children attending schools of high school grades and under, to children of preschool age in child care centers, and to children in other institutions in order to improve the health and well-being of the Nation's children, and broaden the markets for agricultural food commodities. Through the Special Milk Program, assistance is provided to the States for making reimbursement payments to eligible schools and child care institutions which institute or expand milk service in order to increase the consumption of fluid milk by children. Funds for this program are provided by direct appropriation and transfer from section 32.

Special Supplemental Nutrition Program for Women, Infants, and Children [WIC].—This program safeguards the health of pregnant, post partum, and breast-feeding women, infants, and children up to age 5 who are at nutritional risk because of inadequate nutrition and income by providing supplemental foods. The delivery of supplemental foods may be done through health clinics, vouchers redeemable at retail food stores, or other approved methods which a cooperating State health agency may select. Funds for this program are provided by direct appropriation.

Food Stamp Program.—This program seeks to improve nutritional standards of needy persons and families. Assistance is provided to eligible households to enable them to obtain a better diet by increasing their food purchasing capability, usually by furnishing benefits in the form of electronic access to funds. The program also includes Nutrition Assistance to Puerto Rico. The Farm Security and Rural Investment Act of 2002 (Public Law 107-171)

authorizes block grants for Nutrition Assistance to Puerto Rico and American Samoa, which provide broad flexibility in establishing nutrition assistance programs specifically tailored to the needs of their low-income households.

The program also includes the Food Distribution Program on Indian Reservations which provides nutritious agricultural commodities to low-income persons living on or near Indian reservations who choose not to participate in the Food Stamp Program.

The Farm Security and Rural Investment Act of 2002, Public Law 107–171, enacted May 13, 2002, provides that \$140,000,000 from funds appropriated in the Food Stamp account be used to purchase commodities for The Emergency Food Assistance Program.

Commodity Assistance Program [CAP].—This program provides funding for the Commodity Supplemental Food Program [CSFP], and administrative expenses for The Emergency Food Assistance Program [TEFAP].

CSFP provides supplemental foods to infants and children up to age 6, and to pregnant, post partum, and breast-feeding women with low incomes, and who reside in approved project areas. In addition, this program operates commodity distribution projects directed at low-income elderly persons.

TEFAP provides commodities and grant funds to State agencies to assist in the cost of storage and distribution of donated commodities. The Soup Kitchen/Food Bank Program was absorbed into TEFAP under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193), by an amendment to section 201A of the Emergency Food Assistance Act.

Nutritious agricultural commodities are provided to residents of the Federated States of Micronesia and the Marshall Islands. Cash assistance is provided to distributing agencies to assist them in meeting administrative expenses incurred. It also provides funding for use in non-Presidentially declared disasters, and for FNS' administrative costs in connection with relief for all disasters. Funds for this program are provided by direct appropriation.

Nutrition Programs Administration.—Most salaries and Federal operating expenses of the Food and Nutrition Service are funded from this account. Also included is the Center for Nutrition Policy and Promotion [CNPP] which oversees improvements in and revisions to the food and guidance systems, and serves as the focal point for advancing and coordinating nutrition promotion and education policy to improve the health of all Americans.

CHILD NUTRITION PROGRAMS

[In thousands of dollars]

	Appropriation	Section 32 transfers	Total
Appropriations, 2004	6,717,780	4,699,661	11,417,441
Budget estimate, 2005	6,060,860	5,319,697	11,380,557
Committee recommendation	6,060,860	5,319,697	11,380,557

The Child Nutrition Programs, authorized by the Richard B. Russell National School Lunch Act and the Child Nutrition Act of 1966, provide Federal assistance to State agencies in the form of cash and commodities for use in preparing and serving nutritious

meals to children while they are attending school, residing in service institutions, or participating in other organized activities away from home. The purpose of these programs is to help maintain the health and proper physical development of America's children. Milk is provided to children either free or at a low cost, depending on their family income level. FNS provides cash subsidies to States for administering the programs and directly administers the program in the States which choose not to do so. Grants are also made for nutritional training and surveys and for State administrative expenses. Under current law, most of these payments are made on the basis of reimbursement rates established by law and applied to lunches and breakfasts actually served by the States. The reimbursement rates are adjusted annually to reflect changes in the Consumer Price Index for food away from home.

The William F. Goodling Child Nutrition Reauthorization Act of 1998, Public Law 105-336, contains a number of child nutrition provisions. These include:

Summer Food Service Program [SFSP].—Reauthorizes the program through 2004 and relaxes the site limitations for private non-profit sponsors in SFSP.

Child and Adult Care Food Program [CACFP].—Permanently authorizes payments for snacks provided to children through age 18 in after-school programs, and provides funds for demonstration projects to expand services to homeless children and family day care homes in low-income areas.

National School Lunch Program [NSLP].—(1) Significantly expands reimbursement for snacks for children up to age 18 in after-school care programs; (2) provides for free snacks in needy areas; and (3) requires participating schools to obtain a food safety inspection conducted by a State or local agency.

A description of Child Nutrition Programs follows:

1. *Cash Payments to States.*—The programs are operated under an agreement entered into by the State agencies and the Department. Funds are made available under letters of credit to State agencies for use in reimbursing participating schools and other institutions. Sponsors apply to the State agencies, and if approved, are reimbursed on a per-meal basis in accordance with the terms of their agreements and rates prescribed by law. The reimbursement rates are adjusted annually to reflect changes in the Consumer Price Index for food away from home.

(a) *School Lunch Program.*—Assistance is provided to the States for the service of lunches to all school children, regardless of family income. States must match some of the Federal cash grant. In fiscal year 2005, the School Lunch Program will provide assistance for serving an estimated 4.9 billion school lunches including 2.0 billion for children from upper-income families and 2.9 billion for children from lower and low-income families. An estimated 29.2 million children are expected to participate in the program daily during the school year.

(b) *Special Assistance for Free and Reduced-Price Lunches.*—Additional assistance is provided to the States for serving lunches free or at a reduced price to needy children. In fiscal year 2005, under current law, the program will provide assistance for about 2.9 billion lunches, of which 2.4 billion will be

served free of charge and 0.5 billion at reduced price. Over 17 million needy children will participate in the program on an average schoolday during the year.

(c) *School Breakfast Program*.—Federal reimbursement to the States is based on the number of breakfasts served free, at a reduced price, or at the general rate for those served to nonneedy children. Certain schools are designated in severe need because, in the second preceding year, they served at least 40 percent of their lunches at free or reduced prices and because the regular breakfast reimbursement is insufficient to cover cost. These schools receive higher rates of reimbursement in both the free and reduced-price categories. In fiscal year 2005, the program will serve an estimated 1.5 billion breakfasts to a daily average of 9.0 million children.

(d) *State Administrative Expenses*.—The funds may be used for State employee salaries, benefits, support services, and office equipment. Public Law 95–627 made the State administrative expenses grant equal to 1.5 percent of certain Federal payments in the second previous year. In fiscal year 2005, \$148,176,000 will be allocated among the States to fund ongoing State administrative expenses and to improve the management of various nutrition programs.

(e) *Summer Food Service Program*.—Meals served free to children in low-income neighborhoods during the summer months are supported on a performance basis by Federal cash subsidies to State agencies. Funds are also provided for related State and local administrative expenses. During the summer of 2005, approximately 130.1 million meals will be served.

(f) *Child and Adult Care Food Program*.—Preschool children receive year-round food assistance in nonprofit child care centers and family and group day care homes under this program. Public Law 97–35 permits profitmaking child care centers receiving compensation under title XX of the Social Security Act to participate in the program if 25 percent of the children served are title XX participants. Certain adult day care centers are also eligible for participation in this program, providing subsidized meals to nonimpaired individuals age 60 years or older. The Child and Adult Care Food Program reimburses State agencies at varying rates for breakfasts, lunches, suppers, and meal supplements and for program-related State audit expenses. In fiscal year 2005, approximately 2.1 billion meals will be served.

2. *Commodity Procurement*.—Commodities are purchased for distribution to the school lunch, child care food, and summer food service programs. The minimum commodity support rate for all school lunch and child care center lunches and suppers served is mandated by law and adjusted annually on July 1 to reflect changes in the producer price index for food used in schools and institutions. The commodities purchased with these funds are supplemented by commodities purchased with section 32 funds.

3. *Nutrition Studies and Education*.—The National Food Service Management Institute provides instruction for educators and school food service personnel in nutrition and food service management.

4. *Special Milk.*—In fiscal year 2005, approximately 107 million half-pints will be served in the Special Milk Program. These include about 99.7 million half-pints served to children whose family income is above 130 percent of poverty. During fiscal year 2005, the average full cost reimbursement for milk served to needy children is expected to be 14.1 cents for each half-pint. Milk served to nonneedy children is expected to be reimbursed at 13.9 cents for each half-pint.

COMMITTEE RECOMMENDATIONS

For the child nutrition programs, the Committee recommends an appropriation of \$6,060,860,000, plus transfers from section 32 of \$5,319,697,000, for a total program of \$11,380,557,000. This amount is \$36,884,000 less than the fiscal year 2004 level.

The Committee's recommendation provides for the following annual rates for the child nutrition programs.

TOTAL OBLIGATIONAL AUTHORITY

[In thousands of dollars]

Child nutrition programs	2004 estimate	2005 budget	Committee recommendation
School Lunch Program	6,766,815	6,532,488	6,532,488
School Breakfast Program	1,752,394	1,825,646	1,825,646
State administrative expenses	140,042	148,176	148,176
Summer Food Service Program	281,894	295,305	295,305
Child and Adult Care Food Program	1,989,841	2,064,676	2,064,676
Special Milk Program	14,141	14,875	14,875
Commodity procurement, processing, and computer support	451,017	479,074	479,074
Coordinated review system	5,235	5,235	5,235
Team nutrition	10,025	10,025	10,025
Food safety education	1,000	1,000	1,000
Child nutrition program pay costs	37	57	57
Child nutrition program integrity funds	5,000	.....	.....
Performance measurement and program assessment .....	.....	4,000	4,000

The Committee provides \$4,000,000, as requested in the budget, for Child Nutrition Program assessment activities. This funding will support a range of program assessment activities, including development of comprehensive measures of program performance to inform and foster outcome-based planning and management, focused studies of program operations, and technical assistance to States and communities for practical demonstrations of potential policy and program improvements.

The Committee provides \$10,025,000 for TEAM nutrition. Included in this amount is \$4,000,000 for food service training grants to States; \$1,600,000 for technical assistance materials; \$800,000 for National Food Service Management Institute cooperative agreements; \$400,000 for print and electronic food service resource systems; and \$3,225,000 for other activities.

The Committee expects FNS to utilize the National Food Service Management Institute to carry out the food safety education program.

The Committee also encourages States to conduct outreach to recruit new providers into the CACFP program through the 25 percent free or reduced price meal eligibility criteria option. The Com-

mittee recognizes the value that pooling has played in increasing participation in the CACFP program.

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS,
AND CHILDREN [WIC]

Appropriations, 2004	\$4,611,861,000
Budget estimate, 2005	4,787,250,000
Committee recommendation	5,175,250,000

The special supplemental nutrition program for women, infants, and children [WIC] is authorized by section 17 of the Child Nutrition Act of 1966. Its purpose is to safeguard the health of pregnant, breast-feeding and post partum women and infants, and children up to age 5 who are at nutritional risk because of inadequate nutrition and inadequate income. The budget estimate assumes an average monthly participation of 7.86 million participants at an average food cost of \$36.55 per person per month in fiscal year 2005.

The WIC program food packages are designed to provide foods which studies have demonstrated are lacking in the diets of the WIC program target population. The authorized supplemental foods are iron-fortified breakfast cereal, fruit or vegetable juice which contains vitamin C, dry beans, peas, and peanut butter.

There are three general types of delivery systems for WIC foods: (1) retail purchase in which participants obtain supplemental foods through retail stores; (2) home delivery systems in which food is delivered to the participant's home; and (3) direct distribution systems in which participants pick up food from a distribution outlet. The food is free of charge to all participants.

COMMITTEE RECOMMENDATIONS

For the Special Supplemental Food Program for Women, Infants, and Children [WIC], the Committee recommends an appropriation of \$5,175,250,000. This amount is \$563,389,000 more than the fiscal year 2004 appropriation and \$388,000,000 more than the budget request. The Committee includes statutory language designating \$125,000,000 as an emergency to address increased food costs and to meet expected caseload.

The Committee provides no less than \$15,000,000 for breastfeeding support initiatives. The Committee also provides up to \$5,000,000 for childhood obesity and up to \$20,000,000 for State management information systems, if the Secretary determines that those funds are not needed to maintain caseload requirements.

The Secretary of Agriculture under 7 U.S.C. 2257 has the authority to transfer funds between accounts within an agency. Under this authority the Secretary could transfer \$335,000,000 into the WIC program if needed to meet unforeseen increases in food prices or participation levels.

Funding is provided for the Farmers' Market Nutrition Program under the Commodity Assistance Program account, as proposed in the budget.

While the Committee continues to support and encourage State and local agency efforts to utilize WIC as an important means of participation referral to other health care services, it also continues to recognize the constraints that WIC programs are experiencing as a result of expanding health care priorities and continuing demand

for core WIC program activities. The Committee wishes to clarify that while WIC plays an important role in screening and referral to other health care services, it was never the Committee's intention that WIC should perform aggressive screening, referral and assessment functions in such a manner that supplants the responsibilities of other programs, nor was it the Committee's intention that WIC State and local agencies should assume the burden of entering into and negotiating appropriate cost sharing agreements. The Committee again includes language in the bill to preserve WIC funding for WIC services authorized by law to ensure that WIC funds are not used to pay the expenses or to coordinate operations or activities other than those allowable pursuant to section 17 of the Child Nutrition Act of 1996, unless fully reimbursed by the appropriate Federal agency.

The Committee is concerned about the potential impact of television, radio and print media advertising, promotional gift packs, reduced price coupons, and other offerings of infant formula products on the rates of initiation and duration of breastfeeding among the WIC population. The Committee requests that the Government Accountability Office conduct a review regarding what is currently known and what else needs to be studied in order to fully understand the impact of these activities, and report to the Committee by January 1, 2006.

FOOD STAMP PROGRAM

[In thousands of dollars]

	Expenses	Amount in reserve	Puerto Rico and American Samoa	TEFAP commodity purchases	Total
Appropriations, 2004	26,403,176	3,000,000	1,402,805	140,000	30,945,981
Budget estimate, 2005	29,053,276	3,000,000	1,448,522	140,000	33,641,798
Committee recommendation	29,053,276	3,000,000	1,448,522	140,000	33,641,798

The Food Stamp Program, authorized by the Food Stamp Act of 1977, attempts to alleviate hunger and malnutrition among low-income persons by increasing their food purchasing power. Eligible households receive food stamp benefits with which they can purchase food through regular retail stores. They are thus enabled to obtain a more nutritious diet than would be possible without food stamp assistance. The Farm Security and Rural Investment Act of 2002, Public Law 107-171, enacted May 13, 2002, reauthorizes the Food Stamp Program through fiscal year 2007.

The Food Stamp Program is currently in operation in all 50 States, the District of Columbia, the Virgin Islands, and Guam. Participating households receive food benefits, the value of which is determined by household size and income. The cost of the benefits is paid by the Federal Government. As required by law, the Food and Nutrition Service annually revises household stamp allotments to reflect changes in the cost of the thrifty food plan.

At the authorized retail store, the recipient presents his/her card and enters a unique personal identification number into a terminal that debits the household's account for the amount of purchases. Federal funds are shifted from the Federal Reserve to the EBT processor's financial institution so that it may reimburse the gro-

cer's account for the amount of purchases. The grocer's account at a designated bank is credited for the amount of purchases. The associated benefit cost is accounted for in the same manner as those benefit costs that result from issuance of coupons.

Nutrition Assistance to Puerto Rico.—The Farm Security and Rural Investment Act of 2002, Public Law 107–171, authorized block grants for Nutrition Assistance to Puerto Rico and American Samoa which gives the Commonwealth broad flexibility to establish a nutrition assistance program that is specifically tailored to the needs of its low-income households. However, the Commonwealth must submit its annual plan of operation to the Secretary for approval. The Farm Security and Rural Investment Act of 2002, Public Law 107–171, enacted May 13, 2002, reauthorizes appropriations through fiscal year 2007. In addition to the provision of direct benefits to the needy, a portion of the grant may be used to fund up to 50 percent of the cost of administering the program. The grant may also be used to fund projects to improve agriculture and food distribution in Puerto Rico.

The program also includes the Food Distribution Program on Indian Reservations which provides nutritious agricultural commodities to low-income persons living on or near Indian reservations who choose not to participate in the Food Stamp Program.

Administrative Costs.—All direct and indirect administrative costs incurred for certification of households, issuance of food coupons, quality control, outreach, and fair hearing efforts are shared by the Federal Government and the States on a 50–50 basis. The Farm Security and Rural Investment Act of 2002, (Public Law 107–171), substantially revised the performance requirements for States under the Quality Control [QC] System. States with poor performance over 2 years face sanctions. States that demonstrate a high degree of accuracy or substantial improvement in their degree of accuracy under the QC system are eligible to share in a \$48,000,000 “bonus fund” established by Congress to reward States for good performance.

State Administration also Includes State Antifraud Activities.—Under the provisions of the Food Stamp Act of 1977, as amended by the Mickey Leland Childhood Hunger Relief Act of 1993, States are eligible to be reimbursed for 50 percent of the costs of their food stamp fraud investigations and prosecutions.

States are required to implement an employment and training program for the purpose of assisting members of households participating in the Food Stamp Program in gaining skills, training, or experience that will increase their ability to obtain regular employment. The Department of Agriculture has implemented a grant program to States to assist them in providing employment and training services.

COMMITTEE RECOMMENDATIONS

For the Food Stamp Program, the Committee recommends \$33,641,798,000. This amount is \$2,695,817,000 more than the fiscal year 2004 appropriation. Of the amount provided, \$3,000,000,000 is made available as a contingency reserve. This is the same as the 2004 contingency reserve level and the budget request.

Included in this amount is up to \$4,000,000 to purchase bison for the Food Distribution Program on Indian Reservations from Native American producers and Cooperative Organizations without competition.

The Committee is aware that there continues to be a pressing need for infrastructure development in the Food Distribution Program on Indian Reservations [FDPIR]. Warehousing facilities on some reservations do not allow for the proper and efficient storage and distribution of commodities, and Indian Tribal Organization must be able to replace and upgrade equipment such as tractor trailers and fork lifts. Facilities have not always been able to keep pace with improvements in the food package, including the addition of fresh produce and more frozen foods as program options, which generates the need for cooler and freezer equipment.

Military Pay Exclusion.—The Committee includes statutory language to exclude special pay for military personnel deployed to designated combat areas when determining food stamp eligibility. This provision will ensure that food stamp participants will not be eliminated from the program due to special or supplemental military pay.

COMMODITY ASSISTANCE PROGRAM

Appropriations, 2004	\$149,115,000
Budget estimate, 2005	169,416,000
Committee recommendation	172,081,000

The Commodity Assistance Program includes funding for the Commodity Supplemental Food Program and funding to pay expenses associated with the storage and distribution of commodities through The Emergency Food Assistance Program.

The Commodity Supplemental Food Program [CSFP].—Authorized by section 4(a) of the Agricultural and Consumer Protection Act of 1973, as amended in 1981 by Public Law 97–98, this program provides supplemental food to infants and children up to age 6, and to pregnant, post partum, and breast-feeding women who have low incomes, and reside in approved project areas. In addition, the program operates commodity distribution projects directed at low-income elderly persons 60 years of age or older.

In fiscal year 2005 approximately 54,000 women, infants, and young children and 413,000 elderly are eligible to receive food packages each month. The foods are provided by the Department of Agriculture for distribution through State agencies. The authorized commodities are iron-fortified infant formula, rice cereal, canned juice, evaporated milk and/or nonfat dry milk, canned vegetables or fruits, canned meat or poultry, egg mix, dehydrated potatoes, farina, and peanut butter or dry beans. Elderly participants may receive all commodities except iron-fortified infant formula and rice cereal.

The Farm Security and Rural Investment Act of 2002 (2002 Farm Bill), reauthorizes the program through fiscal year 2007 and establishes a specific administrative funding level for each caseload slot assigned, adjusted each year for inflation.

The Emergency Food Assistance Program [TEFAP].—Authorized by the Emergency Food Assistance Act of 1983, as amended, the program provides nutrition assistance to low-income people

through prepared meals served on site and through the distribution of commodities to low-income households for home consumption. The commodities are provided by USDA to State agencies for distribution through State-established networks. State agencies make the commodities available to local organizations, such as soup kitchens, food pantries, food banks, and community action agencies, for their use in providing nutrition assistance to those in need.

Funds are administered by FNS through grants to State agencies which operate commodity distribution programs. Allocation of the funds to States is based on a formula which considers the States' unemployment rate and the number of persons with income below the poverty level.

In fiscal year 2003, \$372,400,000 worth of commodities were distributed to assist needy individuals. Precise levels of donations depend upon the availability of surplus commodities and requirements regarding displacement.

The Farm Security and Rural Investment Act of 2002 permits State and local agencies to pay costs associated with the storage and distribution of USDA commodities and commodities secured from other sources. At the request of the State, these funds can be used by USDA to purchase additional commodities. The Farm Security and Rural Investment Act of 2002 increases funding available for the purchase of TEFAP commodities from \$100,000,000 to \$140,000,000. In addition to the commodities purchased specifically for TEFAP, commodities obtained under agriculture support programs are donated to States for distribution through TEFAP.

Pacific Island Assistance.—This program provides funding for assistance to the nuclear-affected islands in the form of commodities and administrative funds. It also provides funding for use in non-Presidentially declared disasters and for FNS' administrative costs in connection with relief for all disasters.

Farmers' Market Nutrition Program.—The Farmers' Market Nutrition Program [FMNP] provides WIC or WIC-eligible participants with coupons to purchase fresh, nutritious, unprepared foods, such as fruits and vegetables, from farmers' markets. This benefits both participants and local farmers by increasing the awareness and use of farmers' markets by low-income households.

COMMITTEE RECOMMENDATIONS

For the Commodity Assistance Program, the Committee recommends an appropriation of \$172,081,000. This amount is \$22,966,000 more than the fiscal year 2004 appropriation.

The Committee is aware that the Farmers' Market Nutrition Program provides fresh fruits and vegetables to low income mothers and children, benefiting not only WIC participants, but local farmers as well. Therefore, the Committee provides \$20,000,000 for the Farmers' Market Nutrition Program, the same as the budget request, and directs the Secretary to obligate these funds within 45 days.

The Committee continues to encourage the Department to distribute Commodity Assistance Program funds equitably among the States, based on an assessment of the needs and priorities of each State and the State's preference to receive commodity allocations through each of the programs funded under this account.

The Farm Security and Rural Investment Act of 2002 provides \$140,000,000 for TEFAP commodities to be purchased with food stamp funds. The Committee provides \$50,000,000 for TEFAP administrative funding. In addition, the Committee provides the Secretary authority to transfer up to an additional \$10,000,000 from TEFAP commodities for this purpose.

The Committee is aware that a significant quantity of food products are made available by hunters and other game harvesting operations which are approved through USDA or State inspected facilities, and present an additional source of donated commodities. The Department should give consideration to this opportunity as a means to supplement and provide variety to food assistance programs, and allow the use of TEFAP administrative funds for this purpose.

The Committee provides \$101,000,000 for the Commodity Supplemental Food Program. This amount is \$2,665,000 more than the fiscal year 2004 appropriation. Of this amount, no less than \$26,182,000 shall be available for administrative funding.

The Committee recognizes the success of the Seniors Farmers' Market Nutrition Program, which is expected to provide fresh fruits and vegetables to more than 419,000 low-income senior citizens and benefit more than 8,500 farmers in fiscal year 2004. The Committee notes that \$15,000,000 in funding is available for the program in fiscal year 2005 through the Farm Security and Rural Investment Act of 2002.

The Committee encourages USDA to consider developing a partnership with a non-profit technology organization, with proven delivery of commodities and food within hunger programs, for the application of advanced supply chain capabilities and technologies to The Emergency Food Assistance Program. If the Department of Agriculture determines that this technology is beneficial and appropriate, the Committee encourages the Department of Agriculture to fund demonstration pilot programs in not less than five States implementing this technology, with the goal of the demonstration programs being to reduce administrative costs while improving the efficiency of the delivery of food.

NUTRITION PROGRAMS ADMINISTRATION

Appropriations, 2004	\$137,488,000
Budget estimate, 2005	152,227,000
Committee recommendation	142,592,000

The Nutrition Programs Administration appropriation provides for most of the Federal operating expenses of the Food and Nutrition Service, which includes the Child Nutrition Programs; Special Milk Program; Special Supplemental Nutrition Program for Women, Infants, and Children [WIC], including the Farmers' Market Nutrition Program; Food Stamp Program; Nutrition Assistance for Puerto Rico; the Commodity Assistance Program, including the Commodity Supplemental Food Program, and the Emergency Food Assistance Program; and the Food Donations Programs, including Pacific Island Assistance.

The major objective of Nutrition Programs Administration is to efficiently and effectively carry out the nutrition assistance programs mandated by law. This is to be accomplished by the fol-

lowing: (1) giving clear and consistent guidance and supervision to State agencies and other cooperators; (2) assisting the States and other cooperators by providing program, managerial, financial, and other advice and expertise; (3) measuring, reviewing, and analyzing the progress being made toward achieving program objectives; and (4) carrying out regular staff support functions.

COMMITTEE RECOMMENDATIONS

For Nutrition Programs Administration, the Committee recommends an appropriation of \$142,592,000. This amount is \$5,104,000 more than the fiscal year 2004 appropriation. The Committee provides \$1,000,000 for childhood obesity/nutrition education, \$1,000,000 for the Food Guide Pyramid, and \$655,000 for Dietary Guidelines, as requested in the budget.

The Committee provides not less than \$4,000,000 to improve integrity in the Food Stamp and Child Nutrition Programs. The Committee directs that USDA provide a detailed spending plan on these activities by March 1, 2005.

The Committee remains concerned about the growing incidences of obesity in this country. Recent estimates by the Centers for Disease Control state that over 64 percent of adults, as well as 15 percent of children, were overweight or obese in the United States. The CDC also states that overweight or obese adults are at risk for a number of health problems including heart disease, type 2 diabetes, high blood pressure, and some forms of cancer. Further, overweight adolescents have a 70 percent chance of becoming overweight adults. Therefore, the Committee believes it is critical to ensure that children are taught how to maintain a healthy lifestyle and have access to healthy foods, and provides \$1,000,000 above the fiscal year 2004 level for obesity prevention and nutrition education activities.

TITLE V—FOREIGN ASSISTANCE AND RELATED PROGRAMS

FOREIGN AGRICULTURAL SERVICE

SALARIES AND EXPENSES

[In thousands of dollars]

	Appropriations	Transfers from loan accounts	Total
Appropriations, 2004	131,368	4,355	135,723
Budget estimate, 2005	143,077	4,542	147,619
Committee recommendation	139,162	4,518	143,680

The Foreign Agricultural Service [FAS] was established March 10, 1953, by Secretary's Memorandum No. 1320, supplement 1. Public Law 83–690, approved August 28, 1954, transferred the agricultural attachés from the Department of State to the Foreign Agricultural Service.

The Agency maintains a worldwide agricultural intelligence and reporting service to provide U.S. farmers and traders with information on world agricultural production and trade that they can use to adjust to changes in world demand for U.S. agricultural products. This is accomplished through a continuous program of reporting by 63 posts located throughout the world covering some 130 countries.

The Foreign Agricultural Service analyzes agricultural information essential to the assessment of foreign supply and demand conditions in order to provide estimates of the current situation and to forecast the export potential for specific U.S. agricultural commodities. Published economic data about commodities are combined with attaché reports and subjected to analysis through advanced econometric techniques to generate these estimates.

In addition, the Service is now using advanced techniques for identifying, delineating, and assessing the impact of events which may affect the condition and expected production of foreign crops of economic importance to the United States. The crop condition activity relies heavily on computer-aided analysis of satellite, meteorological, agricultural, and related data.

The mission of FAS overseas is to represent U.S. agricultural interests, to promote export of domestic farm products, improve world trade conditions, and report on agricultural production and trade in foreign countries. FAS staff are stationed at 80 offices around the world where they provide expertise in agricultural economics and marketing, as well as provide attaché services.

The Foreign Agricultural Service works in conjunction with market development cooperators, trade associations, State departments of agriculture and their affiliates, and U.S. sales teams to develop foreign markets for U.S. farm products. FAS sponsors overseas trade exhibits to promote U.S. agricultural products, provides infor-

mation about foreign importers, and performs a wide range of market development activities.

FAS carries out several export assistance programs to counter the adverse effects of unfair trade practices by competitors on U.S. agricultural trade. The Export Enhancement Program uses CCC-owned commodities as export bonuses to provide export enhancements to U.S. producers. The Market Access Program [MAP] conducts both generic and brand-identified promotional programs in conjunction with nonprofit agricultural associations and private firms financed through reimbursable CCC payments.

These programs are supplemented by the Cooperator Program, a joint FAS-nonprofit private trade and producer association partnership program developing strategies for U.S. agriculture export expansion. In addition, GSM credit guarantee programs play an integral role in the recent progress of American agriculture in the world marketplace.

The Agricultural Trade Act of 1978 includes authority to establish up to 25 agricultural trade offices. Currently, 17 such offices are in operation at key foreign trading centers to assist U.S. exporters, trade groups, and State export marketing officials in trade promotion.

The Service initiates, directs, and coordinates the Department's formulation of trade policies and programs with the goal of maintaining and expanding world markets for U.S. agricultural products. It monitors international compliance with bilateral and multilateral trade agreements. It identifies restrictive tariff and trade practices which act as barriers to the import of U.S. agricultural commodities, then supports negotiations to remove them. It acts to counter and eliminate unfair trade practices by other countries that hinder U.S. agricultural exports to third markets.

FAS also carries out the mission of the former Office of International Cooperation and Development [OICD] to promote U.S. agriculture and to advance the agriculture of developing countries as parts of a complementary global agricultural system capable of providing ample food and fiber for all people. To accomplish this mission, FAS applies USDA policies and U.S. agricultural perspectives in its programs of international agricultural cooperation and development, and in its work with foreign countries, international organizations, U.S. universities and other institutions, agencies of the U.S. Government, and the U.S. private sector.

The General Sales Manager was established pursuant to section 5(f) of the charter of the Commodity Credit Corporation and 15 U.S.C. 714-714p. The funds allocated to the General Sales Manager are used for conducting the following programs: (1) CCC Export Credit Guarantee Program (GSM-102), including supplier credit guarantees and facilities financing guarantees, (2) Intermediate Credit Guarantee Program (GSM-103), (3) Public Law 480, (4) section 416 Overseas Donations Program, (5) Export Enhancement Program, (6) Market Access Program, and (7) programs authorized by the Commodity Credit Corporation Charter Act including barter, export sales of most CCC-owned commodities, export payments, and other programs as assigned to encourage and enhance the export of U.S. agricultural commodities.

A provision in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriation Act, 2003, Division A of Public Law 108–7, made permanent a prohibition on the use of agency funds to promote the sale or export of tobacco or tobacco products.

COMMITTEE RECOMMENDATIONS

For the Foreign Agricultural Service, the Committee recommends an appropriation of \$139,162,000. This amount is \$7,794,000 more than the fiscal year 2004 appropriation.

The Committee expects the FAS to fund the Foreign Market Development Cooperator Program at no less than the fiscal year 2004 level.

The Committee provides the fiscal year 2005 budget request level of \$5,000,000 for the Cochran Fellowship Program. The Committee encourages the Secretary to continue to provide additional support for the program through the Commodity Credit Corporation Emerging Markets Program.

The Committee continues to include language in a general provision in the bill, as requested in the budget, to allow up to \$1,000,000 of the amount appropriated to the FAS to remain available until expended solely for the purpose of offsetting fluctuations in international currency exchange rates, subject to documentation.

The Committee expects the Secretary to use the fully-authorized levels of the Dairy Export Incentive Program [DEIP], consistent with GATT Uruguay commitments, in order to ensure U.S. producers have fair access to foreign markets.

The Committee encourages the Foreign Agricultural Service to assist the Alaska Seafood Marketing Institute and the Alaska Salmon Task Force in marketing Alaska salmon and other seafood to overseas markets.

To promote the export of domestic farm products and improve world agriculture trade conditions, the Foreign Agricultural Service must increase its efforts to improve the understanding among trading partners of the safety of biotechnology and the thoroughness of the U.S. regulatory oversight of biotechnology. As trading partners construct regulatory systems for biotechnology and commodity trade, FAS is frequently requested to provide experts for the purpose of educating foreign government officials on the U.S. regulatory system. If the United States fails to participate in such discussions, those attempting to limit the access to foreign markets by U.S. producers will be presented an opportunity to undermine confidence in the benefits and safety of the technology while reducing trade opportunities for American producers. The Committee directs FAS to allocate adequate funding to meet the needs of our trading partners so that officials from the Department of Agriculture may, when requested, educate foreign regulators on the safety of the technology and the thoroughness of the U.S. regulatory process.

In addition, the Committee continues to urge the Secretary to work with representatives of the dairy industry and appropriate non-governmental organizations to increase the amount of fortified dry milk exported under humanitarian assistance programs.

The Committee is aware of the continuing buildup of surplus non-fat dry milk acquired by the CCC through the dairy price sup-

port program. The Committee is concerned with increasing storage costs associated with this buildup and encourages the agency to utilize all existing food donation programs to reduce this growing surplus.

The Trade Assistance Act for Farmers [TAAF] requires that technical assistance be provided to farmers negatively impacted by imports. The Committee encourages the Department to work with interested parties, including the Digital Center for Risk Management Education, to coordinate an intensive technical assistance program for farmers using available funds consistent with that Act.

The Committee is aware of FAS activities to provide technical assistance for the promotion of specialty crop exports, consistent with section 3205 of the Farm Security and Rural Investment Act of 2002. The Committee provides an increase of \$1,000,000 from the fiscal year 2004 level to support these activities.

PUBLIC LAW 480 TITLE I PROGRAM ACCOUNT

[In thousands of dollars]

	Credit level	Loan subsidy	Administrative expenses
Appropriations, 2004	130,892	103,274	2,122
Budget estimate, 2005	100,000	86,420	4,221
Committee recommendation	109,000	94,198	4,034

The Federal Credit Reform Act of 1990 established the program account. Appropriations to this account will be used to cover the lifetime subsidy cost associated with direct loans obligated in 2004 and beyond, as well as for administrative expenses.

Financing sales of agricultural commodities to developing countries and private entities for dollars on credit terms, or for local currencies (including for local currencies on credit terms) for use under section 104; and for furnishing commodities to carry out the Food for Progress Act of 1985, as amended (title I).—Title I of the act authorizes financing of sales to developing countries for local currencies and for dollars on credit terms. Sales for dollars or local currency may be made to foreign governments. The legislation provides for repayment terms either in local currencies or U.S. dollars on credit terms of up to 30 years, with a grace period of up to 5 years.

Local currencies under title I sales agreements may be used in carrying out activities under section 104 of the Agricultural Trade Development and Assistance Act of 1954, as amended. Activities in the recipient country for which these local currencies may be used include developing new markets for U.S. agricultural commodities, paying U.S. obligations, and supporting agricultural development and research.

Title I appropriated funds may also be used under the Food for Progress Act of 1985 to furnish commodities on credit terms or on a grant basis to assist developing countries and countries that are emerging democracies that have a commitment to introduce and expand free enterprise elements in their agricultural economies.

COMMITTEE RECOMMENDATIONS

For Public Law 480, title I, the Committee recommends total appropriations of \$98,232,000. This amount is \$7,164,000 less than the fiscal year 2004 appropriation. This appropriation will support a Public Law 480, title I, credit level of \$109,000,000 for fiscal year 2005, \$21,892,000 less than the fiscal year 2004 level. The corresponding loan levels, loan subsidy amounts, and administrative expenses are reflected in the table above, as compared to the fiscal year 2004 and budget request levels.

PUBLIC LAW 480 TITLE I OCEAN FREIGHT DIFFERENTIAL GRANTS

Appropriations, 2004	\$27,835,000
Budget estimate, 2005	22,723,000
Committee recommendation	22,723,000

Ocean freight differential costs in connection with commodity sales financed for local currencies or U.S. dollars (title I).—The Commodity Credit Corporation pays ocean freight differential costs on shipments under this title. These costs are the difference between foreign flag and U.S. flag shipping costs.

COMMITTEE RECOMMENDATIONS

For Public Law 480 ocean freight differential costs, the Committee recommends \$22,723,000. This amount is \$5,112,000 less than the fiscal year 2004 appropriation, and the same as the budget request.

PUBLIC LAW 480 TITLE II GRANTS

Appropriations, 2004	\$1,184,967,000
Budget estimate, 2005	1,185,000,000
Committee recommendation	1,185,000,000

The Committee recognizes the important mission of the Public Law 480 Program to combat hunger and malnutrition; promote broad-based equitable and sustainable development; expand international trade; develop and expand export markets for U.S. agricultural commodities; and to foster and encourage the development of private enterprise and democratic participation in developing countries. The Committee strongly supports the continued efficient operation of this important program.

Commodities Supplied in Connection With Dispositions Abroad (Title II) (7 U.S.C. 1721–1726).—Commodities are supplied without cost through foreign governments to combat malnutrition and to meet famine and other emergency requirements. Commodities are also supplied for nonemergencies through public and private agencies, including intergovernmental organizations. The Commodity Credit Corporation pays ocean freight on shipments under this title, and may also pay overland transportation costs to a landlocked country, as well as internal distribution costs in emergency situations. The funds appropriated for title II are made available to private voluntary organizations and cooperatives to assist these organizations in meeting administrative and related costs.

Commodities Supplied in Connection With Dispositions Abroad (Title III).—Commodities are supplied without cost to least developed countries through foreign governments for direct feeding, de-

velopment of emergency food reserves, or may be sold with the proceeds of such sale used by the recipient country for specific economic development purposes. The Commodity Credit Corporation may pay ocean freight on shipments under this title, and may also pay overland transportation costs to a landlocked country, as well as internal distribution costs.

COMMITTEE RECOMMENDATIONS

For Title II, the Committee recommends a program level of \$1,185,000,000. This amount is \$33,000 more than the fiscal year 2004 appropriation.

The Committee directs the administration not to place arbitrary limits on monetization under the Public Law 480 title II program. In food-deficit, import-reliant countries, monetization stimulates the economy and allows needed commodities to be provided in the marketplace. Food aid proposals should be approved based on the merits of the program plan to promote food security and improve people's lives, not on the level of monetization.

The Committee supports the use of title II funds in fiscal year 2005 to continue the fiscal year 2004 level of funding for the orphan feeding program in Haiti.

The Committee notes the extraordinary effort made by the people of Alaska through Rotary International, the Interfaith Council, the Municipality of Anchorage, and other groups to collect and distribute food and other assistance to people living in the Russian Far East. The Committee urges the Administration to work with these entities to take advantage of their volunteer efforts in feeding people in the Russian Far East, particularly abandoned children living in orphanages and hospitals.

The Farm Security and Rural Investment Act of 2002 increased the level of Public Law 480 Title II non-emergency assistance to 1,875,000 metric tons. Congress provided this level to help address the underlying causes of hunger in the world, which leads to weakened immune systems, higher rates of chronic disease and poverty, and the inability of entire populations to achieve economic and social independence. The Committee expects that funding for Public Law 480 Title II will be used for its intended purpose and not for ad hoc emergency assistance. In the event of additional emergency needs, the Committee reminds the Department of the availability of the Bill Emerson Humanitarian Trust.

As proposed in the budget, the Committee provides no new funding for title III grants. Authority is provided by law (7 U.S.C. 1736f) to transfer up to 15 percent of the funds available for any fiscal year for carrying out any title of Public Law 480 to any other title of the program. This authority may be used to transfer funds to title III should a transfer be deemed appropriate.

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

Appropriations, 2004	\$49,705,000
Budget estimate, 2005	75,000,000
Committee recommendation	100,000,000

Authorized in the Farm Security and Rural Investment Act of 2002, Public Law 107-171, the McGovern-Dole International Food for Education and Child Nutrition Program helps support education, child development, and food security for some of the world's poorest children. The program provides for donations of U.S. agricultural products, as well as financial and technical assistance, for school feeding and maternal and child nutrition projects in low-income, food-deficit countries that are committed to universal education. Commodities made available for donation through agreements with private voluntary organizations, cooperatives, intergovernmental organizations, and foreign governments may be donated for direct feeding or for local sale to generate proceeds to support school feeding and nutrition projects.

COMMITTEE RECOMMENDATIONS

The Committee provides \$100,000,000 for the McGovern-Dole International Food for Education and Child Nutrition Program. This amount is \$50,295,000 more than the fiscal year 2004 appropriation.

The Committee notes that this program was initiated with funds from the Commodity Credit Corporation and supplemented with 1-year mandatory spending in the 2002 Farm Bill. This Committee first provided discretionary funding for this program in fiscal year 2004 and, in spite of extremely limited funds, has provided a significant increase for fiscal year 2005. The Committee believes the McGovern-Dole program will serve as a effective tool in promoting higher standards of living in developing nations, and in providing the United States an opportunity to demonstrate to the world its goals of promoting individual well being as an important element in world peace.

COMMODITY CREDIT CORPORATION EXPORT LOANS PROGRAM ACCOUNT

(EXPORT CREDIT PROGRAMS, GSM-102 AND GSM-103)

[In thousands of dollars]

	Guaranteed loan levels ¹	Guaranteed loan subsidy ¹	Administrative expenses
Appropriations, 2004	4,155,000	289,000	4,127
Budget estimate, 2005	4,528,000	309,000	4,473
Committee recommendation	4,528,000	309,000	4,423

¹ No appropriation required since export credit authorizations are permanent authority.

In 1980, the Commodity Credit Corporation [CCC] instituted the Export Credit Guarantee Program (GSM-102) under its charter authority. With this program, CCC guarantees, for a fee, payments due U.S. exporters under deferred payment sales contracts (up to 36 months) for defaults due to commercial as well as noncommercial risks. The risk to CCC extends from the date of export to the end of the deferred payment period covered in the export sales contract and covers only that portion of the payments agreed to in the assurance agreement. Operation of this program is based on criteria which will assure that it is used only where it is determined that it will develop new market opportunities and maintain and expand existing world markets for U.S. agricultural commodities. The program encourages U.S. financial institutions to provide financing

to those areas where the institutions would be unwilling to provide financing in the absence of the CCC guarantees. Other credit activities may also be financed under the Export Credit Guarantee programs including supplier credit guarantee, under which CCC guarantees payments due to importers under short term financing (up to 180 days) that exporters extend directly to importers for the purchase of U.S. agricultural products. CCC also provides facilities financing guarantees.

In 1986, the Intermediate Export Credit Guarantee Program (GSM-103) was implemented by CCC under its charter authority as required by the Food Security Act of 1985. The program is similar to the Export Credit Guarantee Program (GSM-102), but provides for CCC guarantees to exporters for commodities sold on credit terms in excess of 3 years, but not more than 10 years. The program also provides for adjusting the maximum amount of interest which CCC guarantees to pay under the payment guarantee and permits freight costs to be covered for breeding animals financed under the GSM-102 and GSM-103 programs.

The Federal Credit Reform Act of 1990 establishes the program account. The subsidy costs of the CCC export guarantee programs are exempt from the requirement of advance appropriations of budget authority according to section 504(c)(2) of the Federal Credit Reform Act of 1990, Public Law 101-508. Appropriations to this account will be used for administrative expenses.

TITLE VI—RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

The Food and Drug Administration [FDA] is a scientific regulatory agency whose mission is to promote and protect the public health and safety of Americans. FDA's work is a blending of science and law. The Food and Drug Administration Modernization Act of 1997 [FDAMA] reaffirmed the responsibilities of the FDA: to ensure safe and effective products reach the market to a timely way, and to monitor products for continued safety after they are in use. In addition, FDA is entrusted with two critical functions in the Nation's war on terrorism: preventing willful contamination of all regulated products, including food, and improving the availability of medications to prevent or treat injuries caused by biological, chemical or nuclear agents.

The FDA Foods program has the primary responsibility for assuring that the food supply, quality of foods, food ingredients and dietary supplements are safe, sanitary, nutritious, wholesome, and honestly labeled, and that cosmetic products are safe and properly labeled. The variety and complexity of the food supply has grown dramatically while new and more complex safety issues, such as emerging microbial pathogens, natural toxins, and technological innovations in production and processing, have developed. This program plays a major role in keeping the United States food supply among the safest in the world.

The FDA Drugs programs are comprised of three separate areas, Human Drugs, Animal Drugs and Biologics. FDA is responsible for the life cycle of the product, including premarket review and postmarket surveillance of human, animal and biological products to ensure their safety and efficacy. For Human Drugs this includes assuring that all drug products used for the prevention, diagnosis and treatment of disease are safe and effective. Additional procedures include the review of investigational new drug applications; evaluation of market applications for new and generic drugs, labeling and composition of prescription and over-the-counter drugs; monitoring the quality and safety of products manufactured in, or imported into, the United States; and, regulating the advertising and promotion of prescription drugs. The Animal Drugs and Feeds Program ensures only safe and beneficial veterinary drugs, intended for the treatment and/or prevention of diseases in animals and the improved production of food-producing animals, are approved for marketing.

The FDA Biologics program assures that blood and blood products, blood test kits, vaccines, and therapeutics are pure, potent,

safe, effective, and properly labeled. The program inspects blood banks and blood processors, licenses and inspects firms collecting human source plasma, evaluates and licenses biologics manufacturing firms and products; lot releases licensed products; and monitors adverse events associated with vaccine immunization.

The FDA Devices and Radiological program ensures the safety and effectiveness of medical devices and eliminates unnecessary human exposure to manmade radiation from medical, occupational, and consumer products. In addition, the program enforces quality standards under the Mammography Quality Standards Act. Medical devices include thousands of products from thermometers and contact lenses to heart pacemakers, hearing aids, MRIs, microwave ovens, and video display terminals.

FDA's National Center for Toxicological Research in Jefferson, Arkansas, serves as a specialized resource, conducting peer-review scientific research that provides the basis for FDA to make sound science-based regulatory decisions through its premarket review and postmarket surveillance. The research is designed to define and understand the biological mechanisms of action underlying the toxicity of products and developing methods to improve assessment of human exposure, susceptibility and risk of those products regulated by FDA.

SALARIES AND EXPENSES

[In thousands of dollars]

	Appropriation	Prescription drug user fees	Medical device user fees	Animal drug user fees	Mammography clinics inspection fees	Export and certification fees	Total
Appropriations, 2004	1,378,779	249,825	31,654	5,000	16,576	6,649	1,688,483
Budget estimate, 2005	1,494,517	284,394	33,938	8,000	16,919	6,838	1,844,606
Committee recommendation	1,465,267	284,394	33,938	8,000	16,919	6,838	1,815,356

COMMITTEE RECOMMENDATIONS

For salaries and expenses, the Committee recommends an appropriation of \$1,465,267,000. This amount is \$86,488,000 more than the fiscal year 2004 appropriation. The Committee also recommends \$284,394,000 in Prescription Drug User Fee Act user fee collections, \$33,938,000 in Medical Device User Fee and Modernization Act user fee collections, \$8,000,000 in Animal Drug User Fee Act user fee collections, \$16,919,000 in Mammography Quality Standards Act fee collections, and \$6,838,000 in export and certification fees, as assumed in the President's budget. These amounts are \$34,569,000, \$2,284,000, \$3,000,000, \$343,000, and \$189,000 more than the 2004 levels, respectively. The Committee includes bill language which prohibits FDA from developing, establishing, or operating any program of user fees authorized by 31 U.S.C. 9701.

The following table reflects the Committee's recommendations, as compared to the fiscal year 2004 and budget request levels:

FOOD AND DRUG ADMINISTRATION SALARIES AND EXPENSES

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2004 enacted	2005 request	
Centers and related field activities:			
Foods	410,674	470,405	439,038
Center for Food Safety and Applied Nutrition [CFSAN]	144,715	164,235	155,478
Field activities	265,959	306,170	283,560
Human drugs	294,160	294,679	292,639
Center for Drug Evaluation and Research [CDER]	211,760	212,126	211,027
Field activities	82,400	82,553	81,612
Biologics	122,810	124,258	123,804
Center for Biologics Evaluation and Research [CBER]	96,511	97,667	97,521
Field activities	26,299	26,591	26,283
Animal drugs	84,147	91,905	91,216
Center for Veterinary Medicine [CVM]	54,955	56,091	55,738
Field activities	29,192	35,814	35,478
Medical and radiological devices	191,144	216,699	216,699
Center for Devices and Radiological Health [CDRH]	141,059	165,608	164,563
Field activities	50,085	51,091	52,136
National Center for Toxicological Research [NCTR]	39,652	40,530	40,530
Other activities	90,190	89,411	87,911
Office of the Commissioner	29,699	31,562	30,062
Office of Management and Systems	40,852	38,826	38,826
Office of External Relations	7,280	6,928	6,928
Office of Policy, Legislation, and Planning	5,481	5,217	5,217
Central services	6,878	6,878	6,878
Rent and related activities	38,408	59,036	59,036
Rental payments to GSA	107,594	107,594	114,394
Total, FDA salaries and expenses, new budget authority	1,378,779	1,494,517	1,465,267

The Committee recommends the following increases in budget authority for FDA salaries and expenses activities: \$40,500,000 for counterterrorism activities related to food safety; \$25,555,000 for increased medical device review; and \$8,325,000 for BSE-related activities. The Committee also recommends a decrease in budget authority requested in the budget of \$23,122,000 associated with management savings.

The Committee understands that FDA and the Department of Health and Human Services [DHHS] are making progress in migrating from FDA's legacy systems and preparing for the implementation of the DHHS Unified Financial Management System. The Committee expects the same funding ratios for the two respective projects as was established in fiscal year 2003 to continue progress.

Rent Payments.—The Committee recommends \$114,394,000 for FDA rental payments to the General Services Administration [GSA]. This amount is \$6,800,000 more than fiscal year 2004 and the budget request, and reflects the funds reprogrammed during both fiscal years 2003 and 2004 from FDA's Foods, Human Drugs, Biologics, and Animal Drugs and Feeds program areas to address increased requirements for this account. In addition, the Committee has included \$23,628,000 for relocation expenses related to the move of the Center for Drug Evaluation and Research to the consolidated White Oak campus, including \$3,000,000 derived from the Prescription Drug User Fee account.

Within the total funding available, at least \$2,500,000 is for FDA activities in support of *Codex Alimentarius*.

Agricultural Products Food Safety Laboratory.—The Committee provides an increase of \$250,000 above the fiscal year 2004 funding level for the FDA to expand its contract with New Mexico State University's Physical Sciences Laboratory to operate the Food Technology Evaluation Laboratory, which conducts evaluation and development of rapid screening methodologies, technologies, and instrumentation; and to provide technology deployment modeling and data analysis for food safety and product safety in order to facilitate FDA's regulations and responsibilities in food safety, product safety, homeland security, bioterrorism, and other initiatives.

The Committee expects the FDA to continue its support for the Waste Management Education and Research Consortium [WERC] and its work in food safety technology verification and education at no less than the fiscal year 2004 level.

With the growing threat of foodborne illness to the public health, the Committee believes that collaborative research in food safety should continue among Government, academia, and private industry. The national model for that collaboration has been the National Center for Food Safety and Technology [NCFST] in Summit-Argo, Illinois. The Committee expects the FDA to maintain sufficient funding for the National Center to continue the important work done there.

In addition, the funding provided for food safety will ensure the continuation of food contract inspections in the State of Alaska. Specifically, it will allow the FDA to renew its contract with the State of Alaska for inspections of food and seafood processors operating in Alaska. A new contract became effective on July 1, 2004. It funds at least 292 inspections, approximately 272 seafood/HACCP inspections and 20 other food inspections. The establishments to be inspected will be mutually agreed upon by FDA and the State of Alaska.

Seafood Safety.—General Accounting Office [GAO] reports on the safety of seafood have documented the inadequacy of the FDA efforts to address foodborne hazards in seafood, including shellfish. GAO found FDA's seafood inspection system provides consumers with inadequate protection for seafood-related foodborne illness. The Committee urges FDA to promote the development of new food safety technologies such as irradiation, flash freezing, high-pressure processing, or others that can cost-effectively reduce the incidence of pathogens, and technologies that can ensure constant safe temperatures of seafood throughout the food chain.

The Committee supports the ongoing work of the Interstate Shellfish Sanitation Conference and its joint efforts with the FDA and the shellfish industry to formulate shellfish safety regulations through the National Shellfish Sanitation Program. The Committee recommends no less than the fiscal year 2004 level be directed through the Office of Seafood Inspection to continue these activities, and directs that \$200,000 be directed to the Interstate Shellfish Sanitation Conference for the *Vibrio Vulnificus* Education Program.

The Committee is concerned that FDA has not taken effective action to address foodborne illness risks from the consumption of raw shellfish. In particular, the Committee is concerned that Interstate Shellfish Sanitation Commission's [ISSC] proposed steps to reduce the rates of death and illness due to consumption of *Vibrio vulnificus*-contaminated raw shellfish may not effectively address public health concerns.

The Committee also continues its concern with the agency's failure to bring FDA-regulated seafood into compliance with HACCP. However, the Committee is aware that special or unique circumstances may exist for particular seafood processors. While ultimate HACCP compliance is not in question, the Committee is specifically aware of Hawaii's lengthy and culturally important history of hook-and-line fisheries, auction markets, and the high consumption of raw tuna and other pelagic fish in Hawaii, and strongly encourages the Agency to take into account both the history and the industry's practical experience in approving a plan that is consistent with healthy seafood products and national standards for seafood safety.

The Committee has been advised that farmed salmon imported from overseas is fed feed with chemical additives to change the color of its flesh or the flesh is artificially dyed. A lawsuit was recently filed against national grocery chains alleging they do not adequately label the fish which are dyed. The Committee directs the Food and Drug Administration to continue to monitor information concerning the safety of the use of such additives and dyes in seafood and to more aggressively enforce the clear and conspicuous disclosure of such additives and dyes to consumers on consumer packaging.

Chloramphenicol.—The Committee continues to have serious concerns regarding seafood safety issues posed by banned antibiotic contamination in farm-raised shrimp imports. The Committee encourages FDA to use any available funding, in cooperation with State testing programs, to substantially increase the percentage of farm-raised shrimp imports tested for chloramphenicol and other related harmful antibiotics used in the aquaculture industry. Further, FDA is encouraged to develop a program for testing existing U.S. cold-storage inventories of farm-raised shrimp originating from countries known to use chloramphenicol or other banned antibiotics, and to ensure that any shrimp that tests positive for these substances will not be subsequently consumed.

Mercury.—In March 2004, the FDA and the Environmental Protection Agency released a revised joint dietary advisory on mercury in seafood. During the development of the advisory, the Committee understands that significant information gaps were found in what

consumers, especially sensitive populations such as women who are or may become pregnant and young children, know about mercury levels in various seafood species. The Committee encourages FDA to implement an outreach and education effort with physicians and other appropriate outlets in order to increase awareness among potentially affected consumers, and to measure the effectiveness of the efforts on target group behavior and impact on their overall consumption of seafood.

National Antimicrobial Resistance Monitoring Service.—The Committee supports the work of the National Antimicrobial Resistance Monitoring Service [NARMS] and its collaborative relationship between FDA, the Department of Agriculture, and the Centers for Disease Control and Prevention. The Committee expects the coordination of activities among these three areas of Government to result in the most unbiased presentation of timely, accurate data in the best interest of public health. The Committee encourages the FDA to continue to provide adequate funding to USDA to perform the animal portion of NARMS, and requests a report within 90 days of enactment of this Act on the distribution of total NARMS funding within the three agencies.

Orphan Products Grants.—Included in the Center for Drug Evaluation and Research is \$13,270,000 for the Orphan Products Grants Program.

Dietary Supplements.—The Committee believes that the potential for dietary supplements to have positive health benefits has been realized in many cases. However, it is essential that FDA continue its efforts to ensure their safety, and to fully enforce the prohibition of false, misleading or unsubstantiated claims regarding dietary supplements implemented in the Dietary Supplement and Health Education Act [DSHEA] of 1994. The budget request includes total funding of approximately \$5,360,000 for the CFSAN Adverse Events Reporting System [CAERS], of which approximately \$1,500,000 is for dietary supplements.

FDA has indicated that the ability to identify and analyze specific components in ingredients, including botanical ingredients, is an essential component of research and regulatory programs directed at ensuring the safety and effectiveness of dietary supplements. The Committee expects the same level of review of botanicals in dietary supplements to continue in fiscal year 2005. This work is being carried out by FDA in collaboration with the National Center for Natural Products Research, Oxford, MS.

Biotechnology.—The Committee understands that the FDA frequently receives requests from foreign governments for FDA regulators to visit foreign countries to educate regulators on the evaluation of the safety of biotechnology. Providing information on the soundness of the U.S. regulatory process will promote the understanding of the benefits of biotechnology to human health and the environment and improve the climate for acceptance of U.S. agricultural products abroad. The Committee directs the FDA to allocate adequate funding so that agency representatives may perform this service.

Standards of Identity.—The Committee is aware of the ongoing debate surrounding increased importation and use of milk protein concentrate. A General Accounting Office investigation highlighted

a dramatic increase in milk protein concentrate imports. The Committee remains concerned with FDA's current lack of enforcement of standards of identity as it relates to the potential illegal use of milk protein concentrate in standardized cheese.

Office of Women's Health.—The Committee believes that it is imperative for FDA to pay sufficient attention to gender-based research, ensuring that products approved by the FDA are safe and effective for women as well as men. The Committee notes that in the budget request, the Office of Women's Health at FDA is funded at not less than \$3,650,000 for program operation and oversight. The Committee encourages FDA to ensure that the Office of Women's Health is sufficiently funded to carry out its activities, and to enhance its funding if necessary.

Medical Device Application Review.—The Committee continues to support the Medical Device User Fee and Modernization Act [MDUFMA] program, and acknowledges the efforts by the FDA to address the significant funding shortfall. The Committee has provided an increase of \$25,555,000 for the Center for Devices and Radiological Health specifically for medical device review, as requested in the budget. The Committee encourages the Senate Committee on Health, Education, Labor, and Pensions to make necessary modifications to the Act in order to continue this user fee program beyond fiscal year 2005.

Implanted Medical Devices.—The Committee acknowledges current FDA regulations designed to improve post-market surveillance for medical devices, and strongly encourages FDA to devote the necessary resources to require registries and monitor well-designed long-term safety studies for implanted devices, including but not limited to jaw implants. As the aging U.S. population becomes more dependent on implanted devices, the Committee believes it is essential that the FDA allocate adequate resources to patient safety activities related to these devices, such as registries, post-market surveillance, and long-term phase IV trials.

Tissue Safety.—In 1997, the FDA proposed rules that would regulate human cells, tissues, and related products. As of May 2004, the FDA has finalized the first two of the three proposed rules. The Committee remains concerned that the third rule, which would provide guidelines for current good manufacturing practices for establishments that produce human cells, tissues, and related products, has not yet been finalized.

Prescription Drug Monograph System.—In July of 2003, almost 1 year ago, the Committee directed the FDA to prepare a report for the Committee on Appropriations and the Committee on Health, Education, Labor, and Pensions regarding the feasibility and cost of a monograph system for prescription drug products. The FDA has, to date, not produced that report.

Current FDA policy regarding certain old drugs appears to have raised prices to the consuming public and placed small businesses in jeopardy, while adding nothing to public safety. The Committee therefore directs the FDA to provide a report, no later than 60 days after enactment of this Act, on the feasibility and cost of a monograph system for this class of old drugs, or present to the Committee a reasonable, viable alternative method for its enforcement resources to be dedicated to activities that are most likely to im-

prove the public health, preserve access to affordable medicines, and foster a more cooperative regulatory environment for small businesses.

Rare Diseases Clinical Trials and Drug Evaluation.—The Committee supports rapid access to therapeutics for children and adults with rare diseases. It is the view of the Committee that improvements can be made with respect to clinical trial design and FDA Advisory Committees. The Committee encourages the FDA to make the best possible use of FDA's Advisory Committee members in FDA's considerations of clinical trial design and allow the same panel to participate in final review meetings, when feasible. The Committee supports utilization of qualified independent consultants as reflected in the draft guidance document "Independent Consultants for Biotechnology Clinical Protocols" issued by CBER/CDER on May 12, 2003. The Committee encourages enhanced exploration of potential surrogate endpoints and use of FDAMA's fast-track provision, where appropriate, to make drugs available as early as possible for serious and life-threatening orphan diseases that have no treatment. The Committee believes these policy enhancements will lead to more efficient and timely evaluation of rare disease therapeutics and further stimulate private sector investment in rare disease research.

Drug Counterfeiting.—The Food and Drug Administration [FDA] has reported that it has seen growing evidence of efforts by increasingly well-organized counterfeiters, backed by increasingly sophisticated technologies and criminal operations, to profit from drug counterfeiting at the expense of American patients. In a report released in February 2004 on combating counterfeit drugs, the FDA identified the use of new technologies to protect the consumer, including authentication technologies. The report stated that these "technologies have been sufficiently perfected that they can now serve as a critical component of any strategy to protect products against counterfeiting." One such technology is color-shifting ink. This technology is used in U.S. currency and no known counterfeits of the color-shifting component have surfaced, to date. Six of the 20 largest pharmaceutical manufacturers are already experimenting with color-shift technology on 11 of their products. Counterfeiting of life sustaining medications not only defrauds consumers, but it is potentially life threatening to patients who desperately need the therapies. The Committee directs that the FDA work with industry to facilitate the use of authentication technologies, including color-shifting inks, on labels and packages of drugs. Further, the Committee directs the FDA to provide an update on these efforts by February 1, 2005.

Self-Contained Modular Facilities.—The Centers for Disease Control [CDC] has incorporated self-contained modular facilities [SCMF] and modular specimen triage units [STU] in the development and implementation of its 50 State public health laboratories and facilities comprising the Laboratory Response Network [LRN]. The Committee encourages the FDA to consult with CDC to evaluate the benefits of incorporating self-contained modular facilities.

Human Drug Compounding.—The Committee believes that all compounded human drugs should be prepared according to strict guidelines, known as monographs, that lay out quality, purity, and

strength standards. Except for those monographs the United States Pharmacopeia, a national drug standard-setting organization recognized by Congress, has developed on its own, there are currently no enforceable national standards for compounded prescription drugs.

The Committee believes that national standards for these medications should be developed without delay and supports the formation of a public-private partnership between the FDA and organizations with demonstrated expertise in setting standards for compounded drugs to initiate the development of national standards to be published in the official compendium recognized in the Federal Food, Drug and Cosmetic Act.

Therefore, the Committee believes that the FDA should undertake the formation of such a public-private partnership during fiscal year 2005 and commence the development of national standards for compounded prescription drugs. Further, the Committee encourages the FDA to request adequate funding in the fiscal year 2006 budget request to support this effort. Finally, the Committee requests that the FDA provide a report on progress toward these objectives on a regular basis.

Animal Drug Compounding.—The Committee is aware that in 2003, the FDA issued a Compliance Policy Guideline [CPG] regarding animal drug compounding. The Committee is concerned that the CPG represents a shift in policy, and does not clearly explain how the FDA's enforcement priorities have changed, particularly with respect to compounding from bulk drug substances for non-food producing animals. Further, the Committee is concerned that the FDA did not seek public comment prior to issuing the CPG, although public input is currently being gathered from the animal drug compounding community and other interested parties. Therefore, the Committee strongly encourages the FDA to work closely with all interested parties to ensure that the reasons for issuing the CPG, as well as changes that will result from it, are well understood, and to seriously consider all public comments made regarding this CPG.

Food Labeling.—The FDA Office of Nutritional Products, Labeling and Dietary Supplements [ONPLDS] is responsible for several important public health and consumer protection programs. Responsibilities of ONPLDS include developing policy and regulations for dietary supplements, nutrition labeling and food standards, infant formula and medical foods, and scientific evaluation to support such regulations and related policy development. Further, ONPLDS supports compliance and enforcement actions and is responsible for the clinical review, data summaries, and, as appropriate, follow-up and research related to adverse events associated with dietary supplements and infant formula. The Committee is aware that funding for activities in ONPLDS other than the regulation of dietary supplements has remained level for several years, while the responsibilities relegated to this office have increased. Therefore, the Committee encourages FDA to determine if additional funding is necessary for ONPLDS to more effectively carry out its important responsibilities, and, if appropriate, increase funding for this office in its fiscal year 2006 budget request.

Center of Excellence.—The Committee is aware of the important work currently being done at FDA’s three Centers of Excellence regarding food safety and dietary supplements. The Committee is also aware of interest in creating a new Center of Excellence at the University of California at Davis to address the unique nature and contributions of this region of the country, both in terms of its role as the source of a substantial portion of the domestic food supply and as the gateway for foods arriving from our international trading partners. Due to financial constraints, the Committee is unable to provide funding to establish this Center, but encourages the FDA to consider the development of a Center of Excellence at the University of California at Davis, if it is determined to be an important and appropriate use of Federal dollars.

Perchlorate.—The Committee directs the FDA to continue conducting perchlorate surveys of food and bottled water and to report back to Congress the findings of these surveys. The surveys should include a variety of produce and fluid milk samples and should identify level of contamination in order to determine the need for risk management strategies. The Committee believes it is important to assess produce, milk, and bottled water produced in areas with known perchlorate contamination, with naturally occurring perchlorate, or grown near sites where perchlorate was or is used.

Canned Tuna.—The Committee encourages the Food and Drug Administration to initiate rulemaking to revise the standard of identity for canned tuna as requested in “Citizens Petition to Amend Canned Tuna Standard of Identity, 21 CFR 161.190, Docket No. 94P–0286” to replace the current press cake weight requirement with a drained weight requirement and to incorporate any other changes that may be deemed necessary.

BUILDINGS AND FACILITIES

Appropriations, 2004	\$6,959,000
Budget estimate, 2005	
Committee recommendation	

In addition to Washington, DC, area laboratories which are in six separate locations, FDA has 16 laboratories at other locations around the country, including regular field laboratories and specialized facilities, as well as the National Center for Toxicological Research complex. Repairs, modifications, improvements and construction to FDA headquarters and field facilities must be made to preserve the properties, ensure employee safety, meet changing program requirements, and permit the agency to keep its laboratory methods up to date.

COMMITTEE RECOMMENDATIONS

The President’s budget does not request and the Committee does not provide an appropriation for FDA buildings and facilities.

INDEPENDENT AGENCIES

COMMODITY FUTURES TRADING COMMISSION

Appropriations, 2004	\$89,901,000
Budget estimate, 2005	95,327,000
Committee recommendation	95,327,000

The Commodity Futures Trading Commission [CFTC] was established as an independent agency by the Commodity Futures Trading Commission Act of 1974 (88 Stat. 1389; 7 U.S.C. 4a).

The Commission administers the Commodity Exchange Act, 7 U.S.C. section 1, et seq. The 1974 Act brought under Federal regulation futures trading in all goods, articles, services, rights, and interests; commodity options trading; and leverage trading in gold and silver bullion and coins; and otherwise strengthened the regulation of the commodity futures trading industry. It established a comprehensive regulatory structure to oversee the volatile futures trading complex.

The purpose of the Commission is to protect and further the economic utility of futures and commodity options markets by encouraging their efficiency, assuring their integrity, and protecting participants against manipulation, abusive trade practices, fraud, and deceit. The objective is to enable the markets to better serve their designated functions of providing a price discovery mechanism and providing price risk insurance. In properly serving these functions, the futures and commodity options markets contribute toward better production and financial planning, more efficient distribution and consumption, and more economical marketing.

Programs in support of the overall mission include market surveillance analysis and research; registration, audits, and contract markets; enforcement; reparations; proceedings; legal counsel; agency direction; and administrative support services. CFTC activities are carried out in Washington, DC; two regional offices located in Chicago and New York; and smaller offices in Kansas City, Los Angeles, and Minneapolis.

COMMITTEE RECOMMENDATIONS

For the Commodity Futures Trading Commission, the Committee recommends \$95,327,000. This amount is \$5,426,000 more than the fiscal year 2004 appropriation and the same as the budget request. This includes \$1,000,000 for enforcement programs support and \$863,000 for increased costs of personnel benefits, as requested in the budget.

FARM CREDIT ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

Limitation, 2004	\$40,900,000
Budget estimate, 2005	
Committee recommendation	41,800,000

The Farm Credit Administration [FCA] is the independent agency in the executive branch of the Government responsible for the examination and regulation of the banks, associations, and other institutions of the Farm Credit System.

Activities of the Farm Credit Administration include the planning and execution of examinations of Farm Credit System institutions and the preparation of examination reports. FCA also establishes standards, enforces rules and regulations, and approves certain actions of the institutions.

The administration and the institutions under its jurisdiction now operate under authorities contained in the Farm Credit Act of 1971, Public Law 92-181, effective December 10, 1971. Public Law 99-205, effective December 23, 1985, restructured FCA and gave the agency regulatory authorities and enforcement powers.

The act provides for the farmer-owned cooperative system to make sound, adequate, and constructive credit available to farmers and ranchers and their cooperatives, rural residences, and associations and other entities upon which farming operations are dependent, and to modernize existing farm credit law to meet current and future rural credit needs.

The Agricultural Credit Act of 1987 authorized the formation of the Federal Agricultural Mortgage Corporation [FAMC] to operate a secondary market for agricultural and rural housing mortgages. The Farm Credit Administration, under section 8.11 of the Farm Credit Act of 1971, as amended, is assigned the responsibility of regulating this entity and assuring its safe and sound operation.

Expenses of the Farm Credit Administration are paid by assessments collected from the Farm Credit System institutions and by assessments to the Federal Agricultural Mortgage Corporation.

COMMITTEE RECOMMENDATIONS

The Committee recommends a limitation of \$41,800,000 on administrative expenses of the Farm Credit Administration [FCA]. This limitation allows for an increase of \$900,000 to address personnel compensation and benefits. The Committee notes a substantial amount of carryover funds remain available to meet any unanticipated examination activities.

TITLE VII—GENERAL PROVISIONS

The majority of the general provisions are essentially the same as those included in the fiscal year 2004 and previous years' appropriations acts. In addition, the Committee recommends the following provisions:

Section 705 to include wildlife services methods development and aviation safety in the APHIS appropriation items which shall remain available until expended.

Section 741 to make permanent a provision regarding personal protection in remote locations.

Section 749 to provide \$2,400,000 for the Northern Great Plains Regional Authority, to remain available until September 30, 2006.

Section 753 to make permanent a provision regarding eligibility for rural housing programs.

Section 756 to provide eligibility of rural areas in Hawaii for programs in the Rural Development mission area until the 2010 decennial Census.

Section 762 to rescind funds from the Local Television Loan Guarantee Program.

Section 763 to require written approval by the USDA Chief Information Officer for IT expenditures over \$25,000.

Section 764 to limit the availability of funds under section 9010 of Public Law 107–171.

Section 765 to allow the use of approved unique identifiers rather than Social Security numbers in central filing systems for the registration of liens on farm products.

Section 766 provides eligibility for community facilities grants to certain projects in the State of Alaska.

Section 767 regarding eligibility under Public Law 103–382.

Section 768 to rescind unobligated balances in the Agricultural Conservation Program.

Section 769 regarding the availability of unobligated rural development funds.

Section 770 to prohibit the approval of new WIC-only locations.

Section 771 to rescind unobligated balances from section 32 of the Act of August 24, 1935.

Section 772 to rescind unobligated balances available to the Foreign Agricultural Service.

Section 773 regarding section 315 of the Rural Electrification Act of 1936.

Section 774 regarding the management of the Wildlife Habitat Management Institute in the State of Mississippi.

Section 775 to allow renewable energy system loan guarantees.

Section 776 regarding Cuba travel.

Section 777 to include elk, reindeer and bison in livestock assistance programs.

Section 778 regarding RHIF eligibility.

Section 779 regarding rural development loan eligibility.
 Section 780 regarding RUS program eligibility.
 Section 781 regarding milk processing and packaging facilities.
 Section 782 regarding Native American tribes and Alaska Native Corporations participation in USDA programs.
 Section 783 regarding Alaska private lands wildlife management.
 Section 784 regarding Child Nutrition and WIC Reauthorization Act of 2004 technical corrections.
 Section 785 regarding conservation in Hawaii.

PROGRAM, PROJECT, AND ACTIVITY

During fiscal year 2005, for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177) or the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100–119), the following information provides the definition of the term “program, project, and activity” for departments and agencies under the jurisdiction of the Agriculture, Rural Development, and Related Agencies Subcommittee. The term “program, project, and activity” shall include the most specific level of budget items identified in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005, the House and Senate Committee reports, and the conference report and accompanying joint explanatory statement of the managers of the committee of conference.

If a sequestration order is necessary, in implementing the Presidential order, departments and agencies shall apply any percentage reduction required for fiscal year 2005 pursuant to the provisions of Public Law 99–177 or Public Law 100–119 to all items specified in the explanatory notes submitted to the Committees on Appropriations of the House and Senate in support of the fiscal year 2005 budget estimates, as amended, for such departments and agencies, as modified by congressional action, and in addition:

For the Agricultural Research Service the definition shall include specific research locations as identified in the explanatory notes and lines of research specifically identified in the reports of the House and Senate Appropriations Committees.

For the Natural Resources Conservation Service the definition shall include individual flood prevention projects as identified in the explanatory notes and individual operational watershed projects as summarized in the notes.

For the Farm Service Agency the definition shall include individual, regional, State, district, and county offices.

COMPLIANCE WITH PARAGRAPH 7, RULE XVI OF THE STANDING RULES OF THE SENATE

Paragraph 7 of rule XVI requires that Committee reports accompanying general appropriations bills identify each recommended amendment which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session.

The Committee recommends funding for the following program which currently lacks authorization for fiscal year 2005:

Compact of Free Association Act of 1985.

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

Pursuant to paragraph 7(c) of rule XXVI, on September 14, 2004, the Committee ordered reported en bloc S. 2803, an original bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2005, S. 2804, an original bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 2005; and an original bill making appropriations for the Departments of Transportation and Treasury, and independent agencies for the fiscal year ending September 30, 2005, each subject to amendment and each subject to the budget allocations, by a recorded vote of 29–0, a quorum being present. The vote was as follows:

Yeas

Nays

Chairman Stevens
Mr. Cochran
Mr. Specter
Mr. Domenici
Mr. Bond
Mr. McConnell
Mr. Burns
Mr. Shelby
Mr. Gregg
Mr. Bennett
Mr. Campbell
Mr. Craig
Mrs. Hutchison
Mr. DeWine
Mr. Brownback
Mr. Byrd
Mr. Inouye
Mr. Hollings
Mr. Leahy
Mr. Harkin
Ms. Mikulski
Mr. Reid
Mr. Kohl
Mrs. Murray
Mr. Dorgan
Mrs. Feinstein
Mr. Durbin
Mr. Johnson
Ms. Landrieu

COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE
STANDING RULES OF THE SENATE

Paragraph 12 of rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include “(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of

that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee.”

In compliance with this rule, the following changes in existing law proposed to be made by the bill are shown as follows: existing law to be omitted is enclosed in black brackets; new matter is printed in italics; and existing law in which no change is proposed is shown in roman.

With respect to this bill, it is the opinion of the Committee that it is necessary to dispense with these requirements in order to expedite the business of the Senate.

BUDGETARY IMPACT OF BILL

PREPARED IN CONSULTATION WITH THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC.
308(a), PUBLIC LAW 93-344, AS AMENDED

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation ¹	Amount of bill	Committee allocation ¹	Amount of bill
Comparison of amounts in the bill with Committee allocations to its subcommittees of amounts in the Budget Resolution for 2005: Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies:				
Discretionary	16,772	16,772	18,282	¹ 18,282
Mandatory	58,312	66,370	44,305	¹ 43,908
Projections of outlays associated with the recommendation:				
2005				² 51,434
2006				2,588
2007				805
2008				342
2009 and future years				447
Financial assistance to State and local governments for 2005	NA	22,241	NA	18,125

¹ Includes outlays from prior-year budget authority.

² Excludes outlays from prior-year budget authority.

NA: Not applicable.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2004 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2005
[In thousands of dollars]

Item	2004 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2004 appropriation	Budget estimate
TITLE I—AGRICULTURAL PROGRAMS					
Production, Processing, and Marketing					
Office of the Secretary	5,062	5,185	5,124	+ 62	- 61
Executive Operations:					
Chief Economist	8,656	14,949	9,817	+ 1,161	- 5,132
National Appeals Division	13,589	14,826	14,154	+ 565	- 672
Office of Budget and Program Analysis	7,694	8,146	8,128	+ 434	- 18
Homeland Security staff	496	1,491	1,000	+ 504	- 491
Office of the Chief Information Officer	15,402	22,093	17,595	+ 2,193	- 4,498
Common computing environment	118,585	136,736	125,585	+ 7,000	- 11,151
Office of the Chief Financial Officer	5,650	8,063	5,742	+ 92	- 2,321
Working capital fund		12,850			- 12,850
Total, Executive Operations	170,072	219,154	182,021	+ 11,949	- 37,133
Office of the Assistant Secretary for Civil Rights	803	819	819	16	
Office of Civil Rights	17,347	22,283	20,347	+ 3,000	- 1,936
Office of the Assistant Secretary for Administration	669	808	682	+ 13	- 126
Agriculture buildings and facilities and rental payments	(155,546)	(203,938)	(170,870)	(+ 15,324)	(- 33,068)
Payments to GSA	123,179	128,319	128,319	+ 5,140	
Building operations and maintenance	32,367	41,642	37,551	+ 5,184	- 4,091
Repairs, renovations, and construction		33,977	5,000	+ 5,000	- 28,977
Hazardous materials management	15,519	15,730	15,532	+ 13	- 198
Departmental administration	22,895	26,361	22,626	- 269	- 3,735
Office of the Assistant Secretary for Congressional Relations	3,774	4,263	3,852	+ 78	- 411
Office of Communications	9,174	10,288	9,365	+ 191	- 923
Office of the Inspector General	76,825	78,392	78,289	+ 1,464	- 103
Office of the General Counsel	34,495	38,589	36,236	+ 1,741	- 2,353
Office of the Under Secretary for Research, Education, and Economics	592	805	605	+ 13	- 200

Economic Research Service	70,981	80,032	75,268	+ 4,287	- 4,764
National Agricultural Statistics Service	128,161	137,594	130,299	+ 2,138	- 7,295
Census of Agriculture	(25,279)	(22,520)	(22,405)	(- 2,874)	(- 115)
Agricultural Research Service:					
Salaries and expenses	1,082,468	987,597	1,090,261	+ 7,793	+ 102,664
Buildings and facilities	63,434	178,000	172,838	+ 109,404	- 5,162
Total, Agricultural Research Service	1,145,902	1,165,597	1,263,099	+ 117,197	+ 97,502
Cooperative State Research, Education, and Extension Service:					
Research and education activities	617,780	501,540	628,492	+ 10,712	+ 126,952
Native American Institutions Endowment Fund	(9,000)	(12,000)	(12,000)	(+ 3,000)	.....
Extension activities	439,125	421,174	443,061	+ 3,936	+ 21,887
Integrated activities	50,195	76,865	57,242	+ 7,047	- 19,623
Outreach for socially disadvantaged farmers	5,935	5,935	5,935	.....	.....
Total, Cooperative State Research, Education, and Extension Service	1,113,035	1,005,514	1,134,730	+ 21,695	+ 129,216
Office of the Under Secretary for Marketing and Regulatory Programs	721	804	733	+ 12	- 71
Animal and Plant Health Inspection Service:					
Salaries and expenses	716,329	828,361	786,866	+ 70,537	- 41,495
Buildings and facilities	4,967	4,996	4,967	.....	- 29
Total, Animal and Plant Health Inspection Service	721,296	833,357	791,833	+ 70,537	- 41,524
Agricultural Marketing Service:					
Marketing Services	74,985	85,998	78,198	+ 3,213	- 7,800
Standardization user fees	(5,000)	(5,000)	(5,000)	.....	.....
(Limitation on administrative expenses, from fees collected)	(62,577)	(64,459)	(64,459)	(+ 1,882)	.....
Funds for strengthening markets, income, and supply (transfer from section 32)	15,392	15,800	15,800	+ 408	.....
Payments to states and possessions	3,318	1,347	3,847	+ 529	+ 2,500
Total, Agricultural Marketing Service	93,695	103,145	97,845	+ 4,150	- 5,300
Grain Inspection, Packers and Stockyards Administration:					
Salaries and expenses	35,678	44,150	37,299	+ 1,621	- 6,851
Limitation on inspection and weighing services	(42,463)	(42,463)	(42,463)	.....	.....
Office of the Under Secretary for Food Safety	595	803	608	+ 13	- 195
Food Safety and Inspection Service	779,882	838,660	823,757	+ 43,875	- 14,903

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2004 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2005—Continued
[In thousands of dollars]

Item	2004 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2004 appropriation	Budget estimate
Lab accreditation fees	(1,000)	(1,000)	(1,000)	.....	.....
Total, Production, Processing, and Marketing	4,602,719	4,836,271	4,901,839	+ 299,120	+ 65,568
Farm Assistance Programs					
Office of the Under Secretary for Farm and Foreign Agricultural Services	631	933	648	+ 17	- 285
Farm Service Agency:					
Salaries and expenses	982,934	1,007,877	1,004,032	+ 21,098	- 3,845
(Transfer from export loans)	(841)	(1,033)	(1,002)	(+ 161)	(- 31)
(Transfer from Public Law 480)	(1,053)	(3,119)	(2,937)	(+ 1,884)	(- 182)
(Transfer from ACIF)	(281,350)	(305,011)	(293,764)	(+ 12,414)	(- 11,247)
Subtotal, transfers from program accounts	(283,244)	(309,163)	(297,703)	(+ 14,459)	(- 11,460)
Total, Salaries and expenses	(1,266,178)	(1,317,040)	(1,301,735)	(+ 35,557)	(- 15,305)
State mediation grants	3,951	4,000	4,000	+ 49	.....
Dairy indemnity program	100	100	100	.....	.....
Subtotal, Farm Service Agency	986,985	1,011,977	1,008,132	+ 21,147	- 3,845
Agricultural Credit Insurance Fund Program Account:					
Loan authorizations:					
Farm ownership loans:					
Direct	(128,396)	(200,000)	(210,000)	(+ 81,604)	(+ 10,000)
Guaranteed	(944,395)	(1,400,000)	(1,100,000)	(+ 155,605)	(- 300,000)
Subtotal	(1,072,791)	(1,600,000)	(1,310,000)	(+ 237,209)	(- 290,000)
Farm operating loans:					
Direct	(613,860)	(650,000)	(650,000)	(+ 36,140)	.....

Unsubsidized guaranteed	(1,192,920)	(1,200,000)	(1,000,000)	(-192,920)	(-200,000)
Subsidized guaranteed	(264,678)	(266,253)	(300,000)	(+35,322)	(+33,747)
Subtotal	(2,071,458)	(2,116,253)	(1,950,000)	(-121,458)	(-166,253)
Indian tribe land acquisition loans	(2,000)	(2,000)	(2,000)	.....	.....
Natural disasters emergency insured loans	(25,000)	(25,000)	(25,000)	.....	(-25,000)
Boll weevil eradication loans	(100,000)	(60,000)	(100,000)	.....	(+40,000)
Total, Loan authorizations	(3,246,249)	(3,803,253)	(3,362,000)	(+115,751)	(-441,253)
Loan subsidies:					
Farm ownership loans:					
Direct	28,350	10,700	11,235	-17,115	+535
Guaranteed	5,100	7,420	5,830	+730	-1,590
Subtotal	33,450	18,120	17,065	-16,385	-1,055
Farm operating loans:					
Direct	88,519	65,585	65,585	-22,934	.....
Unsubsidized guaranteed	39,724	38,760	32,300	-7,424	-6,460
Subsidized guaranteed	33,799	35,438	39,930	+6,131	+4,492
Subtotal	162,042	139,783	137,815	-24,227	-1,968
Indian tribe land acquisition .....	.....	105	105	+105	.....
Natural disasters emergency insured loans .....	.....	3,235	.....	.....	-3,235
Total, Loan subsidies	195,492	161,243	154,985	-40,507	-6,258
ACIF expenses:					
Salaries and expense (transfer to FSA)	281,350	305,011	293,764	+12,414	-11,247
Administrative expenses	7,901	8,000	8,000	+99	.....
Total, ACIF expenses	289,251	313,011	301,764	+12,513	-11,247
Total, Agricultural Credit Insurance Fund	484,743	474,254	456,749	-27,994	-17,505
(Loan authorization)	(3,246,249)	(3,803,253)	(3,362,000)	(+115,751)	(-441,253)
Total, Farm Service Agency	1,471,728	1,486,231	1,464,881	-6,847	-21,350
Risk Management Agency	71,001	91,582	72,044	+1,043	-19,538

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2004 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2005—Continued
[In thousands of dollars]

Item	2004 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2004 appropriation	Budget estimate
Total, Farm Assistance Programs	1,543,360	1,578,746	1,537,573	-5,787	-41,173
Corporations					
Federal Crop Insurance Corporation: Federal crop insurance corporation fund	3,765,000	4,095,128	4,095,128	+330,128	.....
Commodity Credit Corporation Fund:					
Reimbursement for net realized losses	22,937,000	16,452,377	16,452,377	-6,484,623	.....
Hazardous waste management (limitation on expenses)	(5,000)	(5,000)	(5,000)	.....	.....
Total, Corporations	26,702,000	20,547,505	20,547,505	-6,154,495	.....
Total, title I, Agricultural Programs	32,848,079	26,962,522	26,986,917	-5,861,162	+24,395
(By transfer)	(283,244)	(309,163)	(297,703)	(+14,459)	(-11,460)
(Loan authorization)	(3,246,249)	(3,803,253)	(3,362,000)	(+115,751)	(-441,253)
(Limitation on administrative expenses)	(110,040)	(111,922)	(111,922)	(+1,882)	.....
TITLE II—CONSERVATION PROGRAMS					
Office of the Under Secretary for Natural Resources and Environment	741	936	758	+17	-178
Natural Resources Conservation Service:					
Conservation operations	847,971	710,412	845,863	-2,108	+135,451
Watershed surveys and planning	10,500	5,083	7,500	-3,000	+2,417
Watershed and flood prevention operations	86,487	40,173	64,000	-22,487	+23,827
Watershed rehabilitation program	29,629	10,091	25,000	-4,629	+14,909
Resource conservation and development	51,641	50,760	50,760	-881	.....
Farm bill technical assistance .....	.....	92,024	.....	.....	-92,024
Total, Natural Resources Conservation Service	1,026,228	908,543	993,123	-33,105	+84,580
Total, title II, Conservation Programs	1,026,969	909,479	993,881	-33,088	+84,402

TITLE III—RURAL DEVELOPMENT PROGRAMS					
Office of the Under Secretary for Rural Development	632	929	645	+ 13	— 284
Rural Development:					
Rural community advancement program	752,956	541,979	733,360	— 19,596	+ 191,381
(transfer out)	(— 28,000)	.....	(— 28,000)	.....	(— 28,000)
Total, Rural community advancement program	752,956	541,979	733,360	— 19,596	+ 191,381
RD expenses:					
Salaries and expenses	141,032	149,749	143,452	+ 2,420	— 6,297
(transfer from RHIF)	(440,687)	(465,886)	(448,342)	(+ 7,655)	(— 17,544)
(transfer from RDLFP)	(4,247)	(6,656)	(4,316)	(+ 69)	(— 2,340)
(transfer from RETLP)	(37,630)	(39,933)	(38,277)	(+ 647)	(— 1,656)
(transfer from RTB)	(3,152)	(3,328)	(3,152)	.....	(— 176)
Subtotal, Transfers from program accounts	(485,716)	(515,803)	(494,087)	(+ 8,371)	(— 21,716)
Total, RD expenses	(626,748)	(665,552)	(637,539)	(+ 10,791)	(— 28,013)
Total, Rural Development	893,988	691,728	876,812	— 17,176	+ 185,084
Rural Housing Service:					
Rural Housing Insurance Fund Program Account:					
Loan authorizations:					
Single family direct (sec. 502)	(1,351,397)	(1,100,000)	(1,200,000)	(— 151,397)	(+ 100,000)
Unsubsidized guaranteed	(2,709,094)	(2,725,185)	(2,725,185)	(+ 16,091)	.....
Subtotal, Single family	(4,060,491)	(3,825,185)	(3,925,185)	(— 135,306)	(+ 100,000)
Housing repair (sec. 504)	(34,797)	(35,000)	(35,000)	(+ 203)	.....
Rental housing (sec. 515)	(115,857)	(60,000)	(90,000)	(— 25,857)	(+ 30,000)
Site loans (sec. 524)	(5,045)	(5,045)	(5,045)	.....	.....
Multi-family housing guarantees (sec. 538)	(99,410)	(100,000)	(85,960)	(— 13,450)	(— 14,040)
Multi-family housing credit sales	(1,491)	(1,501)	(1,501)	(+ 10)	.....
Single family housing credit sales	(10,000)	(10,000)	(10,000)	.....	.....
Self-help housing land develop. (sec. 523)	(2,421)	(5,000)	(5,000)	(+ 2,579)	.....
Total, Loan authorizations	(4,329,512)	(4,041,731)	(4,157,691)	(— 171,821)	(+ 115,960)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2004 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2005—Continued
[In thousands of dollars]

Item	2004 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2004 appropriation	Budget estimate
Loan subsidies:					
Single family direct (sec. 502)	125,274	127,380	138,960	+ 13,686	+ 11,580
Unsubsidized guaranteed	39,668	33,608	33,608	- 6,060	.....
Subtotal, Single family	164,942	160,988	172,568	+ 7,626	+ 11,580
Housing repair (sec. 504)	9,555	10,171	10,171	+ 616	.....
Rental housing (sec. 515)	49,830	28,254	42,381	- 7,449	+ 14,127
Site loans (sec. 524) .....	.....	.....	.....	.....	.....
Multi-family housing guarantees (sec. 538)	5,915	3,490	3,000	- 2,915	- 490
Multi-family housing credit sales	659	727	727	+ 68	.....
Single family housing credit sales .....	.....	.....	.....	.....	.....
Self-help housing land develop. (sec. 523)	75	.....	.....	- 75	.....
Total, Loan subsidies	230,976	203,630	228,847	- 2,129	+ 25,217
RHF administrative expenses (transfer to RD)	440,687	465,886	448,342	+ 7,655	- 17,544
Rental assistance program:					
(Sec. 521)	574,689	586,100	580,000	+ 5,311	- 6,100
(Sec. 502(c)(5)(D))	5,865	5,900	5,900	+ 35	.....
Total, Rental assistance program	580,554	592,000	585,900	+ 5,346	- 6,100
Total, Rural Housing Insurance Fund	1,252,217	1,261,516	1,263,089	+ 10,872	+ 1,573
(Loan authorization)	(4,329,512)	(4,041,731)	(4,157,691)	(- 171,821)	(+ 115,960)
Mutual and self-help housing grants	33,799	34,000	34,000	+ 201	.....
Rural housing assistance grants	45,949	42,500	46,992	+ 1,043	+ 4,492
Farm labor program account	36,093	36,765	31,471	- 4,622	- 5,294
Subtotal, grants and payments	115,841	113,265	112,463	- 3,378	- 802

Total, Rural Housing Service	1,368,058	1,374,781	1,375,552	+ 7494	+ 771
(Loan authorization)	(4,329,512)	(4,041,731)	(4,157,691)	(- 171,821)	(+ 115,960)
Rural Business-Cooperative Service:					
Rural Development Loan Fund Program Account:					
(Loan authorization)	(39,764)	(34,213)	(34,213)	(- 5,551)	.....
Loan subsidy	17,206	15,868	15,868	- 1,338	.....
Administrative expenses (transfer to RD)	4,247	6,656	4,316	+ 69	- 2,340
Total, Rural Development Loan Fund	21,453	22,524	20,184	- 1,269	- 2,340
Rural Economic Development Loans Program Account:					
(Loan authorization)	(14,914)	(25,003)	(25,003)	(+ 10,089)	.....
Direct subsidy	2,776	4,698	4,698	+ 1,922	+ 3,000
Rural cooperative development grants	23,858	21,000	24,000	+ 142	+ 12,500
Rural empowerment zones and enterprise communities grants	12,592	.....	12,500	- 92	+ 9,230
Renewable energy program	22,864	10,770	20,000	- 2,864	.....
Total, Rural Business-Cooperative Service	83,543	58,992	81,382	- 2,161	+ 22,390
(Loan authorization)	(54,678)	(59,216)	(59,216)	(+ 4,538)	.....
Rural Utilities Service:					
Rural Electrification and Telecommunications Loans Program Account:					
Loan authorizations:					
Electric:					
Direct, 5 percent	(240,000)	(120,000)	(120,000)	(- 120,000)	.....
Direct, Municipal rate	(1,000,000)	(100,000)	(100,000)	(- 900,000)	.....
Direct, FFB	(1,900,000)	(1,620,000)	(2,100,000)	(+ 200,000)	(+ 480,000)
Direct, Treasury rate	(750,000)	(700,000)	(1,000,000)	(+ 250,000)	(+ 300,000)
Guaranteed electric	(99,410)	(100,000)	(100,000)	(+ 590)	.....
Guaranteed underwriting	(1,000,000)	.....	(1,000,000)	.....	( + 1,000,000)
Subtotal, Electric	(4,989,410)	(2,640,000)	(4,420,000)	(- 569,410)	(+ 1,780,000)
Telecommunications:					
Direct, 5 percent	(145,000)	(145,000)	(145,000)	.....	.....
Direct, Treasury rate	(248,525)	(250,000)	(250,000)	(+ 1,475)	.....
Direct, FFB	(120,000)	(100,000)	(125,000)	(+ 5,000)	(+ 25,000)
Subtotal, Telecommunications	(513,525)	(495,000)	(520,000)	(+ 6,475)	(+ 25,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2004 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2005—Continued
[In thousands of dollars]

Item	2004 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2004 appropriation	Budget estimate
Total, Loan authorizations	(5,502,935)	(3,135,000)	(4,940,000)	(- 562,935)	(+ 1,805,000)
Loan subsidies:					
Electric:					
Direct, 5 percent			3,648	+ 3,648	+ 3,648
Direct, Municipal rate			1,350	+ 1,350	+ 1,350
Guaranteed electric	60	5,058	60		- 4,998
Subtotal, Electric	60	5,058	5,058	+ 4,998	
Telecommunications:					
Direct, 5 percent					
Direct, Treasury rate	124	100	100	- 24	
Subtotal, Telecommunications	124	100	100	- 24	
Total, Loan subsidies	184	5,158	5,158	+ 4,974	
RETLP administrative expenses (transfer to RD)	37,630	39,933	38,277	+ 647	- 1,656
Total, Rural Electrification and Telecommunications Loans Program Account	37,814	45,091	43,435	+ 5,621	- 1,656
(Loan authorization)	(5,502,935)	(3,135,000)	(4,940,000)	(- 562,935)	(+ 1,805,000)
Rural Telephone Bank Program Account:					
(Loan authorization)	(173,503)		(175,000)	(+ 1,497)	(+ 175,000)
Direct loan subsidy					
RTB administrative expenses (transfer to RD)	3,152	3,328	3,152		- 176
Total, Rural Telephone Bank Program Account	3,152	3,328	3,152		- 176
High energy costs grants (by transfer)	(27,835)		(28,000)	(+ 165)	(+ 28,000)

Distance learning, telemedicine, and broadband program:									
Loan authorizations:									
Distance learning and telemedicine	(300,000)			(20,000)	(-280,000)	(+20,000)			
Broadband telecommunications	(598,101)	(331,081)	(600,000)	(+1,899)	(+268,919)	(+268,919)			
Total, Loan authorizations	(898,101)	(331,081)	(620,000)	(-278,101)	(+288,919)	(+288,919)			
Loan subsidies:									
Distance learning and telemedicine:									
Direct									
Grants	38,770		284		+284	+284			
			38,000		-770	+13,000			
Broadband telecommunications:									
Direct	13,039	9,884	12,780		-259	+2,896			
Grants	8,947		9,000		+53	+9,000			
Total, Loan subsidies and grants	60,756	34,884	60,064		-692	+25,180			
Total, Rural Utilities Service	101,722	83,303	106,651		+4,929	+23,348			
(Loan authorization)	(6,574,539)	(3,466,081)	(5,735,000)		(-839,539)	(+2,268,919)			
Total, title III, Rural Economic and Community Development Programs	2,447,943	2,209,733	2,441,042		-6,901	+231,309			
(By transfer)	(513,551)	(515,803)	(522,087)		(+8,536)	(+6,284)			
(Loan authorization)	(10,958,729)	(7,567,028)	(9,951,907)		(-1,006,822)	(+2,384,879)			
TITLE IV—DOMESTIC FOOD PROGRAMS									
Office of the Under Secretary for Food, Nutrition and Consumer Services	595	799	608		+13	-191			
Food and Nutrition Service:									
Child nutrition programs	6,717,780	6,060,860	6,060,860		-656,920				
Transfer from section 32	4,699,661	5,319,697	5,319,697		+620,036				
Total, Child nutrition programs	11,417,441	11,380,557	11,380,557		-36,884				
Special supplemental nutrition program for women, infants, and children (WIC)	4,611,861	4,787,250	5,050,250		+438,389	+263,000			
(Contingent emergency appropriations)			125,000		+125,000	+125,000			
Total, (WIC)	4,611,861	4,787,250	5,175,250		+563,389	+388,000			
Food stamp program:									
Expenses	26,403,176	29,053,276	29,053,276		+2,650,100				
Reserve	3,000,000	3,000,000	3,000,000						
Nutrition assistance for Puerto Rico and Samoa	1,402,805	1,448,522	1,448,522		+45,717				

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2004 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2005—Continued
[In thousands of dollars]

Item	2004 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2004 appropriation	Budget estimate
The emergency food assistance program	140,000	140,000	140,000	.....	.....
Total, Food stamp program	30,945,981	33,641,798	33,641,798	+ 2,695,817	.....
Commodity assistance program	149,115	169,416	172,081	+ 22,966	+ 2,665
Nutrition programs administration	137,488	152,227	142,592	+ 5,104	- 9,635
Total, Food and Nutrition Service	47,261,886	50,131,248	50,512,278	+ 3,250,392	+ 381,030
Total, title IV, Domestic Food Programs	47,262,481	50,132,047	50,512,886	+ 3,250,405	+ 380,839
TITLE V—FOREIGN ASSISTANCE AND RELATED PROGRAMS					
Foreign Agricultural Service:					
Salaries and expenses, direct appropriation	131,368	143,077	139,162	+ 7,794	- 3,915
(Transfer from export loans)	(3,286)	(3,440)	(3,421)	(+ 135)	(- 19)
(Transfer from Public Law 480)	(1,069)	(1,102)	(1,097)	(- 28)	(- 5)
Total, Salaries and expenses program level	(135,723)	(147,619)	(143,680)	(+ 7,957)	(- 3,939)
Public Law 480 Program and Grant Accounts:					
Program account:					
Loan authorization, direct	(130,892)	(100,000)	(109,000)	(- 21,892)	(+ 9,000)
Loan subsidies	103,274	86,420	94,198	- 9,076	+ 7,778
Ocean freight differential grants	27,835	22,723	22,723	- 5,112	.....
Title II—Commodities for disposition abroad:					
Program level	(1,184,967)	(1,185,000)	(1,185,000)	(+ 33)	.....
Appropriation	1,184,967	1,185,000	1,185,000	+ 33	.....
Salaries and expenses:					
Foreign Agricultural Service (transfer to FAS)	1,069	1,102	1,097	+ 28	- 5
Farm Service Agency (transfer to FSA)	1,053	3,119	2,937	+ 1,884	- 182

Subtotal	2,122	4,221	4,034	+ 1,912	— 187
Total, Public Law 480:					
Program level	(1,184,967)	(1,185,000)	(1,185,000)	(+ 33)	.....
Appropriation	1,318,198	1,298,364	1,305,955	— 12,243	+ 7,591
CCC Export Loans Program Account (administrative expenses):					
Salaries and expenses (Export Loans):					
General Sales Manager (transfer to FAS)	3,286	3,440	3,421	+ 135	— 19
Farm Service Agency (transfer to FSA)	841	1,033	1,002	+ 161	— 31
Total, CCC Export Loans Program Account	4,127	4,473	4,423	+ 296	— 50
McGovern-Dole international food for education and child nutrition program grants	49,705	75,000	100,000	+ 50,295	+ 25,000
Total, title V, Foreign Assistance and Related Programs	1,503,398	1,520,914	1,549,540	+ 46,142	+ 28,626
(By transfer)	(4,355)	(4,542)	(4,518)	(+ 163)	(— 24)
TITLE VI—RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION					
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Food and Drug Administration					
Salaries and expenses, direct appropriation	1,378,779	1,494,517	1,465,267	+ 86,488	— 29,250
Prescription Drug User Fee Act	(249,825)	(284,394)	(284,394)	(+ 34,569)	.....
Medical Device User Fee Act	(31,654)	(33,938)	(33,938)	(+ 2,284)	.....
Animal Drug User Fee Act	(5,000)	(8,000)	(8,000)	(+ 3,000)	.....
Subtotal	(1,665,258)	(1,820,849)	(1,791,599)	(+ 126,341)	(— 29,250)
Mammography clinics user fee (outlay savings)	(16,576)	(16,919)	(16,919)	(+ 343)	.....
Export and color certification	(6,649)	(6,838)	(6,838)	(+ 189)	.....
Payments to GSA	(119,594)	(123,015)	(129,815)	(+ 10,221)	(+ 6,800)
Buildings and facilities	6,959	.....	.....	— 6,959	.....
Total, Food and Drug Administration	1,385,738	1,494,517	1,465,267	+ 79,529	— 29,250
INDEPENDENT AGENCIES					
Commodity Futures Trading Commission	89,901	95,327	95,327	+ 5,426	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2004 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2005—Continued
[In thousands of dollars]

Item	2004 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2004 appropriation	Budget estimate
Farm Credit Administration (limitation on administrative expenses)	(40,900)	.....	(41,800)	(+ 900)	(+ 41,800)
Total, title VI, Related Agencies and Food and Drug Administration	1,475,639	1,589,844	1,560,594	+ 84,955	- 29,250
TITLE VII—GENERAL PROVISIONS					
Hunger fellowships	2,982	.....	2,500	- 482	+ 2,500
National Sheep Industry Improvement Center revolving fund	496	.....	2,000	+ 1,504	+ 2,000
Tree assistance (Sec. 747)	14,912	.....	.....	- 14,912	.....
Northern Great Plains Regional Authority	1,491	.....	2,400	+ 909	+ 2,400
Denali Commission	994	.....	500	- 494	+ 500
Food stamp program freeze	1,988	.....	.....	- 1,988	.....
Milk processing and packaging facilities .....	.....	.....	1,000	+ 1,000	+ 1,000
Alaska private lands wildlife management .....	.....	.....	500	+ 500	+ 500
Total, title VII, General provisions	22,863	.....	8,900	- 13,963	+ 8,900
OTHER APPROPRIATIONS					
Consolidated Appropriations Act, 2004 (Public Law 108-199) Conservation Programs					
Natural Resources Conservation Service (Sec. 102(d)): Emergency watershed protection program (emergency) ...	149,115	.....	.....	- 149,115	.....
Tree assistance program (emergency) (Sec. 102(e))	12,426	.....	.....	- 12,426	.....
Emergency conservation prog. (emergency) (Sec. 102(f))	12,426	.....	.....	- 12,426	.....
Commodity Credit Corporation Fund: Livestock indemnity prog. (emergency) (Sec.102(g))	497	.....	.....	- 497	.....
Total, Other appropriations	174,464	.....	.....	- 174,464	.....
Grand total:					
New budget (obligational) authority	86,761,836	83,324,539	84,053,760	- 2,708,076	+ 729,221
Appropriations	(86,587,372)	(83,324,539)	(83,928,760)	(- 2,658,612)	(+ 604,221)
Emergency Appropriations	174,464	.....	.....	- 174,464	.....
Contingent emergency Appropriations .....	.....	.....	(125,000)	(+ 125,000)	(+ 125,000)

(By transfer)	(801,150)	(829,508)	(824,308)	(+ 23,158)	(- 5,200)
(Loan authorization)	(14,335,870)	(11,470,281)	(13,422,907)	(- 912,963)	(+ 1,952,626)
(Limitation on administrative expenses)	(150,940)	(111,922)	(153,722)	(+ 2,782)	(+ 41,800)

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