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AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIA- TIONS BILL, 2006

JUNE 27, 2005.—Ordered to be printed

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

REPORT

[To accompany H.R. 2744]

The Committee on Appropriations, to which was referred the bill (H.R. 2744) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2006, and for other purposes, reports the same to the Senate with an amendment and recommends that the bill as amended do pass.

Total obligational authority, fiscal year 2006

Total of bill as reported to the Senate	\$100,717,949,000
Amount of 2005 appropriations ¹	85,590,376,000
Amount of 2006 budget estimate	100,132,911,000
Amount of House allowance	100,321,593,000
Bill as recommended to Senate compared to—	
2005 appropriations	+ 11,278,573,000
2006 budget estimate	+ 585,038,000
House allowance	+ 396,356,000

¹Excluding emergency appropriations of \$3,849,000,000.

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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.

	2005	2006 Committee recommendation
Title I: Agricultural programs	\$27,041,494,000	\$35,461,185,000
Title II: Conservation programs	991,901,000	963,987,000
Title III: Rural economic and community development programs	2,413,768,000	2,534,453,000
Title IV: Domestic food programs	52,488,361,000	58,701,717,000
Title V: Foreign assistance and related programs	1,520,935,000	1,483,512,000
Title VI: Related agencies	1,543,670,000	1,590,395,000
Title VII: General provisions	— 409,753,000	— 17,300,000
Total, new budget (obligational) authority	85,590,376,000	100,717,949,000

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 2006.

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

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

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 2005 SPENDING LEVELS

Section 122 of Division J of Public Law 108–447, the Consolidated Appropriations Act, 2005 imposed, with few exceptions, a rescission of 0.80 percent of the budget authority provided for all discretionary accounts in Division A through J of that Act. Division A of Public Law 108–447 provided Appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2005.

The 0.80 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 2005 spending levels displayed in this report for which the 0.80 percent rescission did apply reflect the 0.80 rescission.

USER FEE LEGISLATIVE PROPOSALS

The fiscal year 2006 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; the Agricultural Marketing Service; and the Food Safety and Inspection Service. The fiscal year 2006 budget assumes the collection and expenditure of these fees, and therefore reduces the fiscal year 2006 spending for this subcommittee by an additional \$177,000,000 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 Committee on Appropriations 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. In fact, the Committee notes that the President's budget, with user fee and other legislative proposals, was transmitted to Congress on February 2, 2005 but more than 4 months after that date, the administration had not provided those legislative proposals to the Committee of jurisdiction.

The Committee included a General Provision (Section 721) in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005 (Division A of Public Law 108–447) which requires the President to identify reductions from his fiscal year 2006 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 2006 ap-

propriations act. Notwithstanding the delayed enactment of Public Law 108-447, the Committee expects compliance with Section 721, and urges the administration to identify these reductions as soon as possible.

TITLE I—AGRICULTURAL PROGRAMS

PRODUCTION, PROCESSING, AND MARKETING

OFFICE OF THE SECRETARY

Appropriations, 2005	\$5,083,000
Budget estimate, 2006	5,127,000
House allowance	5,127,000
Committee recommendation	5,127,000

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 \$5,127,000. This amount is \$44,000 more than the fiscal year 2005 appropriation.

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.

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.

Aquaculture Research and Development.—The Committee recognizes the success and importance of the Kentucky State University aquaculture research and development facility. As the University develops the production practices for different aquatic species that will help domestic farmers capture market share in the international seafood industry, the Committee encourages the Secretary to consider these activities and the opportunities for growth at this facility when developing aquaculture funding priorities.

Washington Semester American Indian Program.—The Committee continues its strong support for USDA participation in the Washington Internships for Native Students [WINS] program, a summer American Indian/Alaska Native [AI/AN] internship program conducted in cooperation with American University. The Department's active participation in this program upholds the intent and provisions of Executive Order 13270, directing Federal agencies to provide improved opportunities and resource access to tribal college and other AI/AN post-secondary education students. The Committee urges USDA to maintain the annual average number of positions placed in past summers, and expects that the Department will place no less than 25 WINS AI/AN students each summer. The Committee also strongly encourages the Department to assign responsibility for the coordination of the Washington Internships for Native Students [WINS] program to a central USDA office that ensures student intern sponsorship and placement with agencies managing natural resource or community development programs benefiting American Indian/Alaska Native [AI/AN] or rural disadvantaged communities.

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.

Soybean Rust.—The Committee is concerned about the introduction of soybean rust into the continental United States late last year which could have an adverse impact on soybean farmers across the country. The Committee urges the Secretary to increase funding for surveillance, reporting and diagnosis of soybean rust in

cooperation with soybean-producing States. In addition, the Committee urges the Secretary to allocate more funds to soybean rust research, especially work intended to locate and determine the function of genes involved in rust resistance.

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.

Biomass Research and Development.—The Committee encourages the U.S. Department of Agriculture and the U.S. Department of Energy under authorities granted by the Biomass Research and Development Act of 2000 (Public Law 106–224; 7 U.S.C. 7624) to consider funding innovative research to develop carbon neutral and carbon negative energy production systems that produce and utilize high carbon soil amendments, such as is currently being conducted at the University of Georgia.

Federal Procurement of Biobased Products.—The Committee is dissatisfied with the long delay in implementing the Federal biobased purchasing preference requirement in section 9002 of the Farm Security and Rural Investment Act of 2002. Three years after the requirement became law not a single product has been designated although over eighty products are currently being considered for designation. The Secretary is directed to promptly expedite and conclude the rulemaking process. The Committee expects issuance of the “USDA Policy to Establish a Preference for Biobased Products in USDA Contracting” within 30 days of enactment of this Act and directs the Secretary to report to the Committee within 30 days of enactment of this Act on detailed steps taken to implement all aspects of the program, including promulgation of product designation rules, establishment of a model procurement program, and execution of the USDA certified biobased product labeling initiative.

Renewable Energy Direct Loan.—Section 9006 of the Farm Security and Rural Investment Act of 2002 provides grants, loans and loan guarantees to farmers and rural businesses for the development of renewable energy and for energy efficiency improvements. The Committee strongly encourages the Department to fulfill its statutory obligations by establishing a direct loan component in the 9006 program within 90 days of enactment of this Act.

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

Renewable Bio-based Products.—The Committee recognizes that renewable bio-based lubricants and coolants meet the USDA goals of developing environmentally-friendly, non-food products from traditionally food crop materials. As the USDA NCAUR Laboratories, teamed with the private sector, have established the leading re-

search facility in the area of bio-based lubricants and coolants, the Committee encourages the Secretary to consider this partnership when developing funding priorities.

Chesapeake Bay Watershed.—The Committee notes the need to develop partnerships to address vital resource needs in the Chesapeake Bay watershed. Section 2003 of the Farm Security and Rural Investment Act of 2002 provides for innovative uses of conservation funding to aid regions, such as the Chesapeake Bay, in implementing conservation practices important to protecting natural resources. The Committee expects the Department to implement a program specifically under the authorities of section 2003 and issue a request for proposals under this program in fiscal year 2006.

CCC Inventories.—The Committee is aware certain CCC surplus commodities have been used to supplement various programs, including support for domestic nutrition assistance. In those instances where surplus non-fat dry milk stocks have been used, information relating to the amount available and the quality of those stocks is important for program planning. In order to ensure the availability of this information, the Secretary is directed to provide the Committee monthly reports on the amount of surplus non-fat dry milk held in CCC inventory and the age of those stocks as older inventories are disposed and replaced with those of quality more likely to satisfy human nutrition requirements.

Food Animal Health.—The Committee is aware that herd managers provide primary health care on a growing majority of animal production systems because traditional veterinary services are too expensive relative to animal value. Concurrently, the reduced surveillance of food animal operations by trained animal health specialists has created a vulnerability to animal production systems from exposure to bio-security threats. The Committee recommends that ARS initiate a pilot program with the University of Pennsylvania School of Veterinary Medicine to educate and train Food Animal Health Technicians to serve as the first tier of the animal health care delivery system at animal production facilities and food animal veterinary practices and report back to the Committee with a plan on how best to initiate such a pilot effort by January 15, 2006.

Foreign Markets.—The Committee instructs the Department, specifically APHIS and FAS, to allocate the resources necessary to reopen export markets for domestic breeding cattle and to effectively coordinate with other agencies to regain these markets. Increasing export opportunities for U.S. producers should be a top priority for USDA.

News Distribution.—The Committee remains concerned by reports that the Department has engaged in the distribution of pre-packaged news stories intended for broadcast or distribution which were communicated to the public without an explanation of the Government's role in the production of the item. The Committee reminds the Department of congressional interest in this matter and directs that a clear notification shall be affixed or included within the text or audio of any prepackaged news story designed for public distribution.

World Food Prize.—The Committee is aware of the need to give proper recognition to individuals who have made outstanding con-

tributions to help fight the problem of hunger throughout the world. The World Food Prize was established to recognize contributions in any field involved in the world food supply, including food and agriculture science and technology, manufacturing, marketing, nutrition, economics, poverty alleviation, political leadership and the social sciences. A general provision is included in this bill to provide administrative support for this organization, as determined proper by the Secretary. The Committee directs that none of the funds be disbursed until the Secretary determines that the recipient organization has provided a budget and plan for proper use of the funds.

Rural Security.—The Committee is aware of the need to improve security infrastructure in rural America, especially regarding food safety and the accidental or intentional release of pathogens. The Committee expects the Secretary to work with the National Center for Rural Biosecurity in Nebraska to coordinate an appropriate role for USDA in improving the emergency response capacity by sharing information, expertise and resources within Nebraska and the region.

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, 2005	\$10,234,000
Budget estimate, 2006	10,539,000
House allowance	10,539,000
Committee recommendation	10,539,000

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 \$10,539,000. This amount is \$305,000 more than the fiscal year 2005 appropriation. The Committee provides \$1,500,000 for preferred procurement and labeling for biobased products.

NATIONAL APPEALS DIVISION

Appropriations, 2005	\$14,216,000
Budget estimate, 2006	14,524,000
House allowance	14,524,000
Committee recommendation	14,524,000

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 \$14,524,000. This amount is \$308,000 more than the fiscal year 2005 appropriation.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

Appropriations, 2005	\$8,162,000
Budget estimate, 2006	8,298,000
House allowance	8,298,000
Committee recommendation	8,298,000

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

COMMITTEE RECOMMENDATIONS

For the Office of Budget and Program Analysis, the Committee recommends \$8,298,000. This amount is \$136,000 more than the fiscal year 2005 appropriation.

HOMELAND SECURITY STAFF

Appropriations, 2005	\$769,000
Budget estimate, 2006	1,466,000
House allowance	934,000
Committee recommendation	1,166,000

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

COMMITTEE RECOMMENDATIONS

For the Homeland Security Staff, the Committee recommends \$1,166,000. This amount is \$397,000 more than the fiscal year 2005 appropriation.

OFFICE OF THE CHIEF INFORMATION OFFICER

Appropriations, 2005	\$16,462,000
Budget estimate, 2006	16,726,000
House allowance	16,462,000
Committee recommendation	16,726,000

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

On November 28, 2004, the information technology staffs of the Service Center Agencies [SCA] were converged into one IT organization within the office of the Chief Information Officer; this converged organization is named Information Technology Services and replaces a network of cross-agency teams used to coordinate IT infrastructure investment within the SCA and allows for unified management of the IT infrastructure.

COMMITTEE RECOMMENDATIONS

The Committee recommends \$16,726,000 for the Office of the Chief Information Officer. This amount is \$264,000 more than the fiscal year 2005 appropriation.

COMMON COMPUTING ENVIRONMENT

Appropriations, 2005	\$124,580,000
Budget estimate, 2006	142,465,000
House allowance	60,725,000
Committee recommendation	128,072,000

The Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6901 et seq.) requires the Secretary of Agriculture to procure and use computer systems in a manner that enhances efficiency, productivity, and client services, and that promotes computer information sharing among agencies of the Department. The Clinger-Cohen Act of 1996 requires USDA to maximize the value of information technology acquisitions to improve the efficiency and effectiveness of USDA programs. Since its beginning in 1996, the USDA Service Center Modernization initiative has been working to

restructure county field offices, modernize and integrate business approaches and replace the current, aging information systems with a modern Common Computing Environment that optimizes information sharing, customer service, and staff efficiencies.

COMMITTEE RECOMMENDATIONS

The Committee recommends \$128,072,000 for the Common Computing Environment. This amount is \$3,492,000 more than the fiscal year 2005 appropriation.

OFFICE OF THE CHIEF FINANCIAL OFFICER

Appropriations, 2005	\$5,696,000
Budget estimate, 2006	5,874,000
House allowance	5,874,000
Committee recommendation	5,874,000

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 \$5,874,000. This amount is \$178,000 more than the fiscal year 2005 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 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 is encouraged by NFC's work in advancing partnership with the Department of Interior by agreeing to payroll Millennium Challenge Corporation's Personal Service Contractors.

The Committee directs the Department of Agriculture to continue its 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. Several components of the Department of Homeland Security were imple-

mented in October 2004, and the Federal Protective Service and the Armed Forces Retirement Homes migrated in August 2004. The Department of Labor and the Federal Energy Regulatory Commission migrations were migrated in March 2005. The Transportation Security Administration and the U.S. Coast Guard are testing for a September 2005 migration. The Committee encourages the Secretary to continue these expansions and to give close consideration to the establishment of an alternate work site for continuity of operations for the NFC in the State of Louisiana.

In Senate Report 108–340, the Committee directed the Secretary to provide a feasibility report on this proposal to the Committee by March 1, 2005. As of June 15, 2005 the report had not been provided; the Committee directs the Secretary to provide the report no later than 30 days after the enactment of this Act.

The Committee has included bill language recommended in the budget request to directly market cross-servicing activated at the NFC. The Committee directs USDA to continue the cost-effective cross-servicing activities currently conducted by the NFC including data center operations, financial management, change of duty station travel, and temporary duty station travel, etc. The Committee also directs the USDA through the NFC to actively pursue public-private partnerships, where feasible, to operate and service existing PCS technology and services.

WORKING CAPITAL FUND

Appropriations, 2005	\$12,747,000
Budget estimate, 2006	
House allowance	
Committee recommendation	

The Working Capital Fund was established in the 1944 Appropriations Act (7 U.S.C. 2235). 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 budget request does not include funding for the Working Capital Fund and the Committee provides no funding for this account. The bill includes a general provision which allows the Secretary to transfer unobligated balances of the Department of Agriculture to the Working Capital Fund.

OFFICE OF THE ASSISTANT SECRETARY FOR CIVIL RIGHTS

Appropriations, 2005	\$811,000
Budget estimate, 2006	821,000
House allowance	811,000
Committee recommendation	821,000

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 \$821,000. This amount is \$10,000 more than the fiscal year 2005 appropriation.

OFFICE OF CIVIL RIGHTS

Appropriations, 2005	\$19,730,000
Budget estimate, 2006	20,109,000
House allowance	20,109,000
Committee recommendation	20,109,000

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 \$20,109,000. This amount is \$379,000 more than the fiscal year 2005 appropriation.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

Appropriations, 2005	\$664,000
Budget estimate, 2006	676,000
House allowance	676,000
Committee recommendation	676,000

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

COMMITTEE RECOMMENDATIONS

For the Office of the Assistant Secretary for Administration, the Committee recommends \$676,000. This amount is \$12,000 more than the fiscal year 2005 appropriation.

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

Appropriations, 2005	\$162,559,000
Budget estimate, 2006	221,924,000
House allowance	183,133,000
Committee recommendation	187,734,000

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 \$187,734,000. This amount is \$25,175,000 more than the fiscal year 2005 appropriation.

The following table reflects the Committee's specific recommendations for this account as compared to the fiscal year 2005 and budget request levels:

[In thousands of dollars]

	2005 enacted	2006 budget request	Committee recommendation
Rental Payments	127,292	147,734	147,734
Building Operations	35,267	74,190	40,000
Total	162,559	221,924	187,734

HAZARDOUS MATERIALS MANAGEMENT

Appropriations, 2005	\$15,408,000
Budget estimate, 2006	15,644,000
House allowance	15,644,000
Committee recommendation	12,000,000

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 \$12,000,000 for hazardous materials management. This amount is \$3,408,000 less than the fiscal year 2005 appropriation.

DEPARTMENTAL ADMINISTRATION

Appropriations, 2005	\$22,445,000
Budget estimate, 2006	23,103,000
House allowance	23,103,000
Committee recommendation	23,103,000

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

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

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

COMMITTEE RECOMMENDATIONS

For Departmental Administration, the Committee recommends an appropriation of \$23,103,000. This amount is \$658,000 more than the fiscal year 2005 appropriation.

OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS

Appropriations, 2005	\$3,821,000
Budget estimate, 2006	3,846,000
House allowance	3,821,000
Committee recommendation	3,846,000

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 \$3,846,000. This amount is \$25,000 more than the fiscal year 2005 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, 2005	\$9,290,000
Budget estimate, 2006	9,509,000
House allowance	9,509,000
Committee recommendation	9,509,000

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 \$9,509,000. This amount is \$219,000 more than the fiscal year 2005 appropriation.

OFFICE OF THE INSPECTOR GENERAL

Appropriations, 2005	\$77,663,000
Budget estimate, 2006	81,045,000
House allowance	79,626,000
Committee recommendation	81,045,000

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

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

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

COMMITTEE RECOMMENDATIONS

For the Office of Inspector General, the Committee recommends an appropriation of \$81,045,000. This amount is \$3,382,000 more than the fiscal year 2005 appropriation. The Committee provides the fiscal year 2005 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, 2005	\$35,574,000
Budget estimate, 2006	40,263,000
House allowance	38,439,000
Committee recommendation	40,263,000

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 \$40,263,000. This amount is \$4,689,000 more than the fiscal year 2005 appropriation. The Committee provides full funding for requested increases for additional legal services and information technology requirements.

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

Appropriations, 2005	\$587,000
Budget estimate, 2006	598,000
House allowance	598,000
Committee recommendation	598,000

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 \$598,000. This amount is \$11,000 more than the fiscal year 2005 appropriation.

ECONOMIC RESEARCH SERVICE

Appropriations, 2005	\$74,170,000
Budget estimate, 2006	80,749,000
House allowance	75,931,000
Committee recommendation	78,549,000

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 \$78,549,000. This amount is \$4,379,000 more than the fiscal year 2005 appropriation. The Committee directs that no less than \$500,000, the same as the fiscal year 2005 level, be used to implement the "Organic Production and Market Data Initiative" included in section 7407 of Public Law 107-171.

The Committee requests that the Secretary conduct a national study regarding the economic impact of cooperative models on the vitality of rural communities and residents. The study should measure changes in household income, entrepreneurial opportunities, employment benefits, local and regional impacts, and other direct and indirect benefits related to cooperative models including

patronage dividends and local investments. The Agency should coordinate research activities with high performing university cooperative research centers and representatives of the cooperative community.

NATIONAL AGRICULTURAL STATISTICS SERVICE

Appropriations, 2005	\$128,444,000
Budget estimate, 2006	145,159,000
House allowance	136,241,000
Committee recommendation	145,159,000

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 \$145,159,000. This amount is \$16,715,000 more than the fiscal year 2005 appropriation. Included in this amount is \$29,115,000 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 encourages USDA to expand organic data collection in the 2007 Census of Agriculture and 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, 2005	\$1,102,000,000
Budget estimate, 2006	996,107,000
House allowance	1,035,475,000
Committee recommendation	1,109,981,000

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 conver-

sion and delivery; human nutrition; and the integration of agricultural systems. The research applies to a wide range of goals; commodities; natural resources; fields of science; and geographic, climatic, and environmental conditions.

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

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

The mission of ARS research is to develop new knowledge and technology which will ensure an abundance of high-quality agricultural commodities and products at reasonable prices to meet the increasing needs of an expanding economy and to provide for the continued improvement in the standard of living of all Americans. This mission focuses on the development of technical information and technical products which bear directly on the need to: (1) manage and use the Nation's soil, water, air, and climate resources, and improve the Nation's environment; (2) provide an adequate supply of agricultural products by observing practices that will maintain a sustainable and effective agriculture sector; (3) improve the nutrition and well-being of the American people; (4) improve living in rural America; and (5) strengthen the Nation's balance of payments.

COMMITTEE RECOMMENDATIONS

For salaries and expenses of the Agricultural Research Service, the Committee recommends \$1,109,981,000. This amount is \$7,981,000 more than the fiscal year 2005 appropriation.

The Committee provides bill language permitting the purchase of land by an ARS research laboratory in Florence, South Carolina.

For fiscal year 2006, 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’s recommendations with respect to specific areas of research are as follows:

Agricultural Law, Drake University.—The Committee continues the fiscal year 2005 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.

Agroforestry Research.—Agroforestry is an agricultural system that integrates crops and trees or crops, animals, and trees on a landscape. It can minimize costs and increase producer profits, thus stabilizing family farms while reducing soil erosion and improving water quality and wildlife habitat. The Committee provides an increase of \$250,000 above the fiscal year 2005 funding levels for increased ARS Agroforestry research at Booneville, Arkansas, with \$50,000 in support of expanded shiitake mushroom research.

Air Quality Research.—Agricultural operations produce a variety of particulates and gases that influence air quality. Agriculture, through wind erosion, tillage and harvest operations, burning, diesel-powered machinery and animal operations, is a source of particulate matter that can cause pulmonary problems to humans. The Committee recognizes that 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 \$300,000 above the fiscal year 2005 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.

Animal Genomics.—The Committee provides an increase of \$700,000 over fiscal year 2005 for research to identify and characterize genes that affect feed efficiency. Those additional resources are directed to the U.S. Meat Animal Research Center, Clay Center, Nebraska.

Animal Vaccines.—There is a critical need to develop new technologies to mitigate the adverse impacts of diseases on cattle, poultry, and swine. The annual monetary loss resulting from diarrheal diseases in cattle and swine is estimated at \$500,000,000 in the United States alone. Foodborne pathogens cause between 6.5 million and 33 million cases of human diseases and 9,000 deaths annually. The Committee provides an increase of \$150,000 above the fiscal year 2005 funding levels for expanded research on advanced animal vaccines and diagnostic applications currently carried out jointly by ARS, the University of Connecticut, and the University of Missouri.

Appalachian Fruit Research Station.—The Committee recognizes the importance of fruit research carried out at the Appalachian Fruit Research Station in Kearneysville, WV, and continues the fiscal year 2005 funding level for essential staffing support at the sta-

tion's ongoing research to identify new alternatives for chemical control of insects, and to develop disease-resistant trees.

Appalachian Horticulture Research.—The Committee is aware that ornamental horticulture, floriculture and nursery crops, collectively constitute the third most important crop in the United States, surpassed only by corn and soybeans, with an average estimated value of more than \$11,000,000,000 a year. Tennessee has a vibrant nursery industry and a growing floriculture industry. The Committee provides an increase of \$250,000 above the fiscal year 2005 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. This program is managed through the ARS Poplarville, Mississippi research station.

Appalachian Pasture-Based Beef Systems.—The Committee is aware of the benefits to be derived from the pasture-based 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 2005 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 acknowledges the importance of avoiding duplication in the 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 continues this program at the fiscal year 2005 funding level 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 provides an increase of \$300,000 above the fiscal year 2005 funding level for research in rangeland resource management, irrigated farming technology, and environmental hor-

ticulture at Jornada Experimental Range Station at Las Cruces, NM.

Barley Yellow Dwarf Virus [BYDV].—Barley Yellow Dwarf Virus [BYDV] is considered to be the most potent virus disease of small grain cereals, affecting barley, oats, triticale, and wheat. The virus is spread by many aphid species and the disease occurs extensively in the United States and around the world. The Committee recognizes ARS' leading research in identifying the insect vector, the biochemistry of the virus, the epidemiology of the disease, and in developing cultures of oats and wheat with tolerance to the virus. The Committee provides an increase of \$100,000 above the fiscal year 2005 funding levels for expanded BYDV research at West Lafayette, Indiana.

Biodesign and Processing Research.—Innovative approaches are needed to enhance producer profitability and minimize waste discharge to the environment while maintaining the agriculture that sustains rural communities. Adding value to commodity crops, designing new crops, and developing new products from agricultural processing wastes will stimulate practical capabilities and the economic vitality of producers and communities. The Committee believes this integrated approach will result in minimal discharge of process waste into the environment through the development of a zero-discharge bioprocessing technology and provides \$200,000 for this effort to Virginia Polytechnic Institute and State University at Blacksburg, Virginia.

Bioinformatics Institute for Model Plant Species.—The Committee provides an increase of \$250,000 above the fiscal year 2005 funding levels to expand current agricultural genome bioinformatics research carried out by the Bioinformatics Institute for Model Plant Species, National Center for Genome Resources at Santa Fe, New Mexico.

Biological Weed Control.—The biological control of weeds, insects, and pathogens offers an ecologically sound and cost effective long term management strategy for controlling invasive species. It is estimated that invasive species cost American taxpayers at least \$137,000,000,000 per year and are predicted to rise over the next 10 years as more invasive species enter the country. The Committee provides an increase of \$300,000 above fiscal year 2005 levels for expanded biological weed control at Sidney, Montana.

Biomass Crop Production.—The Committee continues the fiscal year 2005 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 2005 funding level for cooperative research with the Biotechnology Foundation.

Bioremediation Research.—The Committee provides an increase of \$300,000 in fiscal year 2006 for ARS research on the bioremediation of vacated areas previously used for storage of munitions for

conversion into commercial and agricultural uses. This biotechnology-based research will examine the potential of combining existing phytoremediation technologies in terrestrial plants with animal microbial remediation technology of the rumen to rehabilitate affected areas.

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 2005 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 2005 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.

Bovine Genetics.—The Committee provides an increase of \$150,000 above the fiscal year 2005 levels for expanded research on biotechnology and genetics in cattle jointly carried out by ARS, the University of Connecticut, and the University of Illinois to improve efficiencies of clones and establish cell lines from elite cows and bulls for cloning.

Bovine Spongiform Encephalopathy [BSE].—The Committee is aware of the serious health and economic consequences associated with BSE and supports expanded research in the areas of pathogenesis, diagnostics, and intervention. The Committee provides an increase of \$4,000,000 in fiscal year 2006 which includes risk assessment research at Ames, Iowa, \$1,500,000; pathophysiology of BSE at the Albany research center, \$900,000; research on TSE strains, Pullman, Washington, \$600,000; pre-clinical live animal tests at Ames, Iowa, \$500,000; and prion research at Albany, California, \$500,000.

Broiler Production in the Mid South.—Reduced broiler production costs are essential for the industry to increase net profit and remain competitive internationally. The Committee recognizes the importance of the cooperation between the ARS Poultry Research Unit and the Mississippi Agricultural and Forestry Experiment Station at Mississippi State. This cooperation has resulted in improved bird nutrition, control of mycoplasma disease with vaccines, and overall health, vigor, and growth of the birds through improved housing environmental controls. The Committee continues the fiscal year 2005 funding level for cooperative research on reducing ammonia levels in poultry litter, improving environmental controls, and reducing mortality in broiler flocks.

Broomweed Biological Control.—The Committee is concerned about increased infestations of exotic brooms and gorse weeds in the Western United States which are causing serious economic and

environmental damage to agriculture and rangelands. The Committee provides an increase of \$250,000 above the fiscal year 2005 funding levels for increased broomweed biological research at Albany, California.

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 2005 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.—The Committee provides an increase of \$150,000 above the fiscal year 2005 funding levels for increased research at the ARS Aquatic Animal Health Research Laboratory at Auburn, Alabama to identify important genes that convey virulent traits, to identify pathogens, and to identify factors that influence expression of traits.

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 is urgently 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 the disease will lead to improved management practices for conventional catfish culture in earthen ponds. The Committee continues the fiscal year 2005 funding level for the comprehensive catfish health research program based at the National Warmwater Aquaculture Center, Stoneville, MS. This Center is strategically located 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 for fish selection, with disease and parasite resistance.

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 provides an increase of \$300,000 above the fiscal year 2005 funding level for research on the detection of food-borne pathogens.

Cereal Crops.—The Committee provides an increase of \$200,000 for expanded research at the Cereal Crops Laboratory at Madison, WI.

Chloroplast Genetic Engineering.—The Committee supports the Chloroplast Genetic Engineering program at the University of Central Florida and provides an increase of \$200,000 above the fiscal year 2005 funding level for expanded research on the efficient and effective means of genetically engineering chloroplast to increase efficiency of photosynthesis as a key component of agricultural production, as well as in reducing spread of transgenes via pollen flow.

Coffee and Cocoa.—The disease resistance and alternative crop research program for coffee and cocoa has important economic ben-

efits and implications for U.S. foreign policy goals in South Central America and West Africa. As a globally marketable cash crop, cocoa can provide an alternative, environmentally beneficial choice for small farmers to abandon illegal crops. Cocoa is produced primarily by small farmers in the tropics of South Central America and West Africa that is also under severe disease pressure which threatens the stability of world supply of cocoa and the economies of other cocoa-producing nations. The Committee provides an increase of \$300,000 above the fiscal year 2005 funding level to expand research on coffee and cocoa.

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 Laboratory at Mississippi State. The Committee continues the fiscal year 2005 funding level at Mississippi State to continue this cooperative research on the development of corn plants resistant to aflatoxin.

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 2005 funding level for the cotton breeding program conducted by ARS at Stoneville, MS.

Cotton Ginning Laboratory.—The Committee provides an increase of \$50,000 for fiscal year 2006 for ARS cotton ginning research at Stoneville, Mississippi.

Cropping Systems Research.—Crop management practices to limit erosion on the highly erodible soils of Tennessee and other southern States impacts soybean diseases, both favorably and adversely. Research is needed to optimize disease control while maintaining the best crop management practices to protect soil and water quality. The Committee provides an increase of \$250,000 above the fiscal year 2005 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 \$600,000 above the fiscal year 2005 funding level for expanded dairy forage research at the center.

Delta Human Nutrition Research.—The Committee recognizes the significant benefits to the health of rural populations from nutrition and dietary research at the Delta Human Nutrition Re-

search laboratory at Stoneville, Mississippi Center and provides \$500,000 for that critical effort. In addition, the Committee provides an increase of \$250,000 for the Delta Human Nutrition Initiative to enhance an ongoing cooperative agreement with the Southern University Center for Food Nutrition and Health Promotion in Louisiana.

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 provides an additional \$400,000 above the fiscal year 2005 funding level to expand 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.

Emerging Diseases of Livestock and Crops.—The Committee recognizes the need for expanded agricultural research on emerging and exotic diseases of animals and plants as well as the need to protect Americans and the agricultural industry from the intentional introduction of biological agents through terrorist activities. The Committee provides an increase of \$1,600,000 in support of the budget request to protect the Nation's livestock as follows: Develop systems for rapid response to bioterror agents at Laramie, Wyoming, \$500,000 and Athens, Georgia, \$200,000; vaccinology research at Plum Island, New York, \$300,000; and intervention strategies at Ames, Iowa, \$600,000. The Committee provides an increase of \$2,500,000 for research on crop diseases and pests including rust diseases, late blight, canker, Pierce's Disease, etc. The research will be carried out as follows: Rapid diagnostic research at Parlier, California, \$300,000; develop the taxonomy and biology plant pathogens at Ft. Pierce, Florida, \$600,000; Identification of pathogens and genetics \$1,000,000 for Wheat Stripe Initiative at those ARS research laboratories who have the expertise to eradicate this disease including those at St. Paul, Minnesota and Pullman, Washington. Research on integrated disease management strategies will be undertaken at Stoneville, Mississippi, \$400,000; Charleston, South Carolina, \$100,000; and Tifton, Georgia, \$100,000.

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 2005 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 and Nutrition Research.—The Committee concurs with the department's request to provide additional resources for human nutrition studies and food surveys that will lead to improved health for all Americans. The Committee provides an increase of \$500,000

to Beltsville, Maryland, to carry out surveys that will help understand dietary patterns that contribute to obesity. In addition the Committee provides an increase in appropriations of \$540,000 for ARS human nutrition research carried out at Grand Forks, North Dakota, of which \$140,000 is for expanded healthy beef initiative; Little Rock, Arkansas, \$300,000; Davis, California, \$200,000; Houston, Texas, \$400,000; Boston, Massachusetts, \$300,000, and Baton Rouge, Louisiana, \$400,000.

Food Safety and Engineering.—The Committee continues the fiscal year 2005 funding level for increased collaborative research with Purdue University in the area of food safety and engineering.

Food Safety Research.—The Committee supports the department's request to expand research on pre- and post-harvest food safety research. Additional appropriations are provided in fiscal year 2006 to develop food animal surveillance and epidemiology programs for swine and poultry, Athens, Georgia, \$200,000 and dairy animals at Beltsville, Maryland, \$300,000. An increase of \$100,000 each is provided for research on pathogens in the preharvest stage at College Station, Texas, and Clay Center, NE. An increase of \$300,000 is provided for expanded aflatoxin research at the ARS Southern Regional Research Center. The Committee supports research to develop new food systems to detect intentional biological contamination. Additional appropriations are provided to Wyndmoor, Pennsylvania, \$100,000 for this work. An increase of \$100,000 is provided to Albany, California for research for rapid pathogen detection from foods.

Forage and Range Research.—The Committee supports 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 provides an increase of \$350,000 above the fiscal year 2005 funding level for this research.

Formosan Subterranean Termite.—Management of this termite is essential to Louisiana's 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. It has caused millions of dollars worth of damage with an astonishing \$300,000,000 impact in New Orleans alone. The Committee adds \$300,000 for fiscal year 2006 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.

Genetic Resources.—The Committee supports the request for additional appropriations to preserve germplasm for traits of economics importance of livestock and poultry and to acquire, enhance, and characterize genetic resources of plants. The Committee provides an increase of \$200,000 for this research to be carried out at Aberdeen, Idaho.

Grapefruit Juice/Drug Interaction.—The Committee recognizes the need to determine the precise effect of grapefruit juice on the consumption certain medications for safety and efficacy. The Committee provides an increase of \$200,000 for research at

Winterhaven, Florida to identify and characterize the components of grapefruit juice responsible for enzyme suppression and its effect on dosage for certain medications.

Great Lakes Aquaculture Research.—The Committee recognizes the important research studies that ARS carries out nationwide that benefit the aquaculture industry and the American consumer. Expanded research is essential if we are to improve production technology of Great Lakes species such as whitefish, lake trout, yellow perch walleye, and northern pike. The Committee provides an increase of \$300,000 over fiscal year 2005 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 2005 funding level for research on the genetic improvement of hybrid striped bass.

Hawaii Agriculture Research Center.—The Committee continues the fiscal year 2005 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 \$325,000 above the fiscal year 2005 funding level for this research.

Improved Forage-Livestock Production.—The Committee is aware of the joint research project with the University of Kentucky which 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. The Committee provides an increase of \$300,000 to expand this research.

Invasive Ludwigia Research.—The invasive water prim rose (Ludwigia), is a fast growing and fast spreading aquatic weed native to South America which chokes water ways and provides a breeding ground for mosquitoes, which increases the likelihood of West Nile Virus. Mosquitoes reach levels 100 times greater than normal and cannot be adequately controlled where Ludwigia has invaded. This plant is an emerging regional threat throughout the Western United States. The Committee provides an increase of \$250,000 in fiscal year 2006 to the ARS Research Laboratory at Davis, California for research in the development and implementation of biological controls and other ecologically-based methods for

long-term vegetation management to combat this threat to our water ways.

Invasive Species Research.—The Committee is concerned with the introduction of insects and pests which are destructive to American vegetation and cause severe economic losses. The Committee supports the department's request to initiate or expand research to control and eradicate these pests and provides an increase of \$400,000 for this research in fiscal year 2006. Those resources are directed to such diseases as sudden oak death, tamarisk, emerald ash borer, Asian longhorned beetle and lobate scale which are conducted at ARS research laboratories located in Corvallis, Oregon, \$200,000. The additional appropriations for IPM systems research are to be carried out at Peoria, Illinois, \$200,000 for emerald ash borer.

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 2005 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.

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 provides an increase of \$200,000 over the fiscal year 2005 funding level for research in this area. This research will be carried out at the ARS laboratory in Manhattan, Kansas in cooperation with Kansas State University.

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 2005 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.

Medicinal and Bioactive Crops.—Increased research is needed to carry out studies on medicinal and bioactive crops as a medium to produce vaccines and other biomedical products for the prevention of many human and animal diseases. The Committee provides \$300,000 for cooperative research with the Stephen F. Austin State University. In addition, the Committee provides an increase of \$300,000 for Medicinal Botanical Production and Processing for a cooperative agreement with the University of Maryland.

Michael Fields Agricultural Institute.—The Committee continues the fiscal year 2005 funding level for ARS collaborative research with the Michael Fields Agricultural Institute. This research provides for development of high-quality corn in Wisconsin and other Mid-Western States for increased nutritional value and adaptation to sustainable farming systems. Collaborative research is directed at corn breeding, analysis, corn quality, on-farm research and information dissemination.

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 2005 funding level.

Mosquito Biological Control.—Mosquitoes have reemerged as disease transmitters with the occurrence of West Nile Virus. Their populations are at unacceptable levels throughout the lower Mississippi River Floodplain. The Committee provides an increase of \$350,000 in fiscal year 2006 for research on the biological control of mosquitoes at the recently constructed ARS Biological Control Laboratory at Stoneville, Mississippi. This ARS laboratory is strategically located to conduct research for biologically controlling mosquitoes.

National Agricultural Library.—The Committee recognizes the critical importance of the National Agricultural Library in supporting ARS' core mission areas and provides an increase of \$400,000 above the fiscal year 2005 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 \$300,000 over the fiscal year 2005 funding level for this research, which will be undertaken at the Franklin, Maine, research location.

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 2005 funding level for the combined national nutrition monitoring program.

National Sclerotinia Initiative.—The Committee is aware of the economic importance of controlling this disease which affects sunflowers, soybeans, canola, edible beans, peas and lentils. The Committee provides an increase of \$750,000 over fiscal year 2005 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 2005 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. The Soil Dynamic Laboratory at Auburn, Alabama carries out research to develop technologies and strategies for managing soils and to preserve the soil resource for future generations. Poultry litter poses a serious problem to the region's water quality. The Committee provides an increase of \$300,000 over fiscal year 2005 for the laboratory to pursue research on cropping systems practices that will raise water quality to Federal standards, particularly in the Sand Mountain region of Alabama. The Committee directs that the funding level for improved crop production practices be continued at the fiscal year 2005 level.

Natural Products.—The Committee supports cooperative research with the National Center for Natural Products Research to discover and develop natural product chemicals for use in agriculture and provides an increase of \$300,000 for this research at Oxford, Mississippi.

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 continues and even increases 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 worldwide. 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 provides an increase of \$200,000 for the fiscal year 2006 to enhance 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 2005 level to address the diverse economic and environmental problems in the Northern Plains.

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 bio-control 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 2005 funding level for this research.

NutriCore.—The Committee believes there is great potential benefit in the area of human nutrition from work proposed by the National Center for Excellence in Foods and Nutrition Research (NutriCore) headquartered in Indiana with regional hubs in Pennsylvania, California, Texas, Mississippi, and Iowa and provides \$42,000 for this program.

NW Small Fruits Research.—The Committee is aware of 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 2005 funding level for this research which involves cooperation between industry, State, and Federal research.

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 \$750,000 above the fiscal year 2005 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.

Papaya Ringspot Virus.—The Committee provides the fiscal year 2005 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.

Peanut Production.—The competitiveness and quality of U.S. peanuts production is the primary responsibility of the ARS National Peanut Research Laboratory at Dawson, Georgia. The Committee provides an increase of \$150,000 above the fiscal year 2005 funding level for increased research on the factors affecting the production, harvesting, storage, and quality of peanuts at Dawson, Georgia.

Peanut Variety.—The Committee provides an increase of \$450,000 above the fiscal year 2005 funding levels for research focusing on developing new and improved peanut varieties at the ARS Wheat, Peanut, and Other Field Crops Research Laboratory at Stillwater, Oklahoma, in conjunction with the Oklahoma Peanut

Commission. Emphasis will be placed on improving disease resistance and product quality traits of the peanut crop to lower costs of production, as well as protection of the environment through reduced use of chemical pesticides.

Pear Thrips.—The Committee recognizes the importance of the collaborative research program on pear thrips between ARS and the University of Vermont to the ornamental and horticultural industries throughout New England. The Committee provides an increase of \$50,000 above the fiscal year 2005 funding level for expanded collaborative research program on pear thrips.

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 2005 funding level for this research. Current research is carried out at the Southern Regional Research Center in New Orleans in collaboration with other universities.

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 provides an increase of \$300,000 over the fiscal year 2005 funding level for this program.

Plant Genomics.—The Committee supports the need to enhance the level of genomics research that focuses on discovering and characterizing genes that express economically important traits and genes that influence plant productivity and product quality in plants. The Committee provides an increase of \$400,000 over fiscal year 2005 for soybean genomics research at St. Paul, Minnesota and \$300,000 for wheat-related genomics research at Manhattan, Kansas. The Committee also provides an increase for fiscal year 2006 for honey bee genome studies at Baton Rouge, Louisiana; Tucson, Arizona; and Beltsville, Maryland, \$500,000.

Plant Protein Grazing Livestock.—The efficient use of plant protein by grazing livestock is important to the profitability and sustainability of livestock production. The Committee provides an increase of \$250,000 above the fiscal year 2005 funding levels for increased agronomic research in the efficient use of plant protein by grazing livestock at the Grazingland Research Laboratory at El Reno, Oklahoma.

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 continues funding at the fiscal year 2005 level.

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 2005 funding level to meet research staffing needs at the Aberdeen, ID, research laboratory.

Potato Late Blight.—Potato producers continue to sustain substantial losses due to dramatic increases in foliar and tuber diseases, particularly those caused by the "Phytophthora" pathogens or late blight. Effective disease control relies on understanding how an organism causes diseases and how plants resist infection. The Committee provides an increase of \$200,000 above the fiscal year 2005 funding levels for expanded research at the New England Plant, Soil, and Water Research Laboratory at Orono, Maine on the development of effective control measures for potato late blight diseases.

Potato Storage.—The Committee recognizes the need for expanded investigations on potato storage and continues the fiscal year 2005 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.

Poultry Production and Product Safety Research.—The Committee is aware of the poultry production and product safety research being conducted by the ARS Poultry Laboratory at Fayetteville, Arkansas, in conjunction with the Center of Excellence for Poultry Science on the University of Arkansas campus in Fayetteville. The Committee continues the fiscal year 2005 funding level in support of this poultry research to improve the quality of poultry production and reduce production problems for the poultry industry.

Program Continuations.—The Committee directs the Agricultural Research Service to continue to fund the following areas of research in fiscal year 2006 at the same funding level provided in fiscal year 2005: Advanced Animal Vaccines (U CT/U MO), Greenport, NY; HQ; Agricultural Genome Bioinformatics, (Bioinformatics Institute for Model Plant Species) Ames, IA; Agricultural Law, Drake University, NAL; Agroforestry (U of MO/Shirley Community Development Corporation), Booneville, AR; Air Quality (Utah State), Ames, IA; HQ; Air Quality (PM-10), Pullman, WA; Alternative Crops and Value-Added Products (Kenaf) (MAFES), Stoneville, MS; Animal Health Consortium, Peoria, IL; Animal Welfare Information Center, NAL; Appalachian Fruit Research Station, Kearneysville, WV; Appalachian Horticulture Research (U of TN/TN State), Poplarville, MS; Appalachian Pasture Based Beef Systems, (VA Tech/WV Univ/U of GA) Beaver, WV; Aquaculture Fisheries Center, Pine Bluff, AR; Aquaculture Initiative for Mid-Atlantic Highlands (Canaan Valley), Leetown, WV; Aquaculture Research, Aberdeen, ID; Arbuscular Mycorrhizal Fungi (Rodale Institute), Wyndmoor, PA; Arctic Germplasm, Palmer, AK; Arid Lands Research, Las Cruces, NM; Arkansas Children's Nutrition Center, Little Rock, AR; Asian Bird Influenza, Athens, GA; Avian

Pneumovirus, Athens, GA; Barley Food Health Benefits, Beltsville, MD; Bee Research, Weslaco, TX; Bee Research (Chalkbrood) (Various), Logan, UT; Biomass Crop Production (SD State Univ/Michigan Biotech Institute), Brookings, SD; Biomedical Materials in Plants (Biotech Foundation), Beltsville, MD; Biomineral Soil Amendments for Control of Nematodes (N-VIRO Intl), Beltsville, MD; Biotechnology Research and Development Corp, Peoria, IL; Biotechnology Research to Improve Crops and Livestock, Stoneville, MS; Bovine Genetics (U of CT/U. of IL), Beltsville, MD; Broiler Production in the Mid-South (MS State), Mississippi State, MS; Broomweed Biological Controls (Yellow Starthistle) (U of ID), Albany, CA; Canada Thistle, Fargo, ND; Catfish Genome (Auburn Univ), Auburn, AL; Catfish Health (MAFES/U of MS), Stoneville, MS; Center for Food Safety and Post-Harvest Technology, HQ; Central Great Plains Research Station, Akron, CO; Cereal Crops, Fargo, ND; Cereal Crops Research, Madison, WI; Cereal Disease, St. Paul, MN; Chloroplast Genetic Engineering Research (U of Central Florida), Urbana, IL; Chronic Diseases of Children (Baylor University Peanut Institute), Houston, TX; Coffee & Cocoa Research (Milwaukee Museum), Beltsville, MD; Miami, FL; HQ; Corn Germplasm, Ames, IA; Corn Germplasm, Mississippi State, MS; Corn Resistant to Aflatoxin, Mississippi State, MS; Corn Rootworm, Ames, IA; Cotton Genomics, Breeding and Variety Development (MAFAS), Stoneville, MS; Cotton Ginning (Long Staple Cotton) (NM State), Las Cruces, NM; Cropping Systems Research (TN Agriculture Expt. Station/U of TN), Stoneville, MS; Dairy Forage (U of WI), Madison, WI; Dairy Genetics, Beltsville, MD; Delta Nutrition Intervention Initiative, Little Rock, AR; Diet and Immune Function, Little Rock, AR; Diet, Nutrition, and Obesity (Pennington), New Orleans, LA; Dryland Production, Akron, CO; Ecology of Tamarix, Reno, NV; Endophyte Research (OSU/U of MO/U of AR), Booneville, AR; Feed Efficiency in Cattle, Clay Center, NE; Flood/Control Acoustic Technology, Oxford, MS; Floriculture and Nursery Crops, HQ; Food Fermentation Research, Raleigh, NC; Food Safety and Engineering (Purdue), Wyndmoor, PA; Food Safety for *Listeria* and *E. Coli*, Beltsville, MD; Wyndmoor, PA; Formosan Subterranean Termites, New Orleans, LA; Formosan Subterranean Termites (U of HI), Gainesville, FL; Forage and Range Research, Logan, UT; Foundry Sand By-Products (Penn State/Ohio State/FIRST), Beltsville, MD; Geisinger Rural Aging Study (Geisinger), Boston, MA; Genomics of Pest Resistance in Wheat (Purdue), West Lafayette, IN; Golden Nematode (Cornell Univ), Ithaca, NY; Grain Legume Plant Pathologist Position, Pullman, WA; Grain Research, Manhattan, KA; Grand Forks Human Nutrition Laboratory (ND State), Grand Forks, ND; Grape Genetics, Geneva, NY; Grape Rootstock, Geneva, NY; Grassland Soil and Water Research, Temple, TX; Great Basins Rangeland, Reno, NV; Boise, ID; Great Lakes Aquaculture (U of WI), Madison, WI; Greenhouse and Hydroponics (U of Toledo), Wooster, OH; Harry Dupree National Aquaculture Research Center, Stuttgart, AR; Hides and Leather Research, Wyndmoor, PA; Honey Bee Research, Baton Rouge, LA; Hops Research (WSU), Corvallis, OR; Human Nutrition Center on Aging (Obesity), Boston, MA; Human Nutrition Center on Aging (Equipment), Boston, MA; Improved Forage Livestock Production (U of

KY), Lexington, KY; Integrated Farming, Ames, IA; Integrated Farming Systems, 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 Research, Beltsville, MD; Ames, IA; Jornada Experimental Range Research Station, Las Cruces, NM; Karnal Bunt (Various Cooperators), Manhattan, KS; Late Blight Fungus, Orono, ME; Livestock and Range Research/Ft. Keogh, Miles City, MT; Livestock Genome Mapping (U of IL), Clay Center, NE; Malignant Catarrhal Fever [MCF] Virus, Pullman, WA; Manure Management Research, Ames, IA; Medicinal Botanical Production and Processing (Mountain State Univ), Beaver, WV; Michael Fields Agricultural Institute, Ames, IA; Microbial Genomics (WSU/Institute for Genomic Research), Kerrville, TX; Pullman, WA; Mid-West/Mid-South Irrigation (MO Agriculture Expt Station), Columbia, MO; Minor Use Pesticide (IR-4), Urbana, IL; Wooster, OH; Prosser, WA; Charleston, SC; Tifton, GA; Beltsville, MD; Wapato, WA; Weslaco, TX; Corvallis, OR; Salinas, CA; HQ; National Center for Cool & Cold Water Aquaculture—(Freshwater Institute) Aquaculture Systems, Leetown, WV; National Center for Cool & Cold Water Aquaculture, Leetown, WV; National Cold Water Marine Aquaculture, Orono, ME; National Corn to Ethanol Research Pilot Plant (So. IL Univ), HQ; National Germplasm Resources Program, Davis, CA; Riverside, CA; Ft. Collins, CO; Miami, FL; Griffin, GA; Aberdeen, ID; Urbana, IL; Ames, IA; Beltsville, MD; Geneva, NY; Corvallis, OR; College Station, TX; Pullman, WS; Madison, WI; HW; National Nutrition Monitoring System, Beltsville, MD; National Sclerotinia Initiative, Fargo, ND; National Sedimentation Laboratory Acoustics (National Center for Physical Acoustics), Oxford, MS; National Sedimentation Laboratory Acoustics, Yazoo Basin, Oxford, MS; National Sedimentation Laboratory Acoustics, Yazoo Basin/TMDLs, Oxford, MS; National Soil Dynamics Laboratory (Auburn Univ, AL A&M, Tuskegee), Auburn, AL; National Warmwater Aquaculture Center, Stoneville, MS; Natural Products (U of MS), Oxford, MS; Nematology Research, Tifton, GA; New England Plant, Soil and Water Research Laboratory, Orono, ME; Northern Grain Insects Laboratory, Brookings, SD; Northern Great Plains Ecosystem, Sidney, MT; Northern Great Plains Research Laboratory (ND State), Mandan, ND; Northern Plains Agricultural Research Laboratory, Sidney, MT; Noxious Weeds in the Desert Southwest, Las Cruces, NM; Nutrition Interventions, Beltsville, MD; Nutritional Requirements, Houston, TX; NW Small Fruits (Eastern Filbert Blight), Corvallis, OR; NW Small Fruits (Various), HQ; Oat Virus (U of IL), West Lafayette, IN; Obesity Research, Houston, TX; Ogallala Aquifer, Bushland, TX; Ornamental and Horticulture Research (Pear Thrips, U of Vermont), Ithaca, NY; Pasture Systems and Watershed Management, University Park, PA; Peanut Research, Dawson, GA; Pecan Scab (NM State), Byron, GA; Phytoestrogen Research (Tulane/U of Toledo), New Orleans, LA; Pierce's Disease, Parlier, CA; Pineapple Nematode (U of HI), Hilo, HI; Plant Genetic Diversity and Gene Discovery Center (UT State), Logan, UT; Plum Pox (Clemson/Penn State), Ft. Detrick, MD; Poisonous Plant Research (Locoweed) (NM State), Logan, UT; Potato Breeding (WSU/U of Idaho/OSU), Aberdeen, ID; Potato Disease (Penn State), Beltsville,

MD; Potato Disease Management (OSU), Beltsville, MD; Potato Research, (Various) HQ; Potato Research Enhancement, Prosser, WA; Potato Storage, Madison, WI; Poult Enterititis-Mortality Syndrome [PEMS], Athens, GA; Poultry Disease, Athens, GA; Poultry Disease, Beltsville, MD; Poultry Disease, East Lansing, MI; Precision Agriculture Research, Mandan, ND; Pre-Harvest Control of Aflatoxin, (Various) HQ; Rainbow Trout (U of ID), Aberdeen, ID; Rainbow Trout (U of CT), Leetown, WV; Rangeland Resource Management, Las Cruces, NM; Cheyenne, WY; Red Imported Fire Ants (U of MS/Mississippi State/Alabama A&M), Stoneville, MS; Regional Molecular Genotyping (Club Wheat) (OSU), Manhattan, KS; Fargo, ND; Pullman, WA; Residue Management in Sugarcane, Houma, LA; Resist. Management and Risk Assessment in BT Cotton and Other Plant Inc, Stoneville, MS; Rice Research, Stuttgart, AR; Root Diseases in Wheat and Barley, Pullman, WA; Salmonella, Listeria, E. coli and Other Food Pathogens (Penn State), Wyndmoor, PA; Seafood Waste (U of AK/U of IL), Fairbanks, AK; Shellfish Genetics, Newport, OR; Small Fruits/Horticulture Research (So. MS Branch Expt Station), Poplarville, MS; Soil Erosion Laboratory, West Lafayette, IN; Soil Plant Nutrient Research, Ft. Collins, CO; Soil Tilth Research, Ames, IA; Sorghum Ergot (Texas A&M), College Station, TX; Sorghum Research, Manhattan, KS; Little Rock, AR; South Central Agricultural Research Laboratory, Lane, OK; Southeastern Fruit and Tree Nut Research, Byron, GA; Soybean and Nitrogen Fixation, Raleigh, NC; Soybean Cyst Nematode, Stoneville, MS; Soybean Genetics, Columbia, MO; Soybean Research in the South, Stoneville, MS; Sudden Oak Disease, Davis, CA; Ft. Detrick, MD; Sugarbeet Research, Kimberly, ID; Sustainable Olive Production, Weslaco, TX; Sweet Potato Research (Alcorn State), Stoneville, MS; Swine Lagoon Alternatives Research, Florence, SC; Swine Production Research (Meat-type Pigs) (Alcorn State) Clay Center, NE; Temperate Fruit Flies, Wapato, WA; Transmissible Spongiform Encephalopathies, Ames, IA; Tropical Aquaculture Feeds (Oceanic Institute), Hilo, HI; Trout Genome Mapping (WV Univ), Leetown, WV; Turfgrass Research, Beaver, WV; U.S. Pacific Basin Agriculture Research Center (U of HI, Manoa/Hilo, HARC), Hilo, HI; U.S. Vegetable Laboratory, Charleston, SC; Vaccines and Microbe Control for Fish Health/Fish Diseases, Auburn, AL; Vegetable Crops Research, Madison, WI; Virus-Free Fruit Tree Cultivars (WSU), Wapato, WA; Virus-Free Potato Germplasm (U of AK), Fairbanks, AK; Viticulture (U ID/WSU/OSU), Corvallis, OR; HQ; Waste Management Research (Western KY Univ), Bowling Green, KY; Water Use Management Technology, Tifton, GA; Water Use Reduction (Albany State Univ), Dawson, GA; Watershed Research, Columbia, MO; Weed Management (Rodale Institute/Penn State), Beltsville, MD; Western Grazinglands, Reno, NV; Wheat and Barley Scab Init., Manhattan, KS; Raleigh, NC; Fargo, ND; HQ; Wheat Quality Research, Wooster, OH; Manhattan, KS; Fargo, ND; Pullman, WA; Wild Rice (No. Central Agriculture Expt Station), St. Paul, MN; Woody Genomics and Breeding for the Southeast/Ornamental Crops (U of TN/TN State), Poplarville, MS.

Range and Forage Management.—The Committee provides an increase of \$300,000 in fiscal year 2006 for research on sage grouse

at the ARS Range and Meadow Forage Management Research Laboratory at Burns, Oregon. Results from this research will serve as a model for similar range and forage management efforts in other parts of the United States, using science-based management of sage grouse habitat.

Regional Grains Genotyping Research.—Grain producers in the Southeast need superior genetic resources with enhanced grain quality and pest resistance. The development of new varieties of wheat, oats, corn, and other cereals requires that breeders have access to new molecular technology. Cooperative genotyping of core germplasm and breeders/advanced lines is needed to deploy new molecular discoveries and genetic advances into all U.S. breeding program for small grain improvement. The Committee provides an increase of \$250,000 for expanded research at Raleigh, North Carolina.

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 proteins in transgenic cotton threatens 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 2005 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 Committee continues to support ARS/University of Alaska collaborative research on feedstuff that can be generated from materials usually wasted during processing of seafood and provides an increase of \$150,000 above the fiscal year 2005 funding level.

Seasonal Grazing Research.—The Committee provides an increase of \$400,000 in fiscal year 2006 to the ARS North Appalachian Experimental Watershed Laboratory at Coshocton, Ohio for research on seasonal grazing dairy project, in conjunction with Ohio State University.

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 2005 funding level for shellfish genetics research at the Oregon State University Hatfield Marine Science Center in Newport, OR.

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 under grids 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 2005

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 2005 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 2005 funding level for research at the ARS Grain Sorghum Research Laboratory, Manhattan, KS, and Little Rock, AR, on the measurement of sorghum quality and the development of alternative uses of this important crop.

Soybean Research in the South.—The Committee supports the important research on soybeans in the South and provides an increase of \$400,000 over the fiscal year 2005 funding level for the soybean research program located at the Delta States 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.

Subterranean Termite.—The Committee continues the fiscal year 2005 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.

Sugarcane Breeding and Harvesting.—The Committee provides an increase of \$250,000 above the fiscal year 2005 funding levels for expanded research at the ARS Sugarcane Research Laboratory at Houma, Louisiana on the development of improved cultivars for the production of sugar and other value-added products through conventional and molecular breeding and harvesting techniques.

Sustainable Aquaculture Feeds Research.—The Committee provides an increase of \$250,000 above the fiscal year 2005 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.

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 2005 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 pro-

vides an increase of \$250,000 above the fiscal year 2005 funding level for this research.

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 2005 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 for turfgrass research at Beaver, WV.

Vaccines and Microbe Control for Fish Health.—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 adds \$200,000 above the fiscal year 2005 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.

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 2005 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.—The Committee continues the fiscal year 2005 funding level for viticulture research at the University of Idaho Parma Research and Extension Center, and for cooperative research agreements with University of Idaho researchers.

Waste Management Research.—The Committee provides an increase of \$300,000 above the fiscal year 2005 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 2005 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 2005 funding level to develop non-chemical alternatives for weed control.

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 2005 funding level for this research.

Winter Grain Legume.—Winter varieties of dry peas, lentils, and chick peas are important to the rotational crops of farmers in the Pacific Northwest and the Midwest. Winter legumes also have yield potential exceeding spring-planted varieties by as much as 30 percent and helps U.S. farmers compete with Canadian farmers. The Committee provides an increase of \$300,000 above the fiscal year 2005 funding levels for expanded research on the breeding of winter grain legume varieties at the ARS Grain Legume Genetics Physiology Research Laboratory at Pullman, Washington.

BUILDINGS AND FACILITIES

Appropriations, 2005	\$186,335,000
Budget estimate, 2006	64,800,000
House allowance	87,300,000
Committee recommendation	160,645,000

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 \$160,645,000. This is \$25,690,000 less than the 2005 appropriation.

Due to budgetary constraints, the Committee is unable to provide full funding to complete the construction of ongoing projects. The Committee provides funds for the following projects in fiscal year 2006:

National Centers for Animal Health, Ames, Iowa.—The Committee recommends \$58,800,000 for National Centers for Animal Health, Ames, Iowa. This amount is the same as the level identified for project completion in the budget request.

Jamie Whitten Delta States Research Center, Stoneville, Mississippi.—The Committee provides \$6,000,000 to fund full construction of phase 2 of the center’s modernization program.

Nutrient Management Laboratory, Marshfield, Wisconsin.—The Committee provides \$8,000,000 toward full completion of the new facility.

U.S. Pacific Basin, Agricultural Research Center.—The Committee provides \$10,000,000 toward the completion of phases two and three of the Center.

Animal Waste Management Research Laboratory, Bowling Green, Kentucky.—The Committee provides an increase of \$6,000,000 toward construction of this new facility.

Forage-Animal Production Research Facility, Lexington, Kentucky.—The Committee provides an increase of \$8,000,000 toward construction of this new facility.

Sugarcane Research Laboratory, Houma, Louisiana.—The Committee provides \$4,000,000 toward construction of this replacement facility.

Natural Cold Water Marine Agricultural Research Center, Orono, Maine.—The Committee provides \$3,000,000 toward the design and construction of this new facility.

Beltsville Agricultural Research Center, Beltsville, Maryland.—The Committee provides \$4,000,000 for continuing modernization of this center. The Committee directs that these funds be provided for the Center's Human Nutrition facility.

Poultry Science Research Facility, Starkville, Mississippi.—The Committee provides \$13,500,000 toward construction of this replacement facility.

National Plant and Genetics Security Center, Columbia, Missouri.—The Committee provides \$7,500,000 toward construction of this new facility.

Animal Bioscience Facility, Bozeman, Montana.—The Committee provides \$12,000,000 toward construction of this new facility.

University of Toledo, Toledo, Ohio.—The Committee provides \$2,000,000 toward construction of this facility.

U.S. Vegetable Laboratory, Charleston, South Carolina.—The Committee provides \$3,000,000 toward construction of phase 2 of modernization of the replacement facility.

Appalachian Fruit Research Laboratory, Kearneysville, West Virginia.—The Committee provides \$2,045,000 toward full completion of construction of phase 2 of the greenhouse renovations.

National Center for Cool and Cold Water Aquaculture, Leetown, WV.—The Committee provides \$900,000 to complete a broodstock unit at this location.

Center for Grape Genomics, Geneva, NY.—The Committee provides \$1,500,000 toward completion of this facility.

Center for Crop-Based Health Genomics, Ithaca, NY.—The Committee provides \$1,500,000 toward completion of this facility.

Dairy Forage Laboratory, Prairie du Sac, WI.—The Committee provides \$1,900,000 for planning and design of needed improvements at this location.

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

Hagerman Fish Culture Experiment Station, Hagerman, Idaho.—The Committee provides \$1,000,000 for construction at the Experiment Station.

ARS Research Laboratory, Pullman, Washington.—The Committee provides \$4,000,000 toward construction of the research lab.

Feasibility Studies.—The Committee directs that the following feasibility studies be conducted by the Agricultural Research Service for submission to the Committee by March 1, 2006:

—*Relocation of the ARS National Soil Dynamics Laboratory, Auburn, Alabama.*—The Committee directs the Agricultural Research Service to conduct a study to determine the feasibility of relocating the National Soil Dynamics Laboratory located on

the campus of Auburn University in Auburn, Alabama, into a new facility located on the periphery of the University's campus. Auburn University research partners would be co-located in the facility to cement and analyze the already highly productive cooperative research. This study should include 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.

—*Kansas Polymer Research Center.*—The Committee directs the Agricultural Research Service to conduct a study to determine the feasibility of constructing and equipping a new center at Pittsburg State University to conduct research on products, methods, and materials related to bio-based polymers for high grade plastics. This study should include 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 progress and resource requirements.

—*West Virginia State University.*—The Committee has been made aware of the need for enhanced biotechnology research to benefit the agricultural sector and rural economy of Appalachia and the mid-Atlantic region. The Committee directs the ARS to provide a feasibility report for establishing a laboratory at West Virginia State University. This study should include 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 progress and resource requirements.

—*Utah Valley State College.*—The Committee directs the Agricultural Research Service to conduct a study to determine the feasibility of constructing greenhouse and herbarium facilities at Utah Valley State College. This study should include 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 progress and resource requirements.

—*University of Nebraska-Lincoln.*—The Committee directs the Agricultural Research Service to conduct a study to determine the feasibility of constructing a biology systems research facility at the University of Nebraska-Lincoln. This study should include 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 progress and resource requirements.

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, 2005	\$655,495,000
Budget estimate, 2006	545,500,000
House allowance	662,546,000
Committee recommendation	652,231,000

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

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

COMMITTEE RECOMMENDATIONS

For research and education activities of the Cooperative State Research, Education, and Extension Service, the Committee recommends \$652,231,000. This amount is \$3,264,000 less than the fiscal year 2005 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 2005 and budget request levels:

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

	Fiscal year 2005 enacted	Fiscal year 2006 budget	Committee rec- ommendation
Payments under Hatch Act	178,707	89,354	178,707
Cooperative forestry research (McIntire-Stennis)	22,205	11,103	22,205

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

[In thousands of dollars]

	Fiscal year 2005 enacted	Fiscal year 2006 budget	Committee rec- ommendation
Payments to 1890 colleges, Tuskegee University, and West Virginia State University	36,704	38,250	37,477
Special research grants (Public Law 89–106):			
Advanced genetic technologies (KY)	645	.....	645
Advanced spatial technologies (MS)	936	.....	936
Aegilops cylindrica (WA, ID)	355	.....	355
Agricultural diversification (HI)	112	.....	221
Agricultural diversity—Red River trade corridor (MN, ND)	592	.....	622
Agricultural science (OH)	543	.....	570
Agriculture water usage (GA)	258	.....	.....
Agroecology (MD)	387	.....	406
Air quality (TX, KS)	1,066	.....	1,119
Alliance for food protection (GA, NE)	313	.....	329
Alternative nutrient management (VT)	173	.....	182
Alternative salmon products (AK)	1,099	.....	1,099
Alternative uses for tobacco (MD)	332	.....	332
Animal disease research (WY)	333	.....	350
Animal science food safety consortium (AR, IA, KS)	1,432	.....	1,432
Apple fire blight (MI, NY)	479	.....	483
Aquaculture (AR)	205	.....	205
Aquaculture (ID, WA)	764	.....	764
Aquaculture (LA)	329	.....	329
Aquaculture (MS)	517	.....	517
Aquaculture (NC)	278	.....	292
Aquaculture (VA)	188	.....	188
Aquaculture product and marketing development (WV)	705	.....	750
Armillaria root rot (MI)	150	.....	151
Asparagus technology and production (WA)	248	.....	248
Avian bioscience (DE) .....	.....	.....	100
Babcock Institute (WI)	564	.....	580
Barley for Rural Development (MT, ID) .....	.....	.....	735
Beef technology transfer (MO)	259	.....	259
Berry research (AK)	1,776	.....	1,300
Biobased nanocomposite research (ND)	177	.....	177
Biomass-based energy research (OK, MS)	1,015	.....	1,200
Biotechnology research (IL) .....	.....	.....	100
Biotechnology (NC)	287	.....	287
Biotechnology test production (IA)	465	.....	450
Bovine tuberculosis (MI)	352	.....	356
Brucellosis vaccine (MT)	440	.....	400
Center for Public Lands and Rural Economies (UT)	223	.....	350
Center for Rural Studies (VT)	348	.....	365
Chesapeake Bay agroecology (MD)	314	.....	314
Childhood obesity and nutrition (VT)	191	.....	201
Citrus canker (FL)	470	.....	494
Citrus tristeza (CA)	691	.....	691
Competitiveness of agriculture products (WA)	647	.....	679
Computational agriculture (NY)	239	.....	.....
Cool season legume research (ID, WA, ND)	564	.....	564
Cotton fiber quality (GA)	470	.....	.....
Cotton insect management (GA) .....	.....	.....	494
Cranberry/blueberry (MA)	152	.....	160
Cranberry/blueberry disease and breeding (NJ)	352	.....	370
Crop diversification (MO)	375	.....	375
Crop integration and production (SD)	295	.....	300
Crop pathogens (NC)	251	.....	264
Dairy and meat goat research (TX)	99	.....	99
Dairy farm profitability (PA)	468	.....	491
Delta rural revitalization (MS)	244	.....	250
Designing foods for health (TX)	1,611	.....	1,692
Diaprepes/root weevil (FL)	446	.....	446

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

[In thousands of dollars]

	Fiscal year 2005 enacted	Fiscal year 2006 budget	Committee rec- ommendation
Drought management (UT)	780	.....	1,000
Drought mitigation (NE)	211	.....	222
Efficient irrigation (NM, TX)	1,488	.....	1,562
Environmental biotechnology (RI)	612	.....	643
Environmental research (NY)	373	.....	.....
Environmental risk factors/cancer (NY)	217	.....	.....
Environmentally-safe products (VT)	740	.....	750
Ethnobotany research (AK)	282	.....	250
Exotic pest diseases (CA)	1,929	.....	1,929
Expanded wheat pasture (OK)	273	.....	273
Farm injuries and illnesses (NC)	297	.....	.....
Feed barley for rangeland cattle (MT)	735	.....	.....
Feed efficiency in cattle (FL)	295	.....	.....
Feedstock conversion (SD)	668	.....	675
Fish and shellfish technologies (VA)	453	.....	476
Floriculture (HI)	352	.....	352
Food and Agriculture Policy Research Institute (IA, MO)	1,537	.....	1,537
Food chain economic analysis (IA)	416	.....	416
Food Marketing Policy Center (CT)	579	.....	579
Food quality (AK)	341	.....	275
Food safety (AL)	1,091	.....	1,146
Food safety (OK, ME)	552	.....	552
Food safety (TX)	188	.....	188
Food safety research consortium (NY)	893	.....	.....
Food safety risk assessment (ND)	1,366	.....	1,500
Food security (WA)	398	.....	398
Food Systems Research Group (WI)	517	.....	525
Forages for advancing livestock production (KY)	390	.....	390
Forestry (AR)	461	.....	461
Fruit and berry crop trials for rural villages (AK) .....	.....	.....	500
Fruit and vegetable market analysis (AZ, MO)	323	.....	.....
Functional genomics (UT)	1,472	.....	1,500
Future foods (IL)	545	.....	666
Generic commodity promotions, research, and evaluation (NY)	191	.....	.....
Genetically enhanced plants for micro-nutrients and bio-re- newable oils (MO) .....	.....	.....	740
Genomics (MS)	883	.....	1,140
Geographic information system	1,702	.....	1,702
Global change/ultraviolet radiation	1,984	2,500	1,984
Grain sorghum (KS)	136	.....	143
Grapefruit juice/drug interaction (FL)	344	.....	.....
Grass seed cropping systems for sustainable agriculture (ID, OR, WA)	450	.....	450
Grazing research (WI)	260	.....	260
Greenhouse crop production (AK)	446	.....	300
Hardwood scanning (IN) .....	.....	.....	300
Horn fly research (AL)	166	.....	166
Human nutrition (IA)	650	.....	650
Human nutrition (LA)	706	.....	706
Human nutrition (NY)	580	.....	.....
Hydroponic tomato production (OH)	179	.....	.....
Illinois-Missouri Alliance for Biotechnology	1,170	.....	1,170
Improved dairy management practices (PA)	352	.....	270
Improved fruit practices (MI)	210	.....	212
Increasing shelf life of agricultural commodities (ID)	822	.....	863
Infectious disease research (CO)	778	.....	817
Institute for Biobased Products and Food Science (MT)	563	.....	563
Institute for Food Science and Engineering (AR)	1,110	.....	1,119
Integrated production systems (OK)	205	.....	205
International arid lands consortium	579	.....	579

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

[In thousands of dollars]

	Fiscal year 2005 enacted	Fiscal year 2006 budget	Committee rec- ommendation
Iowa biotechnology consortium	1,775	.....	1,775
Leopold Center hypoxia project (IA)	222	.....	222
Livestock and dairy policy (NY, TX)	893	.....	893
Livestock genome sequencing (IL)	815	.....	.....
Livestock waste (IA)	266	.....	266
Lowbush blueberry research (ME)	234	.....	246
Maple research (VT)	132	.....	139
Meadowfoam (OR)	260	.....	260
Michigan biotechnology consortium	555	.....	.....
Midwest Advanced Food Manufacturing Alliance (NE)	524	.....	500
Midwest agricultural products (IA)	612	.....	500
Midwest poultry consortium (IA)	682	.....	682
Milk safety (PA)	703	.....	788
Minor use animal drugs	583	588	583
Molluscan shellfish (OR)	348	.....	365
Montana Sheep Institute (MT)	569	.....	597
Multi-commodity research (OR)	353	.....	353
Multi-cropping strategies for aquaculture (HI)	109	.....	.....
National beef cattle genetic evaluation consortium (NY, CO, GA)	780	.....	780
National biological impact assessment	251	253	264
National Center for Soybean Technology (MO)	940	.....	987
Nematode resistance genetic engineering (NM)	139	.....	139
Nevada arid rangelands initiative	480	.....	504
New crop opportunities (AK)	443	.....	443
New crop opportunities (KY)	724	.....	760
Nursery, greenhouse, and turf specialties (AL)	273	.....	.....
Oil resources from desert plants (NM)	211	.....	211
Organic cropping (WA)	359	.....	359
Organic waste utilization (NM)	93	.....	93
Oyster post harvest treatment (FL)	446	.....	.....
Ozone air quality (CA)	401	.....	401
Pasture and forage research (UT)	223	.....	225
Peach tree short life (SC)	265	.....	278
Perennial wheat (WA)	141	.....	141
Pest control alternatives (SC)	269	.....	282
Phytophthora research (GA) .....	.....	.....	258
Phytophthora research (MI) .....	.....	.....	500
Phytophthora root rot (NM)	182	.....	182
Pierce's disease (CA)	2,071	.....	2,175
Plant, drought, and disease resistance gene cataloging (NM)	233	.....	233
Potato research	1,497	.....	1,497
Precision agriculture (KY)	675	.....	675
Preharvest food safety (KS)	192	.....	202
Preservation and processing research (OK)	198	.....	198
Protein utilization (IA)	805	.....	845
Rangeland ecosystems (NM)	282	.....	282
Regional barley gene mapping project	682	.....	682
Regionalized implications of farm programs (MO, TX)	760	.....	760
Rice agronomy (MO)	212	.....	223
Ruminant nutrition consortium (MT, ND, SD, WY)	470	.....	494
Rural development centers (ND, LA)	230	.....	230
Rural obesity (NY)	187	.....	.....
Rural Policies Research Institute (NE, IA, MO)	1,205	.....	1,205
Russian wheat aphid (CO)	291	.....	306
Seafood and aquaculture harvesting, processing, and mar- keting (MS)	267	.....	269
Seafood harvesting, processing, and marketing (AK)	1,058	.....	.....
Seafood safety (MA)	436	.....	458
Seed research (AK)	355	.....	.....

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

[In thousands of dollars]

	Fiscal year 2005 enacted	Fiscal year 2006 budget	Committee rec- ommendation
Seed technology (SD)	354	.....	360
Small fruit research (OR, WA, ID)	422	.....	443
Soil and environmental quality (DE)	281	.....	295
Southwest consortium for plant genetics and water re- sources	373	.....	392
Soybean cyst nematode (MO)	702	.....	737
Soybean research (IL)	955	.....	1,076
STEEP III—water quality in Pacific Northwest	640	.....	640
Sudden oak death (CA)	93	.....	98
Sustainable agriculture (CA)	515	.....	.....
Sustainable agriculture (MI)	384	.....	384
Sustainable agriculture and natural resources (PA)	190	.....	140
Sustainable beef supply (MT)	937	.....	984
Sustainable engineered materials from renewable resources (VA)	603	.....	633
Swine and other animal waste management (NC)	466	.....	489
Tick borne disease prevention (RI)	143	.....	150
Tillage, silviculture, and waste management (LA)	425	.....	425
Tri-State joint peanut research (AL)	563	.....	591
Tropical and subtropical research/T STAR	9,398	.....	4,699
Tropical aquaculture (FL)	211	.....	211
Uniform farm management program (MN)	281	.....	298
Value-added product development from agricultural resources (MT)	405	.....	405
Virtual plant database enhancement project (MO)	705	.....	.....
Viticulture consortium (NY, CA, PA)	1,835	.....	1,835
Water conservation (KS)	74	.....	74
Water use efficiency and water quality enhancement (GA)	470	.....	494
Weed control (ND)	384	.....	384
West Nile virus (IL)	496	.....	.....
Wetland plants (LA)	563	.....	563
Wheat genetic research (KS)	244	.....	256
Wheat sawfly research (MT)	521	.....	521
Wine grape foundation block (WA)	322	.....	289
Wood utilization (AK, OR, MS, MN, NC, ME, MI, ID, TN, WV)	6,235	.....	6,235
Wool research (TX, MT, WY)	298	.....	298
Total, special research grants	120,313	3,341	110,281
Improved pest control:			
Expert IPM decision support system	157	177	157
Integrated pest management	2,420	2,725	2,420
IR-4 minor crop pest management	11,145	10,485	11,145
Pest management alternatives	1,436	1,619	1,436
Total, Improved pest control	15,158	15,006	15,158
1994 institutions research program	1,078	998	1,078
Alaska Native-serving and Native Hawaiian-serving institutions education grants	3,472	2,997	3,472
Alternative crops	1,187	.....	833
Animal health and disease (sec. 1433)	5,057	.....	5,057
Aquaculture centers (sec. 1475)	3,968	3,996	3,968
Capacity building grants (1890 institutions)	12,312	12,500	12,312
Critical Agricultural Materials Act	1,102	.....	1,102
Graduate fellowships grants	2,976	4,500	2,976
Higher education agrosecurity program .....	.....	5,000	750
Hispanic education partnership grants	5,600	5,645	5,600
Institution challenge grants	5,456	5,500	5,456
Joe Skeen Institute for Rangeland Management (NM, TX, MT)	992	.....	992
Multicultural scholars program	990	998	990

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

[In thousands of dollars]

	Fiscal year 2005 enacted	Fiscal year 2006 budget	Committee rec- ommendation
National Research Initiative	179,552	250,000	190,000
Payments to the 1994 institutions	2,232	2,250	2,232
Regional State and Local Grants .....	.....	75,000	.....
Resident Instruction Grants-Insular areas	496	.....	.....
Secondary agriculture education	992	1,000	992
Sustainable agriculture research and education	12,400	9,230	12,400
Federal administration:			
Agriculture based industrial lubricants (IA)	523	.....	549
Agriculture development in the American Pacific	486	.....	486
Agriculture waste utilization (WV)	649	.....	690
Agriculture water policy (GA)	891	.....	891
Alternative fuels characterization laboratory (ND)	282	.....	282
Animal waste management (OK)	296	.....	296
Aquaculture (OH)	846	.....	800
Aquaculture (PA)	220	.....	220
Biotechnology research (MS)	662	.....	687
Botanical research (UT)	889	.....	1,000
Center for Agricultural and Rural Development (IA)	595	.....	595
Center for Food Industry Excellence (TX)	867	.....	910
Center for Innovative Food Technology (OH)	1,145	.....	.....
Center for North American Studies (TX)	992	.....	992
Climate forecasting (FL)	3,602	.....	3,602
Cotton research (TX)	2,480	.....	2,480
Council for Agriculture Science and Technology	149	.....	149
Data information system (REEIS)	2,424	2,750	2,424
Dietary intervention (OH)	1,139	.....	.....
Electronic grants administration system	1,928	2,173	1,928
Feed efficiency (WV)	151	.....	160
Global environmental management (WI)	992	.....	.....
Greenhouse nurseries (OH)	726	.....	.....
High value horticultural crops (VA)	567	.....	595
Hispanic leadership in agriculture (TX)	546	.....	533
Income enhancement demonstration project (OH)	725	.....	.....
Information technology (GA)	369	.....	369
Livestock marketing information center (CO)	174	.....	174
Mariculture (NC)	317	.....	317
Mississippi Valley State University, curriculum development ...	926	.....	1,433
Monitoring agricultural sewage sludge application (OH)	1,277	.....	1,277
Office of Extramural Programs	398	448	398
Pasteurization of shell eggs (MI)	1,237	.....	.....
Pay costs	2,644	3,112	3,112
Peer panels	310	349	310
Phytoremediation plant research (OH)	779	.....	779
PM-10 air quality study (WA)	387	.....	387
Precision agriculture, Tennessee Valley Research Center (AL) ..	599	.....	250
Produce pricing (AZ)	75	.....	.....
Rural systems (MS)	308	.....	308
Salmon quality standards (AK)	166	.....	166
Shrimp aquaculture (AZ, HI, MA, MS, SC, TX)	3,941	.....	3,941
Sustainable agricultural freshwater conservation (TX)	1,805	.....	.....
University of Hawaii .....	.....	.....	3,000
Urban silviculture (NY)	268	.....	.....
Vitis gene discovery	603	.....	603
Water pollutants (WV)	564	.....	600
Water quality (ND)	439	.....	500
Wetland plants (WV)	188	.....	.....
Total, Federal administration	42,546	8,832	38,193
Total, CSREES R&E	655,495	545,500	652,231

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 \$178,707,000 for payments made under the Hatch Act.

Special Research Grants Under Public Law 89-106.—The Committee recommends a total of \$110,281,000. 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.

The Committee expects these grants to be used to meet specific research objectives rather than primarily to supplement other funding sources on an indefinite basis. The Committee expects that prior to the receipt of an award under this heading, the grantee must provide a report to the Committee that describes the specific research objectives for which these funds will be used, methodologies to measure performance and determine when the research objectives will be met, and the expected date of completion. The Committee notes that this grant program is designed to meet specific research objectives and to address specific issues that require immediate attention. If the purpose of the grant is more long-term in nature, the Committee expects the grantee to pursue funds through other authorities.

Agricultural Diversification.—The Committee provides \$221,000 for agricultural diversification research in Hawaii and directs that these funds be used to meet the research need for the expanding tropical fruit industry in that State.

Alliance for Food Protection.—The Committee provides \$329,000 for the Alliance for Food Protection. Of this amount, \$172,000 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 2005 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 \$1,099,000 for alternative salmon products research. Of this amount, \$450,000 shall be used to continue research into and development of baby food containing salmon.

Aquaculture Centers.—The Committee recommends \$3,968,000, the same as the fiscal year 2005 level. The Committee is aware and supports efforts of the Department to move the Northeastern Regional Aquaculture Center from the University of Massachusetts at Dartmouth to the University of Maryland.

The Committee is aware of and supports aquaculture research efforts at the University of Wisconsin-Milwaukee Great Lakes Wis-

consin Aquatic Technology and Environmental Research Institute that is carried out in collaboration with the North Central Regional Aquaculture Center.

Berry Research.—The Committee provides \$1,300,000 for berry research. Of this amount, \$1,000,000 shall be used for neutraceutical research at the University of Fairbanks.

Red River Valley Research Corridor Office.—Within the amount provided for Agricultural Diversity, the Committee continues the level provided in fiscal year 2005 for activities of the Red River Valley Research Corridor Office.

Technology Transfer.—The Committee directs CSREES to continue to support at the fiscal year 2005 level the cotton technology transfer coordinator at Stoneville, MS.

Aquaculture (MS).—Of the \$517,000 provided for this grant, the Committee recommends the fiscal year 2005 level 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 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 \$1,537,000 for the Food and Agriculture Policy Research Institute. Of this amount, the Committee continues the fiscal year 2005 level to fund the Center for Agricultural and Trade Policies for the Northern Plains Region at North Dakota State University.

Milk Safety.—The Committee provides \$788,000 for milk safety research. Of this amount \$100,000 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.

Tropical and Subtropical Research.—The Committee provides \$4,699,000 for Tropical and Subtropical research and directs that these activities be carried out in the State of Hawaii.

Wood Utilization Research.—The Committee recommends \$6,235,000 for wood utilization research and directs that all member institutions receive no less than the amount provided in fiscal year 2005. The Committee directs that funding continue at the fiscal year 2005 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 \$190,000,000 for the program, an increase of \$10,448,000 from the fiscal year 2005 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.

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

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.

The Committee expects the Department to expand the funding available within the NRI for the application of genomic technology in legume crops and strongly urges the Department to collaborate in funding the translation of information from the model species to the legume crops and between legume species.

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.

The Committee notes that the RFP under this authority for fiscal year 2005 did not include medium-sized farms. The Committee expects proposals offered for research activities in fiscal year 2006 to include research related to this class of operations.

Alternative Crops.—The Committee recommends \$833,000 for alternative crop research to continue and strengthen research efforts on canola, \$47,000 more than the fiscal year 2005 level.

Sustainable Agriculture.—The Committee recommends \$12,400,000 for sustainable agriculture, the same as the fiscal year 2005 level.

Higher Education.—The Committee recommends \$34,780,000 for higher education. The Committee provides \$2,976,000 for graduate fellowships; \$5,456,000 for challenge grants; \$990,000 for multicultural scholarships; and \$5,600,000 for Hispanic education partnership grants.

Higher Education Agrosecurity.—The Committee recommends \$750,000 for Agrosecurity Education and expects these funds to be used for implementation of the National Veterinary Medical Services Act.

Alaska Native-Serving and Native Hawaiian-Serving Institutions Education Grants.—The Committee provides \$3,472,000 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.

Federal Administration.—The Committee provides \$38,193,000 for Federal administration. The Committee's specific recommendations are reflected in the table above.

University of Hawaii.—The Committee recommends \$3,000,000 for the College of Tropical Agriculture and Human Resources at the University of Hawaii for replacement of research and educational materials lost and recovery of interrupted research resulting from the October 30, 2004 floods.

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND

Appropriations, 2005	\$12,000,000
Budget estimate, 2006	12,000,000
House allowance	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 (33 tribally controlled colleges). This program will enhance educational opportunity for Native Americans by building educational capacity at these institutions in the areas of student recruitment and retention, curricula development, faculty preparation, instruction delivery systems, and scientific instrumentation for teaching. Income funds are also available for facility renovation, repair, construction, and maintenance. On the termination of each fiscal year, the Secretary shall withdraw the income from the endowment fund for the fiscal year, and after making adjustments for the cost of administering the endowment fund, distribute the adjusted income as follows: 60 percent of the adjusted income

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

COMMITTEE RECOMMENDATIONS

For the Native American Institutions Endowment Fund, the Committee recommends \$12,000,000. This amount is the same as the fiscal year 2005 appropriation.

EXTENSION ACTIVITIES

Appropriations, 2005	\$445,631,000
Budget estimate, 2006	431,743,000
House allowance	444,871,000
Committee recommendation	453,438,000

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 \$453,438,000. This amount is \$7,807,000 more than the fiscal year 2005 appropriation.

The following table summarizes the Committee's recommendations for extension activities, as compared to the fiscal year 2005 and budget request levels:

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

[In thousands of dollars]

	Fiscal year 2005 enacted	Fiscal year 2006 budget	Committee rec- ommendation
Smith-Lever sections 3(b) and 3(c)	275,520	275,940	275,520
Smith-Lever section 3(d):			
Farm safety	4,563	.....	4,563
Food and nutrition education (EFNEP)	58,438	62,909	62,909
Indian reservation agents	1,760	1,996	1,760
New technologies for extension .....	.....	3,000	2,000

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

	Fiscal year 2005 enacted	Fiscal year 2006 budget	Committee rec- ommendation
Pest management	9,920	10,759	9,920
Sustainable agriculture	4,067	3,792	4,067
Youth at risk	7,478	8,481	7,478
Youth farm safety education and certification	440	499	440
1890 colleges, Tuskegee University, and West Virginia State Univer- sity	32,868	34,417	33,643
1890 facilities grants	16,777	14,912	16,777
Extension services at the 1994 institutions	3,247	3,273	3,247
Grants to youth organizations	2,646	.....	2,646
Renewable Resources Extension Act (RREA)	4,060	4,093	4,060
Rural health and safety education	1,965	.....	1,965
Subtotal	423,749	424,071	430,995
Federal administration:			
Ag in the classroom	730	750	865
Agricultural and entrepreneurship education (WI)	239	.....	250
Alabama beef connection	390	.....	850
Beef producers improvement (AR)	180	.....	180
Conservation technology transfer (WI)	463	.....	486
Dairy education (IA)	229	.....	229
Dairy industry revitalization (WI)	298	.....	298
Diabetes detection and prevention (WA)	1,084	.....	1,084
E-commerce (MS)	331	.....	331
Efficient irrigation (NM, TX)	2,162	.....	2,162
Entrepreneurial alternatives (PA)	333	.....	333
Extension specialist (MS)	132	.....	132
Food Animal Residue Avoidance Databank	806	.....	806
Food preparation and marketing (AK)	331	.....	331
Food product development (AK)	472	.....	350
General administration	5,795	6,922	6,922
Health education leadership (KY)	843	.....	843
Iowa vitality center	248	.....	248
National Center for Agriculture Safety (IA)	241	.....	241
National Wild Turkey Federation	223	.....	234
Nursery production (RI)	295	.....	.....
Nutrition enhancement (WI)	965	.....	1,100
Ohio-Israel agriculture initiative	565	.....	593
Oquirrh Institute	282	.....	300
Pilot technology transfer (OK, MS)	298	.....	298
Pilot technology transfer (WI)	231	.....	.....
Potato pest management (WI)	376	.....	380
Range improvement (NM)	232	.....	244
Resilient communities (NY)	130	.....	.....
Rural business enhancement (WI)	188	.....	190
Rural development (AK)	683	.....	683
Rural development (NM)	348	.....	348
Rural technologies (HI, WI)	310	.....	315
Urban horticulture (WI)	810	.....	817
Urban market development (NY)	273	.....	.....
Web-based agriculture classes (MO)	178	.....	.....
Wood biomass as an alternative farm product (NY)	188	.....	.....
Total, Federal administration	21,882	7,672	22,443
Total, CSREES Extension Activities	445,631	431,743	453,438

Ag in the Classroom.—The Committee recommends \$865,000 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 no less than the fiscal year 2005 level 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 2005 funding level for the Dairy Discovery Farm Program.

Farm Safety.—Of the funds recommended for farm safety, the Committee recommends a funding level of \$4,563,000 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 \$100,000 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 2005 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 2005 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 2005 funding level to the University of Wisconsin at Platteville for collaborative work with the University of Wisconsin Extension.

Rural Development.—The Committee provides \$683,000 for rural development in Alaska. Of this amount \$200,000 shall be used to educate rural villages on gardening techniques and how to maximize food production using the soil in villages.

Urban Horticulture.—The Committee provides the fiscal year 2005 funding level for Urban Horticulture. In addition to funds directed for University of Wisconsin Extension activities, the Committee provides the fiscal year 2005 funding level for Growing Power of Milwaukee, Wisconsin.

INTEGRATED ACTIVITIES

Appropriations, 2005	\$54,712,000
Budget estimate, 2006	35,013,000
House allowance	15,513,000
Committee recommendation	55,784,000

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 \$55,784,000. This amount is \$1,072,000 more than the fiscal year 2005 appropriation.

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 2005 enacted	Fiscal year 2006 budget	Committee rec- ommendation
Critical issues	744	2,500	744
Crops at risk from FQPA implementation	1,389	.....	1,389
Food safety	14,847	.....	14,847
FQPA risk mitigation program for major food crop systems	4,464	.....	4,464
Homeland security	8,928	30,000	10,000
International science and education grants	992	1,000	992
Methyl bromide transition	3,106	.....	3,106
Organic transition	1,874	.....	1,874
Regional pest management centers	4,167	.....	4,167
Regional rural development centers	1,334	1,513	1,334
Water quality	12,867	.....	12,867
Total	54,712	35,013	55,784

OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS

Appropriations, 2005	\$5,888,000
Budget estimate, 2006	5,935,000
House allowance	7,810,000
Committee recommendation	5,888,000

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

COMMITTEE RECOMMENDATIONS

For outreach for socially disadvantaged farmers, the Committee recommends an appropriation of \$5,888,000. This amount is the same as the fiscal year 2005 appropriation.

The Committee requests the Department provide a report related to the performance of activities funded through the 2501 program that would outline the correlation between these funds and benefits to minority farmers. Benefits measured should include, but not be limited to: increased participation in USDA programs; changes in household income; local and regional impacts; coordination with USDA research and other activities; and reductions in delinquencies and/or foreclosure rates within the Farm Service Agency. The Committee requests that the Department provide this report

to the Committees on Appropriations no later than 90 days after enactment of this Act.

OFFICE OF THE UNDER SECRETARY FOR MARKETING AND REGULATORY PROGRAMS

Appropriations, 2005	\$715,000
Budget estimate, 2006	724,000
House allowance	724,000
Committee recommendation	724,000

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 \$724,000. This amount is \$9,000 more than the fiscal year 2005 appropriation.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

Appropriations, 2005	\$808,106,000
Budget estimate, 2006 ¹	855,162,000
House allowance	823,635,000
Committee recommendation	807,768,000

¹ The budget estimate does not include proposed user fees in the amount of \$10,857,000.

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 \$807,768,000. This is \$338,000 less than the fiscal year 2005 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 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 2005 enacted	Fiscal year 2006 budget request	Committee rec- ommendation
Pest and disease exclusion:			
Agricultural quarantine inspection	25,090	25,472	26,998
Cattle ticks	6,666	6,877	6,877
Foot-and-mouth disease/emerging foreign animal diseases	8,670	15,167	8,743
Import/export	12,771	11,989	12,993
Trade issues resolution and management	12,477	18,325	12,583
Fruit fly exclusion and detection	57,876	59,976	58,410
Screwworm	27,155	30,876	27,206
Tropical bunt tick	422	426	426
Total, pest and disease exclusion	151,127	169,108	154,236
Plant and animal health monitoring:			
Animal health monitoring and surveillance	143,921	151,692	145,660
Animal and plant health regulatory enforcement	9,307	10,399	10,399
Biosurveillance	1,984	2,523	2,007
Emergency Management System	12,864	22,671	13,000
Pest detection	26,915	44,048	26,767
Select Agents		5,289	3,519

ANIMAL AND PLANT HEALTH INSPECTION SERVICE—Continued

[In thousands of dollars]

	Fiscal year 2005 enacted	Fiscal year 2006 budget request	Committee rec- ommendation
Wildlife disease monitoring and surveillance .....	.....	1,950	.....
Total, plant and animal health monitoring	194,991	238,572	201,352
Pest and disease management programs:			
Aquaculture	1,245	1,262	1,262
Biocontrol	9,354	9,579	9,579
Boll weevil ¹	45,620	15,834	39,900
Brucellosis eradication	10,273	8,941	10,553
Chronic wasting disease	18,688	16,880	18,760
Emerging plant pests	100,754	126,700	101,952
Golden nematode	795	808	808
Grasshopper	5,484	4,405	5,555
Gypsy moth	4,730	4,818	4,818
Imported fire ant	2,131	4,818	2,154
Johne's disease	18,590	3,191	18,626
Low pathogen avian influenza	22,816	22,837	11,837
Noxious weeds	1,975	1,149	1,920
Pink bollworm ¹	3,633	3,280	4,162
Plum pox	3,443	2,216	2,216
Pseudorabies	4,315	4,391	4,391
Scrapie eradication	17,626	19,302	19,000
Tuberculosis	14,818	16,738	15,038
Wildlife services operations	73,166	76,129	72,965
Witchweed	1,511	1,527	1,527
Total, pest and disease management	360,967	342,141	347,023
Animal care:			
Animal welfare	16,485	17,478	17,478
Horse protection	493	497	497
Total, animal care	16,978	17,975	17,975
Scientific and technical services:			
Biosecurity	1,972	1,972	1,972
Biotechnology regulatory services	9,428	13,894	9,574
Environmental compliance	2,603	2,653	2,653
Plant methods development laboratories	8,314	8,535	8,535
Veterinary biologics	15,389	18,311	15,647
Veterinary diagnostics	20,410	26,605	21,588
Wildlife services methods development	17,289	14,032	17,521
Total, scientific and technical services	75,405	86,002	77,490
Contingency fund	4,086	4,140	4,140
APHIS information technology infrastructure	4,552	5,080	4,552
Physical security .....	.....	3,001	1,000
Total, salaries and expenses	808,106	² 866,019	807,768

¹ Reflected in fiscal year 2005 totals is a reprogramming of \$1,500,000 from the boll weevil to pink bollworm program.² Fiscal year 2006 budget request total does include proposed user fees in the amount of \$10,857,000.

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 fis-

cal 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 2006, the Committee provides an appropriation of \$26,998,000 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 provides an increase of \$152,000 for interline activities in Hawaii.

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

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

National Germplasm and Biotechnology Laboratory.—The Committee provides \$1,864,000 for ongoing activities at the National Germplasm and Biotechnology Laboratory.

Fruit Fly Exclusion and Detection.—The Committee provides \$58,410,000 for the fruit fly exclusion and detection program, of which no less than the fiscal year 2005 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 2005 funding level for fruit fly activities in the State of Texas.

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

Import Inspection.—The Committee provides \$12,993,000 for import inspection, which includes \$1,500,000 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 \$145,660,000 for the Animal Health Monitoring and Surveillance account. The Committee provides \$32,932,000 for a national animal identification program. The Committee expects the Department to consult with private industry throughout the development of an animal identification program. The Committee also expects the Department to include private industry components in any national animal identification program.

Bovine Spongiform Encephalopathy [BSE].—The Committee provides \$17,184,000 to continue the ongoing BSE surveillance program. The Committee also includes \$1,000,000 for the Comprehensive Surveillance System which will further enhance animal surveillance.

National Animal Health Laboratory Network.—The Committee provides \$1,885,000 for National Animal Health Laboratory Network cooperative agreements.

The Committee provides an increase of \$16,000 above the fiscal year 2005 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 provides \$595,000 for the National Farm Animal Identification and Records Project and \$100,000 for animal tracking in the State of Washington.

The Committee provides \$547,000 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.

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

The Committee provides \$400,000 for a national institute at Iowa State University devoted to risk assessment, mitigation, and communication for genetically modified agricultural products.

The Committee provides \$100,000 for the Population Management Center, a collaboration between the Lincoln Park Zoo and the Davee Center for Epidemiology in Chicago, Illinois. The intent of this funding is to improve techniques, processes, and systems to

prevent disease transfer and ensure sustainability and maintenance of health in zoo populations nationwide.

Animal and Plant Health Regulatory Enforcement.—The Committee provides \$10,399,000 for the animal and plant health regulatory enforcement account to support Animal Welfare Act (7 U.S.C. 2131 et seq.) compliance inspections.

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

Emergency Management Systems.—The Committee provides \$13,000,000 for the emergency management systems program. Within this total, the Committee provides \$2,993,000 for the National Veterinary Stockpile.

Pest Detection.—The Committee provides \$26,767,000 for pest detection activities. The Committee is concerned about continuing threats posed by the accidental or intentional introduction of pests, disease, or species into this country which could be devastating to our agricultural resources.

The Committee provides an increase of \$100,000 to continue the California County Pest Detection Augmentation Program.

Pest and Disease Management

Aquaculture.—The Committee provides \$1,262,000 for the aquaculture program. The Committee provides funding at the fiscal year 2005 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 \$39,900,000 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 \$10,553,000 for the brucellosis program. Within this total, the Committee provides an increase of \$100,000 for the State of Montana to protect the State's brucellosis-free status and operation of the bison quarantine facility and the testing of bison that surround Yellowstone National Park.

The Committee provides an increase of \$100,000 for the Greater Yellowstone Interagency Brucellosis Committee, and encourages the coordination of Federal, State, and private actions to eliminate brucellosis from wildlife in the Greater Yellowstone area. This amount shall be equally divided between the States of Idaho, Montana, and Wyoming.

Chronic Wasting Disease [CWD].—The Committee is concerned about the number of deer and elk in different regions of the United States testing positive for chronic wasting disease and provides \$18,760,000 for the chronic wasting disease certification and control program to include additional surveillance and disease control activities with free-ranging cervids, and to increase State testing capacity for the timely identification of the presence of this disease. Within this total, the Committee provides \$1,750,000 for the State of Wisconsin, \$246,000 for the State of Utah, and \$247,000 for the

Conservation Medicine Center of Chicago which is a collaboration between the University of Illinois College of Veterinary Medicine, Loyola University Chicago Stritch School of Medicine, and the Brookfield Zoo. The total also includes \$100,000 for the State of Colorado and \$150,000 for the State of Alaska to monitor chronic wasting disease.

The Committee is aware of confirmed reports that CWD has spread into Northeastern States and provides \$100,000 for control of this disease in the State of Vermont.

Emerging Plant Pests.—The Committee provides \$101,952,000 for emerging plant pests. Within this total, the Committee provides \$24,503,000 for glassy-winged sharpshooter/Pierce's disease; \$40,000,000 for citrus canker; \$23,933,000 for the Asian longhorned beetle program in Illinois and New York; no less than the fiscal year 2005 level shall be for activities in the area of Chicago, IL; \$3,076,000 for sudden oak death; and \$5,961,000 for activities related to the emerald ash borer which includes a \$500,000 increase for activities 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 2006, as necessary.

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

The Committee is aware that APHIS has a compensation program in place for wheat producers, grain handlers, and facilities that karnal bunt impacts. However, the compensation provided for handlers and facilities does not adequately represent the costs these facilities incur when they receive deliveries of karnal bunt-infected wheat. This inadequate compensation has led to many facilities refusing to participate in activities to prevent the spread of karnal bunt in the United States. Due to the serious threat that karnal bunt poses to U.S. wheat production and exports, the Committee expects APHIS to work with the grain handling industry to develop an adequate compensation plan.

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

Grasshopper.—The Committee provides \$5,555,000 for the current grasshopper program. Within this total, no less than \$1,000,000 shall be for grasshopper and Mormon cricket activities in the State of Utah to prepare necessary environmental documents and continue control measures. The total also includes \$150,000 for grasshopper and Mormon cricket activities in the State of Nevada, including survey, control, and eradication of crickets. The Committee notes that there is a grasshopper outbreak in southeastern New Mexico and urges APHIS to assist the State of New Mexico with survey, control, and eradication efforts.

Imported Fire Ant.—The Committee provides \$2,154,000 for the imported fire ant account to continue sharing responsibility with

the States to conduct detection and nursery surveys; compliance monitoring; enforcement for quarantine of nursery stock; and production, field release, and evaluation of promising control agents. Within this total, the Committee also provides the fiscal year 2005 level for control activities in the State of Tennessee and the State of New Mexico.

Johne's Disease.—The Committee provides \$18,626,000 for Johne's disease to expand the Agency's efforts to coordinate State certification programs for herd-testing, and to provide assistance to States to develop herd management plans that comply with APHIS's national standards for certification. The Committee expects APHIS to work with the Agricultural Research Service to coordinate activities to research and develop an effective diagnostic test for Johne's disease with appropriate field validation and methods development.

Low Pathogenic Avian Influenza.—The Committee provides \$11,837,000 for detection, control and eradication of Low Pathogenic Avian Influenza [LPAI]. This level of funding provides an increase of \$1,000,000 over the fiscal year 2005 level for detection, control and eradication. The Committee notes that in fiscal year 2005, \$12,000,000 in financial assistance was provided to indemnify poultry producers that experienced losses due to avian influenza. The Committee also notes that this funding has not been obligated and will be available for fiscal year 2006.

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

The Committee is aware of an outbreak in California of Low Pathogenic Avian Influenza in poultry during 2002. The California strain of LPAI (H5N2) was identical to the LPAI strain in the 2002 outbreaks that occurred in Virginia, West Virginia, North Carolina, and Texas. After depopulating their flocks to prevent the spread of the virus, producers in each of those States were indemnified by APHIS, yet California producers were not. Language was included in the fiscal year 2004 committee report urging the Department to compensate California producers for their losses. However, the Department has not acted on the Committee's direction. Therefore, the Committee again urges APHIS to provide indemnification to turkey producers in California who depopulated their flocks as a result of the 2002 LPAI outbreak and to report to the Committee within 90 days of enactment of this Act on the Service's actions regarding this matter.

Noxious Weeds.—The Committee provides \$1,920,000 for the noxious weeds account. Within this total, the Committee includes \$253,000 for the Nez Perce Bio-Control Center to increase the availability and distribution of biological control organisms used in an integrated weed management system. The total also includes \$300,000 for an invasive species program to prevent the spread of cogongrass in Mississippi, and requests that the Agency take nec-

essary 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.

The Committee directs that within funds available for State cooperative agreements, \$100,000 shall be for a weed management program with the State of Nevada.

Tuberculosis.—The Committee provides \$15,038,000 for the tuberculosis program. Within this total, an increase of \$150,000 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.

Wildlife Services Operations.—The Committee provides \$72,965,000 for Wildlife Service Operations activities. The Committee does not concur with the budget request to reduce funding in the wildlife services operations account to allow cooperators to assume a larger share of the costs associated with preventing and reducing wildlife damage. The Committee provides funding to continue cooperating with States to conduct wildlife management programs such as livestock protection, migratory bird damage to crops, invasive species damage, property damage, human health and safety, and threatened and endangered species protection.

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

The Committee notes the success of the oral rabies vaccination program and provides \$21,580,000 for rabies control activities. Within this total, the Committee provides \$50,000 for rabies activities in Broward County, Florida.

The Committee provides continued funding at the fiscal year 2005 level to fully implement the recommendations of the Aviation Safety Review Committee.

The Committee provides an increase of \$100,000 for remote diagnostic and wildlife disease surveillance activities with North Dakota State University and Dickinson State University.

The Committee provides \$1,191,000 for integrated predation management activities in Minnesota, Wisconsin, Michigan, Arizona, and New Mexico, no less than \$1,044,000 shall be available for activities in the Western Great Lakes States which includes \$54,000 for gray wolf monitoring through a cooperative agreement with the Wisconsin Department of Natural Resources. 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 \$10,000,000 to continue wildlife control activities in Western States.

The Committee provides \$1,374,000 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 \$625,000 for a cooperative agreement with the University of Georgia, Auburn University, and the Wildlife Services Operations in the State of Georgia to address the fluctuations in game bird and predator species resulting from recent changes in land use throughout the southeastern United States.

The Committee provides \$404,000 for the operation of the State Wildlife Services office in Hawaii to provide on-site coordination of prevention and control activities in Hawaii and the American Pacific. The Committee directs that this increase be for enhanced coqui frog control activities. The Committee also provides an increase of \$100,000 for activities in Hawaii and Guam related to the brown tree snake.

The Committee provides \$750,000 for wildlife service operations with the South Dakota Department of Game, Fish, and Parks to meet the growing demands of controlling predatory, nuisance, and diseased animals.

The Committee provides funding at the fiscal year 2005 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 \$248,000 for the State of Wisconsin and \$295,000 for the State of North Carolina for beaver control activities.

The Committee has provided increases in recent years for the control of blackbird damage to sunflowers in North and South Dakota. For fiscal year 2006, the Committee provides \$400,000 to continue these efforts and expects the Agency to allocate no less than \$305,000 for lure conservation plots, \$15,000 for scare techniques and \$75,000 for NWRC methods development. The Committee also provides \$118,000 for blackbird management efforts in Louisiana. The Committee also provides \$172,000 for blackbird management efforts in the State of Kansas.

The Committee provides the fiscal year 2005 level for goose control in the State of New York.

The Committee also provides an increase of \$100,000 above the fiscal year 2005 funding level for the Jack Berryman Institute in the State of Utah.

The Committee provides \$250,000 for the State of New Hampshire; \$297,000 for the Commonwealth of Kentucky; \$100,000 for the State of Alaska; \$100,000 for the State of Tennessee; and \$100,000 for the State of Pennsylvania to address nuisance animals and wildlife damage.

The Committee provides an increase of \$100,000 to assist in the management of cormorants in the Lake Champlain Basin. The Committee also provides an increase of \$100,000 for cormorant control in the State of Michigan. The Committee also provides the fis-

cal year 2005 level for Delta States operations to control cormorants.

Animal Care

Animal Welfare.—The Committee provides \$17,478,000 for the Animal Care Unit for enforcement of the Animal Welfare Act. The Committee does not assume collections from unauthorized animal welfare inspection user fees, as proposed in the President's budget.

Scientific and Technical Services

Veterinary Diagnostics.—The Committee provides \$21,538,000 for the veterinary diagnostics account for fiscal year 2006. The Committee includes \$100,000 for continued activities in the State of Louisiana. The Committee also provides \$750,000 for the National Agriculture Biosecurity Center in the State of Kansas.

Wildlife Services Methods Development.—The Committee provides \$17,521,000 for wildlife services methods development. Within this total, the Committee provides the fiscal year 2005 level to continue existing research efforts at the National Wildlife Research Center field station located in the State of Mississippi.

The Committee also provides an increase of \$175,000 above the fiscal year 2005 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 2005 level for the cooperative agreement with the Hawaii Agriculture Research Center for rodent control only in active agricultural areas.

The Committee provides \$450,000 for the National Wildlife Research Station located in the State of Texas for activities related to emerging infectious diseases associated with wildlife populations and human health.

The Committee provides an increase of \$218,000 for ongoing activities at the Utah Predator Research Station.

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

BUILDINGS AND FACILITIES

Appropriations, 2005	\$4,927,000
Budget estimate, 2006	4,996,000
House allowance	4,996,000
Committee recommendation	4,996,000

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 \$4,996,000.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

Appropriations, 2005	\$75,092,000
Budget estimate, 2006 ¹	84,114,000
House allowance	78,032,000
Committee recommendation	76,643,000

¹ The budget estimate does not include proposed user fees in the amount of \$2,918,000.

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 (7 U.S.C. 2321 et seq.), the Federal administration of marketing agreements and orders, standardization, grading, classing, and shell egg surveillance services, transportation services, and market protection and promotion.

COMMITTEE RECOMMENDATIONS

For marketing services of the Agricultural Marketing Service, the Committee recommends an appropriation of \$76,643,000. This amount is \$1,551,000 more than the fiscal year 2005 appropriation, and includes increases of \$1,443,000 for pay costs; \$545,000 more for the Livestock Mandatory Reporting Program; and \$3,111,000 for Country of Origin Labeling. The Committee also provides \$2,026,000 for the National Organic Program.

The Committee is aware that USDA has stated its intention to post a position announcement for an Executive Director of the National Organic Standards Board, and encourages swift publication and action on this announcement. Further, the Committee is aware that an audit of the National Organic Program was recently under-

taken by the American National Standards Institute [ANSI], and encourages AMS to address issues raised in this audit, while continuing to work to create a separate, ongoing Peer Review Panel. Finally, the Committee urges AMS to promptly make available their list of certified organic entities.

The Committee provides \$14,928,000 for the Pesticide Data Program. The Committee recognizes the importance of the Pesticide Data Program [PDP] to collect reliable, scientific-based pesticide residue data that benefits consumers, food processors, crop protection, pesticide producers, and farmers. The PDP is of particular importance since the passage of the Food Quality Protection Act (7 U.S.C. 136 et seq.), which requires thorough re-evaluation of agricultural pesticides and tolerances for uses on individual crops. The PDP is an effective tool to maintain the availability of critical products which allow the production of safe and affordable foods. The Committee also provides \$2,872,000 for the Pesticide Record-keeping Program.

The Committee encourages the Department to make grants to local communities in Alaska 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 to give full consideration to funding applications submitted for the Alaska Grown Program, which includes Alaska agricultural products and seafood harvested in the State. The Alaska Grown Program should coordinate with other regional marketing entities such as the Alaska Fisheries Development Foundation and the Lower Kuskokwim Economic Development Council.

The amount provided also includes \$6,293,000 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 of the "Report on Geographically Disadvantaged Farmers and Ranchers" published by Agricultural Marketing Service [AMS] in November 2003. The Committee encourages AMS to work with State agencies, university research and outreach faculty, and private stakeholders in the noncontiguous States to implement actions recommended in its report and to provide matching funds as needed.

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 that \$5,000,000 was provided for an organic certification cost-share program in the 2002 Farm bill, and that this funding is expected to be depleted during 2006. The funding for this program will be exhausted as a result of one-time fund-

ing provided through the Commodity Credit Corporation. Therefore, the Committee urges AMS to identify additional funding to maintain this program until its reauthorization.

The Committee encourages AMS to work with Hmong immigrant, Native American, and regional groups of farmers in Wisconsin and California to identify available funding sources to develop community agriculture and farmers' market systems.

LIMITATION ON ADMINISTRATIVE EXPENSES

Limitation, 2005	\$64,459,000
Budget limitation, 2006	65,667,000
House allowance	65,667,000
Committee recommendation	65,667,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends a limitation on administrative expenses of the Agricultural Marketing Service of \$65,667,000. This amount is \$1,208,000 more than the fiscal year 2005 level.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY

(SECTION 32)

MARKETING AGREEMENTS AND ORDERS

Appropriations, 2005	\$15,800,000
Budget estimate, 2006	16,055,000
House allowance	16,055,000
Committee recommendation	16,055,000

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 2004–2006:

ESTIMATED TOTAL FUNDS AVAILABLE AND BALANCE CARRIED FORWARD—FISCAL YEARS 2004–2006

	Fiscal year 2004 actual	Fiscal year 2005 estimate	Revised fiscal year 2006 estimate
Appropriation (30 percent of Customs Receipts)	\$5,927,395,463	\$6,052,035,538	\$6,481,777,400

ESTIMATED TOTAL FUNDS AVAILABLE AND BALANCE CARRIED FORWARD—FISCAL YEARS 2004–
2006—Continued

	Fiscal year 2004 actual	Fiscal year 2005 estimate	Revised fiscal year 2006 estimate
Rescission .....	.....	– 163,000,000	.....
Supplemental Appropriation .....	.....	90,000,000	.....
Less Transfers:			
Food and Nutrition Service	– 4,699,661,000	– 5,152,962,000	– 5,187,621,000
Commerce Department	– 79,724,463	– 77,538,934	– 79,284,400
Total, Transfers	– 4,779,385,463	– 5,230,500,934	– 5,266,905,400
Budget Authority	1,148,010,000	748,534,604	1,214,872,000
Unobligated Balance Available, Start of Year	134,321,602	408,050,706	.....
Recoveries of Prior Year Obligations	5,517,862	.....	.....
Available for Obligation	1,287,849,464	1,156,585,310	1,214,872,000
Less Obligations:			
Commodity Procurement:			
Child Nutrition Programs (Entitlement Commodit- ies)	400,000,000	400,000,000	465,000,000
State Option Contract	2,525	5,000,000	5,000,000
Removal of Defective Commodities	67,171	1,000,000	1,000,000
Emergency Surplus Removal	226,474,661	112,265,287	.....
Direct Payments	218,750,000	422,202,000	.....
Lamb Grading and Certification Support	100,000	.....	.....
Disaster Relief	9,200,000	.....	.....
Estimated Future Needs .....	.....	189,086,023	416,325,000
Total, Commodity Procurement	854,594,357	1,129,553,310	887,325,000
Administrative Funds:			
Commodity Purchase Support	10,266,096	11,232,000	11,492,000
Marketing Agreements and Orders	14,938,305	15,800,000	16,055,000
Total, Administrative Funds	25,204,401	27,032,000	27,547,000
Total Obligations	879,798,758	1,156,585,310	914,872,000
Unobligated Balance Available, End of Year	408,050,706	.....	300,000,000

COMMITTEE RECOMMENDATIONS

The Committee recommends a transfer from section 32 funds of \$16,055,000 for the formulation and administration of marketing agreements and orders. This amount is \$255,000 more than the fiscal year 2005 level.

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

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

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

The Committee is aware that fresh asparagus imports from countries benefiting from the Andean Trade Preference Act (Public Law 107–210) 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.

In the utilization of section 32 funds for the USDA commodity purchase programs, USDA shall not exclude or discriminate against farmer-owned cooperatives, or any other agricultural organization which is more than 50 percent owned or controlled by farmers and ranchers based on preference or set asides.

PAYMENTS TO STATES AND POSSESSIONS

Appropriations, 2005	\$3,816,224
Budget estimate, 2006	1,347,000
House allowance	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 \$30,776 more than the fiscal year 2005 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.

The Committee is aware of and encourages the Department to give consideration to a grant application from the California Department of Food and Agriculture, if appropriate, for the California Association of Food Banks and the State's fruit and vegetable grow-

ers to design a statewide initiative to expand fresh produce distribution to low-income people in community based groups.

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

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION SALARIES AND EXPENSES

Appropriations, 2005	\$37,001,000
Budget estimate, 2006 ¹	15,717,000
House allowance	38,400,000
Committee recommendation	38,443,000

¹ The budget estimate does not include proposed user fees in the amount of \$24,701,000.

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

COMMITTEE RECOMMENDATIONS

For salaries and expenses of the Grain Inspection, Packers and Stockyards Administration, the Committee recommends an appropriation of \$38,443,000. This amount is \$1,442,000 more than the fiscal year 2005 appropriation, and includes full funding for pay costs. The Committee also provides an increase of \$1,000,000 for information technology initiatives.

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 \$500,000 for an ongoing study of process verification systems and protocols.

LIMITATION ON INSPECTION AND WEIGHING SERVICES EXPENSES

Limitation, 2005	\$42,463,000
Budget limitation, 2006	42,463,000
House allowance	42,463,000
Committee recommendation	42,463,000

The Agency provides an official grain inspection and weighing system under the U.S. Grain Standards Act [USGSA], and official

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

COMMITTEE RECOMMENDATIONS

The Committee recommends a \$42,463,000 limitation on inspection and weighing services expenses. This amount is the same as the fiscal year 2005 level.

OFFICE OF THE UNDER SECRETARY FOR FOOD SAFETY

Appropriations, 2005	\$590,000
Budget estimate, 2006	602,000
House allowance	590,000
Committee recommendation	602,000

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 \$602,000. This amount is \$12,000 more than the fiscal year 2005 appropriation.

FOOD SAFETY AND INSPECTION SERVICE

Appropriations, 2005	\$817,170,000
Budget estimate, 2006 ¹	710,717,000
House allowance	837,264,000
Committee recommendation	836,818,000

¹ The budget estimate does not include proposed user fees in the amount of \$139,000,000.

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

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

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

COMMITTEE RECOMMENDATIONS

For the Food Safety and Inspection Service, the Committee recommends an appropriation of \$836,818,000. This amount is \$19,648,000 more than the fiscal year 2005 appropriation. This increase includes \$2,236,000 for front line inspection costs, providing for a total number of 7,690 FSIS slaughter inspectors.

The Committee recommendation includes the following increases for current activities under the Food and Agriculture Defense Initiative: \$209,000 for biosurveillance; \$1,250,000 to enhance laboratory capabilities; and \$504,000 for biosecurity training.

The Committee has provided an increase of \$298,000 from the fiscal year 2005 funding level for activities related to the *Codex Alimentarius*.

Humane Slaughter.—The Committee is pleased that FSIS is continuing to work to develop innovative means to improve enforcement of the Humane Methods of Slaughter Act (7 U.S.C. 1901). The Committee expects that FSIS will continue its dialogue within USDA, with the Committee and with other interested parties to look for ways to ensure that HMSA enforcement remains a high priority for FSIS, and weaknesses in enforcement are quickly identified and addressed.

The Committee provides \$5,000,000 for FSIS to complete the incorporation of the Humane Activities Tracking [HAT] system into the Field Automation and Information Management [FAIM] system at all slaughter plants nationwide. Specifically, this funding will be used to continue establishing high-speed connections in slaughter plants and connecting the HAT system to other FSIS databases through a Web-based reporting tool. The Committee notes USDA's statement that the integration of HAT data into FSIS' broader food safety and food security communications infrastructure is a critical aspect of the Agency's enforcement of HMSA, and will provide a clearer, real-time picture of humane handling and slaughter verification activities nationwide. The Committee directs FSIS to provide notification to the Committees on Appropriations prior to obligating these funds, including details on specific costs associated with this action and a schedule for completion of this incorporation.

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

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

foodborne pathogens and microorganism as indicators of process control.

The following table represents the Committee's specific recommendations for the Food Safety and Inspection Service as compared to the fiscal year 2005 and budget request levels:

FOOD SAFETY AND INSPECTION SERVICE SALARIES AND EXPENSES

[In thousands of dollars]

	Fiscal year 2005 enacted	Fiscal year 2006 budget request ¹	Committee rec- ommendation
Food safety inspection:			
Federal	736,367	767,984	751,457
State	51,758	54,956	53,657
International	19,180	19,869	19,517
Codex Alimentarius	2,704	2,747	3,002
FAIM	7,161	4,161	9,185
Total	817,170	849,717	836,818

¹ This amount includes proposed user fees in the amount of \$139,000,000.

OFFICE OF THE UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES

Appropriations, 2005	\$626,000
Budget estimate, 2006	635,000
House allowance	635,000
Committee recommendation	635,000

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 \$635,000. This amount is \$9,000 more than the fiscal year 2005 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.

The Committee directs the Under Secretary to provide monthly reports to the Committee regarding ending monthly stocks of non-fat dry milk. This report should include the amount of non-fat dry milk in stock at the end of each month; the quality of those stocks, including the quantity suitable for human consumption; detailed

information on how the non-fat dry milk was distributed during the month; and the plans for distribution during the next month.

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, 2005	999,536	295,322	1,294,858
Budget estimate, 2006	1,050,875	314,193	1,365,068
House allowance	1,023,738	302,183	1,325,921
Committee recommendation	1,043,555	314,193	1,357,748

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 \$1,357,748,000. This amount is \$62,890,000 more than the fiscal year 2005 appropriation. Of the funds provided, the Committee directs that \$3,300,000 shall be used for the hiring and training of additional farm loan officers and managers.

National Agriculture Imagery Program.—The Committee provides \$2,000,000 for the enhancement and management of the agriculture imagery catalog repositories and data warehouses at the USDA Aerial Photography Field Office for mirrored data storage hardware and software, including content addressable storage, and

integrated software which guarantees authenticity over time and provides scalability to meet future requirements.

The Committee has included a general provision to acquire digital ortho-imagery of the entire State of Utah. The Committee expects FSA to work in cooperation with the Utah Automated Geographic Reference Center in completing this project.

STATE MEDIATION GRANTS

Appropriations, 2005	\$3,968,000
Budget estimate, 2006	4,500,000
House allowance	4,250,000
Committee recommendation	4,250,000

This program is authorized under title V of the Agricultural Credit Act of 1987 (7 U.S.C. 5101 et seq.). Originally designed to address agricultural credit disputes, the program was expanded by the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (Public Law 103-354) to include other agricultural issues such as wetland determinations, conservation compliance, rural water loan programs, grazing on National Forest System lands, and pesticides. 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 \$4,250,000 for State mediation grants. This amount is \$282,000 more than the fiscal year 2005 appropriation.

GRASSROOTS SOURCE WATER PROTECTION PROGRAM

Appropriations, 2005 ¹	\$3,224,000
Budget estimate, 2006 .....	.....
House allowance .....	.....
Committee recommendation	4,250,000

¹ In fiscal year 2005, funding was provided through the Natural Resources Conservation Service.

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

COMMITTEE RECOMMENDATIONS

For grassroots source water protection, the Committee provides \$4,250,000. This amount is \$1,026,000 more than the fiscal year 2005 appropriation.

DAIRY INDEMNITY PROGRAM

Appropriations, 2005	\$100,000
Budget estimate, 2006	100,000
House allowance	100,000
Committee recommendation	100,000

Under the program, the Department makes indemnification payments to dairy farmers and manufacturers of dairy products who, through no fault of their own, suffer losses because they are directed to remove their milk from commercial markets due to con-

tamination 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 2005 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. 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. 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 (Public Law 93-638) which does not have adequate uncommitted funds to acquire lands or interest in lands within the tribe's reservation or Alaskan Indian community, as determined by the Secretary of the Interior, for use of the tribe or the corporation or the members thereof.

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 \$3,743,000,000. This amount is \$25,160,000 more than the fiscal year 2005 level.

The Committee provides no new budget authority for the emergency loan program. Currently, this loan program has over \$158,900,000 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 2005 and the budget request levels:

AGRICULTURAL CREDIT PROGRAMS—LOAN LEVELS

[In thousands of dollars]

	Fiscal year 2005 enacted	Fiscal year 2006 budget	Committee rec- ommendation
Farm ownership:			
Direct	208,320	200,000	208,000
Guaranteed	1,388,800	1,400,000	1,400,000
Farm operating:			
Direct	644,800	650,000	650,000
Guaranteed unsubsidized	1,091,200	1,200,000	1,100,000
Guaranteed subsidized	282,720	266,253	283,000
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	3,717,840	3,803,253	3,743,000

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, 2005	76,310	80,328	156,548	7,936	291,414	455,898
Budget estimate, 2006	77,730	76,362	154,092	8,000	309,137	471,229
House allowance	74,996	76,362	151,358	8,000	297,127	456,485
Committee recommendation	75,405	75,425	150,830	8,000	309,137	467,967

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]

	2005 enacted	2006 budget	Committee rec- ommendation
Loan subsidies:			
Farm ownership:			
Direct	11,145	10,240	10,650
Guaranteed	7,361	6,720	6,720

[In thousands of dollars]

	2005 enacted	2006 budget	Committee recommendation
Farm operating:			
Direct	65,060	64,675	64,675
Guaranteed unsubsidized	35,246	36,360	33,330
Guaranteed subsidized	37,631	33,282	35,375
Indian tribe land acquisition	105	80	80
Boll weevil eradication ¹			
Emergency disaster		2,735	
Total, loan subsidies	156,548	154,092	150,830
ACIF expenses	299,350	317,137	317,137

¹ Negative subsidy rate for fiscal years 2005 and 2006 is calculated for this program.

RISK MANAGEMENT AGENCY

Appropriations, 2005	\$71,468,000
Budget estimate, 2006	87,806,000
House allowance	77,806,000
Committee recommendation	73,448,000

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 insurance 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 \$73,448,000. This amount is \$1,980,000 more than the fiscal year 2005 appropriation. The Committee provides \$980,000 for pay costs and \$1,000,000 for information technology.

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.

CORPORATIONS

FEDERAL CROP INSURANCE CORPORATION FUND

Appropriations, 2005 ¹	\$4,095,128,000
Budget estimate, 2006 ¹	3,159,379,000
House allowance ¹	3,159,379,000
Committee recommendation ¹	3,159,379,000

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 \$3,159,379,000. This amount is \$935,749,000 less than the current fiscal year 2005 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 Dela-

ware charter and was reincorporated June 30, 1948, as a Federal corporation within the Department of Agriculture by the Commodity Credit Corporation Charter Act, approved June 29, 1948 (15 U.S.C. 714).

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

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

Under the 2002 Act, the Secretary is required to offer a program of direct and counter-cyclical payments and extend nonrecourse marketing assistance loans and loan deficiency payments for contract commodities (soybeans, wheat, corn, grain sorghum, barley, oats, upland cotton, rice, other oilseeds, and peanuts). The 2002 Act also provides for marketing loans for wool, mohair, honey, small chickpeas, lentils and dry peas. A national Milk Income Loss Contract [MILC] program was established by the 2002 Act, providing that producers enter into contracts extending through September 30, 2005. 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 sufficient amount of its borrowing authority to purchase at any time all notes and other obligations evidencing loans made by such agencies and others. All bonds, notes, debentures, and similar obligations issued by the Corporation are subject to approval by the Secretary of the Treasury.

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

REIMBURSEMENT FOR NET REALIZED LOSSES

Appropriations, 2005 ¹	\$16,452,377,000
Budget estimate, 2006 ¹	25,690,000,000
House allowance ¹	25,690,000,000
Committee recommendation ¹	25,690,000,000

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 2006 to be \$25,690,000,000. This amount is \$9,237,623,000 more than the current estimated limitation.

HAZARDOUS WASTE MANAGEMENT

Limitation, 2005	\$5,000,000
Budget estimate, 2006	5,000,000
House allowance	5,000,000
Committee recommendation	5,000,000

The Commodity Credit Corporation's [CCC] hazardous waste management program is intended to ensure compliance with the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9601 et seq.) and the Resource Conservation and Recovery Act (42 U.S.C. 6901 et seq.). The CCC funds operations and maintenance costs as well as site investigation and cleanup expenses. Investigative and cleanup costs associated with the management of CCC hazardous waste are also paid from USDA's hazardous waste management appropriation.

COMMITTEE RECOMMENDATIONS

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 2005 limitation.

TITLE II—CONSERVATION PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT

Appropriations, 2005	\$735,000
Budget estimate, 2006	744,000
House allowance	744,000
Committee recommendation	744,000

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 \$744,000. This amount is \$9,000 more than the fiscal year 2005 appropriation.

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.

Wetlands Reserve Program.—The Committee supports the Natural Resources Conservation Service's [NRCS] efforts to enroll in the Wetlands Reserve Program [WRP] acreage formerly used for catfish production. The Committee encourages the NRCS to continue this practice and make enrollment of former catfish production acreage a high priority.

Klamath Basin.—The Committee recognizes that funds provided under this Act to Klamath Basin farmers and ranchers will go primarily to meet site-specific conservation goals. However, the Committee intends that on-farm conservation activities will be consistent with the broader goals for environmental restoration and the recovery of Endangered Species Act—listed species in the Klamath Basin, and enhance the stability of operations for the Federal reclamation project.

Protection of Natural Resources.—The Committee is concerned by the rapid loss of agricultural lands and natural resources resulting from urban development and encourages the Secretary to utilize appropriate authorities to protect areas of high value, such as Babcock Ranch in Florida, from continued encroachment.

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

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, 2005	\$830,661,000
Budget estimate, 2006	767,783,000
House allowance	773,640,000
Committee recommendation	819,561,000

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 wood-

land, 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. Information 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 \$819,561,000. This amount is \$11,100,000 less than the 2005 level.

For fiscal year 2006, 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 108–792, making appropriations for Foreign Operations, Export Financing, and Related Programs for the fiscal year ending September 30, 2005, and for other purposes, that were directed to be funded by the Committee for fiscal year 2005 are not funded for fiscal year 2006, unless specifically mentioned herein.

The Committee supports continuing activities of the Chesapeake Bay Program and urges the Agency to provide on-going support to provide technical assistance to farmers and local governments throughout the Bay Watershed.

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 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 \$11,000,000 for Snow Survey and Water Supply Forecasting.

The Committee provides \$28,156,000 for the Grazing Lands Conservation Initiative. This is \$4,844,000 more than the fiscal year 2005 level. The Committee expects that the additional funds will be used to enhance efforts to manage and prevent the spread of invasive species. The Committee encourages the agency to make western range lands a priority when allocating funding.

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 alluvial floodplain of the Mississippi River.

The Committee provides \$1,190,000 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, Appalachian Small Farming Research Center, and the 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 \$300,000 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 \$396,000 for a cooperative agreement with Western Kentucky University to monitor water quality and biological diversity of the Green River and surrounding watersheds.

The Committee provides \$800,000 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 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 \$1,389,000 for the Delta Conservation Demonstration Center in Washington County, Mississippi.

The Committee provides \$198,000 to continue the Idaho One-Plan in Canyon County, Idaho.

The Committee provides \$300,000 for commercialization of native plant materials in the State of Alaska.

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 \$3,000,000 to provide technical assistance for the Kentucky Soil Erosion Control/Soil Survey Program.

The Committee provides \$893,000 for cattle and nutrient management in stream crossings in cooperation with Mississippi Conservation Districts.

The Committee provides \$400,000 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 \$548,000 for watershed management and demonstration projects in cooperation with the National Pork Producers Council and Iowa Soybean Association.

The Committee provides \$192,000 for a cooperative agreement between NRCS and Alcorn State University for the analysis of soil erosion and water quality.

The Committee provides \$5,766,000 for the Wildlife Habitat Management Institute [WHMI]. The Committee recognizes the unique attributes and contributions made by the WHMI toward wildlife conservation goals of the Nation. As such, the Committee directs the NRCS to explore opportunities to engage the WHMI in administering a competitive grants process with a goal of leveraging innovative habitat conservation efforts on private lands. The Committee also directs NRCS to evaluate the staffing and resource needs of the WHMI.

The Committee provides \$950,000 for the New Jersey State Conservation Cost Share Program.

The Committee provides \$600,000 to continue assistance for conservation programs related to cranberry production in the States of Massachusetts and Wisconsin.

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 Utah CAFO/AFO pilot project.

The Committee provides \$600,000 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 establishment of a NRCS Waste Management Institute at that location.

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

The Committee provides \$500,000 to continue Natural Resource Inventory pilot activity development in Alaska. The agency shall provide the Committee with a report detailing its progress on these activities no later than December 23, 2005.

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

The Committee provides \$446,000 to address concerns with the application of phosphorous on agricultural lands in the State of North Carolina.

The Committee provides \$932,000 for additional conservation technical assistance funding to Kentucky Soil Conservation Districts.

The Committee provides \$800,000 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 \$3,571,000 for a cooperative agreement with the Georgia Soil and Water Conservation Commission.

The Committee provides \$298,000 for the West Cary Watershed Project in the State of North Carolina.

The Committee provides \$496,000 for range revegetation at Fort Hood in the State of Texas.

The Committee provides \$446,000 for a cooperative agreement with the University of Northern Iowa.

The Committee provides \$1,488,000 for a cooperative agreement with the Alaska Soil and Water Conservation District.

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 \$537,000 to carry out riparian restoration activities along the Rio Grande and Pecos Rivers in the State of New Mexico.

The Committee provides \$500,000 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 \$242,000 for the Illinois River Agricultural Water Conservation Project in the State of Illinois, in conjunction with Ducks Unlimited.

The Committee provides \$242,000 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 continue a Pilot Farm Viability Program Project in the State of Vermont.

The Committee provides \$250,000 for assistance for an On Farm Management Systems Evaluation Network.

The Committee provides \$694,000 to continue the Delta Water Resources Study in the State of Mississippi.

The Committee provides \$3,000,000 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 \$446,000 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 \$300,000 for the Ozark nutrient management project in the State of Arkansas.

The Committee provides \$10,000,000 for the Mississippi Conservation Initiative.

The Committee provides \$347,000 for a cooperative agreement with the National Wild Turkey Federation for hardwood forest restoration through the Operation Oak program.

The Committee provides \$200,000 for a cooperative agreement with the Municipal Water District of Orange County, California.

The Committee provides \$5,000,000 for the Utah Conservation Initiative.

The Committee provides \$1,000,000 for alluvial floodplain conservation in the State of Mississippi.

The Committee provides \$200,000 for a cooperative agreement with the Alabama Association of Conservation Districts.

The Committee provides \$200,000 for a cooperative agreement with Georgia Southern University for the Altamaha River Basin water quality project.

The Committee provides \$250,000 for a cooperative agreement with the College of Southern Idaho.

The Committee provides \$400,000 for a study on the effectiveness of agriculture and forestry best management practices on water quality. The Committee directs the agency to work in cooperation with Louisiana State University.

The Committee provides \$250,000 for the Union-Lincoln Parish Regional Water Conservation Project in the State of Louisiana.

The Committee provides \$295,000 to continue dairy waste remediation in the Lake Pontchartrain Basin of Louisiana.

The Committee provides \$300,000 for a soil monitoring pilot project in the State of Montana.

The Committee provides \$750,000 for the Carson City erosion control project in the State of Nevada.

The Committee provides \$250,000 for rangeland conservation in the State of Nevada.

The Committee provides \$198,000 for a cooperative agreement with the Pace University Land Use Law Center.

The Committee provides \$198,000 for the Long Island Sound watershed initiative in the State of New York.

The Committee provides \$250,000 for the Lake Erie wetlands conservation corridors project in the State of Ohio.

The Committee provides \$350,000 for conservation in Klamath and Lake Counties, Oregon.

The Committee provides \$200,000 for soil survey work in the State of Rhode Island.

The Committee provides \$350,000 for conservation in the Driftless area in the States of Wisconsin and Minnesota.

The Committee provides \$1,000,000 for multiflora rose control in the State of West Virginia.

The Committee provides \$2,480,000 for the Great Lakes Basin program for soil and erosion control.

The Committee provides \$1,000,000 for conservation activities in the West Branch DuPage River watershed in the State of Illinois.

The Committee provides \$350,000 to assist in planning and operations in the Illinois River watershed.

The Committee provides \$250,000 for the Small Farm Wetlands Management Center in the State of Arkansas. The agency is directed to work in cooperation with the University of Arkansas-Pine Bluff.

The Committee believes the introduction of alien weed pests, such as gorse and miconia, is a serious threat to the pastures and forest watersheds of Hawaii. The Committee strongly encourages the Natural Resources Conservation Service to work with the Hawaii Department of Agriculture and the Animal and Plant Health Inspection Service, to develop holistic approaches for the control and eradication of these invasive alien pests and to provide matching funds as necessary.

Plant Materials Centers.—The Committee provides no less than \$11,847,000 for NRCS plant material centers.

The Committee provides \$1,300,000 to complete the Alaska Plant Materials Center.

The Committee provides the fiscal year 2005 level for the Hawaii Plant Materials Center.

WATERSHED SURVEYS AND PLANNING

Appropriations, 2005	\$7,026,000
Budget estimate, 2006	5,141,000
House allowance	7,026,000
Committee recommendation	5,141,000

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 \$5,141,000. This amount is \$1,885,000 less than the fiscal year 2005 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, 2005	\$74,971,000
Budget estimate, 2006	
House allowance	60,000,000
Committee recommendation	60,000,000

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, flood-water, and sediment damages in the watersheds or rivers and streams and to further the conservation, development, utilization, and disposal of water.

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

COMMITTEE RECOMMENDATIONS

For watershed and flood prevention operations, the Committee recommends an appropriation of \$60,000,000. This amount is \$14,971,000 less than the fiscal year 2005 appropriation.

The Committee provides funds for the agency to complete the next phase of the Potomac Headwaters Land Treatment Project in the State of West Virginia.

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

The Committee provides funds for the agency to complete the Little Whitestick watershed project in the State of West Virginia.

The Committee provides funds for the agency to complete the next phase of the Little Red River project in the State of Arkansas.

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

The Committee provides funds for the agency to complete the next phase of Big Creek-Hurricane Creek, West Fork of Big Creek, Upper Locust Creek, Grassy Creek, East Locust Creek, Moniteau Creek, Troublesome Creek, East Yellow Creek, Little Otter Creek, East Fork Grand River, Hickory Creek, and McKenzie Creek projects in the State of Missouri.

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

The Committee provides funds for the agency to complete the next phase of 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, Mosquito of Harrison, Mill-Pacauyne, Soap Creek, Little Sioux River, Little River, and West Tarkio Creek projects in the State of Iowa.

The Committee provides funds for the agency to complete the next phase of the Coal Creek, Ferron, Muddy Creek-Orderville, and Tri-Valley projects in the State of Utah.

The Committee provides funds for the agency to complete the next phase of the Matanuska River Erosion Control Project in the State of Alaska.

The Committee provides funds for the agency to complete the next phase of the Town Creek Watershed project, Lee County, Mississippi.

The Committee provides funds for the agency to make channel improvements in the Long Beach Watershed, Canal 2-3, Harrison County, Mississippi.

The Committee provides funds to the agency for channel grade control in the Upper Tallahatchie Watershed, Union and Tippah Counties, Mississippi.

The Committee provides funding to the agency for bank stabilization in the Arkabutla Watershed in the State of Mississippi.

The Committee provides funding to the agency to complete the next phase of the Lower Birch Creek project in the State of Montana.

The Committee provides funding to the agency to complete the next phase of the South Fork of the Licking River project in the State of Ohio.

The Committee provides funding to the agency to complete the next phase of the Williamsburg Arroyos Watershed project in the State of New Mexico.

The Committee provides funding to the agency to complete the next phase of the Pine Barren Watershed project in the State of Alabama.

The Committee expects the Department to give consideration for financial and technical assistance to the Attoyac Bayou project in the State of Texas.

WATERSHED REHABILITATION PROGRAM

Appropriations, 2005	\$27,280,000
Budget estimate, 2006	15,125,000
House allowance	47,000,000
Committee recommendation	27,313,000

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

COMMITTEE RECOMMENDATIONS

For the watershed rehabilitation program, the Committee recommends \$27,313,000. This amount is \$33,000 more than the fiscal year 2005 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, 2005	\$51,228,000
Budget estimate, 2006	25,600,000
House allowance	51,360,000
Committee recommendation	51,228,000

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

COMMITTEE RECOMMENDATIONS

For resource conservation and development, the Committee recommends an appropriation of \$51,228,000. This amount is the same as the fiscal year 2005 level.

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, 2005	\$627,000
Budget estimate, 2006	635,000
House allowance	627,000
Committee recommendation	635,000

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 \$635,000. This amount is \$8,000 more than the fiscal year 2005 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 Eastern Oregon University [EOCRE] and the communities of Tchula, Mississippi and Libby, Montana have requested technical and programmatic assistance for housing, business, telecommunication, and other essential community needs. The Committee expects the Secretary to provide additional resources, and encourages the use of available national reserve funds.

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 ensure 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 is aware of the distance learning and medical link opportunities in the island 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 Molokai, Maui, Lanai, Kauai, the Big Island, rural Oahu communities, American Samoa, Guam, the Freely Associated States of Micronesia, and the Northern Mariana Islands not having the direct access to services and information that are currently available in Honolulu.

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

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 has included a general provision which provides \$1,500,000 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.

The Committee provides \$140,000 through the University of Nevada Reno to conduct a feasibility study for a cooperative sheep slaughter facility.

RURAL COMMUNITY ADVANCEMENT PROGRAM

Appropriations, 2005	\$710,321,000
Budget estimate, 2006	521,689,000
House allowance	657,389,000
Committee recommendation	705,106,000

The Rural Community Advancement Program [RCAP], authorized by the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104–127), consolidates funding for the following programs: direct and guaranteed water and waste disposal loans, water and waste disposal grants, emergency community water assistance grants, solid waste management grants, direct and guaranteed community facility loans, community facility grants, direct and guaranteed business and industry loans, rural business enterprise grants, and rural business opportunity grants. This proposal is in accordance with the provisions set forth in the Federal Agriculture Improvement and Reform Act of 1996, Public Law 104–127. Consolidating funding for these 12 rural development loan and grant programs under RCAP provides greater flexibility to tailor financial assistance to applicant needs.

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

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

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

The Rural Business and Industry Loans Program was created by the Rural Development Act of 1972, and finances a variety of rural industrial development loans. Loans are made for rural industrialization and rural community facilities under Rural Development Act amendments to the Consolidated Farm and Rural Development Act (7 U.S.C. 1932 et seq.) authorities. Business and industrial loans are made to public, private, or cooperative organizations organized for profit, to certain Indian tribes, or to individuals for the purpose of improving, developing or financing business, industry,

and employment or improving the economic and environmental climate in rural areas. Such purposes include financing business and industrial acquisition, construction, enlargement, repair or modernization, financing the purchase and development of land, easements, rights-of-way, buildings, payment of startup costs, and supplying working capital. Industrial development loans may be made in any area that is not within the outer boundary of any city having a population of 50,000 or more and its immediately adjacent urbanized and urbanizing areas with a population density of more than 100 persons per square mile. Special consideration for such loans is given to rural areas and cities having a population of less than 25,000.

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

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

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

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

COMMITTEE RECOMMENDATIONS

For the Rural Community Advancement Program [RCAP], the Committee recommends \$705,106,000. This amount is \$5,215,000 less than the fiscal year 2005 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 2005 and budget request levels:

RURAL COMMUNITY ADVANCEMENT PROGRAM

[Budget authority in thousands of dollars]

	Fiscal year—		Committee recommendation
	2005 appropriation	2006 budget request	
Community:			
Community facility loan subsidies	12,339	10,806	10,806
Community facility grants	19,678	17,000	17,000
Economic impact initiative grants	17,911	.....	20,000
High energy costs grants	27,776	.....	28,000
Rural community development initiative	6,299	.....	6,500
Tribal college grants	4,464	.....	4,464
Subtotal, community	88,467	27,806	86,770
Business:			
Business and industry guaranteed loan subsidies	29,939	44,221	44,221
Rural business enterprise grants	39,680	.....	40,000
Rural business opportunity grants	2,976	.....	3,000
Delta Regional Authority	992	.....	3,000
Subtotal, business	73,587	44,221	90,221
Utilities:			
Water and waste disposal direct loan subsidies	89,280	69,100	69,100
Water and waste disposal grants	431,078	377,062	454,027
Solid waste management grants	3,472	3,500	3,500
Emergency community water assistance grants	22,949	.....	.....
Well system grants	992	.....	992
Water and wastewater revolving funds	496	.....	496
Subtotal, utilities	548,267	449,662	528,115
Total, loan subsidies and grants	710,321	521,689	705,106

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

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

The Committee directs that of the \$26,000,000 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:

Staunton-Augusta Farmer's Market (VA); Sandoval County Health Commons (NM); Community Concepts Family Service Center (ME); City of Lindsey-Lindsey Wellness Center (CA); Lafourche Parish Emergency Evacuation Shelter (LA); Grande Isle Multiplex Center (LA); Lafourche Regional Agricultural Center (LA); City of Grambling Town Hall (LA); Jefferson Street Drainage Project (LA); Town of Golden Meadow Hurricane Evacuation Center (LA); Gogebic County NOAA Radio Warning System (MI); Chautauqua County Fair Equestrian Center, Dunkirk (NY); Technology Transfer Center, Ardmore (OK); Darlington Agriculture Education and Applied Research Center (OK); and New Mackinac Straits Virtual Hospital Project (MI).

Economic Impact Initiative Grants.—The Committee includes statutory language to provide \$20,000,000 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: Ardmore Technology Transfer Center (OK); Rural Enterprises Institute of Oklahoma Rural Woman's Business Incubator; "Made by American Indian" Marketing Outreach and Economic Development Program (MT); Montana Agricultural Innovation Centers; Rhode Island Farmways Agri-tourism Program; New Mexico Rural Development Response Council; Maine Rural Economic Development Center; and Southeast Crescent Authority (NC).

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: Staunton-Augusta Farmer's Market (VA); Punxsutawney Regional Development Council-Multi-Tenant Industrial Complex (PA); Armstrong County Planning & Development-Kittanning Campus Reuse (PA); Fractionation Development Center (ME); Mission Mountain-Business Incubator (MT); Business Connection for Rural Montana at the University of Montana (MT); Blue Ribbon Omega Egg Facility (MN); Southeastern Massachusetts Agricultural Partnership (SEMAP) (MA); Maryland Agricultural and the Resource-Based Industry Development Corporation [MARBIDCO]; Vincennes University Center for Applied Technology (IN); and the Rhode Island Farmways Agritourism Program (RI).

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.

Business and Industry Guaranteed Loans.—The Committee encourages the Department to give consideration to applications for business and industry [B&I] loans for the following: Staunton-Augusta Farmer's Market (VA); Ardmore Technology Transfer Center

(OK); Rural Enterprises Institute of Oklahoma Rural Woman's Business Incubator; "Made by American Indian" Marketing Outreach and Economic Development Program (MT); and the Punxsutawney Regional Development Council—Multi-Tenant Industrial Complex (PA).

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: Swains Creek Area Culinary Water System Improvements (UT); Red Rock Rural Water, wastewater facility (MN); City of Nelson, MN, wastewater facility; City of Askov, MN, wastewater facility; City of Walters, MN, wastewater facility; City of Mentor, MN, wastewater facility; Jal, New Mexico, water and sewer upgrades; Eunice, New Mexico, water and sewer upgrades; Lovington, New Mexico, utility improvements; Tatum, New Mexico, water system upgrades; Hobbs, New Mexico, wastewater treatment plant; Columbus, (NM); Lordsburg, (NM); San Ildefonso Pueblo, (NM); Mesquite (NM); Oklahoma water and sewer system upgrades; City of Krebs, Oklahoma, water treatment plant; City of Idabel, Oklahoma, sewer rehabilitation; City of Chandler, Oklahoma, sewer line replacement; Huston Township Sewer Authority, Mountain Run Road sewer extension (PA); Union-Lincoln Regional Water Supply Initiative (LA); Jonesville waterline (NC); Cass County Regional water and wastewater improvements (NE); Coburg wastewater system (OR); Lake County, Full Circle Project, rural wastewater and water treatment upgrade (CA); Squaxin Island Tribe Wastewater Project (WA); City of Stanley, water and wastewater emerging needs (WI); Springhill, water utility improvements and upgrades (LA); Village of Downsville, water utility improvements and upgrades (LA); Southeast Washington County Water Project (AR); City of Greenville Department of Public Safety, aerial platform, (MI); Rio Blanco Offstream Reservoir project (PR); and Indian River Community Wastewater Project (MI).

The Committee includes statutory language to make up to \$26,000,000 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.

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.

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

Individually Owned Household Water Well Program.—The Committee provides \$992,000 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 the Alachua County Critical Rural Services Initiative (FL).

Solid Waste Management Grants.—The Committee provides \$3,500,000 for grants for solid waste management. The Committee encourages the Department to give consideration to the Navajo Nation open dump cleanup project in the State of Utah.

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
	2005 appropriation	2006 budget request	
Appropriation	147,264	167,849	164,773
Transfer from:			
Rural Housing Insurance Fund Loan Program Account	444,755	465,886	465,886
Rural Electrification and Telecommunications Loans Program Account	37,971	39,933	39,933
Rural Telephone Bank Program Account	3,127	2,500	2,500
Rural Development Loan Fund Program Account	4,281	6,656	6,656
Total, RD salaries and expenses	637,398	682,824	679,748

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. Appropria-

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

COMMITTEE RECOMMENDATIONS

The Committee recommends \$679,748,000 for salaries and expenses for the Rural Economic and Community Development Programs. This amount is \$42,350,000 more than the fiscal year 2005 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.

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 \$1,471,554,000 for the Rural Housing Service. This amount is \$101,892,000 more than the fiscal year 2005 appropriation.

The Committee provides \$16,500,000 to carry out a demonstration program for projects financed under the section 515 program. It is the Committee's intent that the Department assists section 515 owners in revitalizing and preserving the section 515 housing portfolio through financial options provided in this demonstration and consistent with recommendations provided in the Comprehen-

sive Property Assessment report released by the Department in 2004. The Committee expects that owners assisted under this demonstration program shall be required to maintain the housing assisted under this demonstration as affordable, as determined by the Secretary, for the remaining term of the original loan or the term of a restructured loan, whichever is longer.

The Committee provides \$90,000,000 for the section 515 program and encourages the Secretary to give priority in awarding new construction 515 financing to eligible communities that have projects that have been accepted for prepayment and where the housing market reflects a continued need for affordable low-income rental housing.

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 2005 levels and the 2006 budget request:

LOAN AND GRANT LEVELS

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2005	2006 request	
Rural Housing Insurance Fund Program Account loan levels:			
Single family housing (sec. 502):			
Direct	1,140,800	1,000,000	1,000,000
Unsubsidized guaranteed, purchase	3,059,439	3,474,137	3,474,137
Unsubsidized guaranteed, refinance	223,384	206,896	206,896
Housing repair (sec. 504)	34,720	35,969	35,000
Multifamily housing guarantees (sec. 538)	99,200	200,000	100,000
Rental housing (sec. 515)	99,200	27,027	90,000
Site loans (sec. 524)	5,045	5,000	5,000
Credit sales of acquired property	11,489	11,500	11,500
Self-help housing land development fund	10,000	5,048	5,048
Total, RHIF	4,683,277	4,965,577	4,927,581
Farm Labor Program:			
Farm labor housing loan level	38,192	42,000	35,000
Farm labor housing grants	15,872	14,000	14,000
Total, Farm Labor Program	54,064	56,000	49,000
Grants and payments:			
Rural housing voucher program		214,000	16,000
Multifamily housing preservation			16,500
Mutual and self-help housing	33,728	34,000	34,000
Rental assistance	587,264	650,026	653,102
Rural housing assistance grants [RHAG]	43,640	41,000	43,976
Total, rural housing grants and payments	664,632	939,026	763,578
Total, RHS loans and grants	5,401,973	5,960,603	5,691,159

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

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

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

LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

The Federal Credit Reform Act of 1990 (Public Law 101–508) established the program account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated and loan guarantees committed in 2005, as well as for administrative expenses. The following table presents the loan subsidy levels as compared to the 2005 levels and the 2006 budget request:

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2005 level	2006 request	
Loan subsidies:			
Single family (sec. 502):			
Direct	132,105	113,900	113,900
Unsubsidized guaranteed, purchase	32,736	40,300	40,300
Unsubsidized guaranteed, refinance	603	600	600
Housing repair (sec. 504)	10,090	10,521	10,238
Multifamily housing guarantees (sec. 538)	3,462	10,840	5,420
Rental housing (sec. 515)	46,713	12,400	41,292
Site loans (sec. 524) ¹			
Credit sales of acquired property	721	681	681
Self-help housing land development fund ²		52	52
Total, loan subsidies	226,430	189,294	212,483
Administrative expenses	444,755	465,886	465,886

¹ Negative subsidy rates for fiscal years 2005 and 2006 are calculated for this program.

² Negative subsidy rate for fiscal year 2005 is calculated for this program.

RENTAL ASSISTANCE PROGRAM

Appropriations, 2005	\$587,264,000
Budget estimate, 2006	650,026,000
House allowance	650,026,000
Committee recommendation	653,102,000

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

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

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

COMMITTEE RECOMMENDATIONS

For rural rental assistance payments, the Committee recommends an appropriation of \$653,102,000. This amount is \$65,838,000 more than the fiscal year 2005 appropriation.

The Committee provides additional funding above the budget request for debt forgiveness and payments to enhance preservation efforts. The Committee has also included a provision that will deobligate the cost of rental assistance in section 515 projects that are subject to prepayment and reallocate these funds through a separate funding stream for the cost of the vouchers and debt forgiveness consistent with the requirements of this Act. These funds are in addition to funds otherwise provided for such activities in this Act.

RURAL HOUSING VOUCHER PROGRAM

Appropriations, 2005	
Budget estimate, 2006	\$214,000,000
House allowance	
Committee recommendation	16,000,000

This program is authorized by section 542 of the Housing Act of 1949. This program is intended to protect tenants living in properties in the existing Rural Housing Service multifamily housing portfolio whose properties leave the portfolio due to prepayment. Housing vouchers will assist tenants who face substantial rent increases or loss of rental housing as a result of loan prepayments.

COMMITTEE RECOMMENDATIONS

The Committee provides \$16,000,000 for the rural housing voucher program. The Committee is concerned with the Department's inability to transmit and communicate clearly the administration's proposed voucher and revitalization legislation required to address the pending preservation issue for low-income multi-family rural housing. The Committee has provided adequate funding for vouchers as a safety net preventing the displacement of low-income rural tenants that currently reside in section 515 projects that are subject to prepayment or foreclosure of their existing loans. The Committee does not alter prepayment restrictions or intend for vouchers to be used in a property that would not be eligible or able to prepay without the use of the voucher. The Secretary shall ensure standards for determining whether any prepayment of a section 515 loan will have a material impact on minority housing opportunities consistent with current law.

MUTUAL AND SELF-HELP HOUSING GRANTS

Appropriations, 2005	\$33,728,000
Budget estimate, 2006	34,000,000
House allowance	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 \$272,000 more than the fiscal year 2005 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, 2005	\$43,640,000
Budget estimate, 2006	41,000,000
House allowance	41,000,000
Committee recommendation	43,976,000

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

Very Low-income Housing Repair Grants.—The Very Low-Income Housing Repair Grants Program is authorized under section 504 of title V of the Housing Act of 1949. The rural housing repair grant program is carried out by making grants to very low-income families to make necessary repairs to their homes in order to make

such dwellings safe and sanitary, and remove hazards to the health of the occupants, their families, or the community.

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

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

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

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

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

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 \$43,976,000. This amount is \$336,000 more than the fiscal year 2005 appropriation.

The Committee provides \$2,976,000 for the preservation of the section 515 multi-family housing portfolio. The Committee encour-

ages 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 2005 levels and the budget request:

RURAL HOUSING ASSISTANCE GRANTS

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2005 level	2006 request	
Very low-income housing repair grants	30,861	30,000	30,000
Supervisory and technical assistance	992	1,000	1,000
Rural housing preservation grants	8,811	10,000	10,000
Multi-family housing preservation	2,976	.....	2,976
Total	43,640	41,000	43,976

FARM LABOR PROGRAM ACCOUNT

[In thousands of dollars]

	Loan level	Subsidy level	Grants
Appropriations, 2005	38,192	17,973	15,872
Budget estimate, 2006	42,000	18,728	14,000
Committee recommendation	35,000	15,607	14,000

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 \$29,607,000. This amount is \$4,238,000 less than the fiscal year 2005 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
	2005 level	2006 request	
Estimated loan level	33,939	34,212	34,212
Direct loan subsidy	15,741	14,718	14,718
Administrative expenses	4,281	6,656	6,656

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 \$34,212,000. This amount is \$273,000 more than the 2005 loan level.

RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

(In thousands of dollars)

	Fiscal year—		Committee recommendation
	2005 level	2006 request	
Estimated loan level	24,803	25,003	25,003
Direct loan subsidy ¹	4,660	4,993	4,993

¹ Offset by a rescission from interest on the cushion of credit payments as authorized by section 313 of the Rural Electrification Act of 1936.

The rural economic development loans program was established by the Reconciliation Act of December 1987 (Public Law 100–203), which amended the Rural Electrification Act of 1936 (Act of May 20, 1936), by establishing a new section 313. This section of the Rural Electrification Act (7 U.S.C. 901) established a cushion of credits payment program and created the rural economic development subaccount. The Administrator of RUS is authorized under the act to utilize funds in this program to provide zero interest loans to electric and telecommunications borrowers for the purpose of promoting rural economic development and job creation projects, including funding for feasibility studies, startup costs, and other reasonable expenses for the purpose of fostering rural economic development.

COMMITTEE RECOMMENDATION

The Committee recommends a direct loan subsidy appropriation for rural economic development loans of \$4,933,000. This amount is \$333,000 more than the fiscal year 2005 appropriation. As proposed in the budget, the \$4,993,000 provided is derived by transfer from interest on the cushion of credit payments.

RURAL COOPERATIVE DEVELOPMENT GRANTS

Appropriations, 2005	\$23,808,000
Budget estimate, 2006	21,000,000
House allowance	64,000,000
Committee recommendation	24,988,000

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 \$24,988,000 for rural cooperative development grants. This amount is \$1,180,000 more than the fiscal year 2005 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 provides \$500,000 for a research agreement on the economic impact of cooperatives to be conducted by a qualified academic institution.

The Committee has included language in the bill that not more than \$1,488,000 shall be made available to cooperatives or associations of cooperatives whose primary focus is to provide assistance to small, minority producers.

The Committee provides \$15,500,000 for value-added agricultural product market development grants and encourages the Department to give consideration to applications for the following: "Made by American Indian" Marketing Outreach and Economic Development Program (MT); Montana Agricultural Innovation Centers; Rhode Island Farmways Agritourism Program; Allegheny County Hydroponic and Agricultural Greenhouse (PA); Redlands Community College Darlington Agriculture Education and Applied Research Center (OK); Renewable Bio-Based Lubricants and Coolants (KY); Rhode Island Grown Agricultural Product Development project; and the Agriculture Utilization Research Institute (MN).

RURAL EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES GRANTS

Appropriations, 2005	\$12,400,000
Budget estimate, 2006	
House allowance	10,000,000
Committee recommendation	12,400,000

COMMITTEE RECOMMENDATIONS

The Committee recommends \$12,400,000 for Rural Empowerment Zones and Enterprise Communities Grants. This amount is the same as the fiscal year 2005 appropriation.

The Committee is concerned that rural empowerment zones, particularly zones selected because of outmigration, are having a difficult time successfully competing for USDA Rural Development programs due primarily to the fact that many programs are tied to household income levels. Often, household income levels have very little to do with the reasons for outmigration. Economic development efforts in these zones cannot advance without additional funding from competitive grant programs to supplement the funding that the Committee has earmarked for the zones for the last

several years. USDA is directed to provide a report to the Committee with suggestions on how to revise competitive grant-making criteria to take into consideration outmigration when making awards to rural empowerment zones.

RENEWABLE ENERGY PROGRAM

Appropriations, 2005	\$22,816,000
Budget estimate, 2006	10,000,000
House allowance	23,000,000
Committee recommendation	23,000,000

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 \$23,000,000 for the renewable energy program. This amount is \$13,000,000 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 Feedlot Project, (NE); Grant Parish Biofuels Facility (LA); and the Fractionation Development Center (ME).

RURAL UTILITIES SERVICE

The Rural Utilities Service [RUS] was established under the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (Public Law 103-354), October 13, 1994. RUS administers the electric and telephone programs of the former Rural Electrification Administration and the water and waste programs of the former Rural Development Administration.

The mission of the RUS is to serve a leading role in improving the quality of life in rural America by administering its electric, telecommunications, and water and waste programs in a service oriented, forward looking, and financially responsible manner. All three programs have the common goal of modernizing and revitalizing rural communities. RUS provides funding and support service for utilities serving rural areas. The public-private partnerships established by RUS and local utilities assist rural communities in modernizing local infrastructure. RUS programs are also characterized by the substantial amount of private investment which is leveraged by the public funds invested into infrastructure and technology, resulting in the creation of new sources of employment.

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS PROGRAM ACCOUNT

The Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) provides the statutory authority for the electric and telecommunications programs.

The Federal Credit Reform Act of 1990 (Public Law 101-508) established the program account. An appropriation to this account

will be used to cover the lifetime subsidy costs associated with the direct loans obligated and loan guarantees committed in 2004, as well as for administrative expenses.

COMMITTEE RECOMMENDATIONS

The following table reflects the Committee's recommendation for the rural electrification and telecommunications loans program account, the loan subsidy and administrative expenses, as compared to the fiscal year 2005 and budget request levels:

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2005 level	2006 request	
Loan authorizations:			
Electric:			
Direct, 5 percent	119,040	100,000	100,000
Direct, Muni	99,200	100,000	100,000
Direct, FFB	2,000,000	1,620,000	2,700,000
Direct, Treasury rate	1,000,000	700,000	1,000,000
Guaranteed	99,200	.....	100,000
Guaranteed, Underwriting	1,000,000	.....	1,500,000
Subtotal	4,317,440	2,520,000	5,500,000
Telecommunications:			
Direct, 5 percent	145,000	145,000	145,000
Direct, Treasury rate	248,000	425,000	425,000
Direct, FFB	125,000	100,000	125,000
Subtotal	518,000	670,000	695,000
Total, loan authorizations	4,835,400	3,190,000	6,195,000
Loan Subsidies:			
Electric:			
Direct, 5 percent	3,619	920	920
Direct, Muni	1,339	5,050	5,050
Direct, FFB ¹ .....	.....	.....	.....
Direct, Treasury rate ² .....	.....	70	100
Guaranteed	60	.....	90
Guaranteed, Underwriting ¹ .....	.....	.....	.....
Subtotal	5,018	6,040	6,160
Telecommunications:			
Direct, 5 percent ¹ .....	.....	.....	.....
Direct, Treasury rate	99	212	212
Direct, FFB ² .....	.....	.....	.....
Subtotal	99	212	212
Total, loan subsidies	5,117	6,252	6,372
Administrative expenses	37,971	39,933	39,933
Total, Rural Electrification and Telecommunications Loans Programs Account	43,088	46,185	46,305
(Loan authorization)	4,835,400	3,190,000	6,195,000

¹ Negative subsidy rates for fiscal years 2005 and 2006 are calculated for these programs.

² Negative subsidy rate for fiscal year 2005 is calculated for this program.

The Committee strongly encourages the Rural Utilities Service to evaluate and give priority consideration to any proposal submitted

which would connect a community in the State of Alaska to the Black Bear Hydropower Grid.

RURAL TELEPHONE BANK PROGRAM ACCOUNT

[In thousands of dollars]

	Loan level	Direct loan subsidy	Administrative expenses
Appropriations, 2005 ¹	175,000	.....	3,127
Budget estimate, 2006 ¹ .....	.....	.....	2,500
House allowance .....	.....	.....	2,500
Committee recommendation ¹ .....	.....	.....	2,500

¹ Negative subsidy rates for fiscal years 2005 and 2006 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.

COMMITTEE RECOMMENDATIONS

The Committee provides \$2,500,000 for administrative expenses to continue to service existing loans. This amount is \$627,000 less than the fiscal year 2005 appropriation.

DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND PROGRAM

LOANS AND GRANT LEVELS

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2005 level	2006 request	
Loan and Grant Levels:			
Distance Learning and Telemedicine Program:			
Direct loans	50,000	.....	.....
Grants	34,720	25,000	35,000
Broadband Program:			
Direct loans .....	.....	30,189	.....
Treasury rate loans	545,600	298,372	550,000
Guaranteed loans .....	.....	30,314	.....
Grants	8,928	.....	10,000
Total, DLTB grants and loan authorizations	639,248	383,875	595,000

DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND PROGRAM

LOANS AND GRANTS

[Budget authority in thousands of dollars]

	Fiscal year—		Committee recommendation
	2005 level	2006 request	
Distance Learning and Telemedicine Program:			
Direct loan subsidies	704	.....	.....
Grants	34,720	25,000	35,000
Broadband Program:			
Direct loan subsidies .....	.....	2,400	.....
Treasury subsidies	11,621	6,415	11,825
Guaranteed subsidies .....	.....	1,158	.....
Grants	8,928	.....	10,000
Total, grants and loan subsidies	55,973	34,973	56,825

The Distance Learning, Telemedicine, and Broadband Program is authorized by the Food, Agriculture, Conservation and Trade Act of 1990 (7 U.S.C. 950aaa et seq.), as amended by the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104–127). This program provides incentives to improve the quality of phone services, to provide access to advanced telecommunications services and computer networks, and to improve rural opportunities.

This program provides the facilities and equipment to link rural education and medical facilities with more urban centers and other facilities providing rural residents access to better health care through technology and increasing educational opportunities for rural students. These funds are available for loans and grants.

COMMITTEE RECOMMENDATIONS

For the Distance Learning, Telemedicine, and Broadband Program, the Committee recommends \$56,825,000. This amount is \$852,000 more than the fiscal year 2005 appropriation. Of this amount, the Committee has provided \$10,000,000 for public broadcasting systems grants to allow noncommercial educational television broadcast stations that serve rural areas to convert from analog to digital operations.

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, \$10,000,000 in grants shall be made available to support broadband transmission and local dial-up Internet services for rural areas. The Department should con-

tinue to provide financial support in addition to the Distance Learning, Telemedicine, and Broadband grant and loan accounts.

The Committee is concerned that the Rural Utilities Service [RUS] is making broadband loans to applicants that duplicate existing broadband facilities. Furthermore, the Committee believes making such loans is contrary to section 201 of the Rural Electrification Act of 1936 (Act of May 20, 1936). The Agency shall provide a report to the Committees on Appropriations no later than January 2, 2006 detailing approved loans for both the Infrastructure and Broadband programs that provide in detail the broadband capabilities of each loan and the areas or communities of potential conflict or overlap of existing broadband facilities. The report shall also detail whether loans were issued to expand broadband in an unserved territory outside of the applicant's original service territory or update existing facilities in order to provide broadband to the existing territory of the applicant.

The Committee is aware of and encourages the Department to give consideration to the following applications for grants and loans: Sandoval County, New Mexico, Health Commons; Mobile Infirmary Telemedicine Plan (AL); Pilot program to expand computer-based triage consulting system to rural emergency rooms or walk-in clinics (GA); County of Amador-Virtual Learning Community-Classroom Project (CA); Where East Meets West-Improving I-90 Corridor EMS (WA); and the Community of Garden, East Delta County Connectivity, (MI).

TITLE IV—DOMESTIC FOOD PROGRAMS

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

Appropriations, 2005	\$590,000
Budget estimate, 2006	599,000
House allowance	599,000
Committee recommendation	599,000

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 \$599,000. This amount is \$9,000 more than the fiscal year 2005 appropriation.

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 is aware and supportive of continued efforts by the State of Vermont to provide milk vending machines in schools. The Committee understands that providing students with healthy alternatives in a school setting is believed to increase child health and nutrition. Therefore, the Committee directs the Under Secretary to work with the Vermont Department of Education and Agency of Agriculture, Food and Markets to identify any available programs through which this funding could be provided.

The Committee encourages the Under Secretary to support public and private efforts to address the issue of obesity, specifically childhood obesity, in a variety of formats as appropriate, including public television. The Committee is aware of the work of groups including Operation Frontline, the Self Reliance Foundation, and the Hispanic Radio Network to conduct national multilingual nutrition education campaigns aimed at reducing obesity and promoting the new food pyramid. The Committee believes USDA should work with groups that are providing information in both print and elec-

tronic media which is geared toward both adults and children, through a contract, grant, cooperative agreement or other method that is appropriate and suitable.

The Committee encourages the Food and Nutrition Service to develop an outreach plan with respect to the revised dietary guidelines on how the Agency will reach out to communities with limited access to the internet or communities with limited English. MyPyramid is a commendable effort and the Committee believes that an outreach plan is necessary to ensure that this information is also available to communities that may suffer from a digital divide or limited English.

The Committee encourages the Department to consult with the Center for Obesity Research, Policy, and Action at Texas A&M University and work to establish a whole grain food school pilot program. This pilot program would enable school children to comply with the 2005 Dietary Guidelines for Americans.

FOOD AND NUTRITION SERVICE

The Food and Nutrition Service represents an organizational effort to eliminate hunger and malnutrition in this country. Nutrition assistance programs provide access to a nutritionally adequate diet for families and persons with low incomes and encourage better eating patterns among the Nation's children. These programs include:

Child Nutrition Programs.—The National School Lunch and School Breakfast, Summer Food Service, and Child and Adult Care Food programs provide funding to the States, Puerto Rico, the Virgin Islands, American Samoa, and Guam for use in serving nutritious lunches and breakfasts to children attending schools of high school grades and under, to children of preschool age in child care centers, and to children in other institutions in order to improve the health and well-being of the Nation's children, and broaden the markets for agricultural food commodities. Through the Special Milk Program, assistance is provided to the States for making reimbursement payments to eligible schools and child care institutions which institute or expand milk service in order to increase the consumption of fluid milk by children. Funds for this program are provided by direct appropriation and transfer from section 32.

Special Supplemental Nutrition Program for Women, Infants, and Children [WIC].—This program safeguards the health of pregnant, post partum, and breast-feeding women, infants, and children up to age 5 who are at nutritional risk because of inadequate nutrition and income by providing supplemental foods. The delivery of supplemental foods may be done through health clinics, vouchers redeemable at retail food stores, or other approved methods which a cooperating State health agency may select. Funds for this program are provided by direct appropriation.

Food Stamp Program.—This program seeks to improve nutritional standards of needy persons and families. Assistance is provided to eligible households to enable them to obtain a better diet by increasing their food purchasing capability, usually by furnishing benefits in the form of electronic access to funds. The program also includes Nutrition Assistance to Puerto Rico. The Farm Security and Rural Investment Act of 2002 (Public Law 107-171)

authorizes block grants for Nutrition Assistance to Puerto Rico and American Samoa, which provide broad flexibility in establishing nutrition assistance programs specifically tailored to the needs of their low-income households.

The program also includes the Food Distribution Program on Indian Reservations, which provides nutritious agricultural commodities to low-income persons living on or near Indian reservations who choose not to participate in the Food Stamp Program.

The Farm Security and Rural Investment Act of 2002, Public Law 107–171, enacted May 13, 2002, provides that \$140,000,000 from funds appropriated in the Food Stamp account be used to purchase commodities for The Emergency Food Assistance Program.

Commodity Assistance Program [CAP].—This program provides funding for the Commodity Supplemental Food Program [CSFP], the Farmers' Market Nutrition Program, Disaster Assistance, Pacific Island Assistance, and administrative expenses for 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 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, 2005	6,629,038	5,152,962	11,782,000
Budget estimate, 2006	7,304,207	5,111,820	12,416,027
House allowance	7,224,406	5,187,621	12,412,027
Committee recommendation	7,224,406	5,187,621	12,412,027

The Child Nutrition Programs, authorized by the Richard B. Russell National School Lunch Act (Public Law 79–396) and the

Child Nutrition Act of 1966 (Public Law 89–642), provide Federal assistance to State agencies in the form of cash and commodities for use in preparing and serving nutritious meals to children while they are attending school, residing in service institutions, or participating in other organized activities away from home. The purpose of these programs is to help maintain the health and proper physical development of America's children. Milk is provided to children either free or at a low cost, depending on their family income level. FNS provides cash subsidies to States for administering the programs and directly administers the program in the States which choose not to do so. Grants are also made for nutritional training and surveys and for State administrative expenses. Under current law, most of these payments are made on the basis of reimbursement rates established by law and applied to lunches and breakfasts actually served by the States. The reimbursement rates are adjusted annually to reflect changes in the Consumer Price Index for food away from home.

COMMITTEE RECOMMENDATIONS

For the child nutrition programs, the Committee recommends an appropriation of \$7,224,406,000, plus transfers from section 32 of \$5,187,621,000, for a total program of \$12,412,027,000. This amount is \$630,027,000 more than the fiscal year 2005 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	2005 estimate	2006 budget	Committee recommendation
School Lunch Program	6,801,286	7,194,237	7,194,237
School Breakfast Program	1,910,882	2,030,357	2,030,357
State administrative expenses	145,710	156,061	156,061
Summer Food Service Program	283,226	298,364	298,364
Child and Adult Care Food Program	2,066,197	2,174,293	2,174,293
Special Milk Program	16,868	14,819	14,819
Commodity procurement, processing, and computer support	541,532	527,579	527,579
Coordinated review system	5,232	5,235	5,235
Team nutrition	10,015	10,025	10,025
Food safety education	998	1,000	1,000
Child nutrition program pay costs	57	57	57
Child nutrition program integrity funds .....	.....	4,000	.....

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, 2005	\$5,235,032,000
Budget estimate, 2006	5,510,000,000
House allowance	5,257,000,000
Committee recommendation	5,257,000,000

The special supplemental nutrition program for women, infants, and children [WIC] is authorized by section 17 of the Child Nutrition Act of 1966. Its purpose is to safeguard the health of pregnant, breast-feeding and post partum women and infants, and children up to age 5 who are at nutritional risk because of inadequate nutrition and inadequate income. The budget estimate assumes an average monthly participation of 8.5 million participants at an average food cost of \$39.23 per person per month in fiscal year 2006.

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 \$5,257,000,000. This amount is \$21,968,000 more than the fiscal year 2005 appropriation. The Committee recommendation is a decrease from the budget request due to downward revisions of both the participation rate and the estimated increases for food costs. Specifically, the President's budget request projected participation rates of 8.5 million participants per month, which were updated to 8.2 million participants per month, and costs for the food package, originally projected to be \$39.23 per person per month, were revised to \$38.92 per month. The funding level provided, while below the budget request, will fully fund the WIC Program in fiscal year 2006.

The Committee provides no less than \$15,000,000 for breastfeeding support initiatives, and \$20,000,000 for State management information systems.

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 inten-

tion that WIC should perform aggressive screening, referral and assessment functions in such a manner that supplants the responsibilities of other programs, nor was it the Committee's intention that WIC State and local agencies should assume the burden of entering into and negotiating appropriate cost sharing agreements. The Committee again includes language in the bill to preserve WIC funding for WIC services authorized by law to ensure that WIC funds are not used to pay the expenses or to coordinate operations or activities other than those allowable pursuant to section 17 of the Child Nutrition Act of 1996, unless fully reimbursed by the appropriate Federal agency.

FOOD STAMP PROGRAM

[In thousands of dollars]

	Expenses	Amount in reserve	Puerto Rico and American Samoa	TEFAP commodity purchases	Total
Appropriations, 2005	30,499,527	3,000,000	1,515,027	140,000	35,154,554
Budget estimate, 2006	36,049,026	3,000,000	1,522,369	140,000	40,711,395
House allowance	36,034,599	3,000,000	1,535,796	140,000	40,711,395
Committee recommendation	36,049,026	3,000,000	1,522,369	140,000	40,711,395

The Food Stamp Program, authorized by the Food Stamp Act of 1977 (Public Law 88-525), attempts to alleviate hunger and malnutrition among low-income persons by increasing their food purchasing power. Eligible households receive food stamp benefits with which they can purchase food through regular retail stores. They are thus enabled to obtain a more nutritious diet than would be possible without food stamp assistance. The Farm Security and Rural Investment Act of 2002, Public Law 107-171, enacted May 13, 2002, reauthorizes the Food Stamp Program through fiscal year 2007.

The Food Stamp Program is currently in operation in all 50 States, the District of Columbia, the Virgin Islands, and Guam. Participating households receive food benefits, the value of which is determined by household size and income. The cost of the benefits is paid by the Federal Government. As required by law, the Food and Nutrition Service annually revises household stamp allotments to reflect changes in the cost of the thrifty food plan.

At the authorized retail store, the recipient presents his/her card and enters a unique personal identification number into a terminal that debits the household's account for the amount of purchases. Federal funds are shifted from the Federal Reserve to the EBT processor's financial institution so that it may reimburse the grocer's account for the amount of purchases. The grocer's account at a designated bank is credited for the amount of purchases. The associated benefit cost is accounted for in the same manner as those benefit costs that result from issuance of coupons.

Nutrition Assistance to Puerto Rico.—The Farm Security and Rural Investment Act of 2002, Public Law 107-171, authorized block grants for Nutrition Assistance to Puerto Rico and American Samoa which gives the Commonwealth broad flexibility to establish a nutrition assistance program that is specifically tailored to the needs of its low-income households. However, the Commonwealth must submit its annual plan of operation to the Secretary for ap-

proval. The Farm Security and Rural Investment Act of 2002, Public Law 107-171, enacted May 13, 2002, reauthorizes appropriations through fiscal year 2007. In addition to the provision of direct benefits to the needy, a portion of the grant may be used to fund up to 50 percent of the cost of administering the program. The grant may also be used to fund projects to improve agriculture and food distribution in Puerto Rico.

The program also includes the Food Distribution Program on Indian Reservations which provides nutritious agricultural commodities to low-income persons living on or near Indian reservations who choose not to participate in the Food Stamp Program.

Administrative Costs.—All direct and indirect administrative costs incurred for certification of households, issuance of benefits, quality control, outreach, and fair hearing efforts are shared by the Federal Government and the States on a 50-50 basis. The Farm Security and Rural Investment Act of 2002, (Public Law 107-171), substantially revised the performance requirements for States under the Quality Control [QC] System. States with poor performance over 2 years face sanctions. States that demonstrate a high degree of accuracy or substantial improvement in their degree of accuracy under the QC system are eligible to share in a \$48,000,000 “bonus fund” established by Congress to reward States for good performance.

State 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 (Public Law 103-66), States are eligible to be reimbursed for 50 percent of the costs of their food stamp fraud investigations and prosecutions.

States are required to implement an employment and training program for the purpose of assisting members of households participating in the Food Stamp Program in gaining skills, training, or experience that will increase their ability to obtain regular employment. The Department of Agriculture has implemented a grant program to States to assist them in providing employment and training services.

COMMITTEE RECOMMENDATIONS

For the Food Stamp Program, the Committee recommends \$40,711,395,000. This amount is \$5,556,841,000 more than the fiscal year 2005 appropriation. Of the amount provided, \$3,000,000,000 is made available as a contingency reserve. This is the same as the 2005 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, 2005	\$177,366,000
Budget estimate, 2006	177,935,000
House allowance	178,797,000
Committee recommendation	179,935,000

The Commodity Assistance Program includes funding for the Commodity Supplemental Food Program and funding to pay expenses associated with the storage and distribution of commodities through The Emergency Food Assistance Program.

The Commodity Supplemental Food Program [CSFP].—Authorized by section 4(a) of the Agricultural and Consumer Protection Act of 1973 (7 U.S.C. 612c note), as amended in 1981 by Public Law 97–98, this program provides supplemental food to infants and children up to age 6, and to pregnant, post partum, and breast-feeding women who have low incomes, and reside in approved project areas. In addition, the program operates commodity distribution projects directed at low-income elderly persons 60 years of age or older.

The foods for CSFP are provided by the Department of Agriculture for distribution through State agencies. The authorized commodities include: iron-fortified infant formula, rice cereal, cheese, canned juice, evaporated milk and/or nonfat dry milk, canned vegetables or fruits, canned meat or poultry, egg mix, dehydrated potatoes, farina, and peanut butter and dry beans. Elderly participants may receive all commodities except iron-fortified infant formula and rice cereal.

The Farm Security and Rural Investment Act of 2002 (2002 Farm Bill), reauthorizes the program through fiscal year 2007 and establishes a specific administrative funding level for each caseload slot assigned, adjusted each year for inflation.

The Emergency Food Assistance Program [TEFAP].—Authorized by the Emergency Food Assistance Act of 1983 (7 U.S.C. 7501 et seq.), as amended, the program provides nutrition assistance to low-income people through prepared meals served on site and through the distribution of commodities to low-income households for home consumption. The commodities are provided by USDA to State agencies for distribution through State-established networks. State agencies make the commodities available to local organizations, such as soup kitchens, food pantries, food banks, and community action agencies, for their use in providing nutrition assistance to those in need.

Funds are administered by FNS through grants to State agencies which operate commodity distribution programs. Allocation of the funds to States is based on a formula which considers the States'

unemployment rate and the number of persons with income below the poverty level.

The Farm Security and Rural Investment Act of 2002 permits State and local agencies to pay costs associated with the storage and distribution of USDA commodities and commodities secured from other sources. At the request of the State, these funds can be used by USDA to purchase additional commodities. The Farm Security and Rural Investment Act of 2002 increases funding available for the purchase of TEFAP commodities from \$100,000,000 to \$140,000,000. In addition to the commodities purchased specifically for TEFAP, commodities obtained under agriculture support and surplus removal programs are donated to States for distribution through TEFAP.

Pacific Island Assistance.—This program provides funding for assistance to the nuclear-affected islands in the form of commodities and administrative funds. It also provides funding for use in non-Presidentially declared disasters and for FNS' administrative costs in connection with relief for all disasters.

Farmers' Market Nutrition Program.—The Farmers' Market Nutrition Program [FMNP] provides WIC or WIC-eligible participants with coupons to purchase fresh, nutritious, unprepared foods, such as fruits and vegetables, from farmers' markets. This benefits both participants and local farmers by increasing the awareness and use of farmers' markets by low-income households.

COMMITTEE RECOMMENDATIONS

For the Commodity Assistance Program, the Committee recommends an appropriation of \$179,935,000. This amount is \$2,569,000 more than the fiscal year 2005 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 pro-

grams, and allow the use of TEFAP administrative funds for this purpose.

The Committee provides \$108,854,000 for the Commodity Supplemental Food Program. This amount is \$2,000,000 more than the fiscal year 2005 appropriation.

The Committee recognizes the success of the Seniors Farmers' Market Nutrition Program, which is expected to provide fresh fruits and vegetables to more than 491,000 low-income senior citizens and benefit more than 8,500 farmers in fiscal year 2006. The Committee notes that \$15,000,000 in funding is available for the program in fiscal year 2006 through the Farm Security and Rural Investment Act of 2002.

NUTRITION PROGRAMS ADMINISTRATION

Appropriations, 2005	\$138,818,000
Budget estimate, 2006	140,761,000
House allowance	140,761,000
Committee recommendation	140,761,000

The Nutrition Programs Administration appropriation provides for most of the Federal operating expenses of the Food and Nutrition Service, which includes the Child Nutrition Programs; Special Milk Program; Special Supplemental Nutrition Program for Women, Infants, and Children [WIC]; Food Stamp Program; Nutrition Assistance for Puerto Rico; the Commodity Assistance Program, including the Commodity Supplemental Food Program and the Emergency Food Assistance Program; and Farmers' Market Nutrition Program and Pacific Island Assistance.

The major objective of Nutrition Programs Administration is to efficiently and effectively carry out the nutrition assistance programs mandated by law. This is to be accomplished by the following: (1) giving clear and consistent guidance and supervision to State agencies and other cooperators; (2) assisting the States and other cooperators by providing program, managerial, financial, and other advice and expertise; (3) measuring, reviewing, and analyzing the progress being made toward achieving program objectives; and (4) carrying out regular staff support functions.

COMMITTEE RECOMMENDATIONS

For Nutrition Programs Administration, the Committee recommends an appropriation of \$140,761,000. This amount is \$1,943,000 more than the fiscal year 2005 appropriation.

TITLE V—FOREIGN ASSISTANCE AND RELATED PROGRAMS

FOREIGN AGRICULTURAL SERVICE

SALARIES AND EXPENSES

[In thousands of dollars]

	Appropriations	Transfers from loan accounts	Total
Appropriations, 2005	136,719	4,482	141,201
Budget estimate, 2006	148,792	3,608	152,400
House allowance	148,224	3,608	151,832
Committee recommendation	147,868	3,608	151,476

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 62 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 78 offices around the world where they provide expertise in agricultural economics and marketing, as well as provide attaché services.

The Foreign Agricultural Service works in conjunction with market development cooperators, trade associations, State departments of agriculture and their affiliates, and U.S. sales teams to develop foreign markets for U.S. farm products. FAS sponsors overseas

trade exhibits to promote U.S. agricultural products, provides information about foreign importers, and performs a wide range of market development activities.

FAS carries out several export assistance programs to counter the adverse effects of unfair trade practices by competitors on U.S. agricultural trade. The Export Enhancement Program uses CCC-owned commodities as export bonuses to provide export enhancements to U.S. producers. The Market Access Program [MAP] conducts both generic and brand-identified promotional programs in conjunction with nonprofit agricultural associations and private firms financed through reimbursable CCC payments.

These programs are supplemented by the Cooperator Program, a joint FAS-nonprofit private trade and producer association partnership program developing strategies for U.S. agriculture export expansion. In addition, GSM credit guarantee programs play an integral role in the recent progress of American agriculture in the world marketplace.

The Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) includes authority to establish up to 25 agricultural trade offices. Currently, 16 such offices are in operation at key foreign trading centers to assist U.S. exporters, trade groups, and State export marketing officials in trade promotion.

The Service initiates, directs, and coordinates the Department's formulation of trade policies and programs with the goal of maintaining and expanding world markets for U.S. agricultural products. It monitors international compliance with bilateral and multilateral trade agreements. It identifies restrictive tariff and trade practices which act as barriers to the import of U.S. agricultural commodities, then supports negotiations to remove them. It acts to counter and eliminate unfair trade practices by other countries that hinder U.S. agricultural exports to third markets.

FAS also carries out the mission of the former Office of International Cooperation and Development [OICD] to promote U.S. agriculture and to advance the agriculture of developing countries as parts of a complementary global agricultural system capable of providing ample food and fiber for all people. To accomplish this mission, FAS applies USDA policies and U.S. agricultural perspectives in its programs of international agricultural cooperation and development, and in its work with foreign countries, international organizations, U.S. universities and other institutions, agencies of the U.S. Government, and the U.S. private sector.

The General Sales Manager was established pursuant to section 5(f) of the charter of the Commodity Credit Corporation and 15 U.S.C. 714-714p. The funds allocated to the General Sales Manager are used for conducting the following programs: (1) CCC Export Credit Guarantee Program (GSM-102), including supplier credit guarantees and facilities financing guarantees, (2) Intermediate Credit Guarantee Program (GSM-103), (3) Public Law 480, (4) section 416 Overseas Donations Program, (5) Export Enhancement Program, (6) Market Access Program, and (7) programs authorized by the Commodity Credit Corporation Charter Act including barter, export sales of most CCC-owned commodities, 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 \$147,868,000. This amount is \$11,149,000 more than the fiscal year 2005 appropriation.

The Committee expects the FAS to fund the Foreign Market Development Cooperator Program at no less than the fiscal year 2005 level.

The Committee provides the fiscal year 2005 funding 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 \$2,000,000 of the amount appropriated to the FAS to remain available until expended solely for the purpose of offsetting fluctuations in international currency exchange rates, subject to documentation.

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 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.

The Trade Adjustment Assistance for Farmers Act [TAAF] (19 U.S.C. 2401 et seq.) requires that technical assistance be provided to farmers negatively impacted by imports. This technical assistance is an education program that helps farmers develop marketing opportunities, increase production efficiency and seek alternatives to offset losses created by imports. The Committee directs that from the funds made available by the Trade Adjustment Act

that \$3,000,000 be available to the Digital Center for Risk Management Education to coordinate an intensive technical assistance program for farmers using available funds consistent with that Act.

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 \$1,000,000 to support these activities.

The Committee recommends \$2,743,000 for Capital Security Cost Sharing [CSCS], as proposed in the budget. The Committee funds the fiscal year 2006 CSCS assessment at the level requested by FAS with the understanding that space assignments made by the Department of State in newly constructed embassies will meet current and projected FAS space requirements.

The Committee provides \$500,000 to Utah State University for a pilot demonstration and management training project in conjunction with Sweetwater International.

The Committee notes the role that the crop assessment division plays in worldwide commodity forecasting and the value of this information in maintaining and improving the U.S. market share in key agricultural commodities. The Committee recognizes that substantial investments will be needed to further develop and deploy advanced forecasting technologies and to maintain the USDA position as the global commodities forecasting standard.

PUBLIC LAW 480 TITLE I PROGRAM ACCOUNT

[In thousands of dollars]

	Credit level	Loan subsidy	Administrative expenses
Appropriations, 2005	109,000	93,444	4,002
Budget estimate, 2006	74,032	65,040	3,385
House allowance	74,032	65,040	3,385
Committee recommendation	74,032	65,040	3,385

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 (7 U.S.C. 1704), as amended. Activities in the recipient country for which these local currencies may be used include developing new markets for U.S.

agricultural commodities, paying U.S. obligations, and supporting agricultural development and research.

Title I appropriated funds may also be used under the Food for Progress Act of 1985 to furnish commodities on credit terms or on a grant basis to assist developing countries and countries that are emerging democracies that have a commitment to introduce and expand free enterprise elements in their agricultural economies.

COMMITTEE RECOMMENDATIONS

For Public Law 480, title I, the Committee recommends total appropriations of \$68,425,000. This amount is \$29,021,000 less than the fiscal year 2005 appropriation. This appropriation will support a Public Law 480, title I, credit level of \$74,032,000 for fiscal year 2006, \$34,968,000 less than the fiscal year 2005 level. The corresponding loan levels, loan subsidy amounts, and administrative expenses are reflected in the table above, as compared to the fiscal year 2005 and budget request levels.

PUBLIC LAW 480 TITLE I OCEAN FREIGHT DIFFERENTIAL GRANTS

Appropriations, 2005	\$22,541,000
Budget estimate, 2006	11,940,000
House allowance	11,940,000
Committee recommendation	11,940,000

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 \$11,940,000. This amount is \$10,601,000 less than the fiscal year 2005 appropriation.

PUBLIC LAW 480 TITLE II GRANTS

Appropriations, 2005	\$1,173,041,000
Budget estimate, 2006	885,000,000
House allowance	1,107,094,000
Committee recommendation	1,150,000,000

The Committee recognizes the important mission of the Public Law 480 Program to combat hunger and malnutrition; promote broad-based equitable and sustainable development; expand international trade; develop and expand export markets for U.S. agricultural commodities; and to foster and encourage the development of private enterprise and democratic participation in developing countries. The Committee strongly supports the continued efficient operation of this important program.

Commodities Supplied in Connection With Dispositions Abroad (Title II) (7 U.S.C. 1721–1726).—Commodities are supplied without cost through foreign governments to combat malnutrition and to meet famine and other emergency requirements. Commodities are also supplied for nonemergencies through public and private agencies, including intergovernmental organizations. The Commodity Credit Corporation pays ocean freight on shipments under this

title, and may also pay overland transportation costs to a landlocked country, as well as internal distribution costs in emergency situations. The funds appropriated for title II are made available to private voluntary organizations and cooperatives to assist these organizations in meeting administrative and related costs.

Commodities Supplied in Connection With Dispositions Abroad (Title III).—Commodities are supplied without cost to least developed countries through foreign governments for direct feeding, development of emergency food reserves, or may be sold with the proceeds of such sale used by the recipient country for specific economic development purposes. The Commodity Credit Corporation may pay ocean freight on shipments under this title, and may also pay overland transportation costs to a landlocked country, as well as internal distribution costs.

COMMITTEE RECOMMENDATIONS

For Title II, the Committee recommends a program level of \$1,150,000,000. This amount is \$23,041,000 less than the fiscal year 2005 appropriation. The Committee does not agree with the administration's proposal to shift \$300,000,000 of the Public Law 480 title II program level to USAID to be used for direct cash purchases of commodities and other purposes as well as the proposal to lift the requirement that Public Law 480 funds be used to meet sub-minimum tonnage requirements designed to meet the challenge of chronic world hunger. The Committee is committed to meeting needs related to emergency food shortages, long-term food security, and special conditions such as mitigating the effects of the Human Immunodeficiency Virus and Acquired Immune Deficiency Syndrome on individuals, households, and communities.

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 2006 to continue the fiscal year 2005 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.

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

Appropriations, 2005	\$86,800,000
Budget estimate, 2006	100,000,000
House allowance	100,000,000
Committee recommendation	100,000,000

Authorized in the Farm Security and Rural Investment Act of 2002, Public Law 107-171, the McGovern-Dole International Food for Education and Child Nutrition Program helps support education, child development, and food security for some of the world's poorest children. The program provides for donations of U.S. agricultural products, as well as financial and technical assistance, for school feeding and maternal and child nutrition projects in low-income, food-deficit countries that are committed to universal education. Commodities made available for donation through agreements with private voluntary organizations, cooperatives, intergovernmental organizations, and foreign governments may be donated for direct feeding or for local sale to generate proceeds to support school feeding and nutrition projects.

COMMITTEE RECOMMENDATIONS

The Committee provides \$100,000,000 for the McGovern-Dole International Food for Education and Child Nutrition Program. This amount is \$13,200,000 more than the fiscal year 2005 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 2005 and, in spite of extremely limited funds, has provided a significant increase for fiscal year 2006. 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 ex- penses
Appropriations, 2005	4,528,000	309,042	4,388
Budget estimate, 2006	4,396,000	391,823	5,279
House allowance	4,396,000	391,823	5,279
Committee recommendation	4,396,000	391,823	5,279

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] (Public Law 105–115) reaffirmed the responsibilities of the FDA: to ensure safe and effective products reach the market to a timely way, and to monitor products for continued safety after they are in use. In addition, FDA is entrusted with two critical functions in the Nation's war on terrorism: preventing willful contamination of all regulated products, including food, and improving the availability of medications to prevent or treat injuries caused by biological, chemical or nuclear agents.

The FDA Foods program has the primary responsibility for assuring that the food supply, quality of foods, food ingredients and dietary supplements are safe, sanitary, nutritious, wholesome, and honestly labeled, and that cosmetic products are safe and properly labeled. The variety and complexity of the food supply has grown dramatically while new and more complex safety issues, such as emerging microbial pathogens, natural toxins, and technological innovations in production and processing, have developed. This program plays a major role in keeping the United States food supply among the safest in the world.

The FDA Drugs programs are comprised of three separate areas, Human Drugs, Animal Drugs and Biologics. FDA is responsible for the life cycle of the product, including premarket review and postmarket surveillance of human, animal and biological products to ensure their safety and efficacy. For Human Drugs this includes assuring that all drug products used for the prevention, diagnosis and treatment of disease are safe and effective. Additional procedures include the review of investigational new drug applications; evaluation of market applications for new and generic drugs, labeling and composition of prescription and over-the-counter drugs; monitoring the quality and safety of products manufactured in, or imported into, the United States; and, regulating the advertising and promotion of prescription drugs. The Animal Drugs and Feeds Program ensures only safe and beneficial veterinary drugs, intended for the treatment and/or prevention of diseases in animals and the improved production of food-producing animals, are approved for marketing.

The FDA Biologics program assures that blood and blood products, blood test kits, vaccines, and therapeutics are pure, potent,

safe, effective, and properly labeled. The program inspects blood banks and blood processors, licenses and inspects firms collecting human source plasma, evaluates and licenses biologics manufacturing firms and products; lot releases licensed products; and monitors adverse events associated with vaccine immunization.

The FDA Devices and Radiological program ensures the safety and effectiveness of medical devices and eliminates unnecessary human exposure to manmade radiation from medical, occupational, and consumer products. In addition, the program enforces quality standards under the Mammography Quality Standards Act (Public Law 108–365). Medical devices include thousands of products from thermometers and contact lenses to heart pacemakers, hearing aids, MRIs, microwave ovens, and video display terminals.

FDA's National Center for Toxicological Research in Jefferson, Arkansas, serves as a specialized resource, conducting peer-review scientific research that provides the basis for FDA to make sound science-based regulatory decisions through its premarket review and postmarket surveillance. The research is designed to define and understand the biological mechanisms of action underlying the toxicity of products and developing methods to improve assessment of human exposure, susceptibility and risk of those products regulated by FDA.

SALARIES AND EXPENSES

[In thousands of dollars]

	Appropriation	Prescription drug user fees	Medical device user fees	Animal drug user fees	Mammography clinics inspection fees	Export and certification fees	Total
Appropriations, 2005	1,450,098	284,394	33,938	8,354	16,919	6,838	1,800,541
Budget estimate, 2006	1,492,726	305,332	40,300	11,318	17,173	7,640	1,874,489
House allowance	1,480,978	305,332	40,300	11,318	17,173	7,640	1,862,741
Committee recommendation	1,485,009	305,332	40,300	11,318	17,173	7,640	1,866,772

COMMITTEE RECOMMENDATIONS

For salaries and expenses, the Committee recommends an appropriation of \$1,485,009,000. This amount is \$34,911,000 more than the fiscal year 2005 appropriation. The Committee also recommends \$305,332,000 in Prescription Drug User Fee Act user fee collections, \$40,300,000 in Medical Device User Fee and Modernization Act user fee collections, \$11,318,000 in Animal Drug User Fee Act user fee collections, \$17,173,000 in Mammography Quality Standards Act fee collections, and \$7,640,000 in export and certification fees, as assumed in the President's budget. These amounts are \$20,938,000, \$6,362,000, \$2,964,000, \$254,000, and \$802,000 more than the 2005 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 2005 and budget request levels:

FOOD AND DRUG ADMINISTRATION SALARIES AND EXPENSES

[In thousands of dollars]

	Fiscal year—		Committee recommenda- tion
	2005 enacted	2006 request	
Centers and related field activities:			
Foods	435,526	461,227	450,179
Center for Food Safety and Applied Nutrition [CFSAN]	152,002	155,819	157,519
Field activities	283,524	305,408	292,660
Human drugs	291,488	294,089	295,589
Center for Drug Evaluation and Research [CDER]	210,529	213,363	214,863
Field activities	80,959	80,726	80,726
Biologics	123,112	122,238	122,238
Center for Biologics Evaluation and Research [CBER]	96,890	96,093	96,093
Field activities	26,222	26,145	26,145
Animal drugs	90,486	90,486	90,486
Center for Veterinary Medicine [CVM]	55,292	55,292	55,292
Field activities	35,194	35,194	35,194
Medical and radiological devices	214,965	220,961	222,792
Center for Devices and Radiological Health [CDRH]	163,246	165,042	166,873
Field activities	51,719	55,919	55,919
National Center for Toxicological Research [NCTR]	40,206	41,152	41,152
Other activities	87,232	87,262	87,262
Office of the Commissioner	29,846	31,203	31,203
Office of Management	38,515	37,242	37,242
Office of External Relations	6,873	6,842	6,842
Office of Policy and Planning	5,175	5,152	5,152
Central services	6,823	6,823	6,823
Rent and related activities	53,604	57,732	57,732
Rental payments to GSA	113,479	117,579	117,579
Total, FDA salaries and expenses, new budget author- ity	1,450,098	1,492,726	1,485,009

The Committee recommends the following increases in budget authority for FDA salaries and expenses activities: \$16,576,000 for counterterrorism activities related to food safety; \$7,827,000 for increased medical device review; \$5,000,000 for drug safety; \$4,100,000 for rental payments to the General Services Administration; and \$4,128,000 for FDA's consolidation at the White Oak campus. The Committee notes that FDA did not request an increase for cost of living pay, which, according to the budget justification, will cost the agency \$36,509,000 in fiscal year 2006. Therefore, the Committee directs the FDA to use the funds provided to support current activities and staff levels in these initiative areas before engaging in new activities. The Committee also recommends a de-

crease in budget authority requested in the budget of \$6,670,000 associated with management and information technology savings.

The Committee does not approve the proposed restructuring of FDA's budget for the field activities, rent activities, and other activities accounts. The Committee directs the Agency to submit the fiscal year 2007 budget request in a format that follows the same account structure as the fiscal year 2005 budget request unless otherwise approved by the Committee.

Within the total funding available, at least \$2,500,000 is for FDA activities in support of *Codex Alimentarius*.

Bovine Spongiform Encephalopathy.—The Committee provides \$29,556,000 for Bovine Spongiform Encephalopathy [BSE]. The Committee understands that this funding will be used to conduct yearly inspections of all renderers and feed mills processing products containing prohibited materials; extend BSE inspections into targeted segments of industries subject to the BSE Feed regulation but previously minimally inspected; validate test methods for the detection of bovine-derived proteins in animal feed; and continue to conduct research on Transmissible Spongiform Encephalopathies in FDA's product centers.

Unified Financial Management System.—The Committee understands that FDA and the Department of Health and Human Services [DHHS] have successfully implemented the DHHS Unified Financial Management System [UFMS]. The Committee also understands that spending for UFMS in fiscal year 2005 has increased beyond what the Committee has expressly provided for this project. Therefore, the Committee directs HHS and FDA to provide a detailed report, within 60 days of enactment, on the cost of the UFMS project for fiscal years 2004, 2005, and 2006, including a thorough description of cost increases and the programs or initiatives that will be impacted by any funding reallocation. Additionally, the Committee provides funding for this project at no more than the fiscal year 2004 level of \$9,389,000.

Agricultural Products Food Safety Laboratory.—The Committee provides an increase of \$250,000 above the fiscal year 2005 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, including advanced risk-based systems for screening and inspection, to facilitate FDA's regulations and responsibilities in food safety, product safety, homeland security, bioterrorism, and other initiatives.

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 2005 level.

National Center for Food Safety and Technology.—With the growing threat of foodborne illness to the public health, the Committee believes that collaborative research in food safety should continue among Government, academia, and private industry. The national model for that collaboration has been the National Center for Food Safety and Technology [NCFST] in Summit-Argo, Illinois. The

Committee includes \$3,000,000 for the National Center to continue the important work done there.

Seafood Safety.—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 \$200,000 be directed through the Office of Seafood Inspection to continue these activities, and directs that \$250,000 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 Conference'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 Hazard Analysis Critical Control Point [HACCP] standards. However, the Committee is aware that special or unique circumstances may exist for particular seafood processors. While ultimate HACCP compliance is not in question, the Committee is specifically aware of Hawaii's lengthy and culturally important history of hook-and-line fisheries, auction markets, and the high consumption of raw tuna and other pelagic fish in Hawaii, and strongly encourages the Agency to take into account both the history and the industry's practical experience in approving a plan that is consistent with healthy seafood products and national standards for seafood safety.

The Committee has been advised that farmed salmon imported from overseas is fed feed with chemical additives to change the color of its flesh or the flesh is artificially dyed. A lawsuit was filed against national grocery chains alleging they do not adequately label the fish which are dyed. The Committee directs the Food and Drug Administration to continue to monitor information concerning the safety of the use of such additives and dyes in seafood and to more aggressively enforce the clear and conspicuous disclosure of such additives and dyes to consumers on consumer packaging.

In addition, the funding 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, 2005. 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.

Chloramphenicol.—The Committee continues to have serious concerns regarding seafood safety issues posed by banned antibiotic contamination in farm-raised shrimp imports. In addition, the Committee is concerned that the FDA inspects less than 2 percent of shrimp being imported into the United States. Therefore, the Committee provides an increase of \$500,000 for the FDA to develop, in cooperation with State testing programs, a program for increasing the inspection of imported shrimp, possibly including cold-storage inventories, for banned antibiotics, including chloramphenicol.

National Antimicrobial Resistance Monitoring System.—The Committee supports the work of the National Antimicrobial Resistance Monitoring System [NARMS] and its collaborative relationship between FDA, USDA, and the Centers for Disease Control. The Committee expects the coordination of activities among these three areas of government to result in the most unbiased presentation of timely, accurate data in the best interest of public health, and encourages FDA to equally divide research funding among the three branches of the program. The Committee directs FDA to provide a detailed financial report as well as an executive summary of 2004 NARMS data and a preliminary report on 2005 data to the Committee by March 1, 2006 in a format that is accessible to users of the data. Further, the Committee directs FDA to perform a review of all components of the NARMS program to ensure that the program remains scientifically sound and relevant to public health.

Orphan Products Grants.—Included in the Center for Drug Evaluation and Research is \$14,392,000 for the Orphan Products Grants Program.

Dietary Supplements.—The Committee includes total funding of approximately \$5,560,000 for the CFSAN Adverse Events Reporting System [CAERS], of which approximately \$1,700,000 is for dietary supplements. This is \$1,060,000 more than the amount in the budget request. The Committee is aware that efforts are underway to authorize a mandatory adverse event reporting system for dietary supplements. The Committee requests, within 90 days of the enactment of this Act, a report on the cost of such a system.

The Committee is encouraged by the FDA's recent activities to enforce provisions contained within the Dietary Supplement Health and Education Act of 1994 [DSHEA] (Public Law 103–417). The Committee has included funding to continue enforcement of the provisions contained in DSHEA. It is the Committee's intent that these funds be prioritized by the agency to step up activities against products that are clearly in violation of DSHEA. In addition, the Committee is concerned that Current Good Manufacturing Practice [CGMP] regulations, which have been under development for some time, have not been issued. Accordingly, the Committee requests that FDA issue the dietary supplement CGMP regulations.

FDA has indicated that the ability to identify and analyze specific components in ingredients, including botanical ingredients, is an essential component of research and regulatory programs directed at ensuring the safety and effectiveness of dietary supplements. The Committee provides an increase of \$500,000 for review of botanicals in dietary supplements. This work is being carried out

by FDA in collaboration with the National Center for Natural Products Research, Oxford, MS.

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 \$4,000,000 for program operation and oversight. The Committee encourages FDA to ensure that the Office of Women's Health is sufficiently funded to carry out its activities, and to enhance its funding if necessary.

Medical Device Application Review.—The Committee continues to support the Medical Device User Fee and Modernization Act [MDUFMA] (Public Law 107-250) program, and acknowledges the efforts by the FDA to address the significant funding shortfall. The Committee includes \$7,827,000 for the Devices and Radiological Health Program, \$1,831,000 above the request. However, the Committee remains concerned that necessary modifications to the Act in order to continue this program into fiscal year 2006 have not been enacted and directs the FDA to make coming to a resolution on MDUFMA a priority. The Committee requests bi-weekly updates on the progress of the MDUFMA legislative change. Additionally, the Committee is concerned that device review performance is not increasing with the increases in user fee and appropriated dollars. Specifically, the Committee has been informed that FDA is putting device applications on hold and neglecting modular reviews to meet user fee goals. Therefore, the Committee requests a comprehensive report, within 90 days of enactment, on device review performance for fiscal years 2001-2005. This report should also detail how MDUFMA user fee and appropriated funds have been spent for fiscal years 2003-2005.

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 en-

hancements will lead to more efficient and timely evaluation of rare disease therapeutics and further stimulate private sector investment in rare disease research.

Drug Counterfeiting.—In February 2004 the Food and Drug Administration issued a report on drug counterfeiting and found growing evidence of well-organized and technologically sophisticated criminal activities. FDA noted that a combination of technologies in a layered system is needed to provide greater levels of security in the years ahead. The Committee is pleased that the FDA has continued to see the important and vital role anti-counterfeiting technologies play in protecting patients. In November 2004, the FDA issued guidance for FDA staff and the pharmaceutical industry on certain track and trace technologies. The Committee notes that FDA stated, in the February 2004 report, that there was near unanimity in the comments it received that similar guidance was needed for authentication technologies and announced its intention to issue such guidance.

The Committee believes that there are important authentication technologies, including color-shifting pigments, available now that if used more widely would make it more difficult for would-be counterfeiters and give consumers more confidence that their drugs are safe. In its Annual Update report issued May 18, 2005, the FDA stated that rather than issue guidance on authentication technologies it had decided that it wanted to “gain additional experience working with companies in their application and use of” these technologies. The Committee directs that the FDA report back to the Committee within 90 days of the enactment of this Act on the experience it has gained by working with these companies. In addition, the Committee encourages the FDA to issue draft guidance on the Agency’s application and notification policies and procedures for use of authentication technologies.

Human Drug Compounding.—The Committee provides \$750,000 for the Food and Drug Administration to undertake a pilot program with the United States Pharmacopeia [USP], a national drug standard-setting organization recognized by Congress, to accelerate the development of monographs for compounded preparations of medications. This initiative will promote public health and safety while assisting and supporting compounding pharmacy practitioners in delivering the best care possible to patients who need these preparations.

The Committee acknowledges the important role that compounding pharmacists play in ensuring the health and well-being of consumers and the important role the USP plays in promoting public health and safety. Under this public health initiative, the USP will work in consultation with compounding pharmacists to identify commonly prescribed or critically needed compounded preparations for monograph development.

In approving the funds to carry out this pilot program, the Committee makes clear that the development of monographs will not limit or infringe upon the current practice of compounding pharmacists in preparing and dispensing prescriptions, or alter the existing State and Federal regulatory roles regarding compounding. Further, the Committee directs the United States Pharmacopeia to provide a report, not later than 8 months after the commencement

of the initiative describing the activities and accomplishments of this program.

Food Labeling.—Given the important nature of the information provided on the food label and in light of the New Dietary Guidelines for Americans 2005, the Committee is interested in ensuring that food labels can be easily understood and reflect information that is factual. The Committee is concerned that consumers may be faced with misleading information on caloric and nutrient content and health-related claims, and believes it is vital that consumers are able to trust the accuracy of food labels. Therefore, the Committee directs the FDA to continue to apply resources to efforts that ensure the accuracy of the Nutrition Facts panel and address potentially misleading health and nutrition statements on the food label and to report to the Committee by February 1, 2006 on the types of labeling violations discovered and actions taken in response to such violations.

Center of Excellence.—The Committee provides \$1,000,000 to create a Western Region FDA Center of Excellence at the University of California at Davis. This Center will focus on research relating to food defense and the critical issues dealing with imports of food products, especially from the Americas and Pacific Rim. The goals of this new Center include addressing increasing incidence and complexity of food-borne disease outbreaks, increased risk at the border of new food-borne pathogens entering our food systems, and the risk of attacks on our food supply.

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.

Glucose Monitoring.—The Committee encourages the FDA to support a workshop to provide a forum for the developers of continuous glucose monitoring technologies to discuss ways in which promising continuous glucose monitoring technologies can be expeditiously reviewed.

Diabetes Product Characteristics.—The Committee urges FDA to develop guidance, initiate collaborations, and promote consensus development activities to evaluate the utility and need for additional biomarkers and surrogate endpoints that will assist manufacturers' efforts to demonstrate efficacy of diabetes product characteristics with clinical outcomes, and where need exists, to aid in their development and validation. Where there is a demonstrated need, the Committee urges FDA to work with diabetes stakeholders to refine therapeutic endpoints.

HIV/AIDS Vaccines.—The Committee recognizes the importance of ensuring that promising HIV/AIDS vaccines are tested in infants and youth as early as is medically and ethically appropriate. The Committee requests that the Commissioner of the Food and Drug Administration, in consultation with appropriate public and private entities, consider the logistical, regulatory, medical and ethical

issues presented by pediatric testing of these vaccines so that children can share in the benefit of any advances in vaccine research. The Committee urges FDA to issue guidance not later than 6 months after the enactment of this Act on the minimum requirements for obtaining FDA approval to test an HIV vaccine in pediatric populations and the minimum requirements for obtaining FDA approval of a pediatric indication of an HIV vaccine.

Foodborne Illness.—The Committee is pleased that the FDA, USDA, and CDC recently reported declines in foodborne infections due to common bacterial pathogens, including *E. coli* 0157, campylobacter, and salmonella infections. The Committee is aware of the effective work of the Partnership for Food Safety Education, in collaboration with these agencies, to provide information to the general public about simple, commonsense suggestions regarding safe food preparation and handling. Currently, the Partnership for Food Safety Education is working to develop a public education campaign aimed at populations vulnerable to listeria, including pregnant women and adults with weakened immune systems. The Committee believes this is a worthwhile effort, and encourages FDA to continue working with the Partnership for Food Safety Education in executing this education campaign. In addition, the Committee encourages the FDA to provide funding, as appropriate, to support this collaborative effort.

Citizen Petitions.—The Committee is aware that FDA is working to study the effect that the citizen petition process is having on the process for approving Abbreviated New Drug Applications [ANDA]. Some have expressed concern that approval of ANDAs are being unnecessarily delayed due to certain citizen petitions. Considering the significant savings that generic drugs offer the American consumer, the Committee directs FDA to provide a written report, within 45 days of enactment, explaining its citizen petition process improvement efforts, particularly as they relate to the ANDA approval process, including a timeline for implementation of any reforms deemed necessary.

Global Evaluation Scale.—The Committee notes that there has been public criticism about the Global Evaluation Scale used in studies submitted to FDA to determine efficacy of acne products. The Committee has been assured that, to date, FDA has not adopted this scale, the matter has been presented to the Advisory Committee, and will be addressed in guidance developed with the benefit of public comment. The Committee urges FDA to complete this guidance development process prior to adopting this scale as a preferred method of evaluating acne products.

Collaborative Drug Safety Research.—The Committee commends FDA for its work in developing the Critical Path Initiative to foster collaboration with outside researchers and develop new tools to both promote drug safety and accelerate the development of innovative new therapies. The Committee further commends the C-Path Institute, founded by the University of Arizona, for its innovative research efforts to develop more efficient tools for medical product development and drug safety. For this important effort, the Committee provides \$750,000, to support collaborative research with the C-Path Institute and the University of Utah on cardiovascular biomarkers predictive of safety and clinical outcomes. This

research would help address the critical public health threat of heart failure which affects over 5 million Americans, with over 250,000 dying annually from this condition. The Committee understands the research would involve identifying candidate genes and proteins in University of Utah databases, designing and conducting genomic and proteomic biomarker validation experiments by the C-Path Institute, the University of Utah, FDA and manufacturers, determining which biomarkers identify heart failure patients who are most likely to respond favorably to drug therapy and those at highest risk of adverse events. The Committee expects that this research will enhance patient safety, reduce the number of patients necessary for clinical testing, and enable manufacturers to accelerate drug development and bring safer, innovative life-saving drugs to market more quickly.

Prescription Drug Monographs.—The Committee is interested in ensuring that FDA adopts a uniform and transparent system for regulating pharmaceuticals that have been marketed for a material extent and for a material amount of time without documented safety problems and outside of the current new drug approval process. Last year, at the request of this Committee, the FDA provided a report on the feasibility of developing a monograph system for these older prescription drugs. In this report, the FDA stated that developing a monograph system would be scientifically infeasible and cost prohibitive. Therefore, the Committee directs the FDA to devise an alternative approach that provides for the uniform and transparent regulation of these drugs and report back to the Committee within 90 days of the enactment of this Act. Furthermore, the Committee encourages the agency to ensure that enforcement resources are prioritized to address safety and effectiveness concerns.

Ocular Health.—The Committee has included a general provision to promote the ocular health of contact lens wearers by barring the use of funds to facilitate a practice 32 State Attorneys General alleged to be illegal and detrimental to patient health.

The FDA has recognized the importance of timely replacement of contact lenses, advising consumers to comply with the wearing schedules established by their eye care providers. Federal and State regulators have reported that as contact lenses become less expensive and more convenient to replace, consumers will replace them more frequently, leading to increased patient safety, including decreases in eye infections and inflammation.

In the 1990s, 32 State Attorneys General, citing these health benefits, sued to stop major contact lens manufacturers from engaging in the practice of limiting distribution of their lenses to eye care providers. Since contact lens prescriptions are branded, with no substitutions allowed, this practice was designed to increase prices and limit consumers' options for obtaining replacement lenses. A consent decree was reached between the parties involved. The provision effectively codifies the consent decrees reached with the Attorneys General.

Authorized Generics.—The Committee is aware that amendments to the Hatch-Waxman Act (Public Law 98-417) provided 180 day marketing exclusivity to a generic drug that successfully challenges the patent of a name brand pharmaceutical company, and that the

purpose of this exclusivity was to provide incentives to bring lower cost generic drugs to the market as quickly as possible. Recently, the Committee has been informed that “authorized” generics are entering the market at the same time as generic drugs, and is concerned that this practice may have the ultimate effect of decreasing the number of generic drugs that enter the market, keeping prices ultimately higher for the consumer. Therefore, the Committee strongly encourages FDA to work to ensure that incentives for generic drugs, which are currently written into law, are protected, and that consumers continue to have access to safe, effective generic drugs at the earliest possible time.

Influenza.—Most experts estimate that there will be a lag time of 6 to 9 months before a vaccine can be produced in sufficient quantities to protect individuals against a pandemic strain of influenza to which most people will have no natural immunity. While issues around vaccine manufacturing, distribution, safety and access are complex; the United States and other nations are putting protocols in place now with respect to creating a rapid-response approval process for a pandemic flu vaccine. The Committee understands that FDA’s Center for Biologics Evaluation and Research is engaging potential manufacturers of influenza vaccines and that FDA is writing a guidance document for the clinical development of new influenza vaccines, including pandemic influenza vaccines. The Committee encourages the Food and Drug Administration’s Center for Biologics Evaluation and Research to continue its efforts in working with potential influenza vaccine manufacturers to facilitate the development of influenza vaccines for a pandemic.

Drug Safety.—The Committee provides an increase of \$5,000,000 for drug safety. The Committee is concerned about this issue and the efforts underway at FDA to enhance the Office of Drug Safety. The Committee requests a report, within 90 days of the enactment of this Act, on the efforts FDA is engaging in to increase drug safety oversight, including any efforts related to Orphan Products.

Follow-on Biologics.—The Committee is interested in the feasibility of developing an approval and post-approval monitoring system for follow-on, off-patent biologics and requests that the FDA report to Congress, within 90 days of the enactment of this Act, on the status of its activities with respect to this issue.

BUILDINGS AND FACILITIES

Appropriations, 2005	
Budget estimate, 2006	\$7,000,000
House allowance	5,000,000
Committee recommendation	7,000,000

FDA maintains offices and staff in 49 States and in the District of Columbia and Puerto Rico, including field laboratories and specialized facilities, as well as the National Center for Toxicological Research complex. Repairs, modifications, improvements, and construction to FDA headquarters and field facilities must be made to preserve the properties, ensure employee safety, meet changing program requirements, and permit the Agency to keep its laboratory methods up to date.

COMMITTEE RECOMMENDATIONS

The Committee provides \$7,000,000 for buildings and facilities. Within the funds provided, the Committee directs \$4,000,000 for the final phase of construction of the Arkansas Regional Laboratory.

INDEPENDENT AGENCIES

COMMODITY FUTURES TRADING COMMISSION

Appropriations, 2005	\$93,572,000
Budget estimate, 2006	99,386,000
House allowance	98,386,000
Committee recommendation	98,386,000

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 \$98,386,000. This amount is \$4,814,000 more than the fiscal year 2005 appropriation.

FARM CREDIT ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

Limitation, 2005	\$42,350,000
Budget estimate, 2006	
House allowance	44,250,000
Committee recommendation	44,250,000

The Farm Credit Administration [FCA] is the independent agency in the executive branch of the Government responsible for the examination and regulation of the banks, associations, and other institutions of the Farm Credit System.

Activities of the Farm Credit Administration include the planning and execution of examinations of Farm Credit System institutions and the preparation of examination reports. FCA also establishes standards, enforces rules and regulations, and approves certain actions of the institutions.

The administration and the institutions under its jurisdiction now operate under authorities contained in the Farm Credit Act of 1971, Public Law 92-181, effective December 10, 1971. Public Law 99-205, effective December 23, 1985, restructured FCA and gave the agency regulatory authorities and enforcement powers.

The act provides for the farmer-owned cooperative system to make sound, adequate, and constructive credit available to farmers and ranchers and their cooperatives, rural residences, and associations and other entities upon which farming operations are dependent, and to modernize existing farm credit law to meet current and future rural credit needs.

The Agricultural Credit Act of 1987 authorized the formation of the Federal Agricultural Mortgage Corporation [FAMC] to operate a secondary market for agricultural and rural housing mortgages. The Farm Credit Administration, under section 8.11 of the Farm Credit Act of 1971, as amended, is assigned the responsibility of regulating this entity and assuring its safe and sound operation.

Expenses of the Farm Credit Administration are paid by assessments collected from the Farm Credit System institutions and by assessments to the Federal Agricultural Mortgage Corporation.

COMMITTEE RECOMMENDATIONS

The Committee recommends a limitation of \$44,250,000 on administrative expenses of the Farm Credit Administration [FCA]. The Committee provides that the limitation does not apply to expenses associated with receiverships. Based on recent events, the Committee understands the Farm Credit Administration may receive unforeseen applications from large financial institutions seeking to terminate participation in the Farm Credit System. Because due diligence efforts required to process such applications may necessitate exceeding the FCA fiscal year administrative expense budget, the Committee allows some additional expenditures exceeding the limitation amount upon a finding of extraordinary circumstances by the FCA Board.

TITLE VII—GENERAL PROVISIONS

The majority of the general provisions are essentially the same as those included in the fiscal year 2005 and previous years' appropriations acts. In addition, the Committee recommends the following provisions:

Section 704—to include wildlife services methods development and aviation safety in the APHIS appropriation items which shall remain available until expended.

Section 705—to allow unobligated balances to be transferred to the Working Capital Fund.

Section 709—to limit indirect costs for grants awarded by the Cooperative State Research, Education, and Extension Service to 20 percent.

Section 712—language providing for expenses related to advisory committees.

Section 716—language regarding the transfer of funds to the Office of the Chief Information Officer and information technology funding obligations.

Section 717—language in regard to the reprogramming of funds.

Section 718—language regarding the Initiative for Future Agriculture and Food Systems.

Section 720—language in regard to closing or relocating State Rural Development offices.

Section 721—to provide funding for the Bill Emerson and Mickey Leland Hunger Fellowship.

Section 723—to provide funding for the National Sheep Industry Improvement Center.

Section 724—to make certain locations eligible for rural development programs.

Section 725—to provide financial and technical assistance to certain Natural Resource Conservation Service projects in Alaska, Illinois, and Utah.

Section 729—to prohibit funds from being used to close or relocate the Food and Drug Administration Division of Pharmaceutical Analysis.

Section 730—language in regard to the Rural Strategic Investment Program.

Section 731—language to allow the reimbursement of funds to the Office of the General Counsel.

Section 732—language in regard to the Rural Firefighters program.

Section 734—language in regard to the Wetlands Reserve Program.

Section 735—language in regard to the Environmental Quality Incentives Program.

Section 736—language in regard to the renewable energy program.

Section 737—language in regard to the broadband loan program.

Section 739—language in regard to the value-added grants program.

Section 741—language in regard to the Wildlife Habitat Incentives Program.

Section 742—language in regard to the Special Supplemental Nutrition Program for Women, Infants, and Children [WIC].

Section 743—language in regard to the Rural Business Investment Program.

Section 744—language in regard to the ground and surface water conservation program.

Section 748—language in regard to the Bioenergy program.

Section 751—providing funding for the Denali Commission.

Section 752—language in regard to the Alaska Department of Community and Economic Development.

Section 754—language in regard to the Emergency Watershed Program.

Section 756—language in regard to the Special Supplemental Nutrition Program for Women, Infants, and Children [WIC].

Section 762—language in regard to the City of Elkhart, Kansas.

Section 763—to provide funding for the Healthy Forests Reserve Program.

Section 764—language in regard to recertification of rural status for the Rural Electrification and Telecommunication Loans program.

Section 765—language in regard to the Biomass Research and Development Program.

Section 766—language in regard to the Federal Financing Bank.

Section 767—language in regard to consistent regulation of contact lenses.

Section 768—language in regard to law enforcement at the National Center for Toxicological Research and the Arkansas Regional Laboratory.

Section 769—language in regard to the Child and Adult Care Food Program.

Section 770—language in regard to the Summer Food Service Program.

Section 771—to provide funding for the National Agricultural Imagery Program.

Section 772—language in regard to Environmental Quality Incentives Program eligibility.

Section 773—language in regard to the Rural Telephone Bank.

Section 774—language in regard to the Fruit and Vegetable Pilot Program.

Section 775—language in regard to the World Food Prize.

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 June 23, 2005, the Committee ordered reported, en bloc, H.R. 2744, making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for the fiscal year ending September 30, 2006, and for other purposes, with an amendment in the nature of a substitute, H.R. 2862, making appropriations for the Departments of Commerce and Justice, Science, and related agencies for the fiscal year ending September 30, 2006, and for other purposes, with an amendment in the nature of a substitute and an amendment to the title; and H.R. 2985, making appropriations for the Legislative Branch for the fiscal year ending September 30, 2006, and for other purposes, with amendments, each subject to further amendment and subject to the budget allocations, by a recorded vote of 28–0, a quorum being present. The vote was as follows:

Yeas

Nays

Chairman Cochran
 Mr. Stevens
 Mr. Specter
 Mr. Domenici
 Mr. Bond
 Mr. McConnell
 Mr. Burns
 Mr. Shelby
 Mr. Gregg
 Mr. Bennett
 Mr. Craig
 Mrs. Hutchison
 Mr. DeWine
 Mr. Brownback
 Mr. Allard
 Mr. Byrd
 Mr. Inouye
 Mr. Leahy
 Mr. Harkin
 Ms. Mikulski
 Mr. Reid
 Mr. Kohl
 Mrs. Murray
 Mr. Dorgan
 Mrs. Feinstein
 Mr. Durbin
 Mr. Johnson
 Ms. Landrieu

COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE
 STANDING RULES OF THE SENATE

Paragraph 12 of rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include “(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee.”

In compliance with this rule, the following changes in existing law proposed to be made by the bill are shown as follows: existing law to be omitted is enclosed in black brackets; new matter is printed in italics; and existing law in which no change is proposed is shown in roman.

TITLE 7—AGRICULTURE

* * * * *

CHAPTER 50—AGRICULTURAL CREDIT

* * * * *

SUBCHAPTER IV—ADMINISTRATIVE PROVISIONS

* * * *

§ 2008j. National Sheep Industry Improvement Center

(a) * * *

* * * *

(e) Revolving Fund

(1) * * *

* * * *

(6) Funding

(A) Deposit of funds

All Federal and non-Federal amounts received by the Center to carry out this section shall be deposited in the Fund.

(B) Mandatory funds

Out of any moneys in the Treasury not otherwise appropriated, the Secretary of the Treasury shall provide to the Center not to exceed ~~[\$27,998,000]~~ \$29,998,000 to carry out this section.

* * * *

CHILD NUTRITION AND WIC REAUTHORIZATION ACT OF 2004, PUBLIC LAW 108-265

* * * *

SECTION 1. * * *

* * * *

TITLE I—AMENDMENTS TO RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT

* * * *

SEC. 116. SUMMER FOOD SERVICE PROGRAM FOR CHILDREN.

(a) * * *

* * * *

(f) SIMPLIFIED SUMMER FOOD PROGRAMS.—

(1) DEFINITION OF ELIGIBLE STATE.—Section 18(f) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769(f)) is amended by striking paragraph (1) and inserting the following:

“(1) DEFINITION OF ELIGIBLE STATE.—In this subsection, the term ‘eligible State’ means—

“(A) a State participating in the program under this subsection as of May 1, 2004; and

“(B) a State in which (based on data available in ~~[April 2004]~~ June 2005)—

- “(i) the percentage obtained by dividing—
 “(I) the sum of—
 “(aa) the average daily number of children attending the summer food service program in the State in July 2003; and
 “(bb) the average daily number of children receiving free or reduced price meals under the school lunch program in the State in July 2003; by
 “(II) the average daily number of children receiving free or reduced price meals under the school lunch program in the State in March 2003; is less than
 “(ii) **【66.67】** 75 percent of the percentage obtained by dividing—
 “(I) the sum of—
 “(aa) the average daily number of children attending the summer food service program in all States in July 2003; and
 “(bb) the average daily number of children receiving free or reduced price meals under the school lunch program in all States in July 2003; by
 “(II) the average daily number of children receiving free or reduced price meals under the school lunch program in all States in March 2003.”.

* * * * *

TITLE II—AMENDMENTS TO CHILD NUTRITION ACT OF 1966

SEC. 201. * * *

* * * * *

SEC. 204. LOCAL WELLNESS POLICY.

(a) * * *

* * * * *

(b) TECHNICAL ASSISTANCE AND BEST PRACTICES.—

(1) * * *

* * * * *

(3) FUNDING.—

(A) IN GENERAL.—On **【July 1, 2006】** *October 1, 2005*, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this subsection \$4,000,000, to remain available until September 30, 2009.

* * * * *

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 2006: Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies:				
Mandatory	69,535	82,818	50,456	¹ 49,629
Discretionary	17,348	17,348	19,113	¹ 18,792
Projections of outlays associated with the recommendation:				
2006				² 57,720
2007				8,897
2008				1,007
2009				136
2010 and future years				51
Financial assistance to State and local governments for 2006	NA	24,331	NA	20,422

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 2005 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2006
[In thousands of dollars]

Item	2005 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with (+ or -)		
					2005 appropriation	Budget estimate	House allowance
TITLE I—AGRICULTURAL PROGRAMS							
Production, Processing, and Marketing							
Office of the Secretary	5,083	5,127	5,127	5,127	+ 44	.....	.....
Executive Operations:							
Chief Economist	10,234	10,539	10,539	10,539	+ 305	.....	.....
National Appeals Division	14,216	14,524	14,524	14,524	+ 308	.....	.....
Office of Budget and Program Analysis	8,162	8,298	8,298	8,298	+ 136	.....	.....
Homeland Security staff	769	1,466	934	1,166	+ 397	- 300	+ 232
Office of the Chief Information Officer	16,462	16,726	16,462	16,726	+ 264	.....	+ 264
Common computing environment	124,580	142,465	60,725	128,072	+ 3,492	- 14,393	+ 67,347
Office of the Chief Financial Officer	5,696	5,874	5,874	5,874	+ 178	.....	.....
Working capital fund	12,747	.....	.....	.....	- 12,747	.....	.....
Total, Executive Operations	192,866	199,892	117,356	185,199	- 7,667	- 14,693	+ 67,843
Office of the Assistant Secretary for Civil Rights	811	821	811	821	+ 10	.....	+ 10
Office of Civil Rights	19,730	20,109	20,109	20,109	+ 379	.....	.....
Office of the Assistant Secretary for Administration	664	676	676	676	+ 12	.....	.....
Agriculture buildings and facilities and rental payments	(162,559)	(221,924)	(183,133)	(187,734)	(+ 25,175)	(- 34,190)	(+ 4,601)
Payments to GSA	127,292	147,734	147,734	147,734	+ 20,442	.....	.....
Building operations and maintenance	35,267	74,190	35,399	40,000	+ 4,733	- 34,190	+ 4,601
Hazardous materials management	15,408	15,644	15,644	12,000	- 3,408	- 3,644	- 3,644
Departmental administration	22,445	23,103	23,103	23,103	+ 658	.....	.....
Office of the Assistant Secretary for Congressional Relations	3,821	3,846	3,821	3,846	+ 25	.....	+ 25
Office of Communications	9,290	9,509	9,509	9,509	+ 219	.....	.....
Office of the Inspector General	77,663	81,045	79,626	81,045	+ 3,382	.....	+ 1,419
Office of the General Counsel	35,574	40,263	38,439	40,263	+ 4,689	.....	+ 1,824
Office of the Under Secretary for Research, Education, and Economics	587	598	598	598	+ 11	.....	.....
Economic Research Service	74,170	80,749	75,931	78,549	+ 4,379	- 2,200	+ 2,618

National Agricultural Statistics Service	128,444	145,159	136,241	145,159	+16,715	.....	+ 8,918
Census of Agriculture	(22,226)	(29,115)	(29,115)	(29,115)	(+ 6,889)	.....	.....
Agricultural Research Service:							
Salaries and expenses	1,102,000	996,107	1,035,475	1,109,981	+ 7,981	+ 113,874	+ 74,506
Buildings and facilities	186,335	64,800	87,300	160,645	-25,690	+ 95,845	+ 73,345
Total, Agricultural Research Service	1,288,335	1,060,907	1,122,775	1,270,626	- 17,709	+ 209,719	+ 147,851
Cooperative State Research, Education, and Extension Service:							
Research and education activities	655,495	545,500	662,546	652,231	- 3,264	+ 106,731	- 10,315
Native American Institutions Endowment Fund	(12,000)	(12,000)	(12,000)	(12,000)	.....	.....	.....
Extension activities	445,631	431,743	444,871	453,438	+ 7,807	+ 21,695	+ 8,567
Integrated activities	54,712	35,013	15,513	55,784	+ 1,072	+ 20,771	+ 40,271
Outreach for socially disadvantaged farmers	5,888	5,935	7,810	5,888	.....	- 47	- 1,922
Total, Cooperative State Research, Education, and Extension Service	1,161,726	1,018,191	1,130,740	1,167,341	+ 5,615	+ 149,150	+ 36,601
Office of the Under Secretary for Marketing and Regulatory Programs	715	724	724	724	+ 9	.....	.....
Animal and Plant Health Inspection Service:							
Salaries and expenses	808,106	855,162	842,520	807,768	- 338	- 47,394	- 34,752
Animal welfare (user fees) (leg. proposal) NA .....	.....	(10,858)	.....	(10,858)	(+ 10,858)	.....	(+ 10,858)
Buildings and facilities	4,927	4,996	4,996	4,996	+ 69	.....	.....
Total, Animal and Plant Health Inspection Service	813,033	860,158	847,516	812,764	- 269	- 47,394	- 34,752
Agricultural Marketing Service:							
Marketing Services	75,092	84,114	78,032	76,643	+ 1,551	- 7,471	- 1,389
Agriculture marketing service standardization (user fees) (leg. proposal) NA .....	.....	(2,918)	.....	(2,918)	(+ 2,918)	.....	(+ 2,918)
Standardization user fees	(5,000)	(65,667)	(65,667)	(65,667)	(- 5,000)	.....	.....
(Limitation on administrative expenses, from fees collected)	(64,459)	.....	.....	.....	(+ 1,208)	.....	.....
Funds for strengthening markets, income, and supply (transfer from section 32)	15,800	16,055	16,055	16,055	+ 255	.....	.....
Payments to states and possessions	3,816	1,347	1,347	3,847	+ 31	+ 2,500	+ 2,500
Total, Agricultural Marketing Service	94,708	101,516	95,434	96,545	+ 1,837	- 4,971	+ 1,111
Grain Inspection, Packers and Stockyards Administration:							
Salaries and expenses	37,001	15,717	38,400	38,443	+ 1,442	+ 22,726	+ 43

Item	2005 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
					2005 appropriation	Budget estimate	House allowance
Grain inspection, packers and stockyards administration (user fees) (leg. proposal) NA	(42,463)	(24,701) (42,463)	(42,463)	(24,701) (42,463)	(+ 24,701)	(+ 24,701)
Limitation on inspection and weighing services						
Office of the Under Secretary for Food Safety	590	602	590	602	+ 12	+ 12
Food Safety and Inspection Service	817,170	710,717	837,264	836,818	+ 19,648	- 446
Food safety inspection (user fees) (leg. prop) NA		(139,000)		(139,000)	(+ 139,000)	(+ 139,000)
Lab accreditation fees	(1,000)	(1,000)	(1,000)	(1,000)		
Total, Production, Processing, and Marketing	4,962,393	4,616,997	4,783,567	5,017,601	+ 55,208	+ 234,034
Farm Assistance Programs						
Office of the Under Secretary for Farm and Foreign Agricultural Services	626	635	635	635	+ 9	
Farm Service Agency:						
Salaries and expenses	999,536	1,050,875	1,023,738	1,043,555	+ 44,019	+ 19,817
(Transfer from export loans)	(994)	(1,839)	(1,839)	(1,839)	(+ 845)	
(Transfer from Public Law 480)	(2,914)	(3,217)	(3,217)	(3,217)	(+ 303)	
(Transfer from ACF)	(291,414)	(309,137)	(297,127)	(309,137)	(+ 17,723)	(+ 12,010)
Subtotal, transfers from program accounts	(295,322)	(314,193)	(302,183)	(314,193)	(+ 18,871)	(+ 12,010)
Total, Salaries and expenses	(1,294,858)	(1,365,068)	(1,325,921)	(1,357,748)	(+ 62,890)	(+ 31,827)
State mediation grants	3,968	4,500	4,250	4,250	+ 282	- 250
Grassroot source water protection program				4,250	+ 4,250	+ 4,250
Daily indemnity program	100	100	100	100		
Subtotal, Farm Service Agency	1,003,604	1,055,475	1,028,088	1,052,155	+ 48,551	+ 24,067

Agricultural Credit Insurance Fund Program Account:									
Loan authorizations:									
Farm ownership loans:									
Direct	(208,320)	(200,000)	(208,000)	(- 320)	(+ 8,000)	(+ 8,000)	(+ 8,000)	(+ 8,000)	(+ 8,000)
Guaranteed	(1,388,800)	(1,400,000)	(1,400,000)	(+ 11,200)					
Subtotal	(1,597,120)	(1,600,000)	(1,600,000)	(+ 10,880)	(+ 8,000)	(+ 8,000)	(+ 8,000)	(+ 8,000)	(+ 8,000)
Farm operating loans:									
Direct	(644,800)	(650,000)	(650,000)	(+ 5,200)					
Unsubsidized guaranteed	(1,091,200)	(1,200,000)	(1,200,000)	(+ 8,800)	(- 100,000)	(- 100,000)	(- 100,000)	(- 100,000)	(- 100,000)
Subsidized guaranteed	(282,720)	(266,253)	(266,256)	(+ 280)	(+ 16,744)	(+ 16,747)	(+ 16,744)	(+ 16,744)	(+ 16,744)
Subtotal	(2,018,720)	(2,116,253)	(2,116,256)	(+ 14,280)	(- 83,253)	(- 83,253)	(- 83,256)	(- 83,256)	(- 83,256)
Indian tribe land acquisition loans	(2,000)	(2,000)	(2,020)		(- 20)	(- 20)	(- 20)	(- 20)	(- 20)
Natural disasters emergency insured loans		(25,000)							
Boll weevil eradication loans	(100,000)	(60,000)	(100,000)		(+ 40,000)	(+ 40,000)			
Total, Loan authorizations	(3,717,840)	(3,803,253)	(3,818,276)	(+ 25,160)	(- 60,253)	(- 60,253)	(- 75,276)	(- 75,276)	(- 75,276)
Loan subsidies:									
Farm ownership loans:									
Direct	11,145	10,240	10,240	- 495	+ 410	+ 410	+ 410	+ 410	+ 410
Guaranteed	7,361	6,720	6,720	- 641					
Subtotal	18,506	16,960	16,960	- 1,136	+ 410	+ 410	+ 410	+ 410	+ 410
Farm operating loans:									
Direct	65,060	64,675	64,675	- 385					
Unsubsidized guaranteed	35,246	36,360	36,360	- 1,916	- 3,030	- 3,030	- 3,030	- 3,030	- 3,030
Subsidized guaranteed	37,631	33,282	33,282	- 2,256	+ 2,093	+ 2,093	+ 2,093	+ 2,093	+ 2,093
Subtotal	137,937	134,317	134,317	- 4,557	- 937	- 937	- 937	- 937	- 937
Indian tribe land acquisition	105	80	81	- 25			- 1	- 1	- 1
Natural disasters emergency insured loans		2,735			- 2,735	- 2,735			
Total, Loan subsidies	156,548	154,092	151,358	- 5,718	- 3,262	- 3,262	- 528	- 528	- 528
ACF expenses:									
Salaries and expense (transfer to FSA)	291,414	309,137	297,127	+ 17,723			+ 12,010	+ 12,010	+ 12,010

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2005 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2006—Continued
(In thousands of dollars)

Item	2005 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with (+ or -)		
					2005 appropriation	Budget estimate	House allowance
Administrative expenses	7,936	8,000	8,000	8,000	+ 64	.....	.....
Total, ACIF expenses	299,350	317,137	305,127	317,137	+ 17,787	.....	+ 12,010
Total, Agricultural Credit Insurance Fund	455,898	471,229	456,485	467,967	+ 12,069	- 3,262	+ 11,482
(Loan authorization)	(3,717,840)	(3,803,253)	(3,818,276)	(3,743,000)	(+ 25,160)	(- 60,253)	(- 75,276)
Total, Farm Service Agency	1,459,502	1,526,704	1,484,573	1,520,122	+ 60,620	- 6,582	+ 35,549
Risk Management Agency	71,468	87,806	77,806	73,448	+ 1,980	- 14,358	- 4,358
Total, Farm Assistance Programs	1,531,596	1,615,145	1,563,014	1,594,205	+ 62,609	- 20,940	+ 31,191
Corporations							
Federal Crop Insurance Corporation: Federal crop insurance corpora- tion fund	4,095,128	3,159,379	3,159,379	3,159,379	- 935,749	.....	.....
Commodity Credit Corporation Fund:							
Reimbursement for net realized losses	16,452,377	25,690,000	25,690,000	25,690,000	+ 9,237,623	.....	.....
Hazardous waste management (limitation on expenses)	(5,000)	(5,000)	(5,000)	(5,000)	.....	.....	.....
Total, Corporations	20,547,505	28,849,379	28,849,379	28,849,379	+ 8,301,874	.....	.....
Total, title I, Agricultural Programs	27,041,494	35,081,521	35,195,960	35,461,185	+ 8,419,691	+ 379,664	+ 265,225
(By transfer)	(295,322)	(314,193)	(302,183)	(314,193)	(+ 18,871)	.....	(+ 12,010)
(Loan authorization)	(3,717,840)	(3,803,253)	(3,818,276)	(3,743,000)	(+ 25,160)	(- 60,253)	(- 75,276)
(Limitation on administrative expenses)	(111,922)	(113,130)	(113,130)	(113,130)	(+ 1,208)	.....	.....
TITLE II—CONSERVATION PROGRAMS							
Office of the Under Secretary for Natural Resources and Environ- ment	735	744	744	744	+ 9	.....	.....

Natural Resources Conservation Service:									
Conservation operations	830,661	767,783	773,640	819,561	-11,100	+51,778	+45,921		
Watershed surveys and planning	7,026	5,141	7,026	5,141	-1,885		-1,885		
Watershed and flood prevention operations	74,971		60,000	60,000	-14,971	+60,000			
Watershed rehabilitation program	27,280	15,125	47,000	27,313	+33	+12,188	-19,687		
Resource conservation and development	51,228	25,600	51,360	51,228		+25,628	-132		
Total, Natural Resources Conservation Service	991,166	813,649	939,026	963,243	-27,923	+149,594	+24,217		
Total, title II, Conservation Programs									
	991,901	814,393	939,770	963,987	-27,914	+149,594	+24,217		
TITLE III—RURAL DEVELOPMENT PROGRAMS									
Office of the Under Secretary for Rural Development									
Rural Development:	627	635	627	635	+8		+8		
Rural community advancement program	710,321	521,689	657,389	705,106	-5,215	+183,417	+47,717		
(Transfer out)	(-27,776)			(-28,000)	(-224)	(-28,000)	(-28,000)		
Total, Rural community advancement program	710,321	521,689	657,389	705,106	-5,215	+183,417	+47,717		
RD expenses:									
Salaries and expenses	147,264	167,849	152,623	164,773	+17,509	-3,076	+12,150		
(Transfer from RHIF)	(444,755)	(465,886)	(455,242)	(465,886)	(+21,131)		(+10,644)		
(Transfer from RDLFP)	(4,281)	(6,656)	(4,719)	(6,656)	(+2,375)		(+1,937)		
(Transfer from RELP)	(37,971)	(39,933)	(38,907)	(39,933)	(+1,962)		(+1,026)		
(Transfer from RTB)	(3,127)	(2,500)	(2,500)	(2,500)	(-627)				
Subtotal, Transfers from program accounts	(490,134)	(514,975)	(501,368)	(514,975)	(+24,841)		(+13,607)		
Total, RD expenses	(637,398)	(682,824)	(653,991)	(679,748)	(+42,350)	(-3,076)	(+25,757)		
Total, Rural Development	857,585	689,538	810,012	869,879	+12,294	+180,341	+59,867		
Rural Housing Service:									
Rural Housing Insurance Fund Program Account:									
Loan authorizations:									
Single family direct (sec. 502)	(1,140,800)	(1,000,000)	(1,140,799)	(1,000,000)	(-140,800)		(-140,799)		
Unsubsidized guaranteed	(3,282,823)	(3,681,033)	(3,681,033)	(3,681,033)	(+398,210)				
Subtotal, Single family	(4,423,623)	(4,681,033)	(4,821,832)	(4,681,033)	(+257,410)		(-140,799)		

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2005 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2006—Continued
[In thousands of dollars]

Item	2005 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with (+ or -)		
					2005 appropriation	Budget estimate	House allowance
Housing repair (sec. 504)	(34,720)	(35,969)	(35,969)	(35,000)	(+ 280)	(- 969)	(- 969)
Rental housing (sec. 515)	(99,200)	(27,027)	(100,000)	(90,000)	(- 9,200)	(+ 62,973)	(- 10,000)
Site loans (sec. 524)	(5,045)	(5,000)	(5,000)	(5,000)	(- 45)	.....	.....
Multi-family housing guarantees (sec. 538)	(99,200)	(200,000)	(100,000)	(100,000)	(+ 800)	(- 100,000)	.....
Multi-family housing credit sales	(1,489)	(1,500)	(1,500)	(1,500)	(+ 11)	.....	.....
Single family housing credit sales	(10,000)	(10,000)	(10,000)	(10,000)	.....	.....	.....
Self-help housing land develop. (sec. 523)	(10,000)	(5,048)	(5,048)	(5,048)	(- 4,952)	.....	.....
Total, Loan authorizations	(4,683,277)	(4,965,577)	(5,079,349)	(4,927,581)	(+ 244,304)	(- 37,996)	(- 151,768)
Loan subsidies:							
Single family direct (sec. 502)	132,105	113,900	129,937	113,900	- 18,205	.....	- 16,037
Unsubsidized guaranteed	33,339	40,900	40,900	40,900	+ 7,561	.....	.....
Subtotal, Single family	165,444	154,800	170,837	154,800	- 10,644	.....	- 16,037
Housing repair (sec. 504)	10,090	10,521	10,521	10,238	+ 148	- 283	- 283
Rental housing (sec. 515)	46,713	12,400	45,880	41,292	- 5,421	+ 28,892	- 4,588
Multi-family housing guarantees (sec. 538)	3,462	10,840	5,420	5,420	+ 1,958	- 5,420	.....
Multi-family housing credit sales	721	681	681	681	- 40	.....	.....
Self-help housing land develop. (sec. 523) .....	.....	52	52	52	+ 52	.....	.....
Total, Loan subsidies	226,430	189,294	233,391	212,483	- 13,947	+ 23,189	- 20,908
RHF administrative expenses (transfer to RD)	444,755	465,886	455,242	465,886	+ 21,131	.....	+ 10,644
Rental assistance program:							
(Sec. 521)	581,411	644,126	644,126	644,126	+ 62,715	.....	.....
(Sec. 502(c)(5)(D))	5,853	5,900	5,900	8,976	+ 3,123	+ 3,076	+ 3,076
Total, Rental assistance program	587,264	650,026	650,026	653,102	+ 65,838	+ 3,076	+ 3,076
Total, Rural Housing Insurance Fund	1,258,449	1,305,206	1,338,659	1,331,471	+ 73,022	+ 26,265	- 7,188

(Loan authorization)	(4,683,277)	(4,965,577)	(5,079,349)	(4,927,581)	(+ 244,304)	(- 37,996)	(- 151,768)
Rural housing voucher program		214,000	.....	16,000	+ 16,000	- 198,000	+ 16,000
Multi-family housing preservation .....		.....	.....	16,500	+ 16,500	+ 16,500	+ 16,500
Mutual and self-help housing grants	33,728	34,000	34,000	34,000	+ 272	.....	.....
Rural housing assistance grants	43,640	41,000	41,000	43,976	+ 336	+ 2,976	+ 2,976
Farm labor program account	33,845	32,728	32,728	29,607	- 4,238	- 3,121	- 3,121
Subtotal, grants and payments	111,213	107,728	107,728	107,583	- 3,630	- 145	- 145
Total, Rural Housing Service	1,369,662	1,626,934	1,446,387	1,471,554	+ 101,892	- 155,380	+ 25,167
(Loan authorization)	(4,683,277)	(4,965,577)	(5,079,349)	(4,927,581)	(+ 244,304)	(- 37,996)	(- 151,768)
Rural Business-Cooperative Service:							
Rural Development Loan Fund Program Account:							
(Loan authorization)	(33,939)	(34,212)	(34,212)	(34,212)	(+ 273)	.....	.....
Loan subsidy	15,741	14,718	14,718	14,718	- 1,023	.....	.....
Administrative expenses (transfer to RD)	4,281	6,656	4,719	6,656	+ 2,375	.....	+ 1,937
Total, Rural Development Loan Fund	20,022	21,374	19,437	21,374	+ 1,352	.....	+ 1,937
Rural Economic Development Loans Program Account:							
(Loan authorization)	(24,803)	(25,003)	(25,003)	(25,003)	(+ 200)	.....	.....
Direct subsidy	4,660	4,993	4,993	4,993	+ 333	.....	.....
Rural cooperative development grants	23,808	21,000	64,000	24,988	+ 1,180	+ 3,988	- 39,012
Rural empowerment zones and enterprise communities grants	12,400	10,000	10,000	12,400	.....	+ 12,400	+ 2,400
Renewable energy program	22,816	10,000	23,000	23,000	+ 184	+ 13,000	.....
Total, Rural Business-Cooperative Service	83,706	57,367	121,430	86,755	+ 3,049	+ 29,388	- 34,675
(Loan authorization)	(58,742)	(59,215)	(59,215)	(59,215)	(+ 473)	.....	.....
Rural Utilities Service:							
Rural Electrification and Telecommunications Loans Program Account:							
Loan authorizations:							
Electric:							
Direct, 5 percent	(119,040)	(100,000)	(100,000)	(100,000)	(- 19,040)	.....	.....
Direct, Municipal rate	(99,200)	(100,000)	(100,000)	(100,000)	(+ 800)	.....	.....
Direct, FFB	(2,000,000)	(1,620,000)	(2,000,000)	(2,700,000)	(+ 700,000)	(- 1,080,000)	(+ 700,000)
Direct, Treasury rate	(1,000,000)	(700,000)	(1,000,000)	(1,000,000)	.....	(+ 300,000)	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2005 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2006—Continued
[In thousands of dollars]

Item	2005 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with (+ or -)		
					2005 appropriation	Budget estimate	House allowance
Guaranteed electric	(99,200)	.....	(100,000)	(100,000)	(+ 800)	(+ 100,000)	.....
Guaranteed underwriting	(1,000,000)	.....	(1,000,000)	(1,500,000)	(+ 500,000)	(+ 1,500,000)	(+ 500,000)
Subtotal, Electric	(4,317,440)	(2,520,000)	(4,300,000)	(5,500,000)	(+ 1,182,560)	(+ 2,980,000)	(+ 1,200,000)
Telecommunications:							
Direct, 5 percent	(145,000)	(145,000)	(145,000)	(145,000)	.....	.....	.....
Direct, Treasury rate	(248,000)	(425,000)	(424,000)	(425,000)	(+ 177,000)	.....	(+ 1,000)
Direct, FFB	(125,000)	(100,000)	(125,000)	(125,000)	.....	(+ 25,000)	.....
Subtotal, Telecommunications	(518,000)	(670,000)	(694,000)	(695,000)	(+ 177,000)	(+ 25,000)	(+ 1,000)
Total, Loan authorizations	(4,835,440)	(3,190,000)	(4,994,000)	(6,195,000)	(+ 1,359,560)	(+ 3,005,000)	(+ 1,201,000)
Loan subsidies:							
Electric:							
Direct, 5 percent	3,619	920	920	920	- 2,699	.....	.....
Direct, Municipal rate	1,339	5,050	5,050	5,050	+ 3,711	.....	.....
Guaranteed electric	60	.....	90	90	+ 30	+ 90	.....
Direct, Treasury rate .....	.....	70	100	100	+ 100	+ 30	.....
Subtotal, Electric	5,018	6,040	6,160	6,160	+ 1,142	+ 120	.....
Telecommunications: Direct, Treasury rate	99	212	212	212	+ 113	.....	.....
Subtotal, Telecommunications	99	212	212	212	+ 113	.....	.....
Total, Loan subsidies	5,117	6,252	6,372	6,372	+ 1,255	+ 120	.....
RETLP administrative expenses (transfer to RD)	37,971	39,933	38,907	39,933	+ 1,962	.....	+ 1,026
Total, Rural Electrification and Telecommunications Loans Program Account	43,088	46,185	45,279	46,305	+ 3,217	+ 120	+ 1,026

(Loan authorization)	(4,835,440)	(3,190,000)	(4,994,000)	(6,195,000)	(+ 1,359,560)	(+ 3,005,000)	(+ 1,201,000)
Rural Telephone Bank Program Account:							
(Loan authorization)	(175,000)				(- 175,000)		
RTB administrative expenses (transfer to RD)	3,127	2,500	2,500	2,500	- 627		
Total, Rural Telephone Bank Program Account	3,127	2,500	2,500	2,500	- 627		
High energy costs grants (by transfer)	(27,776)			(28,000)	(+ 224)	(+ 28,000)	(+ 28,000)
Distance learning, telemedicine, and broadband program:							
Loan authorizations:							
Distance learning and telemedicine	(50,000)		(50,000)		(- 50,000)		(- 50,000)
Broadband telecommunications	(545,600)	(358,875)	(463,860)	(550,000)	(+ 4,400)	(+ 191,125)	(+ 86,140)
Total, Loan authorizations	(595,600)	(358,875)	(513,860)	(550,000)	(- 45,600)	(+ 191,125)	(+ 36,140)
Loan subsidies:							
Distance learning and telemedicine:							
Direct	704		750		- 704		- 750
Grants	34,720	25,000	25,000	35,000	+ 280	+ 10,000	+ 10,000
Broadband telecommunications:							
Direct	11,621	9,973	9,973	11,825	+ 204	+ 1,852	+ 1,852
Grants	8,928		9,000	10,000	+ 1,072	+ 10,000	+ 1,000
Total, Loan subsidies and grants	55,973	34,973	44,723	56,825	+ 852	+ 21,852	+ 12,102
Total, Rural Utilities Service	102,188	83,658	92,502	105,630	+ 3,442	+ 21,972	+ 13,128
(Loan authorization)	(5,606,040)	(3,548,875)	(5,507,860)	(6,745,000)	(+ 1,138,960)	(+ 3,196,125)	(+ 1,237,140)
Total, title III, Rural Economic and Community Development Programs	2,413,768	2,458,132	2,470,958	2,534,453	+ 120,685	+ 76,321	+ 63,495
(By transfer)	(517,910)	(514,975)	(501,368)	(542,975)	(+ 25,065)	(+ 28,000)	(+ 41,607)
(Loan authorization)	(10,348,059)	(8,573,667)	(10,646,424)	(11,731,796)	(+ 1,383,737)	(+ 3,158,129)	(+ 1,085,372)
TITLE IV—DOMESTIC FOOD PROGRAMS							
Office of the Under Secretary for Food, Nutrition and Consumer Services	590	599	599	599	+ 9		

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2005 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2006—Continued
[In thousands of dollars]

Item	2005 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with (+ or -)		
					2005 appropriation	Budget estimate	House allowance
Food and Nutrition Service:							
Child nutrition programs	6,629,038	7,304,207	7,224,406	7,224,406	+ 595,368	- 79,801	.....
Transfer from section 32	5,152,962	5,111,820	5,187,621	5,187,621	+ 34,659	+ 75,801	.....
Total, Child nutrition programs	11,782,000	12,416,027	12,412,027	12,412,027	+ 630,027	- 4,000	.....
Special supplemental nutrition program for women, infants, and children (WIC)	5,235,032	5,510,000	5,257,000	5,257,000	+ 21,968	- 253,000	.....
Food stamp program:							
Expenses	30,499,527	36,034,599	36,034,599	36,044,026	+ 5,544,499	+ 9,427	+ 9,427
Indian reservations (FDIR) .....	.....	.....	.....	4,000	+ 4,000	+ 4,000	+ 4,000
Armed forces provision .....	.....	1,000	.....	1,000	+ 1,000	.....	.....
Reserve	3,000,000	3,000,000	3,000,000	3,000,000	.....	.....	.....
Nutrition assistance for Puerto Rico and Samoa	1,515,027	1,535,796	1,535,796	1,522,369	.....	.....	.....
The emergency food assistance program	140,000	140,000	140,000	140,000	+ 7,342	- 13,427	- 13,427
Total, Food stamp program	35,154,554	40,711,395	40,711,395	40,711,395	+ 5,556,841	.....	.....
Commodity assistance program	177,367	177,935	178,797	179,935	+ 2,568	+ 2,000	+ 1,138
Nutrition programs administration	138,818	140,761	140,761	140,761	+ 1,943	.....	.....
Total, Food and Nutrition Service	52,487,771	58,956,118	58,699,980	58,701,118	+ 6,213,347	- 255,000	+ 1,138
Total, title IV, Domestic Food Programs	52,488,361	58,956,717	58,700,579	58,701,717	+ 6,213,356	- 255,000	+ 1,138
TITLE V—FOREIGN ASSISTANCE AND RELATED PROGRAMS							
Foreign Agricultural Service:							
Salaries and expenses, direct appropriation	136,719	148,792	148,224	147,868	+ 11,149	- 924	- 356
(Transfer from export loans)	(3,394)	(3,440)	(3,440)	(3,440)	(+ 46)	.....	.....
(Transfer from Public Law 480)	(1,088)	(168)	(168)	(168)	(- 920)	.....	.....

Total, Salaries and expenses program level	(141,201)	(152,400)	(151,832)	(151,476)	(+ 10275)	(- 924)	(- 356)
Public Law 480 Program and Grant Accounts:							
Program account:							
Loan authorization, direct	(109,000)	(74,032)	(74,032)	(74,032)	(- 34,968)	.....	.....
Loan subsidies	93,444	65,040	65,040	65,040	-28,404	.....	.....
Ocean freight differential grants	22,541	11,940	11,940	11,940	-10,601	.....	.....
Title II—Commodities for disposition abroad:							
Program level	(1,173,041)	(885,000)	(1,107,094)	(1,150,000)	(- 23,041)	(+ 265,000)	(+ 42,906)
Appropriation	1,173,041	885,000	1,107,094	1,150,000	-23,041	+265,000	+42,906
Salaries and expenses:							
Foreign Agricultural Service (transfer to FAS)	1,088	168	168	168	-920	.....	.....
Farm Service Agency (transfer to FSA)	2,914	3,217	3,217	3,217	+303	.....	.....
Subtotal	4,002	3,385	3,385	3,385	-617	.....	.....
Total, Public Law 480:							
Program level	(1,173,041)	(885,000)	(1,107,094)	(1,150,000)	(- 23,041)	(+ 265,000)	(+ 42,906)
Appropriation	1,293,028	965,365	1,187,459	1,230,365	-62,663	+265,000	+42,906
CCC Export Loans Program Account (administrative expenses):							
Salaries and expenses (Export Loans):							
General Sales Manager (transfer to FAS)	3,394	3,440	3,440	3,440	+46	.....	.....
Farm Service Agency (transfer to FSA)	994	1,839	1,839	1,839	+845	.....	.....
Total, CCC Export Loans Program Account	4,388	5,279	5,279	5,279	+891	.....	.....
McGovern-Dole international food for education and child nutrition program grants	86,800	100,000	100,000	100,000	+13,200	.....	.....
Total, title V, Foreign Assistance and Related Programs	1,520,935	1,219,436	1,440,962	1,483,512	-37,423	+264,076	+42,550
(By transfer)	(4,482)	(3,608)	(3,608)	(3,608)	(- 874)	.....	.....
TITLE VI—RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION							
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Food and Drug Administration							
Salaries and expenses, direct appropriation	1,450,098	1,492,726	1,480,978	1,485,009	+34,911	-7,717	+4,031
Prescription drug user fee act	(284,394)	(305,332)	(305,332)	(305,332)	(+ 20,938)	.....	.....
Medical device user fee act	(33,938)	(40,300)	(40,300)	(40,300)	(+ 6,362)	.....	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2005 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2006—Continued
[In thousands of dollars]

Item	2005 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with (+ or -)		
					2005 appropriation	Budget estimate	House allowance
Animal drug user fee act	(8,354)	(11,318)	(11,318)	(11,318)	(+ 2,964)	.....	.....
Subtotal	(1,776,784)	(1,849,676)	(1,837,928)	(1,841,959)	(+ 65,175)	(- 7,717)	(+ 4,031)
Mammography clinics user fee (outlay savings)	(16,919)	(17,173)	(17,173)	(17,173)	(+ 254)	.....	.....
Export and color certification	(6,838)	(7,640)	(7,640)	(7,640)	(+ 802)	.....	.....
Payments to GSA	(129,815)	(134,853)	(134,853)	(134,853)	(+ 5,038)	.....	.....
Buildings and facilities .....	.....	7,000	5,000	7,000	+ 7,000	.....	+ 2,000
Total, Food and Drug Administration	1,450,098	1,499,726	1,485,978	1,492,009	+ 41,911	- 7,717	+ 6,031
INDEPENDENT AGENCIES							
Commodity Futures Trading Commission	93,572	99,386	98,386	98,386	+ 4,814	- 1,000	.....
Farm Credit Administration (limitation on administrative expenses)	(42,350)	.....	(44,250)	(44,250)	(+ 1,900)	(+ 44,250)	.....
Total, title VI, Related Agencies and Food and Drug Administration	1,543,670	1,599,112	1,584,364	1,590,395	+ 46,725	- 8,717	+ 6,031
TITLE VII—GENERAL PROVISIONS							
Hunger fellowships (sec. 722)	2,480	.....	2,500	2,500	+ 20	+ 2,500	.....
National Sheep Industry Improvement Center revolving fund (sec. 724)	992	.....	500	2,000	+ 1,008	+ 2,000	+ 1,500
Citrus canker compensation (sec. 760)	29,760	.....	10,000	.....	- 29,760	.....	- 10,000
Northern Great Plains Regional Authority	1,479	.....	.....	.....	- 1,479	.....	.....
Rural housing assistance grants (rescission)	- 1,000	.....	.....	.....	+ 1,000	.....	.....
Rural housing insurance fund (rescission)	- 3,000	.....	.....	.....	+ 3,000	.....	.....
Denali Commission	1,488	.....	.....	1,500	+ 12	+ 1,500	+ 1,500
Local TV loan guarantee (rescission)	- 88,000	.....	.....	.....	+ 88,000	.....	.....
Agricultural conservation prog. (rescission)	- 3,500	.....	.....	.....	+ 3,500	.....	.....
Section 32 (rescission)	- 163,000	.....	.....	.....	+ 163,000	.....	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2005 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2006—Continued
[In thousands of dollars]

Item	2005 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with (+ or -)		
					2005 appropriation	Budget estimate	House allowance
Emerg. Supplemental Approps. for Defense, The Global War on Terror, and Tsunami Relief, 2005 (Public Law 109-13)							
Foreign Agricultural Service:							
Public Law 480 Title II Grants (emergency)	240,000				- 240,000		
Natural Resources Conservation Service:							
Emergency watershed protection program (emergency)	104,500				- 104,500		
Total, Public Law 109-13 (emergency)	344,500				- 344,500		
Total, Other appropriations (emergency)	3,849,000				- 3,849,000		
Grand total:							
New budget (obligational) authority	89,439,376	100,132,911	100,321,593	100,717,949	+ 11,278,573	+ 585,038	+ 396,356
Appropriations	(86,047,984)	(100,132,911)	(100,353,593)	(100,749,949)	(+ 14,701,965)	(+ 617,038)	(+ 396,356)
Emergency Appropriations	3,849,000				- 3,849,000		
Contingent emergency Appropriations							
(By transfer)	(817,714)	(832,776)	(807,159)	(860,776)	(+ 43,062)	(+ 28,000)	(+ 53,617)
(Loan authorization)	(14,191,899)	(12,450,952)	(14,538,732)	(15,548,828)	(+ 1,356,929)	(+ 3,097,876)	(+ 1,010,096)
(Limitation on administrative expenses)	(154,272)	(113,130)	(157,380)	(157,380)	(+ 3,108)	(+ 44,250)	
RECAPITULATION							
Title I—Agricultural programs	27,041,494	35,081,521	35,195,960	35,461,185	+ 8,419,691	+ 379,664	+ 265,225
Mandatory	(20,563,405)	(28,865,534)	(28,865,534)	(28,865,534)	(+ 8,302,129)		
Discretionary	(6,478,089)	(6,215,987)	(6,330,426)	(6,595,651)	(+ 117,562)	(+ 379,664)	(+ 265,225)
Title II—Conservation programs (discretionary)	991,901	814,393	939,770	963,987	- 27,914	+ 149,594	+ 24,217
Title III—Rural economic and community development programs (discretionary)							
Title IV—Domestic food programs (discretionary)	2,413,768	2,458,132	2,470,958	2,534,453	+ 120,685	+ 76,321	+ 63,495
Mandatory	52,488,361	58,956,717	58,700,579	58,701,717	+ 6,213,356	- 255,000	+ 1,138
Discretionary	(46,936,554)	(53,126,422)	(53,122,422)	(53,118,422)	(+ 6,181,868)	(- 8,000)	(- 4,000)
Discretionary	(5,551,807)	(5,830,295)	(5,578,157)	(5,583,295)	(+ 31,488)	(- 247,000)	(+ 5,138)
Title V—Foreign assistance and related programs (discretionary)	1,520,935	1,219,436	1,440,962	1,483,512	- 37,423	+ 264,076	+ 42,550

Title VI—Related agencies and Food and Drug Administration (discretionary)	1,543,670	1,599,112	1,584,364	1,590,395	+46,725	— 8,717	+ 6,031
Title VII—General provisions (discretionary)	—409,753	3,600	—11,000	—17,300	+392,453	—20,900	—6,300
Total, new budget (obligational) authority	85,590,376	100,132,911	100,321,593	100,717,949	+15,127,573	+585,038	+396,356

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