

DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY

Federal Funds

General and special funds:

OFFICE OF THE SECRETARY

For necessary expenses of the Office of the Secretary of Agriculture, **[\$5,127,000] \$11,540,000**: *Provided*, That not to exceed \$11,000 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary.

For an additional amount for the "Office of the Secretary", related to the detection of and response to highly pathogenic avian influenza, including research and development, \$11,350,000, to remain available until September 30, 2007: *Provided*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006. (Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006.)

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

For necessary salaries and expenses of the Office of the Assistant Secretary for Administration, **[\$676,000] \$773,000**.

OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS

(INCLUDING TRANSFERS OF FUNDS)

For necessary salaries and expenses of the Office of the Assistant Secretary for Congressional Relations to carry out the programs funded by this Act, including programs involving intergovernmental affairs and liaison within the executive branch, **[\$3,821,000] \$3,940,000**: *Provided*, That these funds may be transferred to agencies of the Department of Agriculture funded by this Act to maintain personnel at the agency level: ***Provided further***, That no funds made available by this appropriation may be obligated after 30 days from the date of enactment of this Act, unless the Secretary has notified the Committees on Appropriations of both Houses of Congress on the allocation of these funds by USDA agency: ***Provided further***, That no other funds appropriated to the Department by this Act shall be available to the Department for support of activities of congressional relations.

OFFICE OF THE UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS

For necessary salaries and expenses of the Office of the Under Secretary for Research, Education and Economics to administer the laws enacted by the Congress for the Economic Research Service, the National Agricultural Statistics Service, the Agricultural Research Service, and the Cooperative State Research, Education, and Extension Service, **[\$598,000] \$694,000**.

OFFICE OF THE UNDER SECRETARY FOR MARKETING AND REGULATORY PROGRAMS

For necessary salaries and expenses of the Office of the Under Secretary for Marketing and Regulatory Programs to administer programs under the laws enacted by the Congress for the Animal and Plant Health Inspection Service; the Agricultural Marketing Service; and the Grain Inspection, Packers and Stockyards Administration; **[\$724,000] \$741,000**.

OFFICE OF THE UNDER SECRETARY FOR FOOD SAFETY

For necessary salaries and expenses of the Office of the Under Secretary for Food Safety to administer the laws enacted by the Congress for the Food Safety and Inspection Service, **[\$602,000] \$696,000**.

OFFICE OF THE UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES

For necessary salaries and expenses of the Office of the Under Secretary for Farm and Foreign Agricultural Services to administer

the laws enacted by Congress for the Farm Service Agency, the Foreign Agricultural Service, the Risk Management Agency, and the Commodity Credit Corporation, **[\$635,000] \$737,000**.

OFFICE OF THE UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT

For necessary salaries and expenses of the Office of the Under Secretary for Natural Resources and Environment to administer the laws enacted by the Congress for the Forest Service and the Natural Resources Conservation Service, **[\$744,000] \$957,000**.

OFFICE OF THE UNDER SECRETARY FOR RURAL DEVELOPMENT

For necessary salaries and expenses of the Office of the Under Secretary for Rural Development to administer programs under the laws enacted by the Congress for the Rural Housing Service, the Rural Business-Cooperative Service, and the Rural Utilities Service, **[\$635,000] \$823,000**.

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

For necessary salaries and expenses of the Office of the Under Secretary for Food, Nutrition and Consumer Services to administer the laws enacted by the Congress for the Food and Nutrition Service, **[\$599,000] \$732,000**.

OFFICE OF THE ASSISTANT SECRETARY FOR CIVIL RIGHTS

For necessary salaries and expenses of the Office of the Assistant Secretary for Civil Rights, **[\$821,000] \$836,000**. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)			
Identification code 12-9913-0-1-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Office of the Secretary	4	3	10
00.02 Under/Assistant Secretaries	7	10	10
00.03 Trade Negotiations and Biotechnology Resources	1	2	2
00.04 Info Share (CCE/HS)	5		
00.05 Avian Influenza Supplemental		11	
09.01 Homeland Security Reimbursable	5		
10.00 Total new obligations	22	26	22
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3	3	3
22.00 New budget authority (gross)	18	26	22
22.10 Resources available from recoveries of prior year obligations	5		
23.90 Total budgetary resources available for obligation	26	29	25
23.95 Total new obligations	-22	-26	-22
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance carried forward, end of year	3	3	3
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	15	26	22
41.00 Transferred to other accounts	-2		
43.00 Appropriation (total discretionary)	13	26	22
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	8		
68.10 Change in uncollected customer payments from Federal sources (unexpired)	-3		
68.90 Spending authority from offsetting collections (total discretionary)	5		
70.00 Total new budget authority (gross)	18	26	22
Change in obligated balances:			
72.40 Obligated balance, start of year	12	1	

General and special funds—Continued

OFFICE OF THE ASSISTANT SECRETARY FOR CIVIL RIGHTS—
Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-9913-0-1-352	2005 actual	2006 est.	2007 est.
73.10 Total new obligations	22	26	22
73.20 Total outlays (gross)	-35	-27	-23
73.40 Adjustments in expired accounts (net)	2		
73.45 Recoveries of prior year obligations	-5		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	3		
74.10 Change in uncollected customer payments from Federal sources (expired)	2		
74.40 Obligated balance, end of year	1		-1
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	15	24	21
86.93 Outlays from discretionary balances	20	3	2
87.00 Total outlays (gross)	35	27	23
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-9		
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	3		
88.96 Portion of offsetting collections (cash) credited to expired accounts	1		
Net budget authority and outlays:			
89.00 Budget authority	13	26	22
90.00 Outlays	25	27	23

The Office of the Secretary covers the overall planning, coordination and administration of the Department's programs. This includes the Secretary, Deputy Secretary, Under Secretaries, Assistant Secretaries, and their immediate staffs, who provide top policy guidance for the Department; maintain relationships with agricultural organizations and others in the development of farm programs; and provide liaison with the Executive Office of the President and Members of Congress on all matters pertaining to agricultural policy.

Funds are also proposed for the Office of the Secretary's account for negotiating and monitoring trade agreements; for technical trade support in the areas of biotechnology, sanitary and phyto-sanitary issues; and for expenses of the provincial reconstruction teams.

Object Classification (in millions of dollars)

Identification code 12-9913-0-1-352	2005 actual	2006 est.	2007 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	7	8	8
12.1 Civilian personnel benefits	2	2	2
25.2 Other services	8	16	12
99.0 Direct obligations	17	26	22
99.0 Reimbursable obligations	5		
99.9 Total new obligations	22	26	22

Personnel Summary

Identification code 12-9913-0-1-352	2005 actual	2006 est.	2007 est.
1001 Civilian full-time equivalent employment	76	87	87

FUND FOR RURAL AMERICA

Program and Financing (in millions of dollars)

Identification code 12-0012-0-1-999	2005 actual	2006 est.	2007 est.
Change in obligated balances:			
72.40 Obligated balance, start of year	7	1	
73.20 Total outlays (gross)	-4	-1	
73.40 Adjustments in expired accounts (net)	-2		
74.40 Obligated balance, end of year	1		
Outlays (gross), detail:			
86.98 Outlays from mandatory balances	4	1	
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	4	1	

The Federal Agriculture Improvement and Reform Act of 1996 (1996 Act) initially established the Fund for Rural America to provide support to rural communities across the United States. The 2002 Farm Bill (Farm Security and Rural Investment Act of 2002) repealed the Fund for Rural America.

Trust Funds

GIFTS AND BEQUESTS

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-8203-0-7-352	2005 actual	2006 est.	2007 est.
01.00 Balance, start of year			
01.99 Balance, start of year			
Receipts:			
02.60 Gifts and bequests, Departmental Administration	1	1	1
Appropriations:			
05.00 Gifts and bequests	-1	-1	-1
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 12-8203-0-7-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct program activity	1	1	1
10.00 Total new obligations (object class 99.5)	1	1	1
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3	2	2
22.00 New budget authority (gross)	1	1	1
23.90 Total budgetary resources available for obligation	4	3	3
23.95 Total new obligations	-1	-1	-1
24.40 Unobligated balance carried forward, end of year	2	2	2
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)	1	1	1
Change in obligated balances:			
73.10 Total new obligations	1	1	1
73.20 Total outlays (gross)	-1	-1	-1
74.40 Obligated balance, end of year			
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	1	1	1
Net budget authority and outlays:			
89.00 Budget authority	1	1	1
90.00 Outlays	1	1	1

The Secretary is authorized to accept and administer gifts and bequests of real and personal property to facilitate the

work of the Department. Property and the proceeds thereof are used in accordance with the terms of the gift or bequest (7 U.S.C. 2269).

EXECUTIVE OPERATIONS

Federal Funds

General and special funds:

EXECUTIVE OPERATIONS

CHIEF ECONOMIST

For necessary expenses of the Chief Economist, including economic analysis, risk assessment, cost-benefit analysis, energy and new uses, and the functions of the World Agricultural Outlook Board, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1622g), **[\$10,539,000] \$11,226,000.**

NATIONAL APPEALS DIVISION

For necessary expenses of the National Appeals Division, **[\$14,524,000] \$14,795,000.**

OFFICE OF BUDGET AND PROGRAM ANALYSIS

For necessary expenses of the Office of Budget and Program Analysis, **[\$8,298,000] \$8,479,000.**

HOMELAND SECURITY STAFF

For necessary expenses of the Homeland Security Staff, **[\$934,000] \$1,114,000.** (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-0705-0-1-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Chief Economist	12	11	11
00.03 National Appeals Division	14	14	15
00.04 Budget and Program Analysis	8	8	8
00.05 Homeland Security Staff	1	1	1
09.01 Reimbursable program	1	1	1
10.00 Total new obligations	36	35	36
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		1	3
22.00 New budget authority (gross)	38	37	38
23.90 Total budgetary resources available for obligation	38	38	41
23.95 Total new obligations	-36	-35	-36
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance carried forward, end of year	1	3	5
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	35	35	36
Mandatory:			
62.00 Transferred from other accounts	2	2	2
Discretionary:			
68.10 Spending authority from offsetting collections: Change in uncollected customer payments from Federal sources (unexpired)	1		
70.00 Total new budget authority (gross)	38	37	38
Change in obligated balances:			
72.40 Obligated balance, start of year	8	7	5
73.10 Total new obligations	36	35	36
73.20 Total outlays (gross)	-36	-37	-39
74.00 Change in uncollected customer payments from Fed- eral sources (unexpired)	-1		
74.40 Obligated balance, end of year	7	5	2
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	30	31	32
86.93 Outlays from discretionary balances	4	4	5
86.97 Outlays from new mandatory authority	2	2	2
87.00 Total outlays (gross)	36	37	39

Offsets:

88.95 Against gross budget authority only: Change in uncollected customer payments from Federal sources (unexpired)	-1		
Net budget authority and outlays:			
89.00 Budget authority	37	37	38
90.00 Outlays	34	37	39

Executive Operations provides support for USDA policy officials and selected Department-wide services.

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

WORKLOAD INDICATORS

	2005 actual	2006 est.	2007 est.
World Agricultural Supply and Demand Estimates Reports issued	12	12	12
Weekly Weather and Crop Bulletin issued	52	52	52

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

The Office of Budget and Program Analysis provides overall direction and administration of the Department's budgetary functions including: development, presentation, and execution of the budget; review of program and legislative proposals for programs and budget implications; and analysis of program issues and alternatives and preparation of summaries of pertinent data to aid Departmental policy officials and agency program managers in the decisionmaking process.

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.

Object Classification (in millions of dollars)

Identification code 12-0705-0-1-352	2005 actual	2006 est.	2007 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	21	21	22
12.1 Civilian personnel benefits	4	5	5
21.0 Travel and transportation of persons	1	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	7	5	5
31.0 Equipment	1	1	1
99.0 Direct obligations	35	34	35
99.0 Reimbursable obligations	1	1	1
99.9 Total new obligations	36	35	36

Personnel Summary

Identification code 12-0705-0-1-352	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	224	239	239
Reimbursable:			
2001 Civilian full-time equivalent employment	4	4	4

General and special funds—Continued

OFFICE OF THE CHIEF FINANCIAL OFFICER

For necessary expenses of the Office of the Chief Financial Officer, **[\$5,874,000] \$19,931,000, of which \$13,940,000 shall be available until expended: Provided,** That hereafter the Chief Financial Officer shall actively market and expand cross-servicing activities of the National Finance Center: *Provided further,* That no funds made available by this appropriation may be obligated for FAIR Act or Circular A-76 activities until the Secretary has submitted to the Committees on Appropriations of both Houses of Congress and the Committee on Government Reform of the House of Representatives a report on the Department's contracting out policies, including agency budgets for contracting out. *(Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.)*

Program and Financing (in millions of dollars)

Identification code 12-0014-0-1-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Appropriation	6	6	20
09.01 Reimbursable	4	4	4
10.00 Total new obligations	10	10	24
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	11	11	25
23.95 Total new obligations	-10	-10	-24
23.98 Unobligated balance expiring or withdrawn	-1		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	6	6	20
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)		5	5
68.10 Change in uncollected customer payments from Federal sources (unexpired)	5		
68.90 Spending authority from offsetting collections (total discretionary)	5	5	5
70.00 Total new budget authority (gross)	11	11	25
Change in obligated balances:			
72.40 Obligated balance, start of year	-6	-3	-4
73.10 Total new obligations	10	10	24
73.20 Total outlays (gross)	-9	-11	-24
73.40 Adjustments in expired accounts (net)	2		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-5		
74.10 Change in uncollected customer payments from Federal sources (expired)	5		
74.40 Obligated balance, end of year	-3	-4	-4
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	9	11	24
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-5	-5	-5
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-5		
88.96 Portion of offsetting collections (cash) credited to expired accounts	5		
Net budget authority and outlays:			
89.00 Budget authority	6	6	20
90.00 Outlays	4	6	19

The Office of the Chief Financial Officer (OCFO) supports the Chief Financial Officer in carrying out the dual roles of chief financial management policy officer and chief financial management advisor to the Secretary and mission area heads. OCFO provides leadership for all financial management, accounting, travel, Federal assistance, and performance measurement activities within the Department. It is responsible for the management and operation of the National Finance Center and the Departmental Working Capital Fund, and

provides budget, accounting, and fiscal services to the Office of the Secretary, Departmental Staff Offices, Office of Communications, Office of the Chief Information Officer and Executive Operations.

PERFORMANCE MEASURES

	2005 actual	2006 est.	2007 est.
Achieve an unqualified opinion on the USDA financial statements	Unqualified	Unqualified	Unqualified
Anti-deficiency violations	No	No	No

Object Classification (in millions of dollars)

Identification code 12-0014-0-1-352	2005 actual	2006 est.	2007 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	3	4	4
12.1 Civilian personnel benefits	1	1	1
25.2 Other services	1	1	15
99.0 Direct obligations	5	6	20
99.0 Reimbursable obligations	4	3	3
99.5 Below reporting threshold	1	1	1
99.9 Total new obligations	10	10	24

Personnel Summary

Identification code 12-0014-0-1-352	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	48	48	48
Reimbursable:			
2001 Civilian full-time equivalent employment	15	15	15

OFFICE OF THE CHIEF INFORMATION OFFICER

For necessary expenses of the Office of the Chief Information Officer, **[\$16,462,000] \$16,936,000. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.)**

Program and Financing (in millions of dollars)

Identification code 12-0013-0-1-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Office of the Chief Information Officer	17	16	17
09.01 Reimbursable program	40	40	40
10.00 Total new obligations	57	56	57
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	57	56	57
23.95 Total new obligations	-57	-56	-57
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	17	16	17
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	16	40	40
68.10 Change in uncollected customer payments from Federal sources (unexpired)	24		
68.90 Spending authority from offsetting collections (total discretionary)	40	40	40
70.00 Total new budget authority (gross)	57	56	57
Change in obligated balances:			
72.40 Obligated balance, start of year	-7	2	
73.10 Total new obligations	57	56	57
73.20 Total outlays (gross)	-52	-58	-57
73.40 Adjustments in expired accounts (net)	3		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-24		
74.10 Change in uncollected customer payments from Federal sources (expired)	25		
74.40 Obligated balance, end of year	2		
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	52	56	57

86.93	Outlays from discretionary balances	2		
87.00	Total outlays (gross)	52	58	57
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources Against gross budget authority only:	-44	-40	-40
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-24		
88.96	Portion of offsetting collections (cash) credited to expired accounts	28		
Net budget authority and outlays:				
89.00	Budget authority	17	16	17
90.00	Outlays	7	18	17

The Clinger-Cohen Act of 1996 required the establishment of a Chief Information Officer (CIO) for all major Federal agencies. The Act requires USDA to maximize the value of information technology acquisitions to improve the efficiency and effectiveness of USDA programs. To meet the intent of the law and to provide a Departmental focus for information resources management issues, Secretary's Memorandum 1030-30, dated August 8, 1996, established the Office of the Chief Information Officer (OCIO).

The CIO serves as the primary advisor to the Secretary and Mission Area Heads in these areas. OCIO provides leadership for the Department's information and information technology (IT) management activities in support of USDA's program delivery.

OCIO is leading USDA's E-Government efforts, in coordination with the Presidential E-Government Initiatives, to transform the Department's delivery of information, programs, and services using E-Government channels. OCIO is designing the Department's Enterprise Architecture to efficiently support USDA's move towards E-Government by leveraging economies-of-scale to acquire and share data and supporting IT applications and infrastructure. OCIO is strengthening USDA's Computer Security Program to mitigate threats to USDA's information and IT assets and support the Department's Homeland Security efforts. OCIO continues to facilitate the USDA IT Capital Planning and Control investment review process by providing guidance and support to the Department's Executive IT Investment Review Board, which approves all major technology investments to ensure they economically and effectively support program delivery.

Funded through the USDA Working Capital Fund, OCIO provides automated data processing (ADP) and wide-area telecommunications services to all USDA agencies through the National Information Technology Center and the Telecommunications Services and Operations organization, with locations in Ft. Collins, Colorado, Kansas City, Missouri, and Washington, D.C.

OCIO also has direct management and service responsibility for the IT component of the Service Center Agencies' computing and telecommunications infrastructure. This includes the implementation of a common technology infrastructure to replace the outdated and stove-piped systems supporting the Farm Service Agency, the Natural Resources Conservation Service, and Rural Development.

PERFORMANCE MEASURES

Office of the Chief Information Officer

	FY 2005	FY 2006	FY 2007
Increase Return on Investment (ROI) for eGovernment and Lines of Business (LOB) common solutions by five percent over the FY 2006 outcome	n.a.	Est. Baseline	5%
Percent of USDA IT systems that are certified, accredited, or otherwise authenticated as being properly secured	90%	100%	100%
Percent of identified mitigation actions completed in the USDA FISMA Plan of Action and Milestones	75%	90%	95%

Reduce the number of investments in USDA's IT portfolio, and increase the percentage of USDA's total dollars included in the major IT investment portfolio	400	320	300
Through the use of Earned Value Management (EVM), increase the percentage of USDA IT projects that are within 10% of cost/schedule/performance objectives	Est. Baseline	100%	100%

Object Classification (in millions of dollars)

Identification code 12-0013-0-1-352	2005 actual	2006 est.	2007 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	7	7	7
12.1 Civilian personnel benefits	1	2	2
25.2 Other services	4	3	3
25.3 Other purchases of goods and services from Government accounts	3	2	3
26.0 Supplies and materials	1	1	1
99.0 Direct obligations	16	15	16
99.0 Reimbursable obligations	40	40	40
99.5 Below reporting threshold	1	1	1
99.9 Total new obligations	57	56	57

Personnel Summary

Identification code 12-0013-0-1-352	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	64	72	72
Reimbursable:			
2001 Civilian full-time equivalent employment	11	7	7

COMMON COMPUTING ENVIRONMENT

For necessary expenses to acquire a Common Computing Environment for the Natural Resources Conservation Service, the Farm and Foreign Agricultural Service, and Rural Development mission areas for information technology, systems, and services, **[\$110,072,000]** \$108,900,000, to remain available until expended, for the capital asset acquisition of shared information technology systems, including services as authorized by 7 U.S.C. 6915-16 and 40 U.S.C. 1421-28: *Provided*, That obligation of these funds shall be consistent with the Department of Agriculture Service Center Modernization Plan of the county-based agencies, and shall be with the concurrence of the Department's Chief Information Officer: *Provided further*, That of the funds provided under this section, the Secretary shall acquire one meter natural color digital ortho-imagery of the entire state of Utah]. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-0113-0-1-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct program activity	122	123	109
09.01 Reimbursable program	23	24	24
10.00 Total new obligations	145	147	133
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	13	14	
22.00 New budget authority (gross)	145	133	133
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	159	147	133
23.95 Total new obligations	-145	-147	-133
24.40 Unobligated balance carried forward, end of year	14		

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	126	110	109
40.33 Appropriation permanently reduced (P.L. 109-148)		-1	
40.35 Appropriation permanently reduced	-1		
43.00 Appropriation (total discretionary)	125	109	109
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	49	24	24

General and special funds—Continued

COMMON COMPUTING ENVIRONMENT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-0113-0-1-352	2005 actual	2006 est.	2007 est.
68.10 Change in uncollected customer payments from Federal sources (unexpired)	- 29		
68.90 Spending authority from offsetting collections (total discretionary)	20	24	24
70.00 Total new budget authority (gross)	145	133	133
Change in obligated balances:			
72.40 Obligated balance, start of year	68	64	14
73.10 Total new obligations	145	147	133
73.20 Total outlays (gross)	- 177	- 197	- 133
73.45 Recoveries of prior year obligations	- 1		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	29		
74.40 Obligated balance, end of year	64	14	14
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	145	133	133
86.93 Outlays from discretionary balances	32	64	
87.00 Total outlays (gross)	177	197	133
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	- 43	- 24	- 24
88.40 Non-Federal sources	- 6		
88.90 Total, offsetting collections (cash)	- 49	- 24	- 24
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	29		
Net budget authority and outlays:			
89.00 Budget authority	125	109	109
90.00 Outlays	128	173	109

The Department of Agriculture Reorganization Act of 1994 requires the Secretary of Agriculture to procure and use computer systems in a manner that enhances efficiency, productivity, and client services, and that promotes computer information sharing among agencies of the Department. The USDA Service Center Modernization Initiative (SCMI) has been working to restructure county field offices, modernize and integrate business approaches and replace the current stove-piped and aging information systems with a modern common computing environment (CCE) that optimizes information sharing, customer service, and staff efficiencies. The funds requested under this account would fund essential capital investments needed to implement the modernization plan. Economies of scale in the procurement and management of information technology systems present compelling arguments for coordinating information technology investments. Without these investments, the Department's ability to provide timely and efficient services will continue to erode and the costs of maintaining the separate, aging systems will increase. A reorganization that combines the information technology (IT) staffs of the SCA into one IT organization with OCIO went into effect on November 28, 2004. The new organization, the Information Technology Services (ITS), replaces a network of cross-agency teams used to co-ordinate IT infrastructure investment within the SCA and allows for unified management of the IT infrastructure. The ITS delivers the following classes of technology services: Acquisition and Asset Management, Application Development and Deployment, Customer Support and End User Computing, Data Utility, Hosting, Security, Telecommunications and Web Services. Service Level Agreements (SLAs) that specify performance metrics will be negotiated with the SCA for each class of service.

Object Classification (in millions of dollars)

Identification code 12-0113-0-1-352	2005 actual	2006 est.	2007 est.
Direct obligations:			
23.3 Communications, utilities, and miscellaneous charges	2	2	2
25.2 Other services	74	49	35
25.3 Other purchases of goods and services from Government accounts	34	30	30
26.0 Supplies and materials	7	20	20
31.0 Equipment	5	22	22
99.0 Direct obligations	122	123	109
99.0 Reimbursable obligations	23	24	24
99.9 Total new obligations	145	147	133

Intragovernmental funds:

WORKING CAPITAL FUND

【For necessary expenses of "Working Capital Fund" related to the consequences of Hurricane Katrina, \$35,000,000, to remain available until expended: *Provided*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.】 (*Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-4609-0-4-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
09.01 Administration	23	28	28
09.02 Communications	8	7	7
09.03 Finance and management	175	209	180
09.04 Information technology	179	269	277
09.05 Executive secretariat	3	3	3
09.06 Corporate systems	63	70	70
09.09 Subtotal, operating expenses	451	586	565
09.12 Finance and management	2	6	4
09.13 Information technology	12	6	8
09.15 Corporate systems	14	31	3
09.19 Subtotal, purchase of equipment	28	43	15
10.00 Total new obligations	479	629	580
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	107	99	88
22.00 New budget authority (gross)	470	618	588
22.22 Unobligated balance transferred from other accounts	1		
23.90 Total budgetary resources available for obligation	578	717	676
23.95 Total new obligations	- 479	- 629	- 580
24.40 Unobligated balance carried forward, end of year	99	88	96
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	13		
40.00 Appropriation (PL 109-148, Division B, Title 1)		35	
42.00 Transferred from other accounts	1		
43.00 Appropriation (total discretionary)	14	35	
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	392	583	588
68.10 Change in uncollected customer payments from Federal sources (unexpired)	64		
68.90 Spending authority from offsetting collections (total discretionary)	456	583	588
70.00 Total new budget authority (gross)	470	618	588
Change in obligated balances:			
72.40 Obligated balance, start of year	2	- 43	- 26
73.10 Total new obligations	479	629	580
73.20 Total outlays (gross)	- 460	- 612	- 588
74.00 Change in uncollected customer payments from Federal sources (unexpired)	- 64		

74.40	Obligated balance, end of year	-43	-26	-34
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	460	539	509
86.93	Outlays from discretionary balances		73	79
87.00	Total outlays (gross)	460	612	588
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-386	-579	-584
88.40	Non-Federal sources	-6	-4	-4
88.90	Total, offsetting collections (cash)	-392	-583	-588
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-64		
Net budget authority and outlays:				
89.00	Budget authority	14	35	
90.00	Outlays	68	29	

This fund finances by advances or reimbursements certain central services in the Department of Agriculture, including duplicating and other visual information services, art and graphics, video services, supply, centralized accounting systems, centralized automated data processing systems for payroll, personnel, and related services, voucher payments services, and Information Technology systems. The National Finance Center's expenses are also funded through this fund. The capital consists of \$400 thousand appropriated (7 U.S.C. 2235), and subsequent appropriations of \$45 million as of September 30, 2005. Earnings are kept at a low level through adjustments in rates charged for services to maintain as nearly as possible the nonprofit nature of the fund.

Object Classification (in millions of dollars)

Identification code 12-4609-0-4-352	2005 actual	2006 est.	2007 est.	
Personnel compensation:				
11.1	Full-time permanent	153	164	169
11.3	Other than full-time permanent	2	2	2
11.5	Other personnel compensation	4	1	1
11.9	Total personnel compensation	159	167	172
12.1	Civilian personnel benefits	40	44	46
21.0	Travel and transportation of persons	9	4	4
22.0	Transportation of things	1	1	1
23.1	Rental payments to GSA	5	5	5
23.2	Rental payments to others	3	2	2
23.3	Communications, utilities, and miscellaneous charges	47	64	66
24.0	Printing and reproduction		1	1
25.2	Other services	163	280	249
26.0	Supplies and materials	13	12	13
31.0	Equipment	39	49	21
99.9	Total new obligations	479	629	580

Personnel Summary

Identification code 12-4609-0-4-352	2005 actual	2006 est.	2007 est.	
Reimbursable:				
2001	Civilian full-time equivalent employment	2,412	2,965	2,965

OFFICE OF CIVIL RIGHTS

Federal Funds

General and special funds:

OFFICE OF CIVIL RIGHTS
(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of Civil Rights, **[\$20,109,000]** \$22,650,000. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.)

Program and Financing (in millions of dollars)

Identification code 12-3800-0-1-352	2005 actual	2006 est.	2007 est.	
Obligations by program activity:				
00.01	Office of Civil Rights	20	20	23
09.01	Reimbursable program	3	5	5
10.00	Total new obligations	23	25	28
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	23	25	28
23.95	Total new obligations	-23	-25	-28
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	20	20	23
Spending authority from offsetting collections:				
Discretionary:				
68.00	Offsetting collections (cash)		5	5
68.10	Change in uncollected customer payments from Federal sources (unexpired)	3		
68.90	Spending authority from offsetting collections (total discretionary)	3	5	5
70.00	Total new budget authority (gross)	23	25	28
Change in obligated balances:				
72.40	Obligated balance, start of year	-3		
73.10	Total new obligations	23	25	28
73.20	Total outlays (gross)	-20	-25	-28
74.00	Change in uncollected customer payments from Fed- eral sources (unexpired)	-3		
74.10	Change in uncollected customer payments from Fed- eral sources (expired)	3		
74.40	Obligated balance, end of year			

Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	20	25	28
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-4	-5	-5
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-3		
88.96	Portion of offsetting collections (cash) credited to expired accounts	4		
Net budget authority and outlays:				
89.00	Budget authority	20	20	23
90.00	Outlays	18	20	23

The Office of Civil Rights (CR) provides overall leadership responsibility for all Department-wide civil rights activities including employment opportunity and program non-discrimination policy development, analysis, coordination, and compliance. CR is responsible for providing leadership in the implementation of best practices that will create an environment where diversity is valued as a source of strength. CR has the responsibility for monitoring program activities to ensure that all USDA programs are delivered in a non-discriminatory manner.

Object Classification (in millions of dollars)

Identification code 12-3800-0-1-352	2005 actual	2006 est.	2007 est.	
Direct obligations:				
11.1	Personnel compensation: Full-time permanent	12	15	15
12.1	Civilian personnel benefits	3	3	3
25.2	Other services	4	1	4
25.3	Other purchases of goods and services from Gov- ernment accounts	1	1	1
99.0	Direct obligations	20	20	23
99.0	Reimbursable obligations	2	5	5
99.5	Below reporting threshold	1		
99.9	Total new obligations	23	25	28

General and special funds—Continued

OFFICE OF CIVIL RIGHTS—Continued
(INCLUDING TRANSFERS OF FUNDS)—Continued

Personnel Summary

Identification code 12-3800-0-1-352	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	144	144	144
Reimbursable:			
2001 Civilian full-time equivalent employment	10	10	10

DEPARTMENTAL ADMINISTRATION

Federal Funds

General and special funds:

DEPARTMENTAL ADMINISTRATION
(INCLUDING TRANSFERS OF FUNDS)

For Departmental Administration, **[\$23,103,000]** \$28,302,000, to provide for necessary expenses for management support services to offices of the Department and for general administration, security, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department: *Provided*, That this appropriation shall be reimbursed from applicable appropriations in this Act for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551-558. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-0120-0-1-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.08 Direct program	22	23	28
09.01 Reimbursable program	15	17	17
10.00 Total new obligations	37	40	45
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	38	40	45
23.95 Total new obligations	-37	-40	-45
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	23	23	28
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	7	17	17
68.10 Change in uncollected customer payments from Federal sources (unexpired)	8		
68.90 Spending authority from offsetting collections (total discretionary)	15	17	17
70.00 Total new budget authority (gross)	38	40	45
Change in obligated balances:			
72.40 Obligated balance, start of year	-13	-7	-7
73.10 Total new obligations	37	40	45
73.20 Total outlays (gross)	-36	-40	-44
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-8		
74.10 Change in uncollected customer payments from Federal sources (expired)	13		
74.40 Obligated balance, end of year	-7	-7	-6
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	36	38	42
86.93 Outlays from discretionary balances		2	2
87.00 Total outlays (gross)	36	40	44
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-22	-17	-17
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-8		

88.96	Portion of offsetting collections (cash) credited to expired accounts	15		
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Net budget authority and outlays:

89.00	Budget authority	23	23	28
90.00	Outlays	16	23	27

Departmental Administration is comprised of activities that provide staff support to top policy officials and overall direction and coordination of the Department. These activities include Department-wide programs for human capital management, ethics, occupational safety and health management, real and personal property management, acquisitions and contracting, motor vehicle and aircraft management, supply management, participation of small and disadvantaged businesses, service-disabled veterans programs, emergency preparedness, and the regulatory hearing and administrative proceedings conducted by the Administrative Law Judges, Judicial Officer, and Board of Contract Appeals.

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

Object Classification (in millions of dollars)

Identification code 12-0120-0-1-352	2005 actual	2006 est.	2007 est.	
Direct obligations:				
11.1	Personnel compensation: Full-time permanent	15	17	18
12.1	Civilian personnel benefits	3	4	4
23.3	Communications, utilities, and miscellaneous charges	1		
25.2	Other services	1	1	5
25.3	Other purchases of goods and services from Government accounts	2	1	1
99.0	Direct obligations	22	23	28
99.0	Reimbursable obligations	15	16	16
99.5	Below reporting threshold		1	1
99.9	Total new obligations	37	40	45

Personnel Summary

Identification code 12-0120-0-1-352	2005 actual	2006 est.	2007 est.	
Direct:				
1001	Civilian full-time equivalent employment	172	233	224
Reimbursable:				
2001	Civilian full-time equivalent employment	67	67	67

HAZARDOUS MATERIALS MANAGEMENT

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Department of Agriculture, to comply 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.), **[\$12,000,000]** \$12,020,000, to remain available until expended: *Provided*, That appropriations and funds available herein to the Department for Hazardous Materials Management may be transferred to any agency of the Department for its use in meeting all requirements pursuant to the above Acts on Federal and non-Federal lands. (*42 U.S.C. 6961, et seq., 42 U.S.C. 9601, et seq.; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-0500-0-1-304	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct program	12	12	12
10.00 Total new obligations (object class 25.2)	12	12	12
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2	6	6
22.00 New budget authority (gross)	16	12	12
23.90 Total budgetary resources available for obligation	18	18	18
23.95 Total new obligations	-12	-12	-12
24.40 Unobligated balance carried forward, end of year	6	6	6
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	16	12	12
Change in obligated balances:			
72.40 Obligated balance, start of year	18	18	15
73.10 Total new obligations	12	12	12
73.20 Total outlays (gross)	-12	-15	-13
74.40 Obligated balance, end of year	18	15	14
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	11	11	11
86.93 Outlays from discretionary balances	1	4	2
87.00 Total outlays (gross)	12	15	13
Net budget authority and outlays:			
89.00 Budget authority	16	12	12
90.00 Outlays	11	15	13

Under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and the Resource Conservation and Recovery Act (RCRA), the Department has the responsibility to meet the same standards for environmental cleanup and regulatory compliance regarding hazardous wastes and hazardous substances as private businesses. With substantial commitments under these Acts, a central fund has been established so that resources may be allocated to the Department's agencies. Allocations are made according to objective criteria.

Personnel Summary

Identification code 12-0500-0-1-304	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	7	7	7

**AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS
(INCLUDING TRANSFERS OF FUNDS)**

For payment of space rental and related costs pursuant to Public Law 92-313, including authorities pursuant to the 1984 delegation of authority from the Administrator of General Services to the Department of Agriculture under 40 U.S.C. 486, for programs and activities of the Department which are included in this Act, and for alterations and other actions needed for the Department and its agencies to consolidate unneeded space into configurations suitable for release to the Administrator of General Services, and for the operation, maintenance, improvement, and repair of Agriculture buildings and facilities, and for related costs, **[\$187,734,000] \$209,814,000**, to remain available until expended, **[as follows:] of which \$155,851,000 shall be available for payments to the General Services Administration for rent and the Department of Homeland Security for building security, \$147,734,000, and for buildings operations and maintenance, \$40,000,000; Provided,** That amounts which are made available for space rental and related costs for the Department of Agriculture in this Act may be transferred between such appropriations to cover the costs of additional, new, or replacement space 15 days after notice thereof is transmitted to the Appropriations Committees

of both Houses of Congress. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.)

Program and Financing (in millions of dollars)

Identification code 12-0117-0-1-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Rental payments to GSA: Non-recurring repairs	127	144	156
00.02 Building operations and maintenance	45	40	54
00.04 Strategic space plan	15		
09.02 Reimbursable program	2	3	3
10.00 Total new obligations	189	187	213
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	25	6	6
22.00 New budget authority (gross)	166	187	213
22.10 Resources available from recoveries of prior year obligations	4		
23.90 Total budgetary resources available for obligation	195	193	219
23.95 Total new obligations	-189	-187	-213
24.40 Unobligated balance carried forward, end of year	6	6	6
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	164	186	210
40.33 Appropriation permanently reduced (P.L. 109-148)		-2	
40.35 Appropriation permanently reduced	-1		
43.00 Appropriation (total discretionary)	163	184	210
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	4	3	3
68.10 Change in uncollected customer payments from Federal sources (unexpired)	-1		
68.90 Spending authority from offsetting collections (total discretionary)	3	3	3
70.00 Total new budget authority (gross)	166	187	213
Change in obligated balances:			
72.40 Obligated balance, start of year	19	51	1
73.10 Total new obligations	189	187	213
73.20 Total outlays (gross)	-154	-237	-213
73.45 Recoveries of prior year obligations	-4		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	1		
74.40 Obligated balance, end of year	51	1	1
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	154	185	211
86.93 Outlays from discretionary balances		52	2
87.00 Total outlays (gross)	154	237	213
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-4	-3	-3
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	1		
Net budget authority and outlays:			
89.00 Budget authority	163	184	210
90.00 Outlays	151	234	210

This account finances the General Services Administration's fees for rental of space and the Department of Homeland Security for security-related fees. The appropriation covers all fees for all regular appropriated accounts within the Department of Agriculture with the exception of the Forest Service. This account also finances the day to day operations, repair, improvement and maintenance activities of the four buildings in the Headquarters complex.

General and special funds—Continued

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

Object Classification (in millions of dollars)

Identification code 12-0117-0-1-352	2005 actual	2006 est.	2007 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	7	8	8
12.1 Civilian personnel benefits	1	1	1
23.1 Rental payments to GSA	127	144	156
23.3 Communications, utilities, and miscellaneous charges	8	4	4
25.2 Other services	44	27	41
99.0 Direct obligations	187	184	210
99.0 Reimbursable obligations	2	3	3
99.9 Total new obligations	189	187	213

Personnel Summary

Identification code 12-0117-0-1-352	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	80	86	86

OFFICE OF COMMUNICATIONS

Federal Funds

General and special funds:

OFFICE OF COMMUNICATIONS

For necessary expenses to carry out services relating to the coordination of programs involving public affairs, for the dissemination of agricultural information, and the coordination of information, work, and programs authorized by Congress in the Department, **[\$9,509,000] \$9,695,000: Provided,** That not to exceed \$2,000,000 may be used for farmers' bulletins. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-0150-0-1-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Public affairs	9	9	10
10.00 Total new obligations	9	9	10
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	9	10	11
23.95 Total new obligations	-9	-9	-10
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	9	9	10
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)		1	1
70.00 Total new budget authority (gross)	9	10	11
Change in obligated balances:			
72.40 Obligated balance, start of year	1	1	
73.10 Total new obligations	9	9	10
73.20 Total outlays (gross)	-9	-10	-11
73.40 Adjustments in expired accounts (net)			1
74.40 Obligated balance, end of year	1		
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	8	9	10
86.93 Outlays from discretionary balances	1	1	1
87.00 Total outlays (gross)	9	10	11

Offsets:

88.00 Against gross budget authority and outlays: Offsetting collections (cash) from: Federal sources	-1	-1	-1
88.96 Against gross budget authority only: Portion of offsetting collections (cash) credited to expired accounts	1		

Net budget authority and outlays:

89.00 Budget authority	9	9	10
90.00 Outlays	9	9	10

Public affairs—This office provides general direction, leadership, and coordination of the Department's information program. The major objective is to provide a balanced and useful information program that reports on USDA's research, administrative action, and regulatory activities using all communications media in order to enable the general public and the agricultural industry to have a better understanding of agriculture's services to farmers and to society and to provide accurate, timely information during an emergency.

Object Classification (in millions of dollars)

Identification code 12-0150-0-1-352	2005 actual	2006 est.	2007 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	6	6	6
12.1 Civilian personnel benefits	1	1	1
99.0 Direct obligations	7	7	7
99.0 Reimbursable obligations	1	1	2
99.5 Below reporting threshold	1	1	1
99.9 Total new obligations	9	9	10

Personnel Summary

Identification code 12-0150-0-1-352	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	70	80	80

OFFICE OF THE INSPECTOR GENERAL

Federal Funds

General and special funds:

OFFICE OF THE INSPECTOR GENERAL

For necessary expenses of the Office of the Inspector General, including employment pursuant to the Inspector General Act of 1978, **[\$80,336,000] \$82,493,000,** including such sums as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(9) of the Inspector General Act of 1978, and including not to exceed \$125,000 for certain confidential operational expenses, including the payment of informants, to be expended under the direction of the Inspector General pursuant to Public Law 95-452 and section 1337 of Public Law 97-98. (*7 U.S.C. 450b, 2201, 2202, 2220, 2270; Public Law 100-504; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-0900-0-1-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct program	78	79	82
09.01 Reimbursable program	4	3	3
10.00 Total new obligations	82	82	85
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3	3	4
22.00 New budget authority (gross)	81	83	86
23.90 Total budgetary resources available for obligation	84	86	90
23.95 Total new obligations	-82	-82	-85
24.40 Unobligated balance carried forward, end of year	3	4	5

New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	78	80	82
40.33	Appropriation permanently reduced (P.L. 109-148)	-1		
40.35	Appropriation permanently reduced	-1		
43.00	Appropriation (total discretionary)	77	79	82
Discretionary:				
68.10	Spending authority from offsetting collections:			
	Change in uncollected customer payments from Federal sources (unexpired)	4	4	4
70.00	Total new budget authority (gross)	81	83	86
Change in obligated balances:				
72.40	Obligated balance, start of year	6	6	4
73.10	Total new obligations	82	82	85
73.20	Total outlays (gross)	-80	-83	-85
73.40	Adjustments in expired accounts (net)	-1		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-4	-4	-4
74.10	Change in uncollected customer payments from Federal sources (expired)	3	3	3
74.40	Obligated balance, end of year	6	4	3
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	73	76	78
86.93	Outlays from discretionary balances	7	7	7
87.00	Total outlays (gross)	80	83	85
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-4	-4	
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-4	-4	-4
88.96	Portion of offsetting collections (cash) credited to expired accounts	4	4	
Net budget authority and outlays:				
89.00	Budget authority	77	79	82
90.00	Outlays	76	79	85

The Office keeps the Secretary and Congress informed about fraud, other serious problems, mismanagement, and deficiencies in Department programs and operations, recommends corrective action, and reports on the progress made in correcting the problems. It reviews existing and proposed legislation and regulations and makes recommendations to the Secretary and Congress regarding the impact these laws have on the Department's programs and the prevention and detection of fraud and mismanagement in such programs. The Office provides policy direction and conducts, supervises, and coordinates all audits and investigations. The office supervises and coordinates other activities in the Department and between the Department and other Federal, State and local government agencies whose purposes are to: (a) promote economy and efficiency; (b) prevent and detect fraud and mismanagement; and (c) identify and prosecute people involved in fraud or mismanagement.

Object Classification (in millions of dollars)

Identification code 12-0900-0-1-352	2005 actual	2006 est.	2007 est.	
Direct obligations:				
11.1	Personnel compensation: Full-time permanent	49	50	52
12.1	Civilian personnel benefits	15	15	16
21.0	Travel and transportation of persons	5	5	5
23.3	Communications, utilities, and miscellaneous charges	2	2	2
25.2	Other services	4	4	4
25.3	Other purchases of goods and services from Government accounts	1	1	1
26.0	Supplies and materials	1	1	1
31.0	Equipment	2	1	1
99.0	Direct obligations	79	79	82
99.0	Reimbursable obligations	3	3	3

99.9	Total new obligations	82	82	85
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Personnel Summary

Identification code 12-0900-0-1-352	2005 actual	2006 est.	2007 est.	
Direct:				
1001	Civilian full-time equivalent employment	579	639	660

OFFICE OF THE GENERAL COUNSEL

Federal Funds

General and special funds:

OFFICE OF THE GENERAL COUNSEL

For necessary expenses of the Office of the General Counsel, **[\$39,351,000] \$40,647,000.** (7 U.S.C. 2201; 2202, 2214a; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.)

Program and Financing (in millions of dollars)

Identification code 12-2300-0-1-352	2005 actual	2006 est.	2007 est.	
Obligations by program activity:				
00.01	Direct program	36	39	41
09.00	Reimbursable program	1	2	2
10.00	Total new obligations	37	41	43
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	37	41	43
23.95	Total new obligations	-37	-41	-43
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	36	39	41
Discretionary:				
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	1	2	2
70.00	Total new budget authority (gross)	37	41	43
Change in obligated balances:				
72.40	Obligated balance, start of year	3	2	1
73.10	Total new obligations	37	41	43
73.20	Total outlays (gross)	-37	-42	-43
74.40	Obligated balance, end of year	2	1	1
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	35	39	41
86.93	Outlays from discretionary balances	2	3	2
87.00	Total outlays (gross)	37	42	43
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-1	-2	-2
Net budget authority and outlays:				
89.00	Budget authority	36	39	41
90.00	Outlays	36	40	41

The Office of the General Counsel of the Department of Agriculture provides all legal advice, counsel, and services to the Secretary and to all agencies, offices, and corporations of the Department on all aspects of their operations. It represents the Department in administrative proceedings; non-litigation debt collection proceedings; state water rights adjudications; proceedings before the Environmental Protection Agency, Federal Maritime Administration, International Trade Commission, and other Federal agencies; and, in conjunction with the Department of Justice, in judicial proceedings and litigation. All attorneys and related support personnel devoted to those efforts are under the supervision of the General Counsel.

General and special funds—Continued

OFFICE OF THE GENERAL COUNSEL—Continued

Object Classification (in millions of dollars)

Identification code 12-2300-0-1-352	2005 actual	2006 est.	2007 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	27	29	31
12.1 Civilian personnel benefits	7	7	7
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	1	1	1
31.0 Equipment		1	1
99.0 Direct obligations	36	39	41
99.0 Reimbursable obligations	1	2	2
99.9 Total new obligations	37	41	43

Personnel Summary

Identification code 12-2300-0-1-352	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	312	319	324
Reimbursable:			
2001 Civilian full-time equivalent employment	8	11	11

ECONOMIC RESEARCH SERVICE

Federal Funds

General and special funds:

ECONOMIC RESEARCH SERVICE

For necessary expenses of the Economic Research Service in conducting economic research and analysis, [\$75,931,000: *Provided*, That none of the funds made available by this Act or any other Act may be used by the Department of Agriculture to publish, disseminate, or distribute, internally or externally, Agriculture Information Bulletin Number 787: *Provided further*, That of the funds provided to the Economic Research Service, the Secretary of Agriculture shall use \$350,000 to enter into an agreement for a comprehensive report on the economic development and current status of the sheep industry in the United States to be prepared by the National Academy of Sciences] \$82,544,000. (7 U.S.C. 292, 411, 427, 1441a, 1704, 1761-68, 2201, 2202, 2225, 3103, 3291, 3311, 3504; 22 U.S.C. 3101; 42 U.S.C. 1891-93; 44 U.S.C. 3501-11; 50 U.S.C. 2061 et seq., 2251 et seq.; *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-1701-0-1-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct program	74	75	83
09.00 Reimbursable program	2	2	2
10.00 Total new obligations	76	77	85
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	75	77	85
23.95 Total new obligations	-76	-77	-85
24.40 Unobligated balance carried forward, end of year			
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	75	76	83
40.33 Appropriation permanently reduced (P.L. 109-148)		-1	
40.35 Appropriation permanently reduced	-1		
43.00 Appropriation (total discretionary)	74	75	83
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	1	2	2
70.00 Total new budget authority (gross)	75	77	85
Change in obligated balances:			
72.40 Obligated balance, start of year	29	29	28

73.10 Total new obligations	76	77	85
73.20 Total outlays (gross)	-75	-78	-84
73.40 Adjustments in expired accounts (net)	-1		
74.40 Obligated balance, end of year	29	28	29

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	58	67	74
86.93 Outlays from discretionary balances	17	11	10
87.00 Total outlays (gross)	75	78	84

Offsets:

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-1	-2	-2

Net budget authority and outlays:

89.00 Budget authority	74	75	83
90.00 Outlays	75	76	82

The Economic Research Service provides economic and other social science research and analysis for public and private decisions on agriculture, food, natural resources, and rural America.

Miscellaneous funds received from States, local organizations, and others are available for support of economic research and analysis (7 U.S.C. 450b, 450h, 3318b).

The 2007 Budget request includes an increase of \$5 million to implement a comprehensive data collection and research program to monitor the changing economic health and well-being of farm and non-farm households in rural areas; and an increase of \$1.6 million to continue the development of an integrated and comprehensive data and analysis framework to provide a basis for understanding, monitoring, tracking, and identifying changes in the food supply and consumption patterns.

Object Classification (in millions of dollars)

Identification code 12-1701-0-1-352	2005 actual	2006 est.	2007 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	37	39	40
11.3 Other than full-time permanent	1	1	1
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	39	41	42
12.1 Civilian personnel benefits	9	8	8
21.0 Travel and transportation of persons	1	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	4	4	9
25.3 Other purchases of goods and services from Government accounts	12	12	14
25.5 Research and development contracts	5	5	5
26.0 Supplies and materials	1	1	1
31.0 Equipment	1	1	1
41.0 Grants, subsidies, and contributions	1	1	1
99.0 Direct obligations	74	75	83
99.0 Reimbursable obligations	2	2	2
99.9 Total new obligations	76	77	85

Personnel Summary

Identification code 12-1701-0-1-352	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	421	433	434
Reimbursable:			
2001 Civilian full-time equivalent employment	6	6	6

NATIONAL AGRICULTURAL STATISTICS SERVICE

Federal Funds

General and special funds:

NATIONAL AGRICULTURAL STATISTICS SERVICE

For necessary expenses of the National Agricultural Statistics Service in conducting statistical reporting and service work, **[\$140,700,000]** \$152,584,000, of which up to **[\$29,115,000]** \$36,582,000 shall be available until expended for the Census of Agriculture. (7 U.S.C. 411, 411a, 411b, 427, 471, 475, 476, 501, 951, 953, 955-57, 2201, 2202, 2204, 2225, 2248, 3103, 3311, 3504; 18 U.S.C. 1902, 1905, 2072; 42 U.S.C. 1891-93; 44 U.S.C. 3501-11; 50 U.S.C. 2061 et seq., 2251 et seq.; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.)

Program and Financing (in millions of dollars)

Identification code 12-1801-0-1-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Agricultural estimates	102	104	109
00.02 Statistical research and service	7	7	7
00.03 Census of Agriculture	22	29	37
09.01 Reimbursable program	20	21	21
10.00 Total new obligations	151	161	174
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3	1	
22.00 New budget authority (gross)	149	160	174
23.90 Total budgetary resources available for obligation	152	161	174
23.95 Total new obligations	-151	-161	-174
24.40 Unobligated balance carried forward, end of year	1		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	129	141	153
40.33 Appropriation permanently reduced (P.L. 109-148)		-2	
40.35 Appropriation permanently reduced	-1		
43.00 Appropriation (total discretionary)	128	139	153
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	12	21	21
68.10 Change in uncollected customer payments from Federal sources (unexpired)	9		
68.90 Spending authority from offsetting collections (total discretionary)	21	21	21
70.00 Total new budget authority (gross)	149	160	174
Change in obligated balances:			
72.40 Obligated balance, start of year	15	17	18
73.10 Total new obligations	151	161	174
73.20 Total outlays (gross)	-150	-160	-172
73.40 Adjustments in expired accounts (net)	-1		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-9		
74.10 Change in uncollected customer payments from Federal sources (expired)	11		
74.40 Obligated balance, end of year	17	18	20
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	126	145	157
86.93 Outlays from discretionary balances	24	15	15
87.00 Total outlays (gross)	150	160	172
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-20	-18	-18
88.40 Non-Federal sources	-3	-3	-3
88.90 Total, offsetting collections (cash)	-23	-21	-21
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-9		

88.96	Portion of offsetting collections (cash) credited to expired accounts	11		
Net budget authority and outlays:				
89.00	Budget authority	128	139	153
90.00	Outlays	129	139	151

Agricultural estimates.—The Service provides the official National and State estimates of acreage, yield, and production of crops, stocks, and value of farm commodities, and numbers of inventory values of livestock items. Data on approximately 120 crops and 45 livestock products are covered in over 400 reports issued each year. Detailed data are also collected on agricultural chemical use, labor, and expenditures. In addition, the Census of Agriculture is conducted every five years which provides comprehensive data on the Nation's agricultural industry down to the county level.

The work under this activity is conducted through 46 field offices serving the 50 States and Puerto Rico; most of these offices are operated as joint State and Federal services. Cooperative arrangements with State agencies provide additional State and county data. The 2007 program includes funding to continue restoration and modernization of the Agricultural Estimates program. This initiative is designed to strengthen the quality of published data.

Census of Agriculture.—The Census of Agriculture is conducted every five years. A proposed increase of \$7.25 million due to cyclical activities will be used to collect data to measure coverage of the census mail list, prepare census mail packages, and prepare for data collection activities to occur in FY 2008.

Miscellaneous funds received from local organizations, commodity groups, and others are available for dissemination of reports and for survey work conducted under cooperative agreements (7 U.S.C. 450b, 450h, 3318b).

Object Classification (in millions of dollars)

Identification code 12-1801-0-1-352	2005 actual	2006 est.	2007 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	72	71	75
11.3	Other than full-time permanent	1	1	1
11.5	Other personnel compensation	1	1	1
11.9	Total personnel compensation	74	73	77
12.1	Civilian personnel benefits	19	18	18
21.0	Travel and transportation of persons	4	2	2
22.0	Transportation of things	1	1	1
23.3	Communications, utilities, and miscellaneous charges	4	5	5
25.2	Other services	11	22	31
25.3	Other purchases of goods and services from Government accounts	7	9	9
25.7	Operation and maintenance of equipment	3	3	3
26.0	Supplies and materials	2	2	2
31.0	Equipment	5	5	5
99.0	Direct obligations	130	140	153
99.0	Reimbursable obligations	21	21	21
99.9	Total new obligations	151	161	174

Personnel Summary

Identification code 12-1801-0-1-352	2005 actual	2006 est.	2007 est.	
Direct:				
1001	Civilian full-time equivalent employment	1,017	1,017	1,033
Reimbursable:				
2001	Civilian full-time equivalent employment	106	106	106

AGRICULTURAL RESEARCH SERVICE

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For necessary expenses to enable the Agricultural Research Service to perform agricultural research and demonstration relating to production, utilization, marketing, and distribution (not otherwise provided for); home economics or nutrition and consumer use including the acquisition, preservation, and dissemination of agricultural information; and for acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed \$100, and for land exchanges where the lands exchanged shall be of equal value or shall be equalized by a payment of money to the grantor which shall not exceed 25 percent of the total value of the land or interests transferred out of Federal ownership, **[\$1,135,004,000] \$1,001,385,000, of which \$2,350,000 shall remain available until expended: Provided,** That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed one for replacement only: *Provided further,* That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building shall not exceed \$375,000, except for headhouses or greenhouses which shall each be limited to \$1,200,000, and except for 10 buildings to be constructed or improved at a cost not to exceed \$750,000 each, and the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building or \$375,000, whichever is greater: *Provided further,* That the limitations on alterations contained in this Act shall not apply to modernization or replacement of existing facilities at Beltsville, Maryland: *Provided further,* That appropriations hereunder shall be available for granting easements at the Beltsville Agricultural Research Center: *Provided further,* That the foregoing limitations shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a): *Provided further,* That the foregoing limitations shall not apply to the purchase of land at Florence, South Carolina: *Provided further,* That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing or operating any research facility or research project of the Agricultural Research Service, as authorized by law: *Provided further,* That the Secretary, through the Agricultural Research Service, or successor, is authorized to lease approximately 40 acres of land at the Central Plains Experiment Station, Nunn, Colorado, to the Board of Governors of the Colorado State University System, for its Shortgrass Steppe Biological Field Station, on such terms and conditions as the Secretary deems in the public interest: *Provided further,* That the Secretary understands that it is the intent of the University to construct research and educational buildings on the subject acreage and to conduct agricultural research and educational activities in these buildings: *Provided further,* That as consideration for a lease, the Secretary may accept the benefits of mutual cooperative research to be conducted by the Colorado State University and the Government at the Shortgrass Steppe Biological Field Station: *Provided further,* That the term of any lease shall be for no more than 20 years, but a lease may be renewed at the option of the Secretary on such terms and conditions as the Secretary deems in the public interest: *Provided further,* That the Agricultural Research Service may convey all rights and title of the United States, to a parcel of land comprising 19 acres, more or less, located in Section 2, Township 18 North, Range 14 East in Oktibbeha County, Mississippi, originally conveyed by the Board of Trustees of the Institution of Higher Learning of the State of Mississippi, and described in instruments recorded in Deed Book 306 at pages 553-554, Deed Book 319 at page 219, and Deed Book 33 at page 115, of the public land records of Oktibbeha County, Mississippi, including facilities, and fixed equipment, to the Mississippi State University, Starkville, Mississippi, in their "as is" condition, when vacated by the Agricultural Research Service: *Provided further,* That none of the funds appropriated under this heading shall be available to carry out research related to the production, processing, or marketing of tobacco or tobacco products. (7 U.S.C. 328, 427, 427i, 1281 note, 1621, 2201, 2204, 2225, 3101 note; 10 U.S.C. 2306; 16 U.S.C. 590(a)-590(b), 590(k); 18 U.S.C. 1114; 19 U.S.C. 1306(a), 1306(c); 20 U.S.C. 191-194; 21 U.S.C. 114c, 114e-131; 42 U.S.C. 1476(e), 1483; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.)

[For an additional amount for "Salaries and Expenses", related to the detection of and response to highly pathogenic avian influenza, including research and development, \$7,000,000, to remain available until September 30, 2007: *Provided,* That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.] (*Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-1400-0-1-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Product Quality/Value Added	104	105	94
00.02 Livestock Production	83	85	67
00.03 Crop Production	195	201	153
00.04 Food Safety	95	96	85
00.05 Livestock Protection	64	73	66
00.06 Crop Protection	186	187	155
00.07 Human nutrition research	84	85	85
00.08 Environmental Stewardship	217	223	172
00.09 National Agricultural Library	23	22	25
00.10 Repair and maintenance of facilities	18	18	18
00.11 Collaborative research program	6		
00.12 Homeland security	30	36	81
00.13 Construction/Miscellaneous Fees	3	2	
09.00 Reimbursable program	74	80	80
10.00 Total new obligations	1,182	1,213	1,081
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	4	2	
22.00 New budget authority (gross)	1,183	1,211	1,081
23.90 Total budgetary resources available for obligation	1,187	1,213	1,081
23.95 Total new obligations	-1,182	-1,213	-1,081
23.98 Unobligated balance expiring or withdrawn	-3		
24.40 Unobligated balance carried forward, end of year	2		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,111	1,135	1,001
40.00 Appropriation		7	
40.33 Appropriation permanently reduced (P.L. 109-148)		-11	
40.35 Appropriation permanently reduced	-9		
42.00 Transferred from other accounts	6		
43.00 Appropriation (total discretionary)	1,108	1,131	1,001
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	21	80	80
68.10 Change in uncollected customer payments from Federal sources (unexpired)	54		
68.90 Spending authority from offsetting collections (total discretionary)	75	80	80
70.00 Total new budget authority (gross)	1,183	1,211	1,081
Change in obligated balances:			
72.40 Obligated balance, start of year	314	303	311
73.10 Total new obligations	1,182	1,213	1,081
73.20 Total outlays (gross)	-1,185	-1,205	-1,081
73.40 Adjustments in expired accounts (net)	-5		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-54		
74.10 Change in uncollected customer payments from Federal sources (expired)	51		
74.40 Obligated balance, end of year	303	311	311
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	913	963	833
86.93 Outlays from discretionary balances	272	242	248
87.00 Total outlays (gross)	1,185	1,205	1,081
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-54	-56	-56
88.40 Non-Federal sources	-13	-24	-24

88.90	Total, offsetting collections (cash)	-67	-80	-80
	Against gross budget authority only:			
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-54		
88.96	Portion of offsetting collections (cash) credited to expired accounts	46		
Net budget authority and outlays:				
89.00	Budget authority	1,108	1,131	1,001
90.00	Outlays	1,117	1,125	1,001

The Agricultural Research Service conducts research to provide the means for a safer, more economical supply of agricultural products for the Nation and to provide producers with technologies to competitively supply these products. Technology needs of regulatory, technical assistance and education agencies of USDA and other Federal agencies are supported through ARS research. The Service uses coordinated, interdisciplinary approaches to perform basic and applied research on soil and water conservation, plant and animal sciences, commodity conversion and delivery, human nutrition, and integrated agricultural systems. In 2007, the Service proposes increased emphases for critical research needs in agriculture, such as: support for homeland security efforts to protect the Nation's food supply (emerging and exotic diseases of plants and animals, food safety, and the national plant disease recovery system); bovine spongiform encephalopathy (BSE) and chronic wasting disease (CWD); air and water quality; biobased products and bioenergy; sequencing and bioinformatics; obesity; genetic resources; controlling invasive species; climate change; soybean and wheat stem rust; avian influenza; foot and mouth disease; genomics; agricultural information services and cyber security. Consistent with the 2006 Budget, the 2007 Budget also proposes to eliminate funding for unrequested Congressional earmarks added to the Service since 2001. In 2005, the Service submitted 88 new patent applications, participated in 55 new Cooperative research and development agreements (CRADAs), licensed 33 new products, and developed 65 new plant varieties to release to industry for further development and marketing.

Product Quality/Value Added.—New products, new uses, and value-added processes that appeal to consumers will create additional demand-driven need for agricultural production, thus providing more opportunities for agricultural producers and businesses. Biobased technologies promise new opportunities for energy, industrial and pharmacological markets for U.S. farmers. New markets are emerging for environmental activities and products that mitigate environmental concerns.

Livestock Production.—Intense competition in global markets emphasizes the need for American agriculture to pursue and market higher value animal products. Research must respond to consumer demands for healthier and safer products to ensure a sustainable and profitable livestock production system that produces affordable value-added food, fiber, and industrial products. These superior technologies must effectively differentiate U.S. agricultural products from competing sources and provide customers with value-added processes that enhance product quality.

Crop Production.—ARS will develop and disseminate science-based information to provide U.S. crop producers with increased flexibility to effectively manage unforeseen risks that impact profitability and product quality. U.S. agricultural production and marketability is constantly influenced by factors such as unpredictable weather, disease and pest outbreaks, and changing consumer demands. Use of genetically diverse germplasm resource collections and best management practices require research that helps improve production efficiency and productivity through the development of pest resistant varieties and information to facilitate decision-making.

Food Safety.—For the Nation to have affordable and safe food, the food system must be protected at each step from

production to consumption. The production and distribution system for food in the United States has been a diverse, extensive, and easily accessible system. This open system is vulnerable to the introduction of pathogens and toxins through natural processes, global commerce, and by intentional means. Thus, the food supply must be protected during production, processing, and preparation from pathogens, toxins, and chemical contamination that cause disease in humans.

Livestock Protection.—Economic sustainability of livestock production systems in both domestic and global markets is limited by the disease status of the animals. Many factors affect the likelihood of diseases in livestock. These include globalization and international commerce, presence of pathogen vectors, industrialization of agriculture, availability of vaccines and protection systems, movements of animals during production, continued emergence of new diseases, genetic resistance, and the availability of vaccines and protection systems, movements of animals during production, continued emergence of new disease, genetic resistance, and the availability of trained animal health specialists. Livestock production systems are in transition from open and extensive systems to more closely monitored intensive management systems which remain vulnerable to accidental and intentional exposure to pathogens. Many of these pathogens are zoonotic and impact public health.

Crop Protection.—Economic sustainability of agricultural crop production in both domestic and global markets is limited by the disease status of crops. Many factors affect the likelihood of diseases to crops including, globalization and international commerce, presence of pathogen vectors, availability of protection systems, continued emergence of new disease, genetic resistance of crops, and the availability of trained plant health specialists. Crop systems have limited diversity and will remain extensive and thereby more vulnerable to intentional exposure to pathogens.

Human Nutrition.—Improving the Nation's health requires enhancing the quality of the American diet. The United States is experiencing an obesity epidemic resulting from multifaceted causes including a "more is better" mindset, a sedentary lifestyle, and the selection of readily available high calorie foods. In addition, four of the top ten causes of death in the U.S.—cardiovascular disease, cancer, stroke, and diabetes—are associated with the quality of our diets—diets too high in calories, total fat, saturated fat, cholesterol, or too low in fiber. Americans want fresh foods that taste good, are convenient to prepare and consume, and yet, offer nutrition and health benefits. Building a strong connection between agriculture and human health is an important step to providing a nutritionally enhanced food supply. Promoting healthier food choices and educating Americans to balance caloric intake with sufficient daily physical activity are vital steps to preventing obesity and decreasing risk for chronic disease.

Environmental Stewardship.—Agriculture relies on a natural resource base whose sustainability depends on sound, science-based production practices. The management of our renewable resources often seems to be a continuous balancing of conflicting and competing goals and concerns. While this is often the case, particularly in the short-term, longer-term management strategies combined with adequate knowledge of the complex natural systems can yield maximum sustainable benefits from our resources that can satisfy most competing concerns. The outcome will be technology and practices that will mitigate the adverse impact of agriculture on the environment, moderate the build up of green house gasses that may contribute to climate change, and remove the necessity of farming environmentally sensitive marginal lands.

Library and Information Services.—Timely, relevant information is an essential raw material for the research process

General and special funds—Continued

SALARIES AND EXPENSES—Continued

as well as for effective policy development and decision-making. Targeted information services are also required to support specialized USDA audiences such as inspectors, regulators, nutritionists, and others, as well as their peers, customers and stakeholders nationwide. The general public requires information on a very broad set of agriculture-related topics, ranging from small business development to gardening to nutrition to food safety to farming to textiles to statistics and beyond. Also, the permanent preservation of USDA's and the Nation's agricultural intellectual heritage is a key national responsibility. The National Agricultural Library (NAL) is mandated to fulfill these roles and is a national resource for all users of agricultural information. NAL's work in collecting, preserving and ensuring access to agricultural information is fundamental to the continued wellbeing and growth of U.S. agriculture, and the development of food supplies for the nation and world.

Repair and maintenance of facilities.—Funds are used to restore, upgrade, and maintain Federal facilities to meet OSHA and EPA requirements, provide suitable workspace for in-house research programs, and to retrofit existing structures for better energy utilization.

Collaborative Research Program.—Funds from the U.S. Agency for International Development (AID), allow USDA to provide short-term scientific exchanges to the New Independent States of the former Soviet Union (NIS), in developing a market-based agricultural system necessary to meet the food needs of their populations and to develop and strengthen trade linkages between their countries and related agribusiness and agricultural enterprise in the U.S.

Reimbursements.—Agricultural Research Service performs program research activities and services for other USDA, Federal, and non-Federal agencies. These activities and services are paid for on a reimbursable basis.

Object Classification (in millions of dollars)

Identification code 12-1400-0-1-352	2005 actual	2006 est.	2007 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	476	489	500
11.3 Other than full-time permanent	13	13	13
11.5 Other personnel compensation	34	35	36
11.9 Total personnel compensation	523	537	549
12.1 Civilian personnel benefits	139	143	146
21.0 Travel and transportation of persons	20	20	19
22.0 Transportation of things	1	1	1
23.2 Rental payments to others	1	1	1
23.3 Communications, utilities, and miscellaneous charges	40	40	33
24.0 Printing and reproduction	2	2	1
25.1 Advisory and assistance services	1	1	1
25.2 Other services	7	8	4
25.3 Other purchases of goods and services from Government accounts	2	2	1
25.4 Operation and maintenance of facilities	32	32	22
25.5 Research and development contracts	166	168	97
25.7 Operation and maintenance of equipment	9	10	7
25.8 Subsistence and support of persons	1	1	1
26.0 Supplies and materials	94	96	68
31.0 Equipment	44	45	32
32.0 Land and structures	6	6	5
41.0 Grants, subsidies, and contributions	20	20	13
99.0 Direct obligations	1,108	1,133	1,001
99.0 Reimbursable obligations	74	80	80
99.9 Total new obligations	1,182	1,213	1,081

Personnel Summary

Identification code 12-1400-0-1-352	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	8,532	8,538	8,538
Reimbursable:			
2001 Civilian full-time equivalent employment	163	163	163

BUILDINGS AND FACILITIES

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the agricultural research programs of the Department of Agriculture, where not otherwise provided, **[\$131,195,000]** \$8,415,000, to remain available until expended. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

[For an additional amount for "Buildings and Facilities", \$9,200,000, to remain available until September 30, 2007, for necessary expenses related to the consequences of Hurricane Katrina: *Provided*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.] (*Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-1401-0-1-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Building and facilities projects	119	124	95
10.00 Total new obligations	119	124	95
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	306	373	388
22.00 New budget authority (gross)	186	139	8
23.90 Total budgetary resources available for obligation	492	512	396
23.95 Total new obligations	-119	-124	-95
24.40 Unobligated balance carried forward, end of year	373	388	301
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	188	131	8
40.00 Appropriation		9	
40.33 Appropriation permanently reduced (P.L. 109-148)		-1	
40.35 Appropriation permanently reduced	-2		
43.00 Appropriation (total discretionary)	186	139	8
Change in obligated balances:			
72.40 Obligated balance, start of year	149	137	135
73.10 Total new obligations	119	124	95
73.20 Total outlays (gross)	-131	-126	-118
74.40 Obligated balance, end of year	137	135	112
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	19	24	1
86.93 Outlays from discretionary balances	112	102	117
87.00 Total outlays (gross)	131	126	118
Net budget authority and outlays:			
89.00 Budget authority	186	139	8
90.00 Outlays	131	126	118

This account provides funds for the acquisition of land, construction, repair, improvement, extension, alterations, and purchases of fixed equipment or facilities of or used by the Agricultural Research Service. The 2007 Budget request provides for additional funding required for the construction of the Chinese Garden at the U.S. National Arboretum, Washington, DC.

Object Classification (in millions of dollars)

Identification code 12-1401-0-1-352	2005 actual	2006 est.	2007 est.
25.2 Other services	56	60	49
25.4 Operation and maintenance of facilities	62	63	45
31.0 Equipment	1	1	1
99.9 Total new obligations	119	124	95

Trust Funds

MISCELLANEOUS CONTRIBUTED FUNDS

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-8214-0-7-352	2005 actual	2006 est.	2007 est.
01.00 Balance, start of year			
01.99 Balance, start of year			
Receipts:			
02.20 Deposits of miscellaneous contributed funds, Science and Education Administration	15	18	18
Appropriations:			
05.00 Miscellaneous contributed funds	-15	-18	-18
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 12-8214-0-7-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Miscellaneous contributed funds	16	20	20
10.00 Total new obligations	16	20	20
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	15	14	12
22.00 New budget authority (gross)	15	18	18
23.90 Total budgetary resources available for obligation	30	32	30
23.95 Total new obligations	-16	-20	-20
24.40 Unobligated balance carried forward, end of year	14	12	10
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)	15	18	18
Change in obligated balances:			
72.40 Obligated balance, start of year	8	5	6
73.10 Total new obligations	16	20	20
73.20 Total outlays (gross)	-19	-19	-22
74.40 Obligated balance, end of year	5	6	4
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	14	9	13
86.98 Outlays from mandatory balances	5	10	9
87.00 Total outlays (gross)	19	19	22
Net budget authority and outlays:			
89.00 Budget authority	15	18	18
90.00 Outlays	19	19	22

Miscellaneous contributed funds received from States, local organizations, individuals, and others are available for work under cooperative agreements on research activities.

Object Classification (in millions of dollars)

Identification code 12-8214-0-7-352	2005 actual	2006 est.	2007 est.
11.1 Personnel compensation: Full-time permanent	6	7	7
12.1 Civilian personnel benefits	1	1	1
21.0 Travel and transportation of persons	1	1	1
25.2 Other services	2	2	2
25.5 Research and development contracts	3	5	5
26.0 Supplies and materials	3	4	4
99.9 Total new obligations	16	20	20

Personnel Summary

Identification code 12-8214-0-7-352	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	109	109	109

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE

Federal Funds

General and special funds:

INTEGRATED ACTIVITIES

For the integrated research, education, and extension grants programs, including necessary administrative expenses, **[\$55,792,000]** \$19,120,000, as follows: **[for competitive grants programs authorized under section 406 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626), \$45,792,000, including \$12,867,000 for the water quality program, \$14,847,000 for the food safety program, \$4,167,000 for the regional pest management centers program, \$4,464,000 for the Food Quality Protection Act risk mitigation program for major food crop systems, \$1,389,000 for the crops affected by Food Quality Protection Act implementation, \$3,106,000 for the methyl bromide transition program, and \$1,874,000 for the organic transition program;]** for a competitive international science and education grants program authorized under section 1459A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3292b), to remain available until expended, **[\$1,000,000]** \$990,000; for grants programs authorized under section 2(c)(1)(B) of Public Law 89-106, as amended, **[\$744,000]** \$2,475,000, to remain available until September 30, **[2007]** 2008 for the critical issues program~~[,]~~; and **[\$1,334,000]** \$1,378,000 for the regional rural development centers program; \$2,277,000 for *asian soybean rust*; and **[\$10,000,000]** \$12,000,000 for the Food and Agriculture Defense Initiative authorized under section 1484 of the National Agricultural Research, Extension, and Teaching Act of 1977, to remain available until September 30, **[2007]** 2008. (7 U.S.C. 450i(c)(1)(B), 3292b, 3351, 7626; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.)

Program and Financing (in millions of dollars)

Identification code 12-1502-0-1-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.10 Organic Research and Extension Init.	3	3	3
00.20 Water quality	13	13	
00.30 Food safety	15	15	
00.40 Regional pest management centers	4	4	
00.50 Crops at risk from Food Quality Protection Act implementation	1	1	
00.60 Food Quality Protection Act risk mitigation program	5	4	
00.70 Methyl bromide transition program	3	3	
00.71 Homeland Security	9	10	12
00.80 Asian Soybean Rust			2
00.86 International science and education grants	1	1	1
00.87 Rural development centers	1	1	1
00.88 Organic transition	2	2	
00.89 Critical issues—plant and animal diseases	1	1	3
10.00 Total new obligations	58	58	22
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2	2	2
22.00 New budget authority (gross)	58	58	22
23.90 Total budgetary resources available for obligation	60	60	24
23.95 Total new obligations	-58	-58	-22
24.40 Unobligated balance carried forward, end of year	2	2	2
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	58	56	19
40.33 Appropriation permanently reduced (P.L. 109-148)		-1	
43.00 Appropriation (total discretionary)	58	55	19
Mandatory:			
60.00 Appropriation		3	3

General and special funds—Continued

INTEGRATED ACTIVITIES—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1502-0-1-352	2005 actual	2006 est.	2007 est.
70.00 Total new budget authority (gross)	58	58	22
Change in obligated balances:			
72.40 Obligated balance, start of year	118	126	132
73.10 Total new obligations	58	58	22
73.20 Total outlays (gross)	-50	-52	-51
74.40 Obligated balance, end of year	126	132	103
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	3	7	6
86.93 Outlays from discretionary balances	47	43	42
86.98 Outlays from mandatory balances		2	3
87.00 Total outlays (gross)	50	52	51
Net budget authority and outlays:			
89.00 Budget authority	58	58	22
90.00 Outlays	50	52	51

Under the Integrated Activities account, research, education and/or extension grants are awarded for competitive and non-competitive programs. In 2007, the Budget proposes that Section 406 activities, formerly supported under the Integrated account, be supported within the Research and Education account. These activities will be funded at \$42.3 million, but the grants will be administered through the National Research Initiative (NRI). This will allow greater flexibility and responsiveness to changing needs in these targeted activities.

Critical issues program.—Funds are proposed to develop early intervention strategies to prevent, manage or eradicate new and emerging diseases, both plant and animal, which would prevent loss of revenue to growers or producers.

Regional rural development centers.—Funding supports activities that pursue a holistic development strategy that tailors programming to meet regional and local needs and addresses areas of opportunity arising from a consumer-driven agricultural economy.

Asian Soybean Rust.—Funding supports the development of a pest risk management tool for Asian soybean rust and other pathogens of legumes. Development of the risk management system will provide stakeholders with effective decision support for managing pests and diseases of legumes crops, particularly soybean rust.

Food and agriculture defense initiative (homeland security).—The program provides support to an unified network of public agricultural institutions to identify and respond to high risk biological pathogens in the food and agricultural system. The 2007 Budget includes an increase to enhance agricultural defense. Additional funding for these laboratories is included in the Animal and Plant Health Inspection Service.

Object Classification (in millions of dollars)

Identification code 12-1502-0-1-352	2005 actual	2006 est.	2007 est.
11.1 Personnel compensation: Full-time permanent	1	1	
41.0 Grants, subsidies, and contributions	57	57	22
99.9 Total new obligations	58	58	22

Personnel Summary

Identification code 12-1502-0-1-352	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	8	8	4

INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS

Program and Financing (in millions of dollars)

Identification code 12-1503-0-1-352	2005 actual	2006 est.	2007 est.
Budgetary resources available for obligation:			
24.40 Unobligated balance carried forward, end of year			
Change in obligated balances:			
72.40 Obligated balance, start of year	62	18	
73.20 Total outlays (gross)	-42	-18	
73.40 Adjustments in expired accounts (net)	-2		
74.40 Obligated balance, end of year	18		
Outlays (gross), detail:			
86.98 Outlays from mandatory balances	42	18	
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	42	18	

1998 Research Act.—Adequate funding for similar research is proposed through other USDA research programs.

RESEARCH AND EDUCATION ACTIVITIES

For payments to agricultural experiment stations, for cooperative forestry and other research, for facilities, and for other expenses, **[\$676,849,000] \$566,300,000**, as follows: to carry out the provisions of the Hatch Act of 1887 (7 U.S.C. 361a-i), **[\$178,757,000] \$176,920,000**, of which, notwithstanding the provisions of section 3(b) and (c) of the Hatch Act of 1887 (7 U.S.C. 361c(b) and (c)) and after allocation of the amount provided under section 3(c)(4) of such act (7 U.S.C. 361c(c)(4)), **\$78,560,000** shall be allocated in the same proportions as funds were allocated under sections 3(b), 3(c)(1) and (2) of such act (7 U.S.C. 361c(b) and (c)(1) and (2)) for fiscal year 2006, and **\$98,360,000** shall be available for continued funding of current grants and competitive award of grants with terms not to exceed five years under the Multistate Research Fund established under section 3(c)(3) of such act (7 U.S.C. 361c(c)(3)); for grants for cooperative forestry research (16 U.S.C. 582a through a-7), **[\$22,230,000] \$21,983,000**, of which **\$9,011,000** shall be allocated to eligible institutions on the same basis as such funds were allocated in FY 2006 and **\$12,972,000** shall be available for competitive grants to institutions eligible under 16 U.S.C. 582a-1 under the terms specified in subsections (c) through (f) of section 1232 of Public Law 101-624 (16 U.S.C. 582a-8(c) through (f)) subject to a 100 percent match by the recipient; for payments to the 1890 land-grant colleges, including Tuskegee University and West Virginia State University (7 U.S.C. 3222), **[\$37,591,000] \$37,868,000**, of which **\$1,507,496** shall be made available only for the purpose of ensuring that each institution shall receive no less than **\$1,000,000**; for special grants for agricultural research (7 U.S.C. 450i(c)), **[\$128,223,000] \$3,258,000**; for special grants for agricultural research on improved pest control (7 U.S.C. 450i(b)), **[\$183,000,000] \$247,500,000**; **[\$14,798,000] \$14,856,000**; for competitive research grants (7 U.S.C. 450i(b)), **[\$183,000,000] \$247,500,000**; **[\$183,000,000] \$247,500,000**; for the support of animal health and disease programs (7 U.S.C. 3195), **\$5,057,000**; for supplemental and alternative crops and products (7 U.S.C. 3319d), **\$1,187,000**; for grants for research pursuant to the Critical Agricultural Materials Act (7 U.S.C. 178 et seq.), **\$1,102,000**, to remain available until expended; for the 1994 research grants program for 1994 institutions pursuant to section 536 of Public Law 103-382 (7 U.S.C. 301 note), **[\$1,039,000] \$1,067,000**, to remain available until expended; for rangeland research grants (7 U.S.C. 3333), **\$1,000,000**; for higher education graduate fellowship grants (7 U.S.C. 3152(b)(6)), **[\$3,738,000] \$4,455,000**, to remain available until expended (7 U.S.C. 2209b); for a veterinary medicine loan repayment program pursuant to section 1415A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.), **\$500,000**; for higher education challenge grants (7 U.S.C. 3152(b)(1)), **[\$5,478,000] \$5,445,000**; for a higher education multicultural scholars program (7 U.S.C. 3152(b)(5)), **\$988,000**, to remain available until expended (7 U.S.C. 2209b); for a higher education agrosecurity education program (7 U.S.C. 3351), **\$5,000,000** to remain available until expended; for an education grants program for Hispanic-serving Institutions (7 U.S.C. 3241), **[\$6,000,000] \$5,588,000**;

for noncompetitive grants for the purpose of carrying out all provisions of 7 U.S.C. 3242 (section 759 of Public Law 106-78) to individual eligible institutions or consortia of eligible institutions in Alaska and in Hawaii, with funds awarded equally to each of the States of Alaska and Hawaii, **[\$3,250,000] \$2,967,000**; for a secondary agriculture education program and 2-year post-secondary education (7 U.S.C. 3152(j)), **[\$1,000,000] \$990,000**; for aquaculture grants (7 U.S.C. 3322), **[\$3,968,000] \$3,956,000**; for sustainable agriculture research and education (7 U.S.C. 5811), **[\$12,400,000] \$9,138,000**; for a program of capacity building grants (7 U.S.C. 3152(b)(4)) to colleges eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321-326 and 328), including Tuskegee University and West Virginia State University, **[\$12,312,000] \$12,375,000**, to remain available until expended (7 U.S.C. 2209b); for payments to the 1994 Institutions pursuant to section 534(a)(1) of Public Law 103-382, **[\$2,250,000] \$2,227,000**; for resident instruction grants for insular areas under section 1491 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3363), **[\$500,000] \$495,000**; and for necessary expenses of Research and Education Activities, **[\$50,471,000] \$9,224,000**, of which **[\$2,587,000] \$2,723,000** for the Research, Education, and Economics Information System and **[\$2,051,000] \$2,151,000** for the Electronic Grants Information System, are to remain available until expended: *Provided*, That none of the funds appropriated under this heading shall be available to carry out research related to the production, processing, or marketing of tobacco or tobacco products: *Provided further*, That this paragraph shall not apply to research on the medical, biotechnological, food, and industrial uses of tobacco. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

[For an additional amount for "Research and Education Activities", related to the detection of and response to highly pathogenic avian influenza, \$1,500,000, to remain available until September 30, 2007: *Provided*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.] (Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006.)

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND

For the Native American Institutions Endowment Fund authorized by Public Law 103-382 (7 U.S.C. 301 note), **[\$12,000,000] \$11,880,000**, to remain available until expended. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-1500-0-1-352	2005 actual	2006 est.	2007 est.
01.00 Balance, start of year	55	67	79
01.99 Balance, start of year	55	67	79
Receipts:			
02.40 Earnings on investments, Native American institutions endowment fund	3	3	3
04.00 Total: Balances and collections	58	70	82
Appropriations:			
05.00 Research and education activities	-3	-3	-3
05.01 Research and education activities	12	12	12
05.99 Total appropriations	9	9	9
07.99 Balance, end of year	67	79	91

Program and Financing (in millions of dollars)

Identification code 12-1500-0-1-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Payments under the Hatch Act	179	177	177
00.02 Cooperative forestry research	22	22	22
00.03 Payments to 1890 colleges and Tuskegee Univ. and West Virginia State College	37	37	38
00.04 Special research grants	156	164	32
00.05 National research initiative competitive grants	173	276	248
00.06 Animal health and disease research	5	5	
00.07 Federal administration	43	50	9
00.08 Higher education	35	41	40
00.09 Native American Institutions Endowment Fund	14	3	3

09.00 Reimbursable program	14	18	17
10.00 Total new obligations	678	793	586

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	110	105	5
22.00 New budget authority (gross)	673	693	586
23.90 Total budgetary resources available for obligation	783	798	591
23.95 Total new obligations	-678	-793	-586
24.40 Unobligated balance carried forward, end of year	105	5	5

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	673	689	578
40.00 Appropriation		2	
40.20 Appropriation (special fund)	3	3	3
40.33 Appropriation permanently reduced (P.L. 109-148)		-7	
40.35 Appropriation permanently reduced	-5		
40.45 Portion precluded from obligation (-)	-12	-12	-12
43.00 Appropriation (total discretionary)	659	675	569
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)		18	17
68.10 Change in uncollected customer payments from Federal sources (unexpired)	14		
68.90 Spending authority from offsetting collections (total discretionary)	14	18	17
70.00 Total new budget authority (gross)	673	693	586

Change in obligated balances:

72.40 Obligated balance, start of year	665	758	959
73.10 Total new obligations	678	793	586
73.20 Total outlays (gross)	-593	-592	-536
73.40 Adjustments in expired accounts (net)	4		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-14		
74.10 Change in uncollected customer payments from Federal sources (expired)	18		
74.40 Obligated balance, end of year	758	959	1,009

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	217	364	309
86.93 Outlays from discretionary balances	376	228	227
87.00 Total outlays (gross)	593	592	536

Offsets:

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-16	-18	-17
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-14		
88.96 Portion of offsetting collections (cash) credited to expired accounts	16		

Net budget authority and outlays:

89.00 Budget authority	659	675	569
90.00 Outlays	578	574	519

Memorandum (non-add) entries:

92.01 Total investments, start of year: Federal securities:			
Par value	52	64	76
92.02 Total investments, end of year: Federal securities:			
Par value	64	76	88

Cooperative State Research, Education, and Extension Service participates in a nationwide system of agricultural research and education program planning and coordination between State institutions and the U.S. Department of Agriculture. It assists in maintaining cooperation among the State institutions, and between the State institutions and their Federal research partners. The agency administers grants and payments to State institutions to supplement State and local funding for agricultural research and higher education.

Payments under the Hatch Act.—Funds under the Hatch Act are allocated on a formula basis to agricultural experiment stations of the land-grant colleges in the 50 States,

General and special funds—Continued**NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND—Continued**

the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, Micronesia, and Northern Mariana Islands. The Budget proposes that beginning in 2007, an alternative approach be taken to expand and continuously re-compete the Hatch Act multi-state awards by redirecting a portion of the formula funds to nationally, competitively awarded multi-state/multi-institutional projects.

Cooperative forestry research.—These funds are allocated by formula to land-grant colleges or agricultural experiment stations in the 50 States, Puerto Rico, Guam, the Virgin Islands, and other State-supported colleges and universities having a forestry school and offering graduate training in forestry sciences. The 2007 Budget proposes an alternative approach under this program to redirect a portion of the formula funds to nationally, competitively awarded multi-state/multi-institutional projects.

Animal health and disease research.—Funds, distributed by formula, support livestock and poultry disease research in approximately sixty-seven colleges of veterinary medicine and in eligible agricultural experiment stations. No funding is proposed for this program in FY 2007.

Payments to 1890 colleges and Tuskegee University and West Virginia State University.—Funds allocated on a formula basis support agricultural research and broaden the curricula at the eighteen 1890 land-grant colleges, including Tuskegee University and West Virginia State University.

Special research grants.—This program addresses research areas of national interest. Funding is proposed for grant programs in IR-4 minor crop pest management, pest management alternatives, and sustainable agriculture. Funding is also proposed for integrated pest management. Advances in these areas will provide producers with safe, alternative pest control methods resulting in more farmers increasing the number of acres on which Integrated Pest Management (IPM) methods are used. Funding proposed for IR-4 minor crop pest management and minor use animal drugs will address the growing need for registration of safe pesticides and drugs for minor crops and animals and lead to reduced levels of chemical and drug residues in food products by half. These pest management programs will be coordinated to address Food Quality and Protection Act issues. The IR-4 and IPM programs are contained under improved pest control funding. Improved pest control also includes Pest Management Alternatives, and Expert IPM Decision Support System Programs. A grant program for global change is proposed for research at universities as part of a coordinated Federal initiative. Funding is also proposed for the National Biological Impact Assessment Program, and aquaculture centers. The 2007 Budget eliminates funding for unrequested earmarks.

National research initiative competitive grants.—Funding is being proposed for the National Research Initiative (NRI). Research scientists throughout the U.S. scientific community compete for funding under this program. The performance goal has been to attract the widest possible involvement of U.S. scientists in agricultural research to increase the knowledge base related to U.S. agriculture, food, and the environment and maintain world leadership in agricultural science and engineering. NRI funding has resulted in increased participation by universities which are not traditionally considered agricultural schools and of highly skilled researchers in projects addressing agricultural issues. The outcomes include the efficient communication of research results to scientific, engineering, and community user groups. These grants support research in plants and animals; natural resources and the environment; nutrition, food safety, and health; markets, trade, and rural development; and processing for adding value or developing new products. In 2007, the Budget pro-

poses that Section 406 activities, formerly supported under the Integrated account, be supported within the Research and Education account and administered under the NRI.

1994 Institutions Research.—Funding is proposed to continue the competitive research grants program to build the research capacity at the thirty-three 1994 institutions by supporting agricultural research activities that address tribal, national and multistate priorities.

Federal administration.—A coordinating and review staff assists in maintaining cooperation within and among the States, and between the States and their Federal research partners. This staff also administers research and education grants and payments to States. Federal administration is funded from a combination of program set-asides from formula and grant programs and from direct appropriation for administration.

Higher education.—Funding is proposed for graduate fellowships grants, competitive challenge grants, Hispanic-serving institutions education grants program, and a multicultural scholars program. Funding is also proposed for Native American institutions, Alaska Native-serving and Native Hawaiian-serving Institutions, Secondary Agriculture Education and 2-year Post-secondary and Resident Instruction Grants for Insular Areas programs. These programs enable universities to broaden their curricula; increase faculty development; student research projects; and the number of new scholars recruited in the food and agricultural sciences. In addition, an increased number of graduate students, including minority graduate students, will be enrolled in the agricultural sciences. Funding is also proposed for a capacity building program at the 1890 institutions as part of the USDA initiative to strengthen these institutions through a broadening of curricula, increased faculty development and student research projects. Funding is proposed in the 2007 Budget for a Higher Education Agrosecurity Program to provide educational and professional development for personnel in securing the Nation's agriculture and food supply.

Reimbursable program.—Funds support basic and applied agriculture research and activities performed for other USDA, Federal, and non-Federal agencies.

Native American Institutions Endowment Fund.—This program provides for an endowment for the 1994 land-grant institutions (33 Tribally controlled colleges) to strengthen the infrastructure of these institutions and develop Indian expertise for the food and agricultural sciences and businesses and their own communities. At 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 fund, distribute the adjusted income on a formula basis to the 1994 land-grant institutions.

Object Classification (in millions of dollars)

Identification code 12-1500-0-1-352	2005 actual	2006 est.	2007 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	18	19	19
12.1 Civilian personnel benefits	4	5	5
21.0 Travel and transportation of persons	2	2	1
25.1 Advisory and assistance services		1	
25.2 Other services	2	4	2
25.5 Research and development contracts	3	4	2
26.0 Supplies and materials		1	
31.0 Equipment		1	
41.0 Grants, subsidies, and contributions	635	738	540
99.0 Direct obligations	664	775	569
99.0 Reimbursable obligations	14	18	17
99.9 Total new obligations	678	793	586

Personnel Summary

Identification code 12-1500-0-1-352	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	229	240	242
Reimbursable:			
2001 Civilian full-time equivalent employment	9	9	9

BUILDINGS AND FACILITIES

Program and Financing (in millions of dollars)

Identification code 12-1501-0-1-352	2005 actual	2006 est.	2007 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	1
24.40 Unobligated balance carried forward, end of year	1	1	1
Change in obligated balances:			
72.40 Obligated balance, start of year	5	5	5
74.40 Obligated balance, end of year	5	5	5
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

Funds provide grants to States and other eligible recipients for the acquisition of land, construction, repair, improvement, extension, alteration and purchase of fixed equipment or facilities to carry out agricultural research, extension, and teaching programs. No funding is proposed in 2007.

EXTENSION ACTIVITIES

For payments to States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, Micronesia, Northern Marianas, and American Samoa, **[\$455,955,000] \$430,727,000**, as follows: payments for cooperative extension work under the Smith-Lever Act, to be distributed under sections 3(b) and 3(c) of said Act, and under section 208(c) of Public Law 93-471, for retirement and employees' compensation costs for extension agents, **[\$275,730,000] \$273,181,000**; payments for extension work at the 1994 Institutions under the Smith-Lever Act (7 U.S.C. 343(b)(3)), **[\$3,273,000] \$3,240,000**; payments for the nutrition and family education program for low-income areas under section 3(d) of the Act, **[\$62,634,000] \$62,280,000**; payments for the pest management program under section 3(d) of the Act, **[\$9,960,000] \$10,651,000**; payments for the farm safety program under section 3(d) of the Act, **\$4,563,000**; payments for New Technologies for Ag Extension under Section 3(d) of the Act, **[\$1,500,000] \$2,970,000**; payments to upgrade research, extension, and teaching facilities at the 1890 land-grant colleges, including Tuskegee University and West Virginia State University, as authorized by section 1447 of Public Law 95-113 (7 U.S.C. 3222b), **[\$16,777,000] \$16,609,000**, to remain available until expended; payments for youth-at-risk programs under section 3(d) of the Smith-Lever Act, **[\$7,728,000] \$8,396,000**; for youth farm safety education and certification extension grants, to be awarded competitively under section 3(d) of the Act, **[\$444,000] \$494,000**; payments for carrying out the provisions of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1671 et seq.), **[\$4,060,000] \$4,052,000**; payments for **[Indian reservation agents] federally-recognized Tribes Extension Program** under section 3(d) of the Smith-Lever Act, **[\$1,996,000] \$2,970,000**; payments for sustainable agriculture programs under section 3(d) of the Act, **[\$4,067,000] \$3,754,000**; payments for rural health and safety education as authorized by section 502(i) of Public Law 92-419 (7 U.S.C. 2662(i)), **\$1,965,000**; payments for cooperative extension work by the colleges receiving the benefits of the second Morrill Act (7 U.S.C. 321-326 and 328) and Tuskegee University and West Virginia State University, **[\$33,868,000] \$34,073,000**, of which **\$1,724,884** shall be made available only for the purpose of ensuring that each institution shall receive no less than **\$1,000,000**; for grants to youth organizations pursuant to section 7630 of title 7, United States Code, **\$2,000,000**; and for necessary expenses of Extension Activities, **[\$25,390,000] \$8,057,000**. (*Agriculture, Rural Development,*

Food and Drug Administration, and Related Agencies Appropriations Act, 2006.)

Program and Financing (in millions of dollars)

Identification code 12-0502-0-1-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Smith-Lever Act, 3(b) and 3(c)	275	273	273
00.02 Youth at risk	7	8	8
00.04 Expanded food and nutrition education program (EFNEP)	58	62	62
00.05 Pest management	10	10	11
00.06 Farm Safety	4	4	
00.09 Indian reservation extension agents	2	2	3
00.13 Payments to 1890 colleges and Tuskegee Univ. and West Virginia State College	33	33	34
00.15 Renewable resources extension act	4	4	4
00.16 Federal administration	22	25	8
00.19 1890 facilities (section 1447)	17	17	17
00.21 Sustainable agriculture	4	4	4
00.22 1994 institutions activities	3	3	3
00.23 Youth Farm Safety Program	1	1	1
00.24 Rural Health and Safety Education	2	2	
00.25 Grants to Youth Serving Organizations	3	2	
00.26 Risk Management Education	5	5	5
00.27 New Technologies for Ag. Extension		1	3
09.00 Reimbursable program	17	17	17
10.00 Total new obligations	467	473	453
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	467	473	453
23.95 Total new obligations	-467	-473	-453
24.40 Unobligated balance carried forward, end of year			
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	449	456	431
40.33 Appropriation permanently reduced (P.L. 109-148)		-5	
40.35 Appropriation permanently reduced	-3		
43.00 Appropriation (total discretionary)	446	451	431
Mandatory:			
62.00 Transferred from other accounts	5	5	5
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)		17	17
68.10 Change in uncollected customer payments from Federal sources (unexpired)	16		
68.90 Spending authority from offsetting collections (total discretionary)	16	17	17
70.00 Total new budget authority (gross)	467	473	453
Change in obligated balances:			
72.40 Obligated balance, start of year	309	330	334
73.10 Total new obligations	467	473	453
73.20 Total outlays (gross)	-453	-469	-454
73.40 Adjustments in expired accounts (net)	-3		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-16		
74.10 Change in uncollected customer payments from Federal sources (expired)	26		
74.40 Obligated balance, end of year	330	334	333
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	227	288	276
86.93 Outlays from discretionary balances	222	177	174
86.98 Outlays from mandatory balances	4	4	4
87.00 Total outlays (gross)	453	469	454
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-14	-17	-17
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-16		
88.96 Portion of offsetting collections (cash) credited to expired accounts	14		
Net budget authority and outlays:			
89.00 Budget authority	451	456	436

General and special funds—Continued

EXTENSION ACTIVITIES—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-0502-0-1-352	2005 actual	2006 est.	2007 est.
90.00 Outlays	440	452	437

The Cooperative Extension System, a national educational network, is a dynamic organization pledged to meeting the country's needs for research-based educational programs that will enable people to make practical decisions to improve their lives. To accomplish its mission, the Cooperative Extension System adjusts programs to meet the shifting needs and priorities of the people it serves.

The nonformal educational network combines the expertise and resources of Federal, State, and local partners. The partners in this unique System are: (a) The Cooperative State Research, Education, and Extension Service at the U.S. Department of Agriculture; (b) Extension professionals at land-grant universities throughout the United States and its territories; and (c) Extension professionals in nearly all of the Nation's 3,150 counties. Thousands of paraprofessionals and nearly 3 million volunteers support this partnership and magnify its impact. Strong linkages with both public and private external groups are also crucial to the Cooperative Extension System's strength and vitality.

Programs supported with Smith-Lever 3(b) and (c) legislated formula funds, are the major educational efforts central to the mission of the System and common to most Extension units. These programs are the foundation of the Extension organization and partnership that are intended to increase the number of community-based projects, families, and individuals reached to disseminate research findings as widely and quickly as possible. The use of electronic mail, satellite transmission of courses, and computer-assisted instruction are encouraged to communicate ideas.

Extension resources are provided to the States by these formula funds and competitively-awarded programs such as sustainable agriculture. Smith-Lever 3(b) and (c) funds and payments to the 1890 colleges and Tuskegee University and West Virginia State University provide funds to support the Extension's infrastructure.

Funds for designated programs, funded by Smith-Lever 3(d) such as Youth-At-Risk and Expanded Food and Nutrition Education Program (EFNEP), provide support for the Cooperative Extension System to address identified priority issues.

In 2007, funding has been requested for the Expanded Food and Nutrition Education Program, pest management, children, youth and families at risk, a youth farm safety education and certification pilot project, extension services on Indian reservations, sustainable agriculture, new technologies for Ag Extension, Renewable Resources Extension Act, 1994 (Native American) institutions, and 1890 colleges and Tuskegee University and West Virginia State University facilities.

Object Classification (in millions of dollars)

Identification code 12-0502-0-1-352	2005 actual	2006 est.	2007 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	10	11	12
12.1 Civilian personnel benefits	2	2	2
21.0 Travel and transportation of persons	1	1	1
25.2 Other services	2	3	3
25.5 Research and development contracts	2	2	1
41.0 Grants, subsidies, and contributions	433	437	417
99.0 Direct obligations	450	456	436
99.0 Reimbursable obligations	17	17	17
99.9 Total new obligations	467	473	453

Personnel Summary

Identification code 12-0502-0-1-352	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	177	180	182

OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS

For grants and contracts pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279), **[\$6,000,000]** \$6,930,000, to remain available until expended. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-0601-0-1-351	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.10 Direct Program Activity	6	6	7
10.00 Total new obligations (object class 41.0)	6	6	7
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	6	6	7
23.95 Total new obligations	-6	-6	-7
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	6	6	7
Change in obligated balances:			
72.40 Obligated balance, start of year	10	11	11
73.10 Total new obligations	6	6	7
73.20 Total outlays (gross)	-5	-6	-7
74.40 Obligated balance, end of year	11	11	11
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1	6	7
86.93 Outlays from discretionary balances	4		
87.00 Total outlays (gross)	5	6	7
Net budget authority and outlays:			
89.00 Budget authority	6	6	7
90.00 Outlays	5	6	7

Outreach for Socially Disadvantaged Farmers Grants.—This competitive program is authorized under section 2501 of Title XXV of the Food, Agriculture, Conservation, and Trade Act of 1990. The Secretary of Agriculture is authorized to make grants to eligible institutions and organizations so that they may provide outreach and technical assistance to encourage and assist socially disadvantaged farmers and ranchers to own and operate farms and ranches and to participate in agricultural programs. The 2007 Budget proposes an increase for section 2501 grants.

Personnel Summary

Identification code 12-0601-0-1-351	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	3	3	3

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

Federal Funds

General and special funds:

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For expenses, not otherwise provided for, necessary to prevent, control, and eradicate pests and plant and animal diseases; to carry out inspection, quarantine, and regulatory activities; and to protect the environment, as authorized by law, [\$815,461,000] \$945,153,000, of which [\$4,140,000] \$4,126,600 shall be available for the control of outbreaks of insects, plant diseases, animal diseases and for control of pest animals and birds to the extent necessary to meet emergency conditions; of which [\$39,000,000] \$16,009,290 shall be used for the [boll weevil eradication] Cotton Pests program for cost share purposes or for debt retirement for active eradication zones; of which [\$33,340,000] \$33,107,000 shall be available for a National Animal Identification program; of which \$56,730,000 shall be used to conduct a surveillance and preparedness program for highly pathogenic avian influenza: Provided, That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by the States of at least 40 percent: Provided further, That this appropriation shall be available for the operation and maintenance of aircraft and the purchase of not to exceed four, of which two shall be for replacement only: Provided further, That, in addition, [in emergencies] for sudden, urgent and unforeseen circumstances which threaten any segment of the agricultural production industry of this country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as may be deemed necessary, to be available only in such emergencies for the arrest and eradication of contagious or infectious disease or pests of animals, poultry, or plants, and for expenses in accordance with sections 10411 and 10417 of the Animal Health Protection Act (7 U.S.C. 8310 and 8316) and sections 431 and 442 of the Plant Protection Act (7 U.S.C. 7751 and 7772), and any unexpended balances of funds transferred for such emergency purposes in the preceding fiscal year shall be merged with such transferred amounts: Provided further, That appropriations hereunder shall be available pursuant to law (7 U.S.C. 2250) for the repair and alteration of leased buildings and improvements, but unless otherwise provided the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

In fiscal year [2006] 2007, the agency is authorized to collect fees to cover the total costs of providing technical assistance, goods, or services requested by States, other political subdivisions, domestic and international organizations, foreign governments, or individuals, provided that such fees are structured such that any entity's liability for such fees is reasonably based on the technical assistance, goods, or services provided to the entity by the agency, and such fees shall be credited to this account, to remain available until expended, without further appropriation, for providing such assistance, goods, or services. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.)

[For an additional amount for "Salaries and Expenses", related to the detection of and response to highly pathogenic avian influenza, \$71,500,000, to remain available until September 30, 2007: Provided, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.] (Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006.)

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-1600-0-1-352	2005 actual	2006 est.	2007 est.
01.00 Balance, start of year	88	87	102
01.99 Balance, start of year	88	87	102
Receipts:			
02.20 Fees, Animal welfare user fee account—legislative proposal subject to PAYGO			8
02.60 1990 food, agricultural quarantine inspection fees	338	363	368
02.99 Total receipts and collections	338	363	376
04.00 Total: Balances and collections	426	450	478

Appropriations:			
05.00 Salaries and expenses	- 339	- 348	- 353
05.01 Salaries and expenses—legislative proposal not subject to PAYGO			- 8
05.99 Total appropriations	- 339	- 348	- 361
07.99 Balance, end of year	87	102	117

Program and Financing (in millions of dollars)

Identification code 12-1600-0-1-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Pest and disease exclusion	162	293	321
00.02 Plant and animal health monitoring	185	252	324
00.03 Pest and disease management programs	351	343	340
00.04 Animal care	17	18	12
00.05 Scientific and technical services	74	79	94
00.06 Contingencies	6	4	4
00.07 Emergency program funding	279	90	
00.08 Information Technology Infrastructure	6	5	5
00.10 Physical/Operational Security		1	5
01.00 Total direct program	1,080	1,085	1,105
09.01 Reimbursable program	213	285	88
10.00 Total new obligations	1,293	1,370	1,193
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	307	248	179
22.00 New budget authority (gross)	1,210	1,301	1,173
22.10 Resources available from recoveries of prior year obligations	34		
23.90 Total budgetary resources available for obligation	1,551	1,549	1,352
23.95 Total new obligations	- 1,293	- 1,370	- 1,193
23.98 Unobligated balance expiring or withdrawn	- 10		
24.40 Unobligated balance carried forward, end of year	248	179	159
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	815	815	945
40.00 Appropriation		72	
40.33 Appropriation permanently reduced (P.L. 109-148)		- 8	
40.35 Appropriation permanently reduced	- 7		
42.00 Transferred from other accounts	169		
43.00 Appropriation (total discretionary)	977	879	945
Mandatory:			
60.20 Appropriation (special fund)	339	348	353
61.00 Transferred to other accounts	- 208	- 211	- 214
62.50 Appropriation (total mandatory)	131	137	139
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	72	285	89
68.10 Change in uncollected customer payments from Federal sources (unexpired)	32		
68.90 Spending authority from offsetting collections (total discretionary)	104	285	89
Mandatory:			
69.10 Change in uncollected customer payments from Federal sources (unexpired)	- 2		
70.00 Total new budget authority (gross)	1,210	1,301	1,173
Change in obligated balances:			
72.40 Obligated balance, start of year	436	480	467
73.10 Total new obligations	1,293	1,370	1,193
73.20 Total outlays (gross)	- 1,190	- 1,383	- 1,174
73.40 Adjustments in expired accounts (net)	- 8		
73.45 Recoveries of prior year obligations	- 34		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	- 30		
74.10 Change in uncollected customer payments from Federal sources (expired)	13		
74.40 Obligated balance, end of year	480	467	486
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	814	1,021	892
86.93 Outlays from discretionary balances	255	193	143
86.97 Outlays from new mandatory authority	105	130	132
86.98 Outlays from mandatory balances	16	39	7

General and special funds—Continued

SALARIES AND EXPENSES—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1600-0-1-352	2005 actual	2006 est.	2007 est.
87.00 Total outlays (gross)	1,190	1,383	1,174
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-17	-230	-30
88.40 Non-Federal sources	-64	-55	-59
88.90 Total, offsetting collections (cash)	-81	-285	-89
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-30		
88.96 Portion of offsetting collections (cash) credited to expired accounts	9		
Net budget authority and outlays:			
89.00 Budget authority	1,108	1,016	1,084
90.00 Outlays	1,110	1,098	1,085

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	2005 actual	2006 est.	2007 est.
Budget Authority	1,108	1,016	1,084
Outlays	1,109	1,098	1,085
Legislative proposal, not subject to PAYGO:			
Budget Authority			8
Outlays			8
Total:			
Budget Authority	1,108	1,016	1,092
Outlays	1,109	1,098	1,093

The major objectives of the Animal and Plant Health Inspection Service (APHIS) are to protect the health and value of American agriculture and natural resources against a variety of threats. To achieve this mission, APHIS has developed a protection system that is based on a strategic premise that safeguarding the health of animals, plants, and ecosystems makes possible safe agricultural trade and reduces losses to agricultural and natural resources. This mission is carried out under the five major areas of activity, as follows:

Pest and disease exclusion.—The Agency develops protocols for trade and travel to prevent the entry of plant or animal pests and diseases into the United States and conducts quarantines and treatments of regulated products. APHIS develops and conducts preclearance programs to ensure that agricultural products destined for U.S. ports-of-entry do not present a risk to U.S. agriculture. APHIS engages in cooperative programs in foreign countries to control pests of imminent concern to the United States. APHIS also certifies plants and plant products for export and regulates imports and exports of designated endangered plant species. The 2007 Budget proposes substantial increases to enhance overseas surveillance and eradication efforts such as the Mediterranean Fruit Fly, Foot-and-Mouth Disease, and Screwworm and to identify exotic animal diseases more effectively.

Plant and animal health monitoring.—The Agency conducts programs to assess animal and plant health and to detect endemic and exotic diseases and pests. The plant and animal health monitoring programs are primarily cooperative efforts of the Federal and State governments, and industry. The Agency also carries out surveys in cooperation with the States to detect harmful plant and animal pests and diseases and to determine if there is a need for pest eradication programs. The 2007 Budget includes significant increases in monitoring programs to enhance agricultural defense. The request in-

cludes \$56,730,000 for an early detection system and preparedness plan for highly pathogenic avian influenza.

Pest and disease management programs.—The Agency carries out programs to control and eradicate infestations and animal diseases that threaten the United States; to reduce agricultural losses caused by predatory animals, birds, and rodents; to provide technical assistance to States, counties, farmer or rancher groups, and foundations; and to ensure compliance with interstate movement and disease control regulations. Interstate shipments of plants, livestock, and related materials are monitored and regulated to prevent the spread of disease. APHIS protects agriculture from detrimental animal predators through identification, demonstration, and application of the most appropriate methods of control. The Budget implements a consistent set of cost-share criteria among Federal and non-Federal partners to respond to a plant and animal infestation. In addition, the 2007 Budget includes increases related to diseases such as citrus canker, emerald ash borer, low pathogenic avian influenza, sudden oak death and tuberculosis.

Animal care.—The Agency conducts regulatory activities that ensure the humane care and handling of animals used in research, exhibition, or the wholesale pet trade. The Agency is also responsible for administering the Horse Protection Act, which prohibits the showing, selling, or exhibition of sore horses. The request includes an additional \$2 million to fund activities related to birds, rats and mice.

Scientific and technical services.—APHIS develops methods to control animals and pests that are detrimental to agriculture, other wildlife, and public safety. The agency regulates genetic research to guard against the release of potentially harmful organisms into the environment. APHIS also conducts veterinary diagnostic laboratory activities and biologic regulatory enforcement to ensure that the products developed for combating disease are potent, safe, and pure. It also provides and directs technology development in coordination with other groups in APHIS to support programs of the Agency and its cooperators at the State, national, and international levels. The 2007 Budget includes funding to enhance agricultural defense and for biotech regulatory services.

The 2007 Budget also proposes significant increases to continue enhanced biosecurity efforts and laboratory network activities initially implemented with 2002 emergency supplemental funds in response to the September 11, 2001, terrorist attacks.

Funding to support inspections of people, cargo and transport from overseas related to agricultural products and a portion of funds for the Plum Island Animal Disease Center is included in the budget of the Department of Homeland Security.

Object Classification (in millions of dollars)

Identification code 12-1600-0-1-352	2005 actual	2006 est.	2007 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	314	305	307
11.3 Other than full-time permanent	5	5	5
11.5 Other personnel compensation	5	3	3
11.9 Total personnel compensation	324	313	315
12.1 Civilian personnel benefits	90	88	90
13.0 Benefits for former personnel	2	1	1
21.0 Travel and transportation of persons	27	28	28
22.0 Transportation of things	11	10	10
23.1 Rental payments to GSA	4	4	5
23.2 Rental payments to others	1	1	2
23.3 Communications, utilities, and miscellaneous charges	21	21	22
24.0 Printing and reproduction	3	2	2
25.2 Other services	449	492	494
26.0 Supplies and materials	49	47	48
31.0 Equipment	20	21	21

41.0	United States-Colombia Commission to Prevent Foot-and-Mouth Disease	1	1	1
41.0	Joint Screwworm eradication programs	9	9	9
41.0	Joint Commission on the Mediterranean Fruit Fly	6	6	6
41.0	Other grants, subsidies, and contributions	42	35	45
42.0	Other insurance claims and indemnities	19	4	4
43.0	Interest and dividends	2	2	2
99.0	Direct obligations	1,080	1,085	1,105
99.0	Reimbursable obligations	213	285	88
99.9	Total new obligations	1,293	1,370	1,193

Personnel Summary

Identification code 12-1600-0-1-352	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	6,095	6,025	6,548
Reimbursable:			
2001 Civilian full-time equivalent employment	833	833	833

SALARIES AND EXPENSES

(Legislative proposal, not subject to PAYGO)

In addition, such sums as may be deposited to the Animal Welfare User Fee account may be transferred to this account, to be merged with and available for the same purposes as this account, to remain available until expended.

Program and Financing (in millions of dollars)

Identification code 12-1600-2-1-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.04 Animal care			8
01.00 Total direct program			8
10.00 Total new obligations			8
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			8
23.95 Total new obligations			8
New budget authority (gross), detail:			
Discretionary:			
40.20 Appropriation (special fund)			8
Change in obligated balances:			
73.10 Total new obligations			8
73.20 Total outlays (gross)			8
74.40 Obligated balance, end of year			
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			8
Net budget authority and outlays:			
89.00 Budget authority			8
90.00 Outlays			8

Legislation will be submitted to allow the Department of Agriculture to collect fees for animal welfare activities. The agency will be able to use the fees to the extent provided in appropriation acts.

Object Classification (in millions of dollars)

Identification code 12-1600-2-1-352	2005 actual	2006 est.	2007 est.
Personnel compensation:			
11.1 Full-time permanent			7
11.3 Other than full-time permanent			1
11.9 Total personnel compensation			8
99.9 Total new obligations			8

Personnel Summary

Identification code 12-1600-2-1-352	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment			85

BUILDINGS AND FACILITIES

For plans, construction, repair, preventive maintenance, environmental support, improvement, extension, alteration, and purchase of fixed equipment or facilities, as authorized by 7 U.S.C. 2250, and acquisition of land as authorized by 7 U.S.C. 428a, **[\$4,996,000]** \$6,431,040, to remain available until expended. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-1601-0-1-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct program activity	4	5	6
10.00 Total new obligations	4	5	6
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	9	10	10
22.00 New budget authority (gross)	5	5	6
23.90 Total budgetary resources available for obligation	14	15	16
23.95 Total new obligations	-4	-5	-6
24.40 Unobligated balance carried forward, end of year	10	10	10
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	5	5	6
Change in obligated balances:			
72.40 Obligated balance, start of year	7	5	5
73.10 Total new obligations	4	5	6
73.20 Total outlays (gross)	-5	-5	-5
74.40 Obligated balance, end of year	5	5	6
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	2	1	1
86.93 Outlays from discretionary balances	3	4	4
87.00 Total outlays (gross)	5	5	5
Net budget authority and outlays:			
89.00 Budget authority	5	5	6
90.00 Outlays	5	5	5

The buildings and facilities account provides for construction, repairs, preventive maintenance, and alterations, as needed, for APHIS operated facilities, which include animal quarantine stations, border inspection stations, sterile insect rearing facilities, and laboratories.

The 2007 Budget proposes \$6.4 million for this program, which consists of repairs, alterations, preventive maintenance, and renovations for currently owned APHIS facilities.

Object Classification (in millions of dollars)

Identification code 12-1601-0-1-352	2005 actual	2006 est.	2007 est.
25.2 Other services	3	5	6
26.0 Supplies and materials	1		
99.9 Total new obligations	4	5	6

Trust Funds

MISCELLANEOUS TRUST FUNDS

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-9971-0-7-352	2005 actual	2006 est.	2007 est.
01.00 Balance, start of year			
01.99 Balance, start of year			
Receipts:			
02.20 Deposits of miscellaneous contributed funds, APHS	15	14	14
Appropriations:			
05.00 Miscellaneous trust funds	-15	-14	-14
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 12-9971-0-7-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct program activity	27	14	14
10.00 Total new obligations	27	14	14
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	24	12	12
22.00 New budget authority (gross)	15	14	14
23.90 Total budgetary resources available for obligation	39	26	26
23.95 Total new obligations	-27	-14	-14
24.40 Unobligated balance carried forward, end of year	12	12	12
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)	15	14	14
Change in obligated balances:			
72.40 Obligated balance, start of year	-9	1	1
73.10 Total new obligations	27	14	14
73.20 Total outlays (gross)	-16	-14	-14
74.40 Obligated balance, end of year	1	1	1
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	12	14	14
86.98 Outlays from mandatory balances	4		
87.00 Total outlays (gross)	16	14	14
Net budget authority and outlays:			
89.00 Budget authority	15	14	14
90.00 Outlays	16	14	14

The following services are financed by fees and miscellaneous contributions advanced by importers, manufacturers, States, organizations, individuals, and others:

Miscellaneous contributed funds.—Funds are received from States, local organizations, individuals, and others and are available for plant and animal quarantine inspection and cooperative plant and animal disease and pest control activities (7 U.S.C. 450b, 2220). Commencing in 1979, fees were collected for the importation of commercial birds.

Object Classification (in millions of dollars)

Identification code 12-9971-0-7-352	2005 actual	2006 est.	2007 est.
Personnel compensation:			
11.1 Full-time permanent	6	5	5
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	7	6	6
12.1 Civilian personnel benefits	2	3	3
21.0 Travel and transportation of persons	2	2	2
25.2 Other services	4	1	1
26.0 Supplies and materials	11	1	1
31.0 Equipment	1	1	1
99.9 Total new obligations	27	14	14

Personnel Summary

Identification code 12-9971-0-7-352	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	150	150	150

FOOD SAFETY AND INSPECTION SERVICE

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For necessary expenses to carry out services authorized by the Federal Meat Inspection Act, the Poultry Products Inspection Act, and the Egg Products Inspection Act, including not to exceed \$50,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), **[\$837,756,000]** \$757,470,000, of which no less than **[\$753,252,000]** \$673,754,000 shall be available for Federal food safety inspection; and in addition, \$1,000,000 may be credited to this account from fees collected for the cost of laboratory accreditation as authorized by section 1327 of the Food, Agriculture, Conservation and Trade Act of 1990 (7 U.S.C. 138f): *Provided*, [That no fewer than 63 full time equivalent positions above the fiscal year 2002 level shall be employed during fiscal year 2006 for purposes dedicated solely to inspections and enforcement related to the Humane Methods of Slaughter Act: *Provided further*, That of the amount available under this heading, notwithstanding section 704 of this Act \$4,000,000, available until September 30, 2007, shall be obligated to include the Humane Animal Tracking System as part of the Field Automation and Information Management System following notification to the Committees on Appropriations, which shall include a detailed explanation of the components of such system: *Provided further*,] That of the total amount made available under this heading, no less than \$20,653,000 shall be obligated for regulatory and scientific training: *Provided further*, *That not to exceed \$565,000 is for construction of a laboratory sample receiving facility at the Russell Research Center in Athens, Georgia: Provided further*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building. (7 U.S.C. 450, 1901-06; 10 U.S.C. 2306; 18 U.S.C. 1114; 21 U.S.C. 451-470, 601-624, 641-645, 661, 671-680, 691-692; 694-695; Public Law 99-641; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.)

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-3700-0-1-554	2005 actual	2006 est.	2007 est.
01.00 Balance, start of year			
01.99 Balance, start of year			
Receipts:			
02.20 Fees, Food safety inspection user fee account—legislative proposal subject to PAYGO			105
Appropriations:			
05.00 Salaries and expenses—legislative proposal not subject to PAYGO			-105
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 12-3700-0-1-554	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct program	815	831	758
09.01 Reimbursable program	99	120	123
10.00 Total new obligations	914	951	881
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	5	26	24
22.00 New budget authority (gross)	938	949	881
23.90 Total budgetary resources available for obligation	943	975	905
23.95 Total new obligations	-914	-951	-881
23.98 Unobligated balance expiring or withdrawn	-3		

24.40	Unobligated balance carried forward, end of year	26	24	24
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	824	838	758
40.33	Appropriation permanently reduced (P.L. 109-148)		-9	
40.35	Appropriation permanently reduced	-7		
43.00	Appropriation (total discretionary)	817	829	758
Spending authority from offsetting collections:				
Discretionary:				
68.00	Offsetting collections (cash)	111	120	123
68.10	Change in uncollected customer payments from Federal sources (unexpired)	10		
68.90	Spending authority from offsetting collections (total discretionary)	121	120	123
70.00	Total new budget authority (gross)	938	949	881
Change in obligated balances:				
72.40	Obligated balance, start of year	101	82	77
73.10	Total new obligations	914	951	881
73.20	Total outlays (gross)	-920	-956	-885
73.40	Adjustments in expired accounts (net)	-8		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-10		
74.10	Change in uncollected customer payments from Federal sources (expired)	5		
74.40	Obligated balance, end of year	82	77	73
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	843	877	814
86.93	Outlays from discretionary balances	77	79	71
87.00	Total outlays (gross)	920	956	885
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-2	-2	-2
88.40	Non-Federal sources	-110	-118	-121
88.90	Total, offsetting collections (cash)	-112	-120	-123
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-10		
88.96	Portion of offsetting collections (cash) credited to expired accounts	1		
Net budget authority and outlays:				
89.00	Budget authority	817	829	758
90.00	Outlays	808	836	762

Summary of Budget Authority and Outlays

(in millions of dollars)

	2005 actual	2006 est.	2007 est.
Enacted/requested:			
Budget Authority	817	829	758
Outlays	808	836	762
Legislative proposal, not subject to PAYGO:			
Budget Authority			105
Outlays			105
Total:			
Budget Authority	817	829	863
Outlays	808	836	867

The primary objectives of the Food Safety and Inspection Service (FSIS) are to ensure that meat, poultry, shell egg, and egg products are wholesome, unadulterated, and properly labeled and packaged, as required by the Federal Meat Inspection Act, the Poultry Products Inspection Act, and the Egg Products Inspection Act. Providing adequate resources for Federal food safety agencies is a priority of the Administration, and the 2007 Budget proposes a \$34 million increase for inspection of meat, poultry, shell egg and egg products. This increase will cover pay cost increases for Federal and State inspection programs, and initiatives for: food and agriculture defense, risk-based inspection, and information technology.

FEDERALLY FUNDED INSPECTION ACTIVITIES

	2005 actual	2006 est.	2007 est.
Federally inspected establishments:			
Slaughter plants	113	112	110
Processing plants	3,993	3,990	3,995
Combination slaughter and processing plants	908	906	902
Talmadge-Aiken plants	361	360	355
Import establishments	130	130	130
Egg plants	71	70	69
Other plants	674	670	665
Federally inspected and passed production (millions of pounds):			
Meat slaughter	45,633	45,700	45,700
Poultry slaughter	55,324	55,400	55,400
Egg products	4,300	4,300	4,300
Import/export activity (millions of pounds):			
Meat and poultry imported	4,302	4,302	4,302
Meat and poultry exported	9,050	10,380	10,050
States and territories with cooperative programs: ^a			
Intrastate inspection	28	28	28
Talmadge-Aiken inspection	9	9	9
Number of slaughter and/or processing plants (excludes exempt plants)			
	2,100	2,100	2,100
Pounds inspected slaughter (millions)			
	500	500	500
Compliance activities:			
Corrective action reviews	24,021	21,620	19,500
Corrective actions completed	2,127	2,340	2,575
Product Testing (samples analyzed):			
Food chemistry	2,695	2,700	2,700
Food microbiology	79,316	85,500	89,500
Chemical residues	35,297	36,000	36,000
Antibiotic residues	119,607	120,000	120,000
Pathology samples	4,727	5,000	5,000
Egg Products:			
Food microbiology	1,660	1,700	1,700
Chemical residues	1,184	1,200	1,200
Consumer Education and public outreach:			
Meat and poultry hotline calls received	87,747	96,521	101,347
Website visits	7,079,021	8,029,017	8,880,467
Electronic messages received	47,174	49,532	52,009
Publications distributed	1,000,790	1,019,304	1,070,270
Personal contacts (meetings, workshops, etc.)	75,364	81,900	85,995
E-mail alert service subscribers	17,174	26,437	34,509
Epidemiological Investigations:			
Cooperative efforts with State and public health offices	72	75	75
Illnesses reported and treated ^b	1,941	2,000	2,000
Field Automation and Information Management Project:			
Number of computers to be provided to federal field inspection staff			
	1,062	1,100	1,400
Number of computers to be provided to state field inspection staff			
	163	175	175

^a States with cooperative agreements which are operating programs.

^b Data must be collected over a number of years to chart national trends and estimate the incidence of foodborne illness and treatment.

Object Classification (in millions of dollars)

Identification code 12-3700-0-1-554	2005 actual	2006 est.	2007 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	449	452	407
11.3	Other than full-time permanent	15	15	13
11.5	Other personnel compensation	23	23	21
11.9	Total personnel compensation	487	490	441
12.1	Civilian personnel benefits	155	155	140
13.0	Benefits for former personnel	2	2	2
21.0	Travel and transportation of persons	38	39	34
22.0	Transportation of things	5	5	4
23.1	Rental payments to GSA	1	1	1
23.2	Rental payments to others	1	1	1
23.3	Communications, utilities, and miscellaneous charges	14	16	12
24.0	Printing and reproduction	1	1	1
25.1	Advisory and assistance services	3	3	3
25.2	Other services	30	35	37
25.3	Other purchases of goods and services from Government accounts	16	18	15
25.4	Operation and maintenance of facilities	1	1	1
25.7	Operation and maintenance of equipment	1	1	1
26.0	Supplies and materials	11	12	13
31.0	Equipment	5	6	11
41.0	Grants, subsidies, and contributions	43	44	40
42.0	Insurance claims and indemnities	1	1	1
99.0	Direct obligations	815	831	758
99.0	Reimbursable obligations	99	120	123

General and special funds—Continued

SALARIES AND EXPENSES—Continued

Object Classification (in millions of dollars)—Continued

Identification code 12-3700-0-1-554	2005 actual	2006 est.	2007 est.
99.9 Total new obligations	914	951	881

Personnel Summary

Identification code 12-3700-0-1-554	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	9,373	9,421	7,921
Reimbursable:			
2001 Civilian full-time equivalent employment	68	70	70

SALARIES AND EXPENSES

(Legislative proposal, not subject to PAYGO)

In addition, such sums as may be deposited to the Food Safety Inspection User Fee account may be transferred to this account, to be merged with and available for the same purposes as this account, to remain available until expended.

Program and Financing (in millions of dollars)

Identification code 12-3700-2-1-554	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct program			105
10.00 Total new obligations			105
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			105
23.95 Total new obligations			-105
New budget authority (gross), detail:			
Discretionary:			
40.20 Appropriation (12-3700-0-N-0500)			105
Change in obligated balances:			
73.10 Total new obligations			105
73.20 Total outlays (gross)			-105
74.40 Obligated balance, end of year			
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			105
Net budget authority and outlays:			
89.00 Budget authority			105
90.00 Outlays			105

Object Classification (in millions of dollars)

Identification code 12-3700-2-1-554	2005 actual	2006 est.	2007 est.
Personnel compensation:			
11.1 Full-time permanent			60
11.3 Other than full-time permanent			2
11.5 Other personnel compensation			3
11.9 Total personnel compensation			65
12.1 Civilian personnel benefits			20
21.0 Travel and transportation of persons			5
22.0 Transportation of things			1
23.3 Communications, utilities, and miscellaneous charges			2
25.1 Advisory and assistance services			1
25.2 Other services			5
25.3 Other purchases of goods and services from Government accounts			2
26.0 Supplies and materials			2
31.0 Equipment			2
99.9 Total new obligations			105

Personnel Summary

Identification code 12-3700-2-1-554	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment			1,500

Trust Funds

EXPENSES AND REFUNDS, INSPECTION AND GRADING OF FARM PRODUCTS

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-8137-0-7-352	2005 actual	2006 est.	2007 est.
01.00 Balance, start of year			
01.99 Balance, start of year			
Receipts:			
02.20 Deposits of fees, Inspection and grading of farm products, Food Safety and Quality Service	3	3	3
Appropriations:			
05.00 Expenses and refunds, inspection and grading of farm products	-3	-3	-3
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 12-8137-0-7-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct program activity	3	3	3
10.00 Total new obligations	3	3	3
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	1
22.00 New budget authority (gross)	3	3	3
23.90 Total budgetary resources available for obligation	4	4	4
23.95 Total new obligations	-3	-3	-3
24.40 Unobligated balance carried forward, end of year	1	1	1
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)	3	3	3
Change in obligated balances:			
73.10 Total new obligations	3	3	3
73.20 Total outlays (gross)	-3	-3	-3
74.40 Obligated balance, end of year			
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	3	3	3
Net budget authority and outlays:			
89.00 Budget authority	3	3	3
90.00 Outlays	3	3	3

Under authority of the Agricultural Marketing Act of 1946, Federal meat and poultry inspection services are provided upon request and for a fee in cases where inspection is not mandated by statute. This service includes: certifying products for export beyond the requirements of export certificates; inspecting certain animals and poultry intended for human food where inspection is not required by statute, such as buffalo, rabbit, and quail; and inspecting products intended for animal consumption.

Object Classification (in millions of dollars)

Identification code 12-8137-0-7-352	2005 actual	2006 est.	2007 est.
Personnel compensation:			
11.1 Full-time permanent	3	1	1
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	4	2	2

12.1	Civilian personnel benefits	1	1	1
25.2	Other services	-2		
99.9	Total new obligations	3	3	3

Personnel Summary

Identification code 12-8137-0-7-352	2005 actual	2006 est.	2007 est.	
Direct:				
1001	Civilian full-time equivalent employment	23	23	23

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the United States Grain Standards Act, for the administration of the Packers and Stockyards Act, for certifying procedures used to protect purchasers of farm products, and the standardization activities related to grain under the Agricultural Marketing Act of 1946, **[\$38,443,000]** \$21,844,000: *Provided*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building. (7 U.S.C. 71, 74-79, 84-87, 181-229, 1621-27; *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-2400-0-1-352	2005 actual	2006 est.	2007 est.
01.00	Balance, start of year		
01.99	Balance, start of year		
Receipts:			
02.20	Fees, Grain inspection, packers and stockyards user fee account—legislative proposal subject to PAYGO		20
Appropriations:			
05.00	Salaries and expenses—legislative proposal not subject to PAYGO		-20
07.99	Balance, end of year		

Program and Financing (in millions of dollars)

Identification code 12-2400-0-1-352	2005 actual	2006 est.	2007 est.	
Obligations by program activity:				
00.01	Standardization	4	4	1
00.02	Compliance	6	7	8
00.03	Methods development	7	7	8
00.04	Packers and stockyards program	19	20	5
10.00	Total new obligations	36	38	22
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	37	38	22
23.95	Total new obligations	-36	-38	-22
23.98	Unobligated balance expiring or withdrawn	-1		
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	37	38	22
Change in obligated balances:				
72.40	Obligated balance, start of year	10	9	10
73.10	Total new obligations	36	38	22
73.20	Total outlays (gross)	-37	-37	-25
74.40	Obligated balance, end of year	9	10	7
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	31	31	18
86.93	Outlays from discretionary balances	6	6	7
87.00	Total outlays (gross)	37	37	25

Net budget authority and outlays:

89.00	Budget authority	37	38	22
90.00	Outlays	36	37	25

Summary of Budget Authority and Outlays

	(in millions of dollars)		
Enacted/requested:	2005 actual	2006 est.	2007 est.
Budget Authority	37	38	22
Outlays	37	37	25
Legislative proposal, not subject to PAYGO:			
Budget Authority			20
Outlays			20
Total:			
Budget Authority	37	38	42
Outlays	37	37	45

The Grain Inspection, Packers and Stockyards Administration (GIPSA) establishes official United States standards for grain, promotes the uniform application thereof by official inspection personnel, provides for an official inspection system for grain, and regulates the weighing and certification of the weight of grain shipped in interstate or foreign commerce as authorized by the U.S. Grain Standards Act (USGSA), as amended, and the regulations thereof, and the Agricultural Marketing Act of 1946 (AMA).

Standardization activities include establishing and updating U.S. grain standards, research, and developing and improving methods to ensure the accurate and uniform application of the standards.

The compliance activities ensure the accurate and uniform application of the USGSA and applicable provisions of the AMA. The compliance program functions include: (1) evaluating alleged violations and initiating preliminary investigations; (2) initiating the implementation of corrective actions; (3) conducting management and technical reviews; (4) administering the designations and delegations of State and private agencies to perform official functions and monitoring the performance of the agencies; (5) identifying and, where appropriate, waiving and monitoring conflicts of interest; (6) licensing personnel of delegated States and designated agencies; (7) registering persons/firms engaged in the business of buying grain for sale in foreign commerce, and in the business of handling, weighing, or transporting of grain for sale in foreign commerce; (8) responding to audits of Grain Inspection programs; and (9) reviewing and, when appropriate, approving official agencies' fee schedules.

The Office of International Affairs briefs foreign buyers, assesses foreign inspection and weighing techniques, and responds to foreign quality and quantity complaints.

An advisory committee consisting of members from the grain industry exists to advise the Agency regarding efficient and economical implementation of the USGSA.

The Grain Quality Improvement Act of 1986 was enacted on November 10, 1986, to improve the quality of U.S. grain by prohibiting the introduction and reintroduction of dockage and foreign material to grain.

The goal of the Packers and Stockyards program is to ensure the integrity of the livestock, meat, and poultry markets and the marketplace in order to protect producers against unfair, deceptive, or discriminatory practices as well as those that are predatory or monopolistic in nature. Consumers and members of the livestock, poultry, and meat industries are also protected against unfair business practices in the marketing of livestock, meat and poultry, and from restrictions on competition which could unduly affect prices. The Agency also carries out the Secretary's responsibilities under Section 1324 of the Food Security Act of 1985 covering "central filing systems" established by States for pre-notification of security interests against farm products.

General and special funds—Continued

SALARIES AND EXPENSES—Continued

MAIN WORKLOAD FACTORS

	2005 actual	2006 est.	2007 est.
U.S. standards in effect at end of year	19	19	19
Standards reviews in progress	3	3	3
Standards reviews completed	3	3	3
Inspection techniques developed	49	50	50
On-site investigations	3	3	3
Designations renewed	23	19	19
Registration certificates issued	99	100	100
Investigations	1,550	1,600	1,700
Market agencies/dealers registered	5,569	5,550	5,550
Stockyards posted	1,443	1,440	1,435
Slaughtering and processing packers subject to the Act (estimated)	6,000	6,000	6,000
Distributors, brokers, and dealers subject to the Act (estimated)	6,800	6,800	6,800
Poultry operations subject to the Act	202	202	202

Object Classification (in millions of dollars)

Identification code 12-2400-0-1-352	2005 actual	2006 est.	2007 est.
11.1 Personnel compensation: Full-time permanent	22	23	13
12.1 Civilian personnel benefits	6	6	3
21.0 Travel and transportation of persons	1	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	.....
25.2 Other services	4	5	4
26.0 Supplies and materials	1	1	.....
31.0 Equipment	1	1	1
99.9 Total new obligations	36	38	22

Personnel Summary

Identification code 12-2400-0-1-352	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	322	322	168

SALARIES AND EXPENSES

(Legislative proposal, not subject to PAYGO)

In addition, such sums as may be deposited to the Grain Inspection, Packers and Stockyards Administration User Fee account may be transferred to this account, to be merged with and available for the same purposes as this account, to remain available until expended.

Program and Financing (in millions of dollars)

Identification code 12-2400-2-1-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Standardization			4
00.04 Packers and stockyards program			16
10.00 Total new obligations			20
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			20
23.95 Total new obligations			-20
23.98 Unobligated balance expiring or withdrawn			-1
New budget authority (gross), detail:			
Discretionary:			
40.20 Appropriation (special fund)			20
Change in obligated balances:			
73.10 Total new obligations			20
73.20 Total outlays (gross)			-20
74.40 Obligated balance, end of year
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			20
Net budget authority and outlays:			
89.00 Budget authority			20
90.00 Outlays			20

Legislation will be proposed to permit the collection of fees for grain standardization and licensing activities.

Object Classification (in millions of dollars)

Identification code 12-2400-2-1-352	2005 actual	2006 est.	2007 est.
11.1 Personnel compensation: Full-time permanent			13
12.1 Civilian personnel benefits			3
23.3 Communications, utilities, and miscellaneous charges			1
25.2 Other services			3
99.9 Total new obligations			20

Personnel Summary

Identification code 12-2400-2-1-352	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment			154

Public enterprise funds:

LIMITATION ON INSPECTION AND WEIGHING SERVICES EXPENSES

Not to exceed \$42,463,000 (from fees collected) shall be obligated during the current fiscal year for inspection and weighing services: *Provided*, That if grain export activities require additional supervision and oversight, or other uncontrollable factors occur, this limitation may be exceeded by up to 10 percent with notification to the Committees on Appropriations of both Houses of Congress. (7 U.S.C. 71, 74-79, 84-87, 1621-27; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.)

Program and Financing (in millions of dollars)

Identification code 12-4050-0-3-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
09.00 Reimbursable program	37	42	42
10.00 Total new obligations	37	42	42
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3	3	3
22.00 New budget authority (gross)	37	42	42
23.90 Total budgetary resources available for obligation	40	45	45
23.95 Total new obligations	-37	-42	-42
24.40 Unobligated balance carried forward, end of year	3	3	3
New budget authority (gross), detail:			
Spending authority from offsetting collections:			
Mandatory:			
69.00 Offsetting collections (cash)	36	42	42
69.10 Change in uncollected customer payments from Federal sources (unexpired)	1	.....	.....
69.90 Spending authority from offsetting collections (total mandatory)	37	42	42
Change in obligated balances:			
72.40 Obligated balance, start of year	-1	-2	-2
73.10 Total new obligations	37	42	42
73.20 Total outlays (gross)	-37	-42	-42
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-1	.....	.....
74.40 Obligated balance, end of year	-2	-2	-2
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	37	42	42
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-1	.....	.....
88.40 Non-Federal sources	-35	-42	-42
88.90 Total, offsetting collections (cash)	-36	-42	-42
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-1	.....	.....
Net budget authority and outlays:			
89.00 Budget authority .....			.....

Identification code 12-4050-0-3-352	2005 actual	2006 est.	2007 est.
89.00 Budget authority

90.00 Outlays 2

The Grain Inspection, Packers and Stockyards Administration (GIPSA) provides a uniform system for the inspection and weighing of grain. Services provided under this system are financed through a fee supported revolving fund. This authority has been extended through September 2015.

Fee supported programs include direct services, supervision activities and administrative functions. Direct services include official grain inspection and weighing by GIPSA employees at certain export ports as well as the inspection of U.S. grain shipped through Canada. The Agency supervises the inspection and weighing activities performed by its own employees. The Agency also oversees the inspection and weighing of grain performed by employees of 6 delegated States and 51 designated State and private agencies. The Agency provides an appeal service of original grain inspections and a registration system for grain exporting firms. Through support from the Association of American Railroads and user fees, GIPSA conducts a railroad track scale testing program. In addition, the agency provides grading services, on request, for rice and grain related products under the authority of the Agricultural Marketing Act of 1946 (AMA).

	2005 actual	2006 est.	2007 est.
Export grain inspected and/or weighed (million metric tons):			
By Federal personnel	69.9	73.9	83.2
By delegated States	32.7	34.4	37.0
Quantity of grain inspected (all official inspections) domestically million metric tons	137.0	139.0	136.7
Number of inspections and reinspections:			
By Federal personnel	98,593	100,000	100,000
By delegated state/official agency licenses	2,754,257	3,000,000	3,200,000
Number of appeals	1,716	1,700	1,700
Number of appeals carried to the Board of Appeals and Review	404	400	400
Quantity of rice inspected (million metric tons)	3.0	3.1	3.1
Quantity of rice exports (million metric tons)	3.5	3.8	3.7

Object Classification (in millions of dollars)

Identification code 12-4050-0-3-352	2005 actual	2006 est.	2007 est.
Personnel compensation:			
11.1 Full-time permanent	20	22	22
11.3 Other than full-time permanent	1	1	1
11.5 Other personnel compensation	5	6	6
11.9 Total personnel compensation	26	29	29
12.1 Civilian personnel benefits	5	6	6
21.0 Travel and transportation of persons	1	1	1
23.1 Rental payments to GSA	1	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	2	3	3
26.0 Supplies and materials	1	1	1
99.9 Total new obligations	37	42	42

Personnel Summary

Identification code 12-4050-0-3-352	2005 actual	2006 est.	2007 est.
Reimbursable:			
2001 Civilian full-time equivalent employment	353	353	353

AGRICULTURAL MARKETING SERVICE

Federal Funds

General and special funds:

MARKETING SERVICES

For necessary expenses to carry out services related to consumer protection, agricultural marketing and distribution, transportation, and regulatory programs, as authorized by law, and for administration and coordination of payments to States, **[\$75,376,000]** **\$81,497,790**, including funds for the wholesale market development program for the design and development of wholesale and farmer market facilities for the major metropolitan areas of the country:

Provided, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

Fees may be collected for the cost of standardization activities, as established by regulation pursuant to law (31 U.S.C. 9701). (7 U.S.C. 91-99, 136i-136l, 138-138l, 291-292, 415b-415d, 471-476, 501-508, 581-599, 951-957, 1031-1056, 1291, 1551-56, 1621-27, 2204(b)(c), 4401-06, 6501-22; 15 U.S.C. 714-714p; 21 U.S.C. 1031-56; 26 U.S.C. 6804, 7233, 7263, 7492-93, 7701; 49 U.S.C. 1653; *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed **[\$65,667,000]** **\$62,211,000** (from fees collected) shall be obligated during the current fiscal year for administrative expenses: *Provided*, That if crop size is understated and/or other uncontrollable events occur, the agency may exceed this limitation by up to 10 percent with notification to the Committees on Appropriations of both Houses of Congress. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-2500-0-1-352	2005 actual	2006 est.	2007 est.
01.00 Balance, start of year			
01.99 Balance, start of year			
Receipts:			
02.20 Standards development fees, Standards development and promotion board oversight user fee account—legislative proposal subject to PAYGO			2
02.21 Promotion board oversight fees, Standards development and promotion board oversight user fee account—legislative proposal subject to PAYGO			12
02.99 Total receipts and collections			14
Appropriations:			
05.00 Marketing services—legislative proposal not subject to PAYGO			-2
05.01 Marketing services—legislative proposal subject to PAYGO			-12
05.99 Total appropriations			-14
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 12-2500-0-1-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Market news service	31	31	32
00.02 Inspection and standardization	7	7	8
00.03 Market protection and promotion	31	30	38
00.04 Wholesale market development	3	3	3
00.05 Transportation services	3	4	4
09.01 Reimbursable program	55	69	65
10.00 Total new obligations	130	144	150
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	25	27	27
22.00 New budget authority (gross)	132	144	147
23.90 Total budgetary resources available for obligation	157	171	174
23.95 Total new obligations	-130	-144	-150
24.40 Unobligated balance carried forward, end of year	27	27	24

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	76	75	82
40.35 Appropriation permanently reduced	-1		
43.00 Appropriation (total discretionary)	75	75	82
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	58	69	65
68.10 Change in uncollected customer payments from Federal sources (unexpired)	-1		

General and special funds—Continued**MARKETING SERVICES—Continued****LIMITATION ON ADMINISTRATIVE EXPENSES—Continued****Program and Financing (in millions of dollars)—Continued**

Identification code 12-2500-0-1-352	2005 actual	2006 est.	2007 est.
68.90 Spending authority from offsetting collections (total discretionary)	57	69	65
70.00 Total new budget authority (gross)	132	144	147
Change in obligated balances:			
72.40 Obligated balance, start of year	18	21	30
73.10 Total new obligations	130	144	150
73.20 Total outlays (gross)	-126	-135	-147
73.40 Adjustments in expired accounts (net)	-1		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	1		
74.10 Change in uncollected customer payments from Federal sources (expired)	-1		
74.40 Obligated balance, end of year	21	30	33
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	115	135	138
86.93 Outlays from discretionary balances	11		9
87.00 Total outlays (gross)	126	135	147
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-1	-3	-3
88.40 Non-Federal sources	-57	-66	-62
88.90 Total, offsetting collections (cash)	-58	-69	-65
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	1		
Net budget authority and outlays:			
89.00 Budget authority	75	75	82
90.00 Outlays	69	66	82

Summary of Budget Authority and Outlays

(in millions of dollars)

	2005 actual	2006 est.	2007 est.
Enacted/requested:			
Budget Authority	75	75	82
Outlays	68	66	82
Legislative proposal, not subject to PAYGO:			
Budget Authority			2
Outlays			2
Legislative proposal, subject to PAYGO:			
Budget Authority			12
Outlays			12
Total:			
Budget Authority	75	75	96
Outlays	68	66	96

Agricultural Marketing Service activities assist producers and handlers of agricultural commodities by providing a variety of marketing services. These services continue to become more complex as the volume of agricultural commodities increases, as a greater number of new processed commodities are developed, and as the agricultural market structure undergoes extensive changes. Marketing changes include increased concentration in food retailing, direct buying, decentralization of processing, growth of interregional competition, vertical integration, and contract farming.

The individual Marketing Services activities include:

Market news service.—The market news program provides the agricultural community with information pertaining to the movement of agricultural products. This nationwide service provides daily reports on the supply, demand, and price of over 700 commodities on domestic and foreign markets.

Inspection, grading and standardization.—Nationally uniform standards of quality for agricultural products are estab-

lished and applied to specific lots of products to: promote confidence between buyers and sellers; reduce hazards in marketing due to misunderstandings and disputes arising from the use of nonstandard descriptions; and encourage better preparation of uniform quality products for market. Grading services are provided for cotton and domestic and imported tobacco.

Quarterly inspection of egg handlers and hatcheries is conducted to ensure the proper disposition of shell eggs unfit for human consumption.

MARKET NEWS PROGRAM

	2005 actual	2006 est.	2007 est.
Percentage of reports released on time	95%	95%	95%

COTTON AND TOBACCO USER FEE PROGRAM

	2005 actual	2006 est.	2007 est.
Cotton classed (samples in millions)	24	23	22
Tobacco graded (million pounds)	436	6	6
Imported tobacco inspected (million kilograms)	384	417	450

FEDERALLY FUNDED INSPECTION AND PROCUREMENT ACTIVITIES

	2005 actual	2006 est.	2007 est.
States and Commonwealths with cooperative agreements	40	40	40
Percentage of noncomplying shell egg lots that are reprocessed or diverted	100%	100%	100%

STANDARDIZATION ACTIVITIES

	2005 actual	2006 est.	2007 est.
International and U.S. standards in effect, end of fiscal year	583	590	592
Number of commodities covered	221	222	230

Market protection and promotion.—This program consists of: (1) the research and promotion programs which are designed to improve the competitive position and expand markets for cotton, eggs and egg products, honey, pork, beef, dairy products, potatoes, watermelons, mushrooms, soybeans, fluid milk, popcorn, blueberries, avocados, lamb, mangos and peanuts; (2) the Federal Seed Act; and (3) the administration of the Capper-Volstead Act and the Agricultural Fair Practices Act.

The pesticide recordkeeping program monitors compliance of private certified applicators with Federal regulations requiring them to keep records of restricted pesticides used in agricultural production.

The pesticide data program develops comprehensive, statistically defensible information on pesticide residues in food to improve government dietary risk procedures.

Federal seed inspectors conduct tests on seed samples to help ensure truthful labeling of agricultural and vegetable seeds sold in interstate commerce.

The Capper-Volstead Act and the Agricultural Fair Practices Act protect producers against discriminatory practices by handlers, permit producers to engage in cooperative efforts, and ensure that such cooperatives do not engage in practices that monopolize or restrain trade.

The national organic program certifies that organically produced food products meet national standards.

MARKET PROTECTION AND PROMOTION ACTIVITIES

	2005 actual	2006 est.	2007 est.
Pesticide data program:			
Number of analyses performed	148,664	120,000	125,000
Percentage of sampling and analysis goal	165%	100%	100%
Pesticide recordkeeping:			
Number of State/Federal inspections conducted	3,900	4,200	4,500
Percentage of sampling goal attained	103%	100%	100%
Seed Act:			
Interstate investigations:			
Completed	470	450	450
Pending	375	350	350
Seed samples tested	2,870	2,610	2,815
Percentage of cases submitted that are completed	118%	100%	100%
Plant Variety Protection Act:			
Percentage of application processing goal completed	100%	100%	100%

Number of applications received	351	300	325
Certificates of protection issued	279	325	325
Research and promotion collections (dollars in millions)	423	479	488
Percentage of board budgets and marketing plans approved within time frame goal	98%	98%	96%

Wholesale market development.—This program is designed to enhance the marketing of agricultural commodities in the United States by conducting research into more efficient marketing methods for agricultural commodities and by providing technical assistance to urban areas interested in improving their food distribution facilities.

Transportation Services.—The activities are designed to ensure that the Nation's transportation systems will adequately serve the needs of agriculture and rural areas of the United States.

WHOLESALE MARKET DEVELOPMENT ACTIVITIES

	2005 actual	2006 est.	2007 est.
Number of projects completed	10	10	10

TRANSPORTATION SERVICES ACTIVITIES

	2005 actual	2006 est.	2007 est.
Number of projects completed	11	11	12

Object Classification (in millions of dollars)

Identification code 12-2500-0-1-352	2005 actual	2006 est.	2007 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	30	35	36
11.3 Other than full-time permanent	3	3	3
11.9 Total personnel compensation	33	38	39
12.1 Civilian personnel benefits	8	10	10
21.0 Travel and transportation of persons	2	1	2
23.2 Rental payments to others	2	1	1
23.3 Communications, utilities, and miscellaneous charges	3	1	1
24.0 Printing and reproduction			1
25.2 Other services	2	5	14
25.3 Other purchases of goods and services from Government accounts	22	16	14
26.0 Supplies and materials	1	1	1
31.0 Equipment	2	2	2
99.0 Direct obligations	75	75	85
99.0 Reimbursable obligations	55	69	65
99.9 Total new obligations	130	144	150

Personnel Summary

Identification code 12-2500-0-1-352	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	475	492	470
Reimbursable:			
2001 Civilian full-time equivalent employment	628	596	596

MARKETING SERVICES

(Legislative proposal, not subject to PAYGO)

In addition, such sums as may be deposited to the Standards Development and Promotion Board Oversight User Fee account may be transferred to this account, to be merged with and available for the same purposes as this account, to remain available until expended.

Program and Financing (in millions of dollars)

Identification code 12-2500-2-1-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
Direct program:			
00.02 Inspection and standardization			2
10.00 Total new obligations (object class 11.1)			2
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			2
23.95 Total new obligations			-2

24.40	Unobligated balance carried forward, end of year		
New budget authority (gross), detail:			
Discretionary:			
40.20	Appropriation (special fund, Standards development fees)		2
Change in obligated balances:			
73.10	Total new obligations		2
73.20	Total outlays (gross)		-2
74.40	Obligated balance, end of year		
Outlays (gross), detail:			
86.90	Outlays from new discretionary authority		2
Net budget authority and outlays:			
89.00	Budget authority		2
90.00	Outlays		2

Legislation will be proposed to permit the collection of fees for standardization activities.

Personnel Summary

Identification code 12-2500-2-1-352	2005 actual	2006 est.	2007 est.
Direct:			
1001	Civilian full-time equivalent employment		24

MARKETING SERVICES

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12-2500-4-1-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
Direct program:			
00.06 Administrative expenses			12
10.00 Total new obligations			12
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			12
23.95 Total new obligations			-12
New budget authority (gross), detail:			
Mandatory:			
60.20	Appropriation (special fund, Promotion board oversight fees)		12
Change in obligated balances:			
73.10	Total new obligations		12
73.20	Total outlays (gross)		-12
74.40	Obligated balance, end of year		
Outlays (gross), detail:			
86.97	Outlays from new mandatory authority		12
Net budget authority and outlays:			
89.00	Budget authority		12
90.00	Outlays		12

Legislation will be proposed to permit the collection of fees for federal oversight of industry funded and operated promotion boards.

Object Classification (in millions of dollars)

Identification code 12-2500-4-1-352	2005 actual	2006 est.	2007 est.
11.1	Personnel compensation: Full-time permanent		8
12.1	Civilian personnel benefits		2
25.2	Other services		2
99.9	Total new obligations		12

General and special funds—Continued

MARKETING SERVICES—Continued

Personnel Summary

Identification code 12-2500-4-1-352	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment			74

PAYMENTS TO STATES AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), [\$3,847,000, of which not less than \$2,500,000 shall be used to make a grant under this heading] \$1,333,530. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.)

Program and Financing (in millions of dollars)

Identification code 12-2501-0-1-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct program activity	10	11	1
10.00 Total new obligations (object class 41.0)	10	11	1
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	10	11	1
23.95 Total new obligations	-10	-11	-1
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	10	11	1
Change in obligated balances:			
72.40 Obligated balance, start of year	5	8	16
73.10 Total new obligations	10	11	1
73.20 Total outlays (gross)	-7	-3	-8
74.40 Obligated balance, end of year	8	16	9
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	3	3	
86.93 Outlays from discretionary balances	4		8
87.00 Total outlays (gross)	7	3	8
Net budget authority and outlays:			
89.00 Budget authority	10	11	1
90.00 Outlays	6	3	8

Grants are made on a matching fund basis to State departments of agriculture to carry out specifically approved programs designed to enhance marketing efficiency. Under this activity, specialists work with farmers, marketing firms, and other agencies in solving marketing problems and in using research results.

PERISHABLE AGRICULTURAL COMMODITIES ACT FUND

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-5070-0-2-352	2005 actual	2006 est.	2007 est.
01.00 Balance, start of year			
01.99 Balance, start of year			
Receipts:			
02.60 Deposits, Perishable Agricultural Commodities Act fund	7	7	7
Appropriations:			
05.00 Perishable Agricultural Commodities Act fund	-7	-7	-7
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 12-5070-0-2-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct program activity	10	10	10
10.00 Total new obligations	10	10	10
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	24	21	18
22.00 New budget authority (gross)	7	7	7
23.90 Total budgetary resources available for obligation	31	28	25
23.95 Total new obligations	-10	-10	-10
24.40 Unobligated balance carried forward, end of year	21	18	15
New budget authority (gross), detail:			
Mandatory:			
60.20 Appropriation (special fund)	7	7	7
Change in obligated balances:			
72.40 Obligated balance, start of year	3	2	5
73.10 Total new obligations	10	10	10
73.20 Total outlays (gross)	-11	-7	-7
74.40 Obligated balance, end of year	2	5	8
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	7	7	7
86.98 Outlays from mandatory balances	4		
87.00 Total outlays (gross)	11	7	7
Net budget authority and outlays:			
89.00 Budget authority	7	7	7
90.00 Outlays	11	7	7

License fees are deposited in this special fund and are used to meet the costs of administering the Perishable Agricultural Commodities and the Produce Agency Acts (7 U.S.C. 491-497, 499a-499s).

The Acts are intended to ensure equitable treatment to farmers and others in the marketing of fresh and frozen fruits and vegetables. Commission merchants, dealers, and brokers handling these products in interstate and foreign commerce are licensed. Complaints of violations are investigated and violations dealt with by (a) informal agreements between the two parties, (b) formal decisions involving payment of reparation awards, and/or (c) suspension or revocation of license and/or publication of the facts. Beginning October 1, 1994, an additional fee was instituted for the filing of formal and informal complaints of violations of the Act. The November 1995 amendments to the Perishable Agricultural Commodities Act: (1) increased the license fee and phased out fees for wholesale grocers and retailers by 1999; (2) provided permanent authority to the Secretary of Agriculture to set license and reparation complaint filing fees; and (3) repealed the 25 percent maximum funding reserve cap.

A 1984 amendment to the Perishable Agricultural Commodities Act requires traders to have trust assets on hand to meet their obligations to fruit and vegetable suppliers. To preserve their trust and establish their rights ahead of other creditors, unpaid suppliers file notice with both the Department and their debtors that payment is due.

PERISHABLE AGRICULTURAL COMMODITIES ACT ACTIVITIES

	2005 actual	2006 est.	2007 est.
Percentage of informal reparation complaints completed within time frame goal	94%	85%	85%

Object Classification (in millions of dollars)

Identification code 12-5070-0-2-352	2005 actual	2006 est.	2007 est.
11.1 Personnel compensation: Full-time permanent	6	6	6
12.1 Civilian personnel benefits	1	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1

25.3	Other purchases of goods and services from Government accounts	2	2	2
99.9	Total new obligations	10	10	10

Personnel Summary

Identification code 12-5070-0-2-352	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	89	91	91

**FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY
(SECTION 32)**

(INCLUDING TRANSFERS OF FUNDS)

Funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), shall be used only for commodity program expenses as authorized therein, and other related operating expenses, [including not less than \$20,000,000 for replacement of a system to support commodity purchases,] except for: (1) transfers to the Department of Commerce as authorized by the Fish and Wildlife Act of August 8, 1956; (2) transfers otherwise provided in this Act; and (3) not more than [\$16,055,000] \$4,106,250 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937 and the Agricultural Act of 1961.

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-5209-0-2-605	2005 actual	2006 est.	2007 est.
01.00 Balance, start of year	10,724	11,618	12,903
01.99 Balance, start of year	10,724	11,618	12,903
Receipts:			
02.40 General fund payment, Funds for strengthening markets, income, and supply (section 32)		1	1
02.60 30 percent of customs duties, funds for strengthening markets, income and supply (section 32)	6,946	7,766	8,680
02.99 Total receipts and collections	6,946	7,767	8,681
04.00 Total: Balances and collections	17,670	19,385	21,584
Appropriations:			
05.00 Funds for strengthening markets, income, and supply (section 32)	-6,052	-6,482	-6,876
07.99 Balance, end of year	11,618	12,903	14,708

Program and Financing (in millions of dollars)

Identification code 12-5209-0-2-605	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
Direct program:			
Commodity program payments:			
00.01 Child nutrition program purchases	399	465	465
00.02 Emergency surplus removal	149	461	436
00.03 Direct Payments	5	200	
00.04 State option contract		5	5
00.05 Removal of defective commodities		1	1
00.06 Disaster Relief	41	34	
00.07 Direct Payments, Hurricane Relief	274	250	
00.08 Deobligations of Prior Year Obligations	-24		
00.91 Subtotal, Commodity program payments	844	1,416	907
01.01 Administrative expenses	26	47	12
01.92 Total direct program	870	1,463	919
09.11 Reimbursable program	1	1	1
10.00 Total new obligations	871	1,464	920

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	408	286	
22.00 New budget authority (gross)	749	1,178	1,216
23.90 Total budgetary resources available for obligation	1,157	1,464	1,216
23.95 Total new obligations	-871	-1,464	-920
24.40 Unobligated balance carried forward, end of year	286		296

New budget authority (gross), detail:

Mandatory:			
60.20 Appropriation (special fund)	6,052	6,482	6,876
60.36 Unobligated balance permanently reduced	-163	-38	
61.00 Transferred to other accounts	-5,231	-5,267	-5,661
62.00 Transferred from other accounts	90		
62.50 Appropriation (total mandatory)	748	1,177	1,215
Mandatory:			
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	1	1	1
70.00 Total new budget authority (gross)	749	1,178	1,216

Change in obligated balances:

72.40 Obligated balance, start of year	45	63	63
73.10 Total new obligations	871	1,464	920
73.20 Total outlays (gross)	-853	-1,464	-915
74.40 Obligated balance, end of year	63	63	68

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	400	1,114	851
86.98 Outlays from mandatory balances	453	350	64
87.00 Total outlays (gross)	853	1,464	915

Offsets:

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-1	-1	-1

Net budget authority and outlays:

89.00 Budget authority	748	1,177	1,215
90.00 Outlays	852	1,463	914

In FY 2007, the Administration is proposing fees to offset the majority of mandatory Section 32 funding for oversight of Marketing Agreements and Orders (MA&O). Because of delays associated with collections and reimbursements, the fees are not anticipated to cover the full cost of administrative oversight activity in the first year. As a result, a small portion of mandatory funding is necessary and is reflected by the modified limitation on administrative funding. Elsewhere receipts collected will be made available to the Marketing Service account to fund the balance of this activity.

Under section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), an amount equal to 30 percent of customs receipts collected during each calendar year is automatically appropriated for expanding outlets for perishable, non-price supported commodities. An amount equal to 30 percent of receipts collected on fishery products is transferred to the Department of Commerce. A portion of retained funds are used to purchase commodities that are distributed to schools as part of the child nutrition program entitlements. Funds are also transferred to the Food and Nutrition Service and are used to purchase commodities under section 6 of the National School Lunch Act and other authorities specified in the child nutrition appropriation. If unforeseen commodity surpluses develop, remaining unobligated balances may be authorized to stabilize market conditions through surplus removal. Surplus commodities diverted from normal channels of commerce are distributed to nutrition assistance programs.

Object Classification (in millions of dollars)

Identification code 12-5209-0-2-605	2005 actual	2006 est.	2007 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	14	15	7
12.1 Civilian personnel benefits	3	4	2
21.0 Travel and transportation of persons	1	1	1
22.0 Transportation of things	1	1	1
23.3 Communications, utilities, and miscellaneous charges	2	2	2
25.2 Other services	4	4	2
25.3 Other purchases of goods and services from Government accounts	2	2	2
25.7 Operation and maintenance of equipment	1	1	1
26.0 Supplies and materials: Grants of commodities to States	841	1,432	900

General and special funds—Continued

**FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY
(SECTION 32)—Continued**

(INCLUDING TRANSFERS OF FUNDS)—Continued

Object Classification (in millions of dollars)—Continued

Identification code 12-5209-0-2-605	2005 actual	2006 est.	2007 est.
31.0 Equipment	1	1	1
99.0 Direct obligations	870	1,463	919
99.0 Reimbursable obligations	1	1	1
99.9 Total new obligations	871	1,464	920

Personnel Summary

Identification code 12-5209-0-2-605	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	123	138	64
Reimbursable:			
2001 Civilian full-time equivalent employment	13	11	11

Trust Funds

**EXPENSES AND REFUNDS, INSPECTION AND GRADING OF FARM
PRODUCTS**

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-8015-0-7-352	2005 actual	2006 est.	2007 est.
01.00 Balance, start of year	3	2	2
01.99 Balance, start of year	3	2	2
Receipts:			
02.00 Payments from general fund, Wool research, develop- ment, and promotion trust fund	2	2	2
02.20 Deposits of fees, inspection and grading of farm products, AMS	120	124	124
02.99 Total receipts and collections	122	126	126
04.00 Total: Balances and collections	125	128	128
Appropriations:			
05.00 Expenses and refunds, inspection and grading of farm products	-123	-126	-124
07.99 Balance, end of year	2	2	4

Program and Financing (in millions of dollars)

Identification code 12-8015-0-7-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Dairy products	6	6	6
00.02 Fruits and vegetables	62	55	55
00.03 Meat grading	25	23	23
00.04 Poultry products	34	28	28
00.05 Miscellaneous agricultural commodities	14	14	14
10.00 Total new obligations	141	126	126

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	51	35	37
22.00 New budget authority (gross)	125	128	126
23.90 Total budgetary resources available for obligation	176	163	163
23.95 Total new obligations	-141	-126	-126
24.40 Unobligated balance carried forward, end of year	35	37	37

New budget authority (gross), detail:

Mandatory:			
60.26 Appropriation (trust fund)	123	126	124
62.00 Transferred from other accounts	2	2	2
62.50 Appropriation (total mandatory)	125	128	126

Change in obligated balances:

72.40 Obligated balance, start of year	16	26	24
73.10 Total new obligations	141	126	126

73.20 Total outlays (gross)	-131	-128	-126
74.40 Obligated balance, end of year	26	24	24

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	125	123	121
86.98 Outlays from mandatory balances	6	5	5
87.00 Total outlays (gross)	131	128	126

Net budget authority and outlays:

89.00 Budget authority	125	128	126
90.00 Outlays	131	128	126

Expenses and refunds, inspection and grading of farm products.—The commodity grading programs provide grading, examination, and certification services for a wide variety of fresh and processed food commodities using federally approved grade standards and purchase specifications. Commodities graded include poultry, livestock, meat, dairy products, and fresh and processed fruits and vegetables. These programs use official grade standards which reflect the relative quality of a particular food commodity based on laboratory testing and characteristics such as taste, color, weight, and physical condition. Producers voluntarily request grading and certification services which are provided on a fee for service basis.

WORKLOAD INDICATORS

	2005 actual	2006 est.	2007 est.
Weighted average cost per cwt. (1990 index)	\$0.21	\$0.21	\$0.21

Object Classification (in millions of dollars)

Identification code 12-8015-0-7-352	2005 actual	2006 est.	2007 est.
Personnel compensation:			
11.1 Full-time permanent	66	65	65
11.3 Other than full-time permanent	6	6	6
11.5 Other personnel compensation	10	8	8
11.9 Total personnel compensation	82	79	79
12.1 Civilian personnel benefits	24	18	18
13.0 Benefits for former personnel	1	1	1
21.0 Travel and transportation of persons	7	7	7
22.0 Transportation of things	1		
23.2 Rental payments to others	2	2	2
23.3 Communications, utilities, and miscellaneous charges	3	2	2
25.2 Other services	12	9	9
25.3 Other purchases of goods and services from Govern- ment accounts	3	2	2
26.0 Supplies and materials	2	2	2
31.0 Equipment	2	2	2
41.0 Grants, subsidies, and contributions	2	2	2
99.9 Total new obligations	141	126	126

Personnel Summary

Identification code 12-8015-0-7-352	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	1,531	1,583	1,582

MILK MARKET ORDERS ASSESSMENT FUND

Program and Financing (in millions of dollars)

Identification code 12-8412-0-8-351	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
09.01 Administration	43		
09.02 Marketing service	6		
10.00 Total new obligations	49		

Budgetary resources available for obligation:

22.00 New budget authority (gross)	49		
23.95 Total new obligations	-49		

24.40	Unobligated balance carried forward, end of year		
New budget authority (gross), detail:			
Mandatory:			
69.00	Spending authority from offsetting collections (gross): Offsetting collections (cash)	49	
Change in obligated balances:			
73.10	Total new obligations	49	
73.20	Total outlays (gross)	-49	
74.40	Obligated balance, end of year		
Outlays (gross), detail:			
86.97	Outlays from new mandatory authority	49	
Offsets:			
Against gross budget authority and outlays:			
88.40	Offsetting collections (cash) from: Non-Federal sources	-49	
Net budget authority and outlays:			
89.00	Budget authority		
90.00	Outlays	-2	

The Secretary of Agriculture is authorized by the Agricultural Marketing Agreement Act of 1937, as amended—under certain conditions—to issue Federal milk marketing orders establishing minimum prices which handlers are required to pay for milk purchased from producers. The Secretary has reduced the number of milk marketing orders from 31 to 10, consistent with the 1996 Farm Bill authorities.

Market administrators are appointed by the Secretary and are responsible for carrying out the terms of specific marketing orders. Their operating expenses, partly financed by assessments on regulated handlers and partly by deductions from producers, are reported in these schedules. These non-Federal funds are collected locally, deposited in local banks, and disbursed directly by the market administrator.

Expenses of local offices are met from an administrative fund and a marketing service fund, which are prescribed in each order. The administrative fund is derived from prorated handler assessments. The marketing service fund of the individual order disseminates market information to producers who are not members of a qualified cooperative. It also provides for the verification of the weights, sampling, and testing of milk from these producers. The cost of these services is borne by such producers.

The maximum rates for administrative assessment and for marketing services are set forth in each order and adjustments below these rates are made from time to time upon recommendations by the market administrator and upon approval of the Agricultural Marketing Service to provide reserves at about a 6-month operating level. Upon termination of any order, the statute provides for distributing the proceeds from net assets pro rata to contributing handlers or producers, as the case may be.

Object Classification (in millions of dollars)

Identification code 12-8412-0-8-351		2005 actual	2006 est.	2007 est.
11.1	Personnel compensation: Full-time permanent	30		
12.1	Civilian personnel benefits	8		
21.0	Travel and transportation of persons	3		
23.2	Rental payments to others	3		
23.3	Communications, utilities, and miscellaneous charges	2		
25.2	Other services	1		
26.0	Supplies and materials	1		
31.0	Equipment	1		
99.9	Total new obligations	49		

Personnel Summary

Identification code 12-8412-0-8-351	2005 actual	2006 est.	2007 est.
Reimbursable:			
2001	Civilian full-time equivalent employment	422	

RISK MANAGEMENT AGENCY

Federal Funds

General and special funds:

ADMINISTRATIVE AND OPERATING EXPENSES

For administrative and operating expenses, as authorized by section 226A of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6933), **[\$77,048,000] \$80,797,000: Provided**, That not to exceed \$1,000 shall be available for official reception and representation expenses, as authorized by 7 U.S.C. 1506(i). (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-2707-0-1-351	2005 actual	2006 est.	2007 est.	
Obligations by program activity:				
00.01	Direct program activity	70	76	81
10.00	Total new obligations	70	76	81
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	70	76	81
23.95	Total new obligations	-70	-76	-81
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	72	77	82
40.35	Appropriation permanently reduced	-1	-1	-1
41.00	Transferred to other accounts	-1		
43.00	Appropriation (total discretionary)	70	76	81
Change in obligated balances:				
72.40	Obligated balance, start of year	18	20	22
73.10	Total new obligations	70	76	81
73.20	Total outlays (gross)	-67	-74	-80
73.40	Adjustments in expired accounts (net)	-1		
74.40	Obligated balance, end of year	20	22	23
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	50	53	57
86.93	Outlays from discretionary balances	17	21	23
87.00	Total outlays (gross)	67	74	80
Net budget authority and outlays:				
89.00	Budget authority	70	76	81
90.00	Outlays	67	74	80

This appropriation provides funding for the administrative and operating expenses of the Risk Management Agency (RMA). From this appropriations it is expected that RMA will fund data mining. The Agricultural Risk Protection Act (ARPA) of 2000 significantly enhanced RMA's role in protecting the integrity of the Federal Crop Insurance program for farmers. ARPA imposed new regulatory responsibilities and expanded the scope of program compliance and monitoring activities. Accordingly, it impacted on the amount and type of information RMA collects. The budget requests additional funding and staffing to fully implement these responsibilities.

The Federal Crop Insurance program is delivered through private insurance companies. Certain administrative expenses incurred by the companies are reimbursed through mandatory funding that is reflected in the account for the Federal Crop Insurance Fund.

General and special funds—Continued

ADMINISTRATIVE AND OPERATING EXPENSES—Continued

Object Classification (in millions of dollars)

Identification code 12-2707-0-1-351	2005 actual	2006 est.	2007 est.
Personnel compensation:			
11.1 Full-time permanent	38	38	41
11.3 Other than full-time permanent	1	1	1
11.9 Total personnel compensation	39	39	42
12.1 Civilian personnel benefits	9	10	10
21.0 Travel and transportation of persons	2	2	3
23.2 Rental payments to others	1	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	16	19	21
26.0 Supplies and materials	1	2	1
31.0 Equipment	1	2	2
99.9 Total new obligations	70	76	81

Personnel Summary

Identification code 12-2707-0-1-351	2005 actual	2006 est.	2007 est.
1001 Civilian full-time equivalent employment	502	553	568

CORPORATIONS

The following corporations and agencies are hereby authorized to make expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Public enterprise funds:

FEDERAL CROP INSURANCE CORPORATION FUND

For payments as authorized by section 516 of the Federal Crop Insurance Act (7 U.S.C. 1516), such sums as may be necessary, to remain available until expended. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-4085-0-3-351	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Indemnities	2,030	3,047	3,147
00.02 A&O Reimbursements	869	852	940
00.03 ARPA Obligations	45	75	75
09.01 Reimbursable Program—Indemnities	1,236	927	1,024
10.00 Total new obligations	4,180	4,901	5,186
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2,057	1,355	671
22.00 New budget authority (gross)	3,478	4,217	5,155
23.90 Total budgetary resources available for obligation	5,535	5,572	5,826
23.95 Total new obligations	-4,180	-4,901	-5,186
24.40 Unobligated balance carried forward, end of year	1,355	671	640
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	2,242	3,294	4,136
61.00 Transferred to other accounts	-5	-5	-5
62.00 Transferred from other accounts	5		
62.50 Appropriation (total mandatory)	2,242	3,289	4,131
Mandatory:			
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	1,236	928	1,024

70.00 Total new budget authority (gross)	3,478	4,217	5,155
Change in obligated balances:			
72.40 Obligated balance, start of year	186	247	1,000
73.10 Total new obligations	4,180	4,901	5,186
73.20 Total outlays (gross)	-4,119	-4,148	-4,621
74.40 Obligated balance, end of year	247	1,000	1,565
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	2,062	2,793	3,301
86.98 Outlays from mandatory balances	2,057	1,355	1,320
87.00 Total outlays (gross)	4,119	4,148	4,621
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-1,236	-928	-1,024
Net budget authority and outlays:			
89.00 Budget authority	2,242	3,289	4,131
90.00 Outlays	2,883	3,220	3,597

The Federal Crop Insurance Corporation (FCIC), a wholly-owned government corporation, provides multi-peril and catastrophic crop insurance protection against losses from unavoidable natural events. The Federal Crop Insurance Reform Act of 1994 (Reform Act) and the Federal Agriculture Improvement and Reform Act of 1996 (1996 Act) brought many changes to the program. The crop insurance program is an integral part of the broad-based safety net and includes programs involving revenue insurance, and education in the use of futures markets to manage risks.

Commercial insurance companies deliver crop insurance policies to producers in all states. For producers who obtain Catastrophic Crop Insurance (CAT), which compensates the farmer for losses up to 50 percent of the individual's average yield at 55 percent of the expected market price, the premium is entirely subsidized. The cost to the producer for this type of coverage is an annual administrative fee of \$100 per crop per county.

Additional coverage is available to producers who wish to insure crops above the 50 percent coverage level/55 percent price level. Policyholders can elect to be paid up to 100 percent of the market price established by FCIC for each unit of production their actual yield is less than the individual yield guarantee. Premium rates for additional coverage depend on the level of protection selected and vary from crop to crop and county to county. Producers are assessed a fee of \$30 per crop, per county, in addition to a share of the premium. The additional levels of insurance coverage are more attractive to farmers due to availability of optional units, other policy provisions not available with CAT coverage, and the ability to obtain a level of protection that permits them to use crop insurance as loan collateral and to achieve greater financial security.

Revenue protection for all products is provided by extending traditional multi-peril crop insurance protection, based on actual production history, to include price variability. Revenue insurance helps to ensure a certain level of annual income. FCIC is also piloting an Adjusted Gross Revenue (AGR) program, which is designed to insure a portion of a producer's gross revenue based on their Schedule F Farm and income tax reports.

The Adjusted Gross Revenue-Lite (AGR-Lite) insurance plan was approved in late 2002 and offered for sale in 2003. This product was submitted to FCIC through Section 508(h) of the Act. For 2006, AGR-Lite covers whole farm revenue up to \$1 million, including revenue from animals and animal products. AGR-Lite covers the adjusted gross revenue from the whole farm based on five years of tax forms and a farm plan. AGR-Lite initially began as a pilot in Pennsylvania and was expanded to include 15 additional States.

During 2005, RMA continued as one of its highest priorities the contracted development of new insurance programs for pasture, rangeland and forage. In addition, RMA awarded contracts to evaluate and pursue alternatives for addressing situations of declining actual production history yields due to successive years of yield loss. Also, RMA awarded 20 research and development partnership agreements totaling over \$8 million to develop financial and risk management decision support tools, and for funding technical and scientific innovations for better disease management and to increase revenues in both crop and livestock programs. Funding of over \$6 million was made to support enhancements to the national drought monitor to make producers aware of risk management tools and their role in decision-making at the farm level, and to develop GIS based tools and applications for producer use via a web-site interface. Additionally RMA funding of approximately \$2.5 million provided producers with a decision support tool for production practices to manage soybean rust and to help in the establishment of sentinel plots to assist in keeping the nation informed on the movement of the rust disease.

In crop year 2005, 246 million acres were insured, with an estimated \$3,950 million in total premium income, including \$2,344 million in premium subsidy.

ARPA provided RMA with mandatory funding to implement data mining and data warehousing to improve compliance and integrity in the crop insurance program. It is estimated that in its first year of operation, data mining prevented nearly \$94 million in improper payments and helped recover nearly \$35 million in improper indemnities. However, the authority to use mandatory funding for data mining expired in 2005. The 2007 Budget includes \$3.6 million to continue data mining and data warehousing activities. These funds are requested in the Administrative and Operating Account.

The 2007 Budget includes a proposal to implement a participation fee in the Federal crop insurance program. The proposed participation fee would initially be used to fund modernization of the existing information technology (IT) system and would supplement the annual appropriation provided by Congress. Subsequently, the fee would be shifted to maintenance and would be expected to reduce the annual appropriation. The participation fee would be charged to insurance companies participating in the Federal crop insurance program; based on a rate of about one-half cent per dollar of premium sold, the fee is expected to generate an amount not to exceed \$15 million annually. In recent years, the Administration has included several proposals in the Budget to modernize the IT system used by RMA to administer the Federal crop insurance program. The existing IT system is nearing the end of its useful life and recent years have seen increases in "down-time" resulting from system failures. Over the years, numerous changes have occurred in the Federal crop insurance program; including, the development of revenue and livestock insurance which have greatly expanded the program and taxed the IT system due to new requirements, such as daily pricing, which were not envisioned when the existing IT system was designed. These new requirements contribute to increased maintenance costs and limit RMA's ability to comply with Congressional mandates pertaining to data reconciliation with the Farm Service Agency. Additionally, the 2007 Budget proposal would tie direct farm payments to the purchase of crop insurance. This change will ensure that all farmers growing the major commodity crops (e.g. wheat, corn, soybeans, and cotton) will have insurance coverage, ensuring that a farmer's revenue loss in a disaster will not be greater than 50 percent. As part of this proposal, the Administration includes changes to the Crop Insurance program that will reduce the premium subsidies to the farmers as well as the subsidies in total to the participating insurance companies. These changes will allow farmers to become

more efficient in their risk management and companies to deliver crop insurance in a more efficient manner. The government will also realize savings of \$140 million beginning in 2008 as a result of these efficiencies, and the need for ad-hoc disaster payments will be reduced.

The following table compares the scope of the insurance operations planned for 2007. Amounts in the 2005 column are as of September 30, 2005, and pertain to the 2005 crop year.

	2005	2006	2007
	crop year	crop year	crop year
	estimate	estimate	estimate
Number of States	50	50	50
Number of counties	3,066	3,066	3,066
Insurance in force (millions)	44,288	44,633	49,766
Insured acreage (millions)	246	251	287
Producer premium (millions) ¹	\$1,606	\$1,621	\$1,778
Premium subsidy (millions) ¹	\$2,344	\$2,400	\$2,635
Total premium (millions) ¹	\$3,950	\$4,022	\$4,413
Indemnities (millions) ¹	\$4,247	\$4,324	\$4,744
Loss ratio .....	.70	1.075	1.075

¹Includes amounts that will appear on the books of the reinsured companies. The Corporation records will only reflect the net reinsurance income and net reinsurance loss.

Financing.—The Corporation is authorized under the Federal Crop Insurance Act, as amended, to use funds from the issuance of capital stock which provides working capital for the Corporation.

Receipts, which are for deposit to this fund, come mainly from premiums paid by farmers. The principal payments from this fund are for indemnities to insured farmers, and administrative expenses for approved insurance providers.

Premium subsidies are authorized by section 508(b) of the Federal Crop Insurance Act, as amended, and are received through appropriations.

PREMIUM AND SUBSIDY

(In millions of dollars)

	2005	2006	2007
	fiscal year	fiscal year	fiscal year
	actual	estimate	estimate
Premiums:			
Additional coverage premium subsidy	2,087	1,860	2,499
Catastrophic coverage—Reinsurance premium subsidy	242	187	243
Subtotal, premium subsidy	2,329	2,047	2,742
Producer premium	1,236	928	1,024
Total premiums	3,565	2,975	3,766
Indemnities:			
Additional coverage	3,088	3,717	3,907
Catastrophic coverage—Reinsurance	178	257	264
Total indemnities	3,266	3,974	4,171

The following table summarizes the insurance operations for 2005, 2006, and 2007:

NET INCOME OR LOSS (–) ON INSURANCE OPERATIONS

(In millions of dollars)

	2005	2006	2007
	fiscal year	fiscal year	fiscal year
	est.	est.	est.
Producer premium less indemnities	–2,030	–3,337	–3,424
Interest expense, net	0	0	0
Delivery expenses ¹	–869	–852	–962
Other income or expense, net	63	61	61
ARPA costs	–45	–75	–75
Reinsurance underwriting gain (+) or loss (–)	–848	–740	–667
Net income or loss (–)	–3,729	–4,943	–5,067

Public enterprise funds—Continued

FEDERAL CROP INSURANCE CORPORATION FUND—Continued

¹ Figures reflect delivery expenses borne by the Fund in accordance with the Agricultural Research, Extension and Education Reform Act of 1998, P.L. 105-185.

Balance Sheet (in millions of dollars)

Identification code 12-4085-0-3-351	2004 actual	2005 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	2,160	1,601
1206 Non-Federal assets: Receivables, net	1,570	1,369
1803 Other Federal assets: Property, plant and equipment, net	1	1
1999 Total assets	3,731	2,971
LIABILITIES:		
2105 Federal liabilities: Other	3	1
Non-Federal liabilities:		
2201 Accounts payable	82	14
2207 Other	3,851	3,485
2999 Total liabilities	3,936	3,500
NET POSITION:		
3100 Appropriated capital	828	465
3300 Cumulative results of operations	-1,033	-994
3999 Total net position	-205	-529
4999 Total liabilities and net position	3,731	2,971

Object Classification (in millions of dollars)

Identification code 12-4085-0-3-351	2005 actual	2006 est.	2007 est.
Direct obligations:			
25.2 Other services-ARPA requirements	45	75	75
25.2 Other services	869	852	940
25.2 Other Services—(Proposed Legislation)			
42.0 Insurance claims and indemnities (reinsured buyup)	2,030	3,046	3,147
99.0 Direct obligations	2,944	3,973	4,162
42.0 Reimbursable obligations: Insurance claims and indemnities	1,236	928	1,024
99.9 Total new obligations	4,180	4,901	5,186

FARM SERVICE AGENCY

Federal Funds

General and special funds:

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses for carrying out the administration and implementation of programs administered by the Farm Service Agency, **[\$1,030,000,000] \$1,091,359,000: Provided,** That the Secretary is authorized to use the services, facilities, and authorities (but not the funds) of the Commodity Credit Corporation to make program payments for all programs administered by the Agency: *Provided further,* That other funds made available to the Agency for authorized activities may be advanced to and merged with this account: *Provided further,* That none of the funds made available by this Act may be used to pay the salaries or expenses of any officer or employee of the Department of Agriculture to close any local or county office of the Farm Service Agency unless the Secretary of Agriculture, not later than 30 days after the date on which the Secretary proposed the closure, holds a public meeting about the proposed closure in the county in which the local or county office is located, and, after the public meeting but not later than 120 days before the date on which the Secretary approves the closure, notifies the Committee on Agriculture and the Committee on Appropriations of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry and the Committee on Appropriations of the Senate, and the members of Congress from the State in which the local or county office is located of the proposed closure. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.)

Program and Financing (in millions of dollars)

Identification code 12-0600-0-1-351	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Conservation	160	143	156
00.02 Income Support	768	816	868
00.05 Commodity Operations	58	61	67
03.00 Subtotal, direct program	986	1,020	1,091
09.01 Farm loans	291	302	312
09.02 Other programs	128	108	115
09.99 Subtotal, reimbursable program	419	410	427
10.00 Total new obligations	1,405	1,430	1,518
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		24	34
22.00 New budget authority (gross)	1,426	1,430	1,518
22.30 Expired unobligated balance transfer to unexpired account	24	10	
23.90 Total budgetary resources available for obligation	1,450	1,464	1,552
23.95 Total new obligations	-1,405	-1,430	-1,518
23.98 Unobligated balance expiring or withdrawn	-21		
24.40 Unobligated balance carried forward, end of year	24	34	34
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,008	1,030	1,091
40.00 Appropriation (Hurricane supplemental)			
40.33 Appropriation permanently reduced (P.L. 109-148)		-10	
40.35 Appropriation permanently reduced	-8		
43.00 Appropriation (total discretionary)	1,000	1,020	1,091
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	399	410	427
68.10 Change in uncollected customer payments from Federal sources (unexpired)	27		
68.90 Spending authority from offsetting collections (total discretionary)	426	410	427
70.00 Total new budget authority (gross)	1,426	1,430	1,518
Change in obligated balances:			
72.40 Obligated balance, start of year	153	104	93
73.10 Total new obligations	1,405	1,430	1,518
73.20 Total outlays (gross)	-1,401	-1,441	-1,521
73.40 Adjustments in expired accounts (net)	-35		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-27		
74.10 Change in uncollected customer payments from Federal sources (expired)	9		
74.40 Obligated balance, end of year	104	93	90
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1,282	1,325	1,406
86.93 Outlays from discretionary balances	119	116	115
87.00 Total outlays (gross)	1,401	1,441	1,521
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-392	-380	-395
88.40 Non-Federal sources	-24	-30	-32
88.90 Total, offsetting collections (cash)	-416	-410	-427
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-27		
88.96 Portion of offsetting collections (cash) credited to expired accounts	17		
Net budget authority and outlays:			
89.00 Budget authority	1,000	1,020	1,091
90.00 Outlays	985	1,031	1,094

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	2005 actual	2006 est.	2007 est.
Budget Authority	1,000	1,020	1,091
Outlays	985	1,031	1,094
Legislative proposal, not subject to PAYGO:			
Budget Authority			-35
Outlays			-35
Total:			
Budget Authority	1,000	1,020	1,056
Outlays	985	1,031	1,059

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, P.L. 103-354. The Department of Agriculture Reorganization Act of 1994 was amended on April 4, 1996, by the Federal Agriculture Improvement and Reform Act of 1996 (1996 Act), P.L. 104-127. The FSA administers a variety of activities, such as farm income support programs through various loans and payments; the Conservation Reserve Program (CRP); the Emergency Conservation Program; the Hazardous Waste Management Program; the Commodity Operation Programs including the warehouse examination function; farm ownership, farm operating, emergency disaster, and other loan programs; price support programs for tobacco and peanuts; 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. The Agency also assists in the administration of several conservation cost-share programs financed by the Commodity Credit Corporation (CCC), including the Grasslands Reserve Program (GRP). In addition, FSA currently provides certain administrative support services to the Foreign Agricultural Service (FAS) and to the Risk Management Agency (RMA).

This consolidated administrative expenses account includes funds to cover expenses of programs administered by, and functions assigned to, the Agency. The funds consist of a direct appropriation, transfers from program loan accounts under credit reform procedures, user fees, and advances and reimbursements from other sources. This is a consolidated account for administrative expenses of national, regional, State, and county offices.

USDA's FSA, Natural Resources Conservation Service (NRCS), and Rural Development (RD) offices act as separate franchises, with offices often located adjacent to each other. Prior efforts to improve the efficiency of USDA's county-based offices have resulted in significant co-location, and introduction of new information technology to simplify customer transactions.

During 2003 FSA also began to consolidate loan servicing functions such as billings and mass mailings and is in the process of implementing an interactive voice response system to handle routine information requests from borrowers. These efforts will help improve customer service while also reducing annual costs to the Government. However, the separate hierarchical structures at State, regional, and headquarter levels are set in law, and this hinders further attempts to achieve additional efficiencies.

Farm programs.—These programs provide an economic safety net through farm income support to eligible producers, cooperatives, and associations to help improve the economic stability and viability of the agricultural sector and to ensure the production of an adequate and reasonably priced supply of food and fiber. Objectives of the Agency include providing direct and counter-cyclical payments, providing marketing assistance loans and loan deficiency payments enabling recipients to continue farming operations without marketing their product immediately after harvest, and providing a financial assistance safety net to eligible producers when natural disasters result in a catastrophic loss of production or prevent

planting of noninsured crops, and timely approval of crop prices, average yields, and payment factors for the Non-insured Crop Disaster Assistance Program (NAP).

Farm program activities include the following functions dealing with the administration of programs carried out through the farmer committee system of the FSA: (a) developing program regulations and procedures; (b) collecting and compiling basic data for individual farms; (c) establishing individual farm allotments for farm planting history; (d) notifying producers of established allotments and farm planting histories; (e) establishing individual farm allotments and determining farm marketing quotas for tobacco through 2005; (f) conducting referendums and certifying results; (g) accepting farmer certifications and checking compliance for specific purposes; (h) processing commodity loan documents and issuing checks; (i) processing direct and counter-cyclical payments and issuing checks; (j) certifying payment eligibility and monitoring payment limitations; and (k) processing farm storage facility loans and issuing checks.

Conservation and environment.—These programs assist agricultural producers and landowners in achieving a high level of stewardship of soil, water, air, and wildlife resources on America's farmland and ranches while protecting the human and natural environment. Objectives of the Agency include improving environmental quality, protecting natural resources, and enhancing habitat for fish and wildlife, including threatened and endangered species, providing Emergency Conservation Program funding for farmers and ranchers to rehabilitate damaged farmland and for carrying out emergency conservation measures during periods of severe drought or flooding, protecting the public health of communities through implementation of the Hazardous Waste Management Program, and implementing administrative processes and procedures for contracting, financial reporting, and other financial operations. This activity includes: (a) processing producer requests for conservation cost-sharing and issuing conservation reserve rental payments; and (b) issuing checks for other conservation programs.

Commodity operations.—This activity includes: (a) overall management of CCC-owned commodities; (b) purchasing commodities; (c) donating commodities; (d) selling commodities; (e) accounting for loans and commodities; and (f) commercial warehouse activities, which include improving the effectiveness and efficiency of FSA's commodity acquisition, procurement, storage, and distribution activities to support domestic and international food assistance programs and administering the U.S. Warehouse Act (USWA). The Agency provides for the examination of warehouses licensed under the USWA and non-licensed warehouses storing CCC-owned or pledged commodities. Examiners perform periodic examinations of the facilities and the warehouse records to ensure protection of depositors against potential losses of the stored commodities and to ensure compliance with the USWA and any CCC storage agreements.

Farm loans (reimbursable).—Provides for administering the direct and guaranteed loan programs covered under the Agricultural Credit Insurance Fund (ACIF). Objectives of the Agency include improving the economic viability of farmers and ranchers, reducing losses in direct loan programs, responding to loan making and servicing requests, and maximizing financial and technical assistance to under-served groups. Activities include reviewing applications, servicing the loan portfolio, and providing technical assistance and guidance to borrowers. Funding for farm loan administrative expenses is transferred to this consolidated account from the ACIF. Appropriations representing subsidy amounts necessary to support the individual program loan levels under Federal Credit Reform are made to the ACIF account.

Other reimbursable activities.—FSA collects a fee or is reimbursed for performing a variety of services for other Federal

General and special funds—Continued

SALARIES AND EXPENSES—Continued
(INCLUDING TRANSFERS OF FUNDS)—Continued

agencies, CCC, industry, and others, including certain administrative support services for the Risk Management Agency and the Foreign Agricultural Service, and for county office services provided to Federal and non-Federal entities, including a variety of services to producers.

Object Classification (in millions of dollars)

Identification code 12-0600-0-1-351	2005 actual	2006 est.	2007 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	163	158	160
11.3 Other than full-time permanent	3	2	3
11.5 Other personnel compensation	3	5	5
11.9 Total personnel compensation	169	165	168
12.1 Civilian personnel benefits	45	45	45
21.0 Travel and transportation of persons	7	4	4
22.0 Transportation of things	3	3	4
23.3 Communications, utilities, and miscellaneous charges	11	13	13
24.0 Printing and reproduction	1	1	1
25.2 Other services	122	130	194
26.0 Supplies and materials	4	4	4
31.0 Equipment	3	3	7
41.0 Grants, subsidies, and contributions	621	652	651
99.0 Direct obligations	986	1,020	1,091
99.0 Reimbursable obligations	419	410	427
99.9 Total new obligations	1,405	1,430	1,518

Personnel Summary

Identification code 12-0600-0-1-351	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	2,272	2,050	2,002
Reimbursable:			
2001 Civilian full-time equivalent employment	3,305	3,268	3,251

SALARIES AND EXPENSES

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12-0600-2-1-351	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Conservation			-25
00.02 Income Support			-10
03.00 Subtotal, direct program			-35
09.02 Other programs			35
09.99 Subtotal, reimbursable program			35
10.00 Total new obligations			
Budgetary resources available for obligation:			
24.40 Unobligated balance carried forward, end of year			
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation			-35
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)			35
70.00 Total new budget authority (gross)			
Change in obligated balances:			
73.10 Total new obligations			
74.40 Obligated balance, end of year			

Offsets:

Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources			-35

Net budget authority and outlays:

89.00 Budget authority			-35
90.00 Outlays			-35

Legislation will be proposed to establish a service fee on loan deficiency payments and conservation reserve program contracts (including re-enrollments and extensions) to help defray the Farm Service Agency's cost associated with administration of these programs.

Object Classification (in millions of dollars)

Identification code 12-0600-2-1-351	2005 actual	2006 est.	2007 est.
Direct obligations: Grants, subsidies, and contributions			
41.0			-35
Reimbursable obligations: Reimbursable obligations			
99.0			35
99.9 Total new obligations			

STATE MEDIATION GRANTS

For grants pursuant to section 502(b) of the Agricultural Credit Act of 1987, as amended (7 U.S.C. 5101-5106), **[\$4,250,000]** \$4,207,500. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.)

Program and Financing (in millions of dollars)

Identification code 12-0170-0-1-351	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 State Mediation grants	4	4	4
10.00 Total new obligations (object class 41.0)	4	4	4
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	4	4	4
23.95 Total new obligations	-4	-4	-4
24.40 Unobligated balance carried forward, end of year			
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	4	4	4
Change in obligated balances:			
72.40 Obligated balance, start of year	3	3	3
73.10 Total new obligations	4	4	4
73.20 Total outlays (gross)	-4	-4	-4
74.40 Obligated balance, end of year	3	3	3
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	2	2	2
86.93 Outlays from discretionary balances	2	2	2
87.00 Total outlays (gross)	4	4	4
Net budget authority and outlays:			
89.00 Budget authority	4	4	4
90.00 Outlays	4	4	4

This grant program is authorized by Title V of the Agricultural Credit Act of 1987, P.L. 100-233, as amended. 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 (P.L. 103-354) to include other agricultural issues such as wetland determinations, conservation compliance, rural water loan programs, grazing on National Forest System lands, and pesticide use. Grants are made to States whose agricultural mediation programs have been certified by the Farm Service Agency. A grant will not exceed 70 percent of the total fiscal

year funds that a qualifying State requires to operate and administer its agricultural mediation program. In no case will the total amount of a grant exceed \$500,000 annually.

GRANT OBLIGATIONS

	2005 actual	2006 est.	2007 est.
Number of States receiving grants	32	34	36
Amount of grants (in millions of dollars)	4	4	4

TREE ASSISTANCE PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-2701-0-1-351	2005 actual	2006 est.	2007 est.
Change in obligated balances:			
72.40 Obligated balance, start of year	4	3	2
73.20 Total outlays (gross)	-1	-1	-1
74.40 Obligated balance, end of year	3	2	1
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	1	1	1
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	1	1	1

The tree assistance program (TAP) was reauthorized by the Farm Security and Rural Investment Act of 2002 with some modifications.

For 2004, the Consolidated Appropriations Act, P.L. 108-199, appropriated \$12.5 million for the program in southern California. During the fiscal year, \$4 million was obligated, \$6 million was transferred to the USDA Working Capital Fund per Section 704 of P.L. 108-199, and the remaining \$2 million unobligated balance will expire at the end of FY 2009. No outlays were made during FY 2004 from funds obligated during the fiscal year.

For 2005 and 2006, no appropriation was provided for TAP. However, during fiscal year 2005, \$742,665 was paid to producers in Southern California from fiscal year 2004 obligations for losses due to wildfires.

No funding is requested for 2007.

AGRICULTURAL CONSERVATION PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3315-0-1-302	2005 actual	2006 est.	2007 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	4		
22.00 New budget authority (gross)	-4		
22.10 Resources available from recoveries of prior year obligations	1		
22.21 Unobligated balance transferred to other accounts	-1		
23.90 Total budgetary resources available for obligation			
24.40 Unobligated balance carried forward, end of year			
New budget authority (gross), detail:			
Discretionary:			
40.36 Unobligated balance permanently reduced	-4		
Change in obligated balances:			
72.40 Obligated balance, start of year	1		
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year			
Net budget authority and outlays:			
89.00 Budget authority	-4		
90.00 Outlays			

This program was terminated at the beginning of 1997 in accordance with the Federal Agriculture Improvement and Reform Act of 1996. The objectives of the Agricultural Conservation Program (ACP) were incorporated into the Environmental Quality Incentives Program which is funded by the Commodity Credit Corporation and administered under the lead of the Natural Resources Conservation Service.

The primary objective of the program was to conserve soil and water resources. Along with annual agreements, cost sharing was authorized for long-term agreements of 3-10 years. In 2005 a transfer of \$824,125 in unobligated funds was made to the USDA Working Capital Fund as authorized in Section 705 of the Consolidated Appropriations Act, 2005, P.L. 108-447. Outlays to States in 2005 totaled \$115 thousand.

EMERGENCY CONSERVATION PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3316-0-1-453	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 ECP obligations	85	176	120
10.00 Total new obligations (object class 41.0)	85	176	120
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	31	96	120
22.00 New budget authority (gross)	150	200	
23.90 Total budgetary resources available for obligation	181	296	120
23.95 Total new obligations	-85	-176	-120
24.40 Unobligated balance carried forward, end of year	96	120	
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	100		
40.00 Appropriation Hurricane Supplemental		200	
43.00 Appropriation (total discretionary)	100	200	
Mandatory:			
62.00 Transferred from other accounts	50		
70.00 Total new budget authority (gross)	150	200	
Change in obligated balances:			
72.40 Obligated balance, start of year	13	41	101
73.10 Total new obligations	85	176	120
73.20 Total outlays (gross)	-57	-116	-181
74.40 Obligated balance, end of year	41	101	40
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority		40	
86.93 Outlays from discretionary balances	23	60	181
86.97 Outlays from new mandatory authority	34		
86.98 Outlays from mandatory balances		16	
87.00 Total outlays (gross)	57	116	181
Net budget authority and outlays:			
89.00 Budget authority	150	200	
90.00 Outlays	57	116	181

The Emergency Conservation Program (ECP) was authorized by the Agricultural Credit Act of 1978 (16 U.S.C. 2201-05). It provides funds for sharing the cost of emergency measures to deal with cases of severe damage to farmlands and rangelands resulting from natural disasters.

The Emergency Hurricane Supplemental Appropriations Act, 2005, P.L. 108-324, provided \$150 million for ECP (\$100 million in direct appropriation and \$50 million transferred from the Commodity Credit Corporation). These funds are available until expended.

Under the 2005 program, cost-sharing and technical assistance were provided in 45 States to treat farmlands damaged

General and special funds—Continued

EMERGENCY CONSERVATION PROGRAM—Continued

by hurricanes, drought, floods, ice storms, tornadoes, and other natural disasters. Outlays to States in FY 2005 totaled \$57 million, including \$1.6 million for flood damage in southern California.

For 2006, the Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006, P.L. 109–148, provided \$199.8 million to repair damage caused by hurricanes during the 2005 calendar year, including damage to nursery, oyster, poultry, and nonindustrial forestland operations. In addition, the program will continue to operate nationwide using unobligated funds carried forward from 2005 along with recoveries from prior fiscal years.

The 2007 Budget proposes no funding for this program.

GRASSROOTS SOURCE WATER PROTECTION PROGRAM

[For necessary expenses to carry out wellhead or groundwater protection activities under section 12400 of the Food Security Act of 1985 (16 U.S.C. 3839bb–2), \$3,750,000, to remain available until expended.] (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12–3304–0–1–302	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Grassroots Source Water payments		4	
10.00 Total new obligations (object class 41.0)		4	
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		4	
23.95 Total new obligations		–4	
24.40 Unobligated balance carried forward, end of year			
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation		4	
Change in obligated balances:			
73.10 Total new obligations		4	
73.20 Total outlays (gross)		–4	
74.40 Obligated balance, end of year			
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority		4	
Net budget authority and outlays:			
89.00 Budget authority		4	
90.00 Outlays		4	

Credit accounts:

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT
(INCLUDING TRANSFERS OF FUNDS)

For gross obligations for the principal amount of direct and guaranteed farm ownership (7 U.S.C. 1922 et seq.) and operating (7 U.S.C. 1941 et seq.) loans, Indian tribe land acquisition loans (25 U.S.C. 488), and boll weevil loans (7 U.S.C. 1989), to be available from funds in the Agricultural Credit Insurance Fund, as follows: farm ownership loans, [\$1,608,000,000] \$1,422,750,000, of which [\$1,400,000,000] \$1,200,000,000 shall be for unsubsidized guaranteed loans and [\$208,000,000] \$222,750,000 shall be for direct loans; operating loans, [\$2,074,632,000] \$1,941,360,000, of which [\$1,150,000,000] \$1,025,610,000 shall be for unsubsidized guaranteed loans, [\$274,632,000] \$272,250,000 shall be for subsidized guaranteed loans and [\$650,000,000] \$643,500,000 shall be for direct loans; Indian tribe land acquisition loans, [\$2,020,000] \$3,960,000; and for

boll weevil eradication program loans, [\$100,000,000] \$59,400,000: *Provided*, That the Secretary shall deem the pink bollworm to be a boll weevil for the purpose of boll weevil eradication program loans.

For the cost of direct and guaranteed loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, as follows: farm ownership loans, [\$17,370,000] \$9,333,000, of which [\$6,720,000] shall be for guaranteed loans, and \$10,650,000] \$9,333,000 shall be for direct loans; operating loans, [\$133,849,000] \$102,780,000, of which [\$34,845,000] \$2,154,000 shall be for unsubsidized guaranteed loans, [\$34,329,000] \$25,401,000 shall be for subsidized guaranteed loans, and [\$64,675,000] \$75,225,000 shall be for direct loans; [and] Indian tribe land acquisition loans, [\$81,000] \$838,000; and boll weevil eradication program loans, \$1,129,000.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, [\$312,591,000] \$311,737,000, of which [\$304,591,000] \$319,657,000 shall be transferred to and merged with the appropriation for “Farm Service Agency, Salaries and Expenses”.

Funds appropriated by this Act to the Agricultural Credit Insurance Program Account for farm ownership and operating direct loans and guaranteed loans may be transferred among these programs: *Provided*, That the Committees on Appropriations of both Houses of Congress are notified at least 15 days in advance of any transfer.

DAIRY INDEMNITY PROGRAM

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses involved in making indemnity payments to dairy farmers and manufacturers of dairy products under a dairy indemnity program, \$100,000, to remain available until expended: *Provided*, That such program is carried out by the Secretary in the same manner as the dairy indemnity program described in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 106–387, 114 Stat. 1549A–12). (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12–1140–0–1–351	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct loan subsidy	74	85	95
00.02 Guaranteed loan subsidy	72	77	27
00.05 Reestimates of direct loan subsidy	84	143	
00.06 Interest on reestimates of direct loan subsidy	72	31	
00.07 Reestimates of guaranteed loan subsidy	6	4	
00.08 Interest on reestimate of guaranteed loan subsidy	1	3	
00.09 Administrative expenses—salaries and expenses	291	302	312
00.10 Administrative Expenses—PLCE	8	8	8
00.11 Alaska Dairy Grants	1	1	
10.00 Total new obligations	609	654	442
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	25	22	9
22.00 New budget authority (gross)	620	641	434
23.90 Total budgetary resources available for obligation	645	663	443
23.95 Total new obligations	–609	–654	–442
23.98 Unobligated balance expiring or withdrawn	–14		
24.40 Unobligated balance carried forward, end of year	22	9	1
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	460	465	434
40.33 Appropriation permanently reduced (P.L. 109–148)		–5	
40.35 Appropriation permanently reduced	–3		
43.00 Appropriation (total discretionary)	457	460	434
Mandatory:			
60.00 Appropriation	163	181	
70.00 Total new budget authority (gross)	620	641	434
Change in obligated balances:			
72.40 Obligated balance, start of year	17	14	25
73.10 Total new obligations	609	654	442
73.20 Total outlays (gross)	–609	–643	–440
73.40 Adjustments in expired accounts (net)	–3		
74.40 Obligated balance, end of year	14	25	27

Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	429	438	418
86.93	Outlays from discretionary balances	17	24	22
86.97	Outlays from new mandatory authority	163	181	.....
87.00	Total outlays (gross)	609	643	440
Net budget authority and outlays:				
89.00	Budget authority	620	641	434
90.00	Outlays	609	643	440

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-1140-0-1-351	2005 actual	2006 est.	2007 est.	
Direct loan levels supportable by subsidy budget authority:				
115001	Farm ownership	272	206	223
115002	Farm operating	556	644	644
115003	Emergency disaster	24	100	78
115004	Indian tribe land acquisition .....	.....	2	4
115005	Boll weevil eradication	83	100	59
115901	Total direct loan levels	935	1,052	1,008
Direct loan subsidy (in percent):				
132001	Farm ownership	5.35	5.12	4.19
132002	Farm operating	10.09	9.95	11.69
132003	Emergency disaster	12.94	10.94	11.78
132004	Indian tribe land acquisition	5.27	4.01	21.15
132005	Boll weevil eradication	-5.68	-18.09	1.90
132901	Weighted average subsidy rate	7.38	6.42	9.50
Direct loan subsidy budget authority:				
133001	Farm ownership	15	10	9
133002	Farm operating	56	64	75
133003	Emergency disaster	3	11	9
133004	Indian tribe land acquisition .....	.....	.....	1
133005	Boll weevil eradication	-5	-18	1
133901	Total subsidy budget authority	69	67	95
Direct loan subsidy outlays:				
134001	Farm ownership	15	9	8
134002	Farm operating	56	63	75
134003	Emergency disaster	3	10	8
134004	Indian tribe land acquisition .....	.....	.....	1
134005	Boll weevil eradication	-4	-17	.....
134901	Total subsidy outlays	70	65	92
Direct loan upward reestimate subsidy budget authority:				
135001	Farm ownership .....	.....	37	.....
135002	Farm operating	4	16	.....
135003	Emergency disaster .....	.....	1	.....
135004	Indian Land Acquisition .....	.....	.....	.....
135005	Boll weevil eradication	44	119	.....
135006	Seed cotton .....	.....	.....	.....
135007	Soil and Water	4	.....	.....
135008	Farm ownership credit sales	105	.....	.....
135009	Indian Land, Credit Sales, Seed, Soil & Water .....	.....	1	.....
135901	Total upward reestimate budget authority	157	174	.....
Direct loan downward reestimate subsidy budget authority:				
137001	Farm ownership .....	.....	-70	.....
137002	Farm operating	-143	-89	.....
137003	Emergency disaster	-62	-18	.....
137004	Indian tribe land acquisition .....	.....	-1	.....
137005	Boll weevil eradication	-68	.....	.....
137006	Seed cotton	-5	.....	.....
137007	Soil and water .....	.....	.....	.....
137008	Farm ownership credit sales .....	.....	-1	.....
137901	Total downward reestimate budget authority	-278	-179	.....
Guaranteed loan levels supportable by subsidy budget authority:				
215001	Farm ownership, unsubsidized	1,027	1,410	1,200
215002	Farm operating, unsubsidized	885	1,197	1,026
215003	Farm operating, subsidized	283	273	272
215901	Total loan guarantee levels	2,195	2,880	2,498
Guaranteed loan subsidy (in percent):				
232001	Farm ownership, unsubsidized	0.53	0.48	0.00
232002	Farm operating, unsubsidized	3.23	3.03	0.21
232003	Farm operating, subsidized	13.31	12.50	9.33
232901	Weighted average subsidy rate	3.27	2.68	1.10

Guaranteed loan subsidy budget authority:				
233001	Farm ownership, unsubsidized	5	7	.....
233002	Farm operating, unsubsidized	29	34	2
233003	Farm operating, subsidized	38	36	25
233901	Total subsidy budget authority	72	77	27
Guaranteed loan subsidy outlays:				
234001	Farm ownership, unsubsidized	5	7	.....
234002	Farm operating, unsubsidized	28	34	2
234003	Farm operating, subsidized	37	34	25
234901	Total subsidy outlays	70	75	27
Guaranteed loan upward reestimate subsidy budget authority:				
235001	Farm ownership, unsubsidized	2	7	.....
235002	Farm operating, unsubsidized .....	.....	.....	.....
235003	Farm operating, subsidized	5	.....	.....
235901	Total upward reestimate budget authority	7	7	.....
Guaranteed loan downward reestimate subsidy budget authority:				
237001	Farm ownership, unsubsidized	-7	-6	.....
237002	Farm operating, unsubsidized	-28	-95	.....
237003	Farm operating, subsidized	-3	-112	.....
237004	Soil and Water .....	.....	.....	.....
237901	Total downward reestimate subsidy budget authority	-38	-213	.....
Administrative expense data:				
351001	Budget authority	299	310	320
359001	Outlays from new authority	299	310	320

The Agricultural credit insurance fund program account's loans are authorized by title III of the Consolidated Farm and Rural Development Act, as amended.

This program account includes subsidies to provide direct and guaranteed loans for farm ownership, farm operating, and emergency loans to individuals. Indian tribes and tribal corporations are eligible for Indian land acquisition loans. Boll weevil eradication loans are available to eliminate the cotton boll weevil pest from infested areas.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated and loan guarantees committed in 1992 and beyond (including credit sales of acquired property), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Under the Dairy Indemnity Program (DIP), payments are made to farmers and manufacturers of dairy products who are directed to remove their milk or milk products from commercial markets because they contain residues of chemicals that have been registered and approved by the Federal Government, other chemicals, nuclear radiation, or nuclear fallout. Indemnification may also be paid for cows producing such milk.

In 2005, \$349 thousand was paid to producers who filed claims under the program.

The 2007 Budget requests \$100 thousand for this program.

Object Classification (in millions of dollars)

Identification code 12-1140-0-1-351	2005 actual	2006 est.	2007 est.	
25.3	Other purchases of goods and services from Government accounts	299	311	320
41.0	Grants, subsidies, and contributions	310	343	122
99.9	Total new obligations	609	654	442

Credit accounts—Continued

AGRICULTURAL CREDIT INSURANCE FUND DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4212-0-3-351	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct Loan Obligations	935	1,052	1,008
00.02 Payments of Interest to Treasury	305	315	315
00.03 Fees, Collateral and Other	4	4	4
00.04 Advances on Behalf of Borrowers	5	3	3
00.91 Direct Program by Activities—Subtotal (1 level)	1,245	1,374	1,330
08.01 Negative Subsidy	5	18	.....
08.02 Downward Reestimate	231	145	.....
08.04 Interest on downward reestimate	47	34	.....
08.91 Direct Program by Activities—Subtotal (1 level)	283	197	.....
10.00 Total new obligations	1,528	1,571	1,330
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1,674	1,908	1,634
22.00 New financing authority (gross)	3,120	2,482	2,448
22.10 Resources available from recoveries of prior year obligations	11	.....	.....
22.40 Capital transfer to general fund	-674	.....	.....
22.60 Portion applied to repay debt	-695	-1,185	-1,185
23.90 Total budgetary resources available for obligation	3,436	3,205	2,897
23.95 Total new obligations	-1,528	-1,571	-1,330
24.40 Unobligated balance carried forward, end of year	1,908	1,634	1,567
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	1,713	1,070	1,192
Spending authority from offsetting collections:			
Mandatory:			
69.00 Offsetting collections (cash)	1,410	1,412	1,256
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-3	.....	.....
69.90 Spending authority from offsetting collections (total mandatory)	1,407	1,412	1,256
70.00 Total new financing authority (gross)	3,120	2,482	2,448
Change in obligated balances:			
72.40 Obligated balance, start of year	85	169	256
73.10 Total new obligations	1,528	1,571	1,330
73.20 Total financing disbursements (gross)	-1,436	-1,484	-1,257
73.45 Recoveries of prior year obligations	-11	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired)	3	.....	.....
74.40 Obligated balance, end of year	169	256	329
87.00 Undistributed/miscellaneous	1,436	1,484	1,257
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal Sources: Reestimate payment from program account	-157	-174	.....
88.00 Federal Sources: Subsidy payment from program account	-74	-82	-92
88.25 Federal Sources: Interest on uninvested funds	-122	-115	-115
88.40 Repayments of principal	-889	-868	-876
88.40 Repayments of interest	-162	-173	-173
88.40 Interest and principal repayments—judgements	-3	.....	.....
88.40 Proceeds from sale of acquired property	-3	.....	.....
88.40 Undistributed/miscellaneous .....	.....	.....	.....
88.90 Total, offsetting collections (cash)	-1,410	-1,412	-1,256
Against gross financing authority only:			
88.95 Change in receivables from program accounts	3	.....	.....
Net financing authority and financing disbursements:			
89.00 Financing authority	1,713	1,070	1,192
90.00 Financing disbursements	25	72	1

Status of Direct Loans (in millions of dollars)

Identification code 12-4212-0-3-351	2005 actual	2006 est.	2007 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	1,112	953	930
1121 Limitation available from carry-forward .....	.....	177	78
1143 Unobligated limitation carried forward (P.L. 106-113) (-)	-177	-78	.....
1150 Total direct loan obligations	935	1,052	1,008
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	4,448	4,342	4,364
1231 Disbursements: Direct loan disbursements	860	965	935
1251 Repayments: Repayments and prepayments	-889	-868	-876
Write-offs for default:			
1263 Direct loans	-77	-75	-75
1264 Other adjustments, net .....	.....	.....	.....
1290 Outstanding, end of year	4,342	4,364	4,348

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including credit sales of acquired property that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

This account finances direct loans for farm ownership, farm operating, emergency disaster, Indian land, boll weevil eradication, and credit sales of acquired property.

Balance Sheet (in millions of dollars)

Identification code 12-4212-0-3-351	2004 actual	2005 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	1,674	1,909
Investments in US securities:		
1106 Receivables, net	156	149
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	4,448	4,342
1402 Interest receivable	197	190
1403 Accounts receivable from foreclosed property	5	3
1405 Allowance for subsidy cost (-)	-591	-615
1499 Net present value of assets related to direct loans	4,059	3,920
1603 Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Allowance for estimated uncollectible loans and interest (-)	-80	-72
1999 Total assets	5,809	5,906
LIABILITIES:		
2104 Federal liabilities: Resources payable to Treasury	5,449	5,709
2207 Non-Federal liabilities: Other	360	197
2999 Total liabilities	5,809	5,906
4999 Total liabilities and net position	5,809	5,906

AGRICULTURAL CREDIT INSURANCE FUND GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4213-0-3-351	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Default Claims	27	57	57
00.02 Interest Assistance	68	110	110
00.03 Guaranteed Debt Offset/Purchases/Settlement Expense	16	.....	.....
00.04 Interest to Treasury	1	2	2
00.91 Direct Program by Activities—Subtotal (1 level)	112	169	169
08.02 Downward reestimate of subsidy	28	166	.....
08.04 Downward reestimate of subsidy-interest	10	47	.....

08.91	Subtotal, reestimates	38	213	.....
10.00	Total new obligations	150	382	169
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	193	237	205
22.00	New financing authority (gross)	136	350	157
22.10	Resources available from recoveries of prior year obligations	58	.....	.....
23.90	Total budgetary resources available for obligation	387	587	362
23.95	Total new obligations	-150	-382	-169
24.40	Unobligated balance carried forward, end of year	237	205	193
New financing authority (gross), detail:				
Mandatory:				
67.10	Authority to borrow	11	213	53
Mandatory:				
69.00	Spending authority from offsetting collections: Offsetting collections (cash)	125	137	104
70.00	Total new financing authority (gross)	136	350	157
Change in obligated balances:				
72.40	Obligated balance, start of year	351	314	314
73.10	Total new obligations	150	382	169
73.20	Total financing disbursements (gross)	-129	-382	-169
73.45	Recoveries of prior year obligations	-58	.....	.....
74.40	Obligated balance, end of year	314	314	314
87.00	Fees and premiums	129	382	169
Offsets:				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Payments from program account	-77	-82	-28
88.25	Interest on uninvested funds	-24	-25	-25
88.40	Fees and premiums	-23	-30	-51
88.90	Total, offsetting collections (cash)	-124	-137	-104
Against gross financing authority only:				
88.96	Portion of offsetting collections (cash) credited to expired accounts	-1	.....	.....
Net financing authority and financing disbursements:				
89.00	Financing authority	11	213	53
90.00	Financing disbursements	5	245	65

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4213-0-3-351	2005 actual	2006 est.	2007 est.	
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders	2,201	2,797	2,498
2121	Limitation available from carry-forward	77	83	.....
2143	Uncommitted limitation carried forward	-83	.....	.....
2150	Total guaranteed loan commitments	2,195	2,880	2,498
2199	Guaranteed amount of guaranteed loan commitments	1,976	2,592	2,248
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	10,224	10,208	10,455
2231	Disbursements of new guaranteed loans	2,191	2,448	2,125
2251	Repayments and prepayments	-2,149	-2,144	-2,196
Adjustments:				
2261	Terminations for default that result in loans receivable	-14	-2	-2
2263	Terminations for default that result in claim payments	-44	-55	-55
2290	Outstanding, end of year	10,208	10,455	10,327
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	9,170	9,406	9,294
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	15	25	25
2331	Disbursements for guaranteed loan claims	15	2	2
2351	Repayments of loans receivable	-2	-1	-1

2361	Write-offs of loans receivable	-3	-1	-1
2390	Outstanding, end of year	25	25	25

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

This account finances commitments made for farm ownership and operating guaranteed loan programs.

Balance Sheet (in millions of dollars)

Identification code 12-4213-0-3-351	2004 actual	2005 actual	
ASSETS:			
Federal assets:			
1101	Fund balances with Treasury	544	550
Investments in US securities:			
1106	Receivables, net	7	7
1206	Non-Federal assets: Receivables, net	2	3
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:			
1501	Defaulted guaranteed loans receivable, gross	15	25
1502	Interest receivable	-2	-2
1505	Allowance for subsidy cost (-)	-12	-18
1599	Net present value of assets related to defaulted guaranteed loans	1	5
1999	Total assets	554	565
LIABILITIES:			
Federal liabilities:			
2104	Resources payable to Treasury	3	13
2105	Other	38	213
Non-Federal liabilities:			
2201	Accounts payable	351	313
2204	Liabilities for loan guarantees	162	26
2999	Total liabilities	554	565
4999	Total liabilities and net position	554	565

AGRICULTURAL CREDIT INSURANCE FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4140-0-3-351	2005 actual	2006 est.	2007 est.	
Obligations by program activity:				
00.08	Loan recoverable costs	4	6	5
00.09	Minor Capital Improvements	1	1	1
00.91	Direct Program by Activities—Subtotal (1 level)	5	7	6
01.08	Administrative expenses—Department of Justice fees	1	1	1
01.09	Costs Incidental to Acquisition of Real Property	2	2	2
01.13	Interest assistance—guaranteed loans	1	2	1
01.14	Loss settlement expenses guaranteed loans	1	1	1
01.17	Unclassified costs	1	.....	.....
01.18	Civil rights settlements	2	2	2
01.91	Total operating expenses	4	9	7
10.00	Total new obligations	9	16	13
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	61	51	.....
22.00	New budget authority (gross)	50	16	13
22.10	Resources available from recoveries of prior year obligations	10	.....	.....
22.40	Capital transfer to general fund	-61	-51	.....
23.90	Total budgetary resources available for obligation	60	16	13
23.95	Total new obligations	-9	-16	-13
24.40	Unobligated balance carried forward, end of year	51	.....	.....
New budget authority (gross), detail:				
Spending authority from offsetting collections:				
Mandatory:				
69.00	Offsetting collections (cash)	600	566	483
69.27	Capital transfer to general fund	-550	-550	-470

Credit accounts—Continued

AGRICULTURAL CREDIT INSURANCE FUND LIQUIDATING ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-4140-0-3-351	2005 actual	2006 est.	2007 est.
69.90 Spending authority from offsetting collections (total mandatory)	50	16	13
Change in obligated balances:			
72.40 Obligated balance, start of year	7	1	1
73.10 Total new obligations	9	16	13
73.20 Total outlays (gross)	-5	-16	-13
73.45 Recoveries of prior year obligations	-10		
74.40 Obligated balance, end of year	1	1	1
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	5	16	13
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-1	-2	-2
88.40 Rent on acquired property		-1	
88.40 Guaranteed loans purchased from holders—principal		-1	
88.40 Interest on loans	-168	-175	-145
88.40 Miscellaneous undistributed receipts	7	-1	-1
88.40 Interest on judgments	-1	-2	-2
88.40 Repayments on loans—principal	-403	-348	-300
88.40 Judgments—principal	-7	-8	-7
88.40 Shared appreciation recapture	-12	-12	-10
88.40 Judgments Interest	-1	-1	-1
88.40 Sale of acquired property/chattels	-14	-14	-14
88.40 Write-offs		-1	-1
88.90 Total, offsetting collections (cash)	-600	-566	-483
Net budget authority and outlays:			
89.00 Budget authority	-550	-550	-470
90.00 Outlays	-595	-550	-470

Status of Direct Loans (in millions of dollars)

Identification code 12-4140-0-3-351	2005 actual	2006 est.	2007 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	2,702	2,254	1,876
1251 Repayments: Repayments and prepayments	-403	-318	-275
1261 Adjustments: Capitalized interest	10		
Write-offs for default:			
1263 Direct loans	-55	-60	-60
1264 Other adjustments, net ¹			
1290 Outstanding, end of year	2,254	1,876	1,541

¹ Amounts shown are based on payment of delinquent installments, advances on behalf of borrowers, acquired property and chattels, loans in kind, and judgments.

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4140-0-3-351	2005 actual	2006 est.	2007 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	168	130	99
2251 Repayments and prepayments	-35	-30	-25
2263 Adjustments: Terminations for default that result in claim payments	-3	-1	-1
2290 Outstanding, end of year	130	99	73
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	124	94	61
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	9	8	8
2364 Other adjustments, net	-1		
2390 Outstanding, end of year	8	8	8

As required by the Federal Credit Reform Act of 1990, this account records for the farm loan programs all cash flows to and from the Government resulting from direct loans obligated, loan guarantees committed, and grants made prior to 1992. New loan activity in 1992 and beyond (including credit sales of acquired property that resulted from obligations or commitments in any year) is recorded in corresponding program and financing accounts. Payments to settle certain discrimination claims against USDA may also be made from this account.

Balance Sheet (in millions of dollars)

Identification code 12-4140-0-3-351	2004 actual	2005 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	68	52
1505 Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable: Allowance for subsidy cost (-)	-335	-254
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601 Direct loans, gross	2,702	2,254
1602 Interest receivable	503	419
1603 Allowance for estimated uncollectible loans and interest (-)	-332	-267
1604 Direct loans and interest receivable, net	2,873	2,406
1605 Accounts receivable/judgments receivable	113	82
1606 Foreclosed property	28	21
1699 Value of assets related to direct loans	3,014	2,509
1701 Defaulted guaranteed loans, gross		9
1999 Total assets	2,747	2,316
LIABILITIES:		
2104 Federal liabilities: Resources payable to Treasury	2,734	2,313
Non-Federal liabilities:		
2201 Accounts payable	5	1
2204 Liabilities for loan guarantees	2	2
2207 Other	6	
2999 Total liabilities	2,747	2,316
4999 Total liabilities and net position	2,747	2,316

Object Classification (in millions of dollars)

Identification code 12-4140-0-3-351	2005 actual	2006 est.	2007 est.
25.2 Other services	8	8	12
33.0 Investments and loans	1	4	
43.0 Interest and dividends		4	1
99.9 Total new obligations	9	16	13

Federal Funds

Public enterprise funds:

**COMMODITY CREDIT CORPORATION FUND
REIMBURSEMENT FOR NET REALIZED LOSSES**

For the current fiscal year, such sums as may be necessary to reimburse the Commodity Credit Corporation for net realized losses sustained, but not previously reimbursed, pursuant to section 2 of the Act of August 17, 1961 (15 U.S.C. 713a-11): *Provided*, That of the funds available to the Commodity Credit Corporation under section 11 of the Commodity Credit Corporation Charter Act (15 U.S.C 714i) for the conduct of its business with the Foreign Agricultural Service, up to \$5,000,000 may be transferred to and used by the Foreign Agricultural Service for information resource management activities of the Foreign Agricultural Service that are not related to Commodity Credit Corporation business.

**HAZARDOUS WASTE MANAGEMENT
(LIMITATION ON EXPENSES)**

For the current fiscal year, the Commodity Credit Corporation shall not expend more than \$5,000,000 for site investigation and cleanup expenses, and operations and maintenance expenses to comply with

the requirement of section 107(g) of the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9607(g)), and section 6001 of the Resource Conservation and Recovery Act (42 U.S.C. 6961). (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-4336-0-3-999	2005 actual	2006 est.	2007 est.	
Obligations by program activity:				
00.01	Commodity purchases and related inventory transactions	5,024	4,590	3,480
00.02	Storage, transportation and other obligations	240	371	281
00.03	Export enhancement program	28	28	28
00.04	Market access program	140	150	190
00.05	Dairy export incentive program	2	1	35
00.07	Foreign market development cooperative	36	35	35
00.08	Quality Samples Program	1	3	3
00.10	Feed grains	8,805	7,285	7,955
00.11	Wheat	1,184	1,217	1,887
00.12	Rice	441	467	530
00.13	Cotton	3,283	2,282	1,966
00.14	Dairy Program	9	415	330
00.15	Tobacco Program	939	960	952
00.16	Peanut Program	269	270	244
00.17	Wool and Mohair Program	7	10	10
00.18	Honey	25	30	30
00.19	Lentils	2	8	9
00.21	Dry Peas Program	30	41	50
00.23	Non-Insured Assistance Program	110	380	328
00.24	Oilseeds Payment Program	906	503	1,873
00.25	Marketing Loan Writeoffs	318	508	1,011
00.27	Crop Disaster Program	2,395	374	
00.32	Livestock Assistance	70	300	
00.34	American Indian Livestock Assistance	25		
00.35	Conservation reserve program (CRP)	1,788	1,878	2,175
00.47	Reimbursable Agreement/Transfers to State and Federal Agencies	50	56	56
00.48	Treasury	383	483	470
00.49	Other Interest	7	6	7
00.52	Technical Assistance	43	124	153
00.57	BEHT Non-Commodity Costs	275	140	140
00.58	Section 416b/FFP/ocean transportation	71	66	63
01.92	Total support and related programs	26,828	23,001	24,291
09.01	Commodity loans	12,619	11,116	10,331
09.02	Commodities Procured—PL480 Titles II / III Commodity Costs	704	499	477
09.04	P. L. 480 ocean transportation	631	663	673
09.09	Subtotal, reimbursable programs	13,954	12,278	11,481
10.00	Total new obligations	40,782	35,279	35,772
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year		964	683
22.00	New budget authority (gross)	38,722	35,278	35,672
22.10	Resources available from recoveries of prior year obligations	2,733		
22.22	Unobligated balance transferred from other accounts	20	20	20
22.60	Portion applied to repay debt	271	-300	-603
23.90	Total budgetary resources available for obligation	41,746	35,962	35,772
23.95	Total new obligations	-40,782	-35,279	-35,772
24.40	Unobligated balance carried forward, end of year	964	683	

New budget authority (gross), detail:

Discretionary:				
40.00	Appropriation	179		
40.35	Appropriation permanently reduced			-100
41.00	Transferred to other accounts	-179		
43.00	Appropriation (total discretionary)			-100
Mandatory:				
60.00	Appropriation	12,277	25,431	19,740
60.47	Portion applied to repay debt	-10,295	-23,634	-17,312
61.00	Transferred to other accounts	-1,982	-1,797	-2,428
62.50	Appropriation (total mandatory)			
67.10	Authority to borrow	43,511	17,821	20,135
Spending authority from offsetting collections:				
Mandatory:				
69.00	Offsetting collections (cash)	14,266	17,445	15,629
69.00	MARAD Cargo Preference Reimbursements	59	12	8
69.10	Change in uncollected customer payments from Federal sources (unexpired)	102		

69.10	MARAD Cargo Preference Reimbursements	-35		
69.47	Portion applied to repay debt	-19,181		
69.90	Spending authority from offsetting collections (total mandatory)	-4,789	17,457	15,637
70.00	Total new budget authority (gross)	38,722	35,278	35,672

Change in obligated balances:

72.40	Obligated balance, start of year	4,389	7,173	4,810
73.10	Total new obligations	40,782	35,279	35,772
73.20	Total outlays (gross)	-34,982	-37,642	-34,899
73.31	Obligated balance transferred to other accounts	-216		
73.45	Recoveries of prior year obligations	-2,733		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-67		
74.40	Obligated balance, end of year	7,173	4,810	5,683

Outlays (gross), detail:

86.90	Outlays from new discretionary authority			-100
86.97	Outlays from new mandatory authority	29,085	18,802	17,509
86.98	Outlays from mandatory balances	5,897	18,840	17,490
87.00	Total outlays (gross)	34,982	37,642	34,899

Offsets:

Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Sales to special activities	-704	-499	-477
88.00	Advances from Foreign Assistance Programs (P.L. 480)	-1,438	-1,162	-1,150
88.00	Other Revenue	-166		
88.00	Tobacco Trust Fund	-899	-1,033	-955
88.00	MARAD Reimbursements	-59	-12	-8
88.40	Sales and other proceeds		-218	-74
88.40	Interest Revenue	-76	-94	-99
88.40	Loans Repaid	-7,089	-11,049	-10,264
88.40	Commodity Certificates Redeemed	-3,629	-3,384	-2,605
88.40	Export Credit Sales Program Repayments	-242	-4	-3
88.40	Interest Revenue	-23	-2	-2
88.90	Total, offsetting collections (cash)	-14,325	-17,457	-15,637
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-67		

Net budget authority and outlays:

89.00	Budget authority	24,330	17,821	20,035
90.00	Outlays	20,657	20,185	19,262

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	2005 actual	2006 est.	2007 est.
Budget Authority	24,330	17,821	20,035
Outlays	20,657	20,185	19,262
Legislative proposal, subject to PAYGO:			
Budget Authority			-1,081
Outlays			-1,081
Total:			
Budget Authority	24,330	17,821	18,954
Outlays	20,657	20,185	18,181

Status of Direct Loans (in millions of dollars)

Identification code 12-4336-0-3-999	2005 actual	2006 est.	2007 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	270	29	24
1251	Repayments: Repayments and prepayments	-241	-5	-3
1261	Adjustments: Capitalized interest			
1290	Outstanding, end of year	29	24	21
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans			
1131	Direct loan obligations exempt from limitation	12,619	11,119	10,461
1150	Total direct loan obligations	12,619	11,119	10,461
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	1,802	1,108	1,080
1231	Disbursements: Direct loan disbursements	12,619	11,119	10,461

Public enterprise funds—ContinuedCOMMODITY CREDIT CORPORATION FUND—Continued
(LIMITATION ON EXPENSES)—Continued

Status of Direct Loans (in millions of dollars)—Continued

Identification code 12-4336-0-3-999	2005 actual	2006 est.	2007 est.
1251 Repayments: Repayments and prepayments	-12,293	-11,046	-10,389
Write-offs for default:			
1263 Direct loans	-24		
1264 Other adjustments, net	-996	-101	-42
1290 Outstanding, end of year	1,108	1,080	1,110

The Commodity Credit Corporation (CCC) was created to stabilize, support, and protect farm income and prices; help maintain balanced and adequate supplies of agricultural commodities, their products, foods, feeds, and fibers; and help in their orderly distribution.

The Corporation's capital stock of \$100 million is held by the U.S. Treasury. Under present law, up to \$30 billion may be borrowed from the U.S. Treasury to finance operations.

Current, indefinite appropriation authority is requested to cover all net realized losses. Appropriations to the Corporation for net realized losses have no effect on budget authority, as they are used to repay debt directly with the Treasury.

Budget assumptions.—The following general assumptions form the basis for the Corporation's 2006 and 2007 budget estimates: (a) national income will rise both in 2006 and 2007 from the present level; (b) 2006 crop production will increase from 2005 crop levels for some commodities; (c) generally, exports of agricultural commodities in 2007 are expected to be lower than 2006 levels; and (d) yields for the 2006 crops are based on recent averages adjusted for trends.

It is difficult to accurately forecast requirements for the year ending September 30, 2007, since the projections are subject to complex and unpredictable factors such as weather, other factors which affect the volume of production of crops not yet planted, feed and food needs here and overseas, and available dollar exchange.

In 2003, USDA announced it had reserved 2 million Conservation Reserve Program acres for the continuous signup program. Within this reserved amount, USDA will make a special effort to help enhance wildlife habitat and sequester carbon by setting aside 500 thousand acres for bottomland hardwood tree planting. In 2004, USDA further enhanced CRP by announcing the Northern Bobwhite Quail Initiative and additional wetland restoration initiatives. Also in 2004, the Administration announced its commitment to full enrollment of CRP and that USDA will offer early reenrollment and extensions of expiring contracts. This activity, related to the 28 million acres expiring between 2007 and 2010, is scheduled to occur in FY 2006 and FY 2007. During 2005, about 387 thousand acres were signed up for continuous practices in signup 30. Together with the 2 million acres already enrolled, this maintains the 4-million-acre goal for continuous signup.

The 2001 Appropriations Act authorized the Secretary to enroll 500,000 acres during 2001 and 2002 for a Farmable Wetlands Pilot Program and required that the acreage enrolled not reduce the continuous-signup or CREP acreage. This authorization was expanded in the 2002 Farm Bill to include 1 million acres and all States.

P.L. 108-498, signed into law December 23, 2004, provides independent authority beginning October 1, 2004, for CRP funds to be used for technical assistance.

Appropriations are made to reimburse the Corporation for net realized losses sustained in carrying out its operations.

The 2002 Farm Bill provided a total of \$176 billion for payments to the farm sector, a 74 percent increase over the assistance the previous Farm Bill would have provided in

the absence of any additional emergency assistance. Not all of this assistance is appropriately targeted, and many of the programs may need to be reformed as a result of any new multilateral long-term trade agreements. Therefore, the Administration is proposing the following legislative changes to reduce agricultural subsidies, promote more efficient production decisions, and extend expiring programs:

- Reducing the payment limit cap for individuals to \$250,000 for crop payments, including all types of marketing loan gains, while removing the three-entity-rule.
- Reducing crop and dairy payments to farmers by 5 percent. Payments to farmers from all commodity programs (e.g. marketing loans, direct and counter-cyclical payments) would be calculated and payments would be reduced by 5 percent.
- The dairy price support program would be required to minimize expenditures.
- A sugar marketing assessment is to be paid by sugar processors on all processed sugar.
- A marketing assessment on milk would be required.

USDA has incorporated stochastic price and production variability into its 10-year budget baseline process starting with the FY 2007 President's Budget. For the 2006-2015 crops, Commodity Credit Corporation outlay projections for counter-cyclical payments, marketing loan benefits, and milk income loss contract payments are based on price probability distributions and flexibilities generated by the Economic Research Service's Food and Agricultural Policy Simulation model. This approach was used for feed grains (corn, barley, sorghum, oats), wheat, rice, upland cotton, soybeans, and dairy.

2006 ESTIMATE

(In millions of dollars)

Program	Gross obligations	Net outlays	Net realized loss for year
Farm income, marketing assistance loans, and price support:			
Commodity loans	11,116	4,565	0
Feed grain payments	7,285	9,526	7,285
Wheat payments	1,217	1,146	1,217
Rice payments	467	518	467
Cotton payments	2,272	2,343	2,272
Export enhancement program	28	28	28
Other support and related	8,968	-647	5,796
Other items not distributed by program:			
Interest	489	331	394
All other	273	367	273
Total, farm income, marketing assistance loans, and price-support programs	32,115	18,176	17,731
Conservation programs:			
Conservation reserve program	2,002	2,006	2,006
Soil and water conservation program		3	3
Total, conservation programs	2,002	2,009	2,009
Total, Commodity Credit Corporation	34,117	20,185	19,740

PROGRAMS OF THE CORPORATION

Price support, marketing assistance loans, and related stabilization programs.—The Corporation conducts programs to support farm income and prices and stabilize the market for agricultural commodities. Price support is provided to producers of agricultural commodities through loans, purchases, payments, and other means. This is done mainly under the Commodity Credit Corporation Charter Act, as amended, the Agricultural Act of 1949 (the 1949 Act), as amended, and the Farm Security and Rural Investment Act of 2002 (the 2002 Farm Bill).

Price support is mandatory for tobacco through 2004 and dairy products. Marketing assistance loans are mandatory for wheat, feed grains, oilseeds, upland cotton, peanuts, and rice. Loans are also required to be made for sugar, honey, wool, mohair, extra long staple cotton, and the pulse crops.

One method of providing support is loans to and purchases from producers. With limited exceptions, loans made on commodities are nonrecourse. The commodities serve as collateral

for the loan and on maturity the producer may deliver or forfeit such collateral to satisfy the loan obligation without further payment.

Direct purchases may be made from processors as well as producers, depending on the commodity involved. Also, special purchases are made under various laws for the removal of surpluses; for example, the Act of August 19, 1958, as amended, and section 416 of the Agricultural Act of 1949, as amended.

Direct Payments and Counter-Cyclical Payments. The 2002 Farm Bill established direct payments and counter-cyclical payments for May 2002 through 2007. The eligible commodities for both direct payments and counter-cyclical payments are wheat, corn, grain sorghum, barley, oats, upland cotton, rice, soybeans, other oilseeds, and peanuts.

Direct Payments are payments to producers for which payment yields and base acres are established. The commodity payment amount is calculated as follows: Payment Amount = specified rate × payment acres × payment yield. At the option of the producer, the producer can choose to receive advance payments (up to 50%) during the producer's selected month. The month selected may be any month during the period beginning on December 1 of the calendar year before the calendar year in which the crop of the covered commodity is harvested through the month within which the direct payment would otherwise be made.

Counter-Cyclical Payments are payments to producers for which payment yields and base acres are established for eligible commodities if it is determined that the effective commodity price is less than the target commodity price. Counter-cyclical payments will be made for the crop as soon as practicable after the end of the 12-month marketing year for the eligible commodity. If, before the end of the 12-month marketing year it is determined that counter-cyclical payments will be required for the eligible commodity, producers will be provided the option to receive partial payment of the projected counter-cyclical payment.

Marketing assessments. The 1949 Act mandated assessments for tobacco, and the 1996 Act required such assessments for peanuts and sugar. The 2000 Act suspended sugar marketing assessment collections through 2001. The 2002 Farm Bill did not resume the sugar marketing assessment collections. Tobacco marketing assessments were authorized through crop year 1998.

Marketing assistance loans. The 2002 Farm Bill authorized producers of eligible crops to receive non-recourse marketing assistance loans from the government for any quantity of a loan commodity produced on the farm by pledging their production as loan collateral. This loan shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made. The loan cannot be extended. As a condition of the receipt of a marketing assistance loan, the producer shall comply with applicable conservation requirements under subtitle B of title XII of the Food Security Act of 1985 and applicable wetland protection requirements under subtitle C of title XII of the Act during the term of the loan. Producers of eligible commodities can repay a marketing assistance loan at a rate that is the lesser of (1) the loan rate established for the commodity plus interest; or (2) a rate that the Secretary determines. Special rules apply to upland cotton, rice, and extra long staple cotton. Crops eligible for marketing assistance loans include wheat, corn, barley, oats, grain sorghum, rice, upland cotton, soybeans, extra long staple cotton, other oilseeds, dry peas, lentils, small chickpeas, honey, wool, and mohair.

Peanut price support program. Under the 2002 Farm Bill, peanuts qualify for direct payments, counter-cyclical payments, marketing assistance loans and loan deficiency payments for the 2002 through 2007 crops.

The 2002 Farm Bill terminated the marketing quota programs and repealed price support programs. The prior quota programs stayed in effect for the 2001 crop only, with quota buyout compensation payments being made during fiscal years 2002 through 2006. The prior price support programs remained in effect for the 2002 crop only, notwithstanding any other provision of law or crop insurance policy.

The 2002 Farm Bill established marketing assistance loans for the 2002 through 2007 crops, with the loan rate for peanuts of \$355 per ton. The payment rate shall be the amount by which the established loan rate exceeds the rate at which a loan may be repaid. The Farm Bill also requires that for crop years 2002 through 2006 CCC will pay storage, handling, and other associated costs to ensure proper storage of peanuts for which a loan is made. This authority terminates beginning with the 2007 crop.

Tobacco program. The American Jobs Creation Act of 2004, P.L. 108–357, eliminated the program effective with the 2005 crop. In return for losing the program, growers and quota holders will receive a buyout. The owners of quota will be paid \$7 per pound for the quota they hold. The actual producers will be paid \$3 per pound for the quota they produced. The legislation eliminates all geographic and poundage restrictions on tobacco production as well as price support. The buyout will be funded by assessments on the tobacco product manufacturers and importers. The program will cost \$10.14 billion, and the growers and quota holders will be paid over a 10-year period.

Sugar program. Sugar qualifies for price support. The 2002 Farm Bill extended the national average sugar loan rates to cover through the 2007 crops at 18 cents per pound for raw cane sugar and 22.9 cents per pound for refined beet sugar. Loans are available to processors of domestically grown sugarcane and sugar beets for a term of nine months that does not begin or extend beyond the end/beginning of a fiscal year. The non-recourse loans are extended through the 2007 crop for processors of domestically produced sugar beets and sugarcane including for in-process sugar. Loans for in-process sugar have a loan rate of 80% of the loan rate for raw cane sugar or refined beet sugar (based on the source material used). If forfeitures occur, the processor shall convert the in-process into final product at no cost to the CCC. Upon transfer, the processor will receive payment based on the loan rate less 80% of raw cane or refined beet sugar rate times the quantity of sugar transferred. The loan program is assumed to continue through the 2012 crop. The 2002 Farm Bill did not resume the sugar marketing assessment collections but authorized marketing allotments. The 2002 Act provides assistance for sugar donations in the amount of 10,000 tons to compensate sugar producers who suffer losses incurred beyond existing CCC administered programs.

Dairy program. The 2002 Farm Bill extended the Dairy Price Support Program from June 1, 2002 through December 31, 2007 at a rate of \$9.90 per hundredweight for milk containing 3.67% butterfat. The support program is carried out through the purchase of butter, nonfat dry milk, and cheese at prices that enable processors to pay dairy farmers, on average, the support price for milk. As under previous law, the Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that minimizes CCC expenditures or other objectives, as the Secretary considers appropriate. Cash CCC inventory sales (with some exceptions) shall be at any price that the Secretary determines will maximize CCC returns. The 2002 Farm Bill repealed all legislative authority for the Dairy Recourse Loan Program but established a new Milk Income Loss Contract Program (MILC), under which the Secretary may contract with eligible producers to make monthly payments when milk prices fall below specified levels.

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

PROGRAMS OF THE CORPORATION—Continued

Market loss assistance payments. The 2001 Appropriations Act provided \$99.8 million and the 2002 Appropriations Act provided \$75 million to apple producers for market loss assistance. The 2002 Farm Bill provided \$94 million in additional assistance, increasing apple market loss assistance to \$268.8 million. The 2002 Farm Bill also provided a \$10 million grant to the state of New York for market loss assistance to onion producers who suffered losses to onion crops during 1 or more of the 1996 through 2000 crop years.

Payment Limitations. In general, the 2002 Farm Bill revised the Food Security Act of 1985 (7 U.S.C. 1308) for payment limitations. The total amount of direct payments made to a person during any crop year for 1 or more covered commodities may not exceed \$40,000. The total amount of counter-cyclical payments made to a person during any crop year for 1 or more covered commodities may not exceed \$65,000. Separate limits apply to direct and counter-cyclical payments for peanuts. The total amount of gains and payments that a person may receive during any crop year under marketing assistance loan and loan deficiency payment provisions may not exceed \$75,000. Notwithstanding any other provision of law, an individual or entity shall not be eligible to receive any benefit described above if the average adjusted annual gross income of the individual or entity exceeds \$2,500,000, unless not less than 75 percent of the average adjusted gross income of the individual or entity is derived from farming, ranching, or forestry operations, as determined by the Secretary. This shall apply during the 2003 through 2007 crop years.

Disaster Payments. The Military Construction Appropriations and Emergency Hurricane Supplemental Appropriations Act, 2005, P.L. 108-324, authorized more than \$3 billion in financial relief for farmers, ranchers, foresters, and other agricultural producers who incurred losses due to weather conditions in recent years.

Noninsured Assistance Program. The Agricultural Risk Protection Act of 2000 eliminated the area loss requirement for triggers and made other changes. It also included a provision that all types or varieties of a crop or commodity may be considered to be a single eligible crop for NAP assistance.

Foreign Market Development and Food Assistance Programs.—

Dairy Export Incentive Program (DEIP). DEIP provides cash bonus payments to exporters to facilitate commercial sales of U.S. dairy products in overseas markets. Estimates of the quantity of dairy products to be exported under DEIP and associated expenditures were formulated within the maximum allowable expenditure and quantity levels specified in conjunction with provisions of the Uruguay Round Agreement. Consequently, current baseline projections assume that DEIP will not exceed \$116.6 million annually during FYs 2002–2012. Actual DEIP subsidies are further limited on a product-by-product basis under the Uruguay Round.

Export Enhancement Program (EEP). Current baseline projections assume an EEP annual program level for FYs 2003–2013 will be \$28 million. However, the 2002 Farm Bill authorizes funding up to \$478 million annually for EEP through 2007, which will be available for EEP programming should market conditions warrant. Actual subsidies for EEP are further limited on a product-by-product basis under the Uruguay Round.

Market Access Program (MAP). Under the MAP, CCC Funds are used to reimburse participating organizations for a portion of the costs of carrying out overseas marketing and promotional activities. The 2002 Farm Bill continued the authority for the MAP program and increased the funding as follows:

\$100 million for FY 2002, \$110 million for FY 2003, \$125 million for FY 2004, \$140 million for FY 2005, and \$200 million for FY 2006 and 2007. The 2007 Budget assumes funding of \$100 million for FY 2007.

Foreign Market Development Cooperator Program (FMD) and Quality Samples Program. Under the FMD program, cost-share assistance is provided to nonprofit commodity and agricultural trade associations to support overseas market development activities that are designed to remove long-term impediments to increased U.S. trade. The 2002 Farm Bill increased the available funds for this program to \$34.5 million for each of fiscal years 2002 through 2007.

CCC will fund the Quality Samples Program at an authorized annual level of \$2.5 million. Under this initiative, samples of U.S. agricultural products will be provided to foreign importers to promote a better understanding and appreciation for the high quality of U.S. products.

Commodity Donations. The 2002 Farm Bill authorizes the donation of surplus commodity inventory to domestic nutrition programs. The Corporation may also donate commodities under the authority of section 416(b) of the Agricultural Act of 1949 to carry out programs of assistance in developing countries and friendly countries and pay costs associated with making the commodities available. Commodities that are acquired by CCC in the normal course of its domestic support operations will be available for donation. The current CCC inventory has nonfat dry milk available for donation. The Corporation may also use its funds to furnish commodities overseas under the authority of the Food for Progress Act of 1985; however, not more than \$40 million of the funds of the Corporation (exclusive of the costs of commodities) may be used for each fiscal year.

The Bill Emerson Humanitarian Trust. The Bill Emerson Humanitarian Trust (BEHT) is a commodity reserve that was established to ensure that the United States can meet its international food aid commitments. Commodities authorized for the 4-million-ton reserve include wheat, corn, grain sorghum, and rice. The Secretary is authorized to release up to 500,000 metric tons for urgent humanitarian relief in disasters in the case of unanticipated need and to release an additional 500,000 metric tons of eligible commodities that could have been released but were not released in previous years. The Secretary is authorized to release eligible commodities from the reserve when supplies are so limited that eligible commodities cannot be made available for programming under P.L. 480. The 2002 Farm Bill extended the authorization to replenish the BEHT through FY 2007. CCC is authorized to hold funds as well as commodities in the reserve.

Conservation Programs.—Title II of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, authorizes funding for new and existing conservation programs implemented by the Farm Service Agency or the Natural Resources Conservation Service and funded through the Commodity Credit Corporation. The bill provides additional funding to help farmers adopt and maintain conservation systems that protect water quality, reduce soil erosion, protect and enhance wildlife habitat and wetlands, conserve water, and sequester carbon. One such program is the Conservation Reserve Program administered by FSA.

Up to 39.2 million acres may be enrolled at any one time. CRP is USDA's largest conservation/environmental program. The purpose of CRP is to cost-effectively assist farm owners and operators in conserving and improving soil, water, air, and wildlife resources by converting highly erodible and other environmentally sensitive acreage normally devoted to the production of agricultural commodities to a long-term resource-conserving cover. CRP participants enroll contracts for periods from 10 to 15 years in exchange for annual rental payments and cost-share and technical assistance for installing approved conservation practices.

The CRP is authorized in all 50 States, Puerto Rico, and the Virgin Islands, on all highly erodible cropland, other environmentally sensitive cropland, and certain marginal pastureland meeting the eligibility criteria. In addition to cropland in areas adjacent to lakes and streams that can be devoted to filter strips, and cropland subject to overflow and suffering from scour erosion, eligible land may include cropland contributing to water quality problems, and other lands posing environmental threats. Also eligible for the CRP are water quality or wildlife habitat impaired areas that do not meet the highly erodible land (HEL) criteria, such as the Chesapeake Bay, Great Lakes, and Long Island Sound watershed regions.

The financial assistance for conservation programs where the Natural Resources Conservation Service (NRCS) is the lead agency, is transferred from CCC to NRCS's Farm Security and Rural Investment Programs account (see the NRCS section). Specifically, these programs include the Environmental Quality Incentives Program, Wetlands Reserve Program, Wildlife Habitat Incentives program, Farm and Ranch Lands Protection Program, Conservation Security Program, and Grassland Reserve Program.

The Agricultural Risk Protection Act of 2000 authorized CCC funding of \$10 million for 2001 and subsequent years for the Agricultural Management Assistance Program (AMAP). AMAP provides cost-share assistance to producers in not less than 10, nor more than 15, States in which the Federal Crop Insurance Program is historically low as determined by the Secretary of Agriculture. The 2002 Farm Bill increased CCC funding to \$20 million annually. The Secretary delegated authority to Natural Resources Conservation Service, Risk Management Agency, and the Agricultural Marketing Service. The 2007 Budget assumes the \$14 million authorized for use will not be funded because the assistance AMAP provides is duplicative of other priority conservation programs, such as the Environmental Quality Incentives Program.

Emergency Forestry Conservation Reserve Program.—The Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006, P.L. 109-148, mandates that during calendar year 2006, the Secretary shall carry out an emergency pilot program in States that the Secretary determines have suffered damage to merchantable timber in counties affected by hurricanes during the 2005 calendar year. The Act provides \$404.1 million for this program.

Loan operations.—The following table reflects commodity loan operations of the Corporation:

(In millions of dollars)				
Item	2005 actual	2006 est.	2007 est.	
Loans outstanding, gross, start of year:				
Commodity Credit Corporation	1,802	1,108	1,075	
Additional loans made	12,619	11,116	10,331	
Deduct:				
Loans repaid	-12,293	-11,048	-10,264	
Acquisition of loan collateral	-978	-101	-42	
Write-offs	-42			
Total loans outstanding, gross, end of year	<u>1,108</u>	<u>1,075</u>	<u>1,100</u>	

Inventory operations.—The following table reflects the inventory operations applicable to the preceding programs:

AGRICULTURAL COMMODITIES				
(In millions of dollars)				
Item	2005 actual	2006 est.	2007 est.	
On hand, start of year, gross	<u>950</u>	<u>304</u>	<u>129</u>	
Acquisitions:				
Forfeiture of loan collateral	978	101	42	
Excess of collateral acquired over loans canceled	87	5	2	
Purchases	6,107	4,606	3,475	

Transfers and exchanges	-135	-24	0
Carrying charges:			
Charges to inventory	19	4	3
Storage and handling (non-add)	100	124	108
Transportation (non-add)	7	2	3
Total acquisitions	<u>7,056</u>	<u>4,691</u>	<u>3,523</u>
Dispositions:			
Domestic donations to:			
Families	74	19	13
Institutions	197	52	17
School lunch	0	0	0
Total domestic donations	<u>271</u>	<u>71</u>	<u>30</u>
Export donations	272	78	113
Sales and transfers:			
Special programs: Title II, Public Law 480	695	499	477
Title III, Public Law 480	0	0	0
Other sales	4,532	3,559	2,662
Net loss or gain (-) on sales and transfers	1,932	660	248
Total sales and transfers	<u>7,159</u>	<u>4,719</u>	<u>3,387</u>
Total dispositions	<u>7,702</u>	<u>4,868</u>	<u>3,530</u>
On hand, end of year, gross	304	129	122
Allowances for losses	-275	-117	-111
On hand, end of year, net	<u>29</u>	<u>12</u>	<u>11</u>

Other data.—The following table reflects other data which are applicable to price support and related programs:

DATA ON SUPPORT AND RELATED PROGRAMS

(In millions of dollars)

Item	2005 actual	2006 est.	2007 est.
Loans made	12,619	11,116	10,331
Loans repaid	12,293	11,048	10,264
Loan collateral forfeited	978	101	42
Loans outstanding, end of year	1,108	1,075	1,100
Acquisitions	7,056	4,691	3,523
Cost of commodities sold	7,159	4,719	3,387
Cost of commodities donated	543	148	142
Inventory, end of year	304	129	122
Investment in loans and inventory, end of year	1,412	1,204	1,222
Direct producer payments	17,790	18,721	17,476
Net expenditures	19,288	20,220	19,276
Realized losses	25,431	19,740	21,988

Operating expenses.—The Corporation carries out its functions through utilization of employees and facilities of other Government agencies. Administrative expenses are incurred by: the Farm Service Agency (FSA); the Foreign Agricultural Service; the Natural Resources Conservation Service; the Risk Management Agency; other agencies of the Department engaged in the Corporation's activities; and the Office of the Inspector General for audit functions. Additional expenses are incurred by FSA county offices for work related to programs of the Corporation, other FSA expenses offset by revenue, custodian, and agency expenses of the Federal Reserve banks and lending agencies, and miscellaneous costs.

Expenses are incurred for acquisition, operation, maintenance, improvement, or disposition of existing property that the Corporation owns or in which it has an interest. These expenses are treated as program expenses. Such program expenses include inspection, classing, and grading work performed on a fee basis by Federal employees or Federal- or State-licensed inspectors; and special services performed by Federal agencies within and outside this Department. Most of these general expenses, including storage and handling, transportation, inspection, classing and grading, and producer storage payments, are included in program costs. They are shown in the program and financing schedule in the entries entitled "Storage, transportation, and other obligations not included above," and "Producer storage payments."

Section 161 of the 1996 Act amended Section 11 of the CCC Charter Act to limit the use of CCC funds for the trans-

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

PROGRAMS OF THE CORPORATION—Continued

fer and allotment of funds to State and Federal agencies. The Section 11 cap of \$56 million including FSA loan service fees remains at \$56 million in fiscal year 2006.

The Corporation receives reimbursement for grain requisitioned pursuant to Public Law 87–152 by the States from Corporation stocks to feed resident wildlife threatened with starvation through the appropriation reimbursement for net realized losses. There have been no requisitions in recent years, however. The Corporation receives reimbursement for the commodity costs and other costs, including administrative costs, for commodities supplied to domestic nutrition programs and international food aid programs.

FINANCING

Borrowing authority.—The Corporation has an authorized capital stock of \$100 million held by the U.S. Treasury and, effective in 1988, authority to have outstanding borrowings up to \$30 billion at any one time.

Funds are borrowed from the Treasury and may also be borrowed from private lending agencies and others. The Corporation reserves a sufficient amount of its borrowing authority to purchase at any time all notes and other obligations evidencing loans made to the Corporation 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 as required by the Act of March 8, 1938.

Interest on borrowings from the Treasury (and on capital stock) is paid at a rate based upon the average interest rate of all outstanding marketable obligations (of comparable maturity date) of the United States as of the preceding month. Interest is also paid on other notes and obligations at a rate prescribed by the Corporation and approved by the Secretary of the Treasury.

The Department of Agriculture and Related Agencies Appropriation Act, 1966, made provision for terminating interest after June 30, 1964 on the portion of the Corporation's borrowings from the Treasury equal to the unreimbursed realized losses recorded on the books of the Corporation after the end of the fiscal year in which such losses are realized.

POSITION WITH RESPECT TO BORROWING AUTHORITY, END OF YEAR

(In millions of dollars)

Item	2005 actual	2006 est.	2007 est.
Statutory borrowing authority	30,000	30,000	30,000
Deduct: Borrowings from Treasury	19,169	15,741	17,181
Net statutory borrowing authority available	10,831	14,259	12,819

Note.—Accounts payable, accrued liabilities, and other outstanding obligations not reflected on this table do not become charges against the statutory borrowing authority until they result in borrowings from the Treasury.

Contract authority.—Price support and other programs required by statute may result in the Corporation incurring obligations in excess of available funds and borrowing authority. Such obligations are liquidated from subsequent appropriations and other funds that may become available to the Corporation. Any increase in obligations in excess of available fund resources is reported as contract authority in the year involved; a decrease is reported as the application of appropriations and other funds to liquidate the authority.

Appropriations.—Under section 2 of Public Law 87–155 annual appropriations are authorized for each fiscal year to reimburse the Corporation for net realized losses incurred as of the close of each year.

The special activities are financed as indicated in the program descriptions above. In addition to certain reimbursements from other agencies, appropriations are made for foreign assistance programs.

Deficit.—The net realized losses of the Corporation have previously been reimbursed as follows:

SUPPORT AND RELATED PROGRAMS

(In millions of dollars)

	2005 actual
Realized losses, 1933 to 2005, inclusive	418,443
Reimbursements by the Treasury:	
Reimbursements of realized losses:	
Appropriations (66 times)	389,854
Note cancellations (6 times)	2,698
Less dividends paid to Treasury (4 times)	–138
Total reimbursements for net realized losses	392,414
Other reimbursements:	
Appropriations (2 times)	542
Note cancellation (1 time)	56
Total other reimbursements	598
Total	393,012
Realized deficit as of September 30, 2005, support and related programs	25,431

Commodity Certificates.—Subtitle B of the 2000 Act allows for the use of commodity certificates. In making in-kind payments, CCC may (a) “acquire and use commodities that have been pledged to the Commodity Credit Corporation as collateral for loans made by the Corporation;” (b) “use other commodities owned by the Commodity Credit Corporation;” and (c) “redeem negotiable marketing certificates for cash under terms and conditions established. Commodity certificates discourage producers from forfeiting commodities pledged as collateral for CCC commodity loans. Certificates are used to repay marketing assistance loans when the adjusted world price (for rice and upland cotton) or the posted county price (for wheat, feed grains, soybeans, wool, mohair, honey, peanuts, dry peas, lentils, small chickpeas, and designated minor oilseeds) is lower than the applicable loan rate. The Budget assumes that commodity certificates may be exchanged for loan collateral through crop year 2015.

Balance Sheet (in millions of dollars)

Identification code 12–4336–0–3–999	2004 actual	2005 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	–1,089	–975
Investments in US securities:		
1106 Receivables, net	1,153	1,557
1107 Advances and prepayments	3	1
Non-Federal assets:		
1206 Receivables, net	439	357
1207 Advances and prepayments	35	28
Net value of assets related to pre–1992		
direct loans receivable and ac-		
quired defaulted guaranteed loans		
receivable:		
1601 Direct loans, gross	2,107	1,137
1602 Interest receivable	88	17
1603 Allowance for estimated uncollectible loans and		
interest (–)	–103	–97
1604 Direct loans and interest receivable, net	2,092	1,057
1699 Value of assets related to direct loans	2,092	1,057
Other Federal assets:		
1801 Cash and other monetary assets		59
1802 Inventories and related properties	141	29
1803 Property, plant and equipment, net	48	52
1999 Total assets	2,822	2,165
LIABILITIES:		
Federal liabilities:		
2101 Accounts payable	1,037	814
2102 Interest payable	72	323
2103 Debt	8,738	19,491
2105 Other	2,142	759
Non-Federal liabilities:		
2201 Accounts payable	314	466

2207	Other	5,456	14,695
2999	Total liabilities	17,759	36,548
NET POSITION:			
3300	Cumulative results of operations	-14,937	-34,383
3999	Total net position	-14,937	-34,383
4999	Total liabilities and net position	2,822	2,165

Note: Consistent with government-wide practice, information for 2004 and 2005 was not required to be collected.
Note.—In addition to obligations other than liabilities, the Corporation does not reflect in its accounts claims by the Corporation on which adequate proof has not been established.

Object Classification (in millions of dollars)

Identification code 12-4336-0-3-999	2005 actual	2006 est.	2007 est.	
Direct obligations:				
22.0	Transportation of things	352	208	205
25.2	Other services	222	425	380
25.2	Other services: Storage and handling	100	124	108
26.0	Supplies and materials: Costs of commodities sold or donated	5,024	4,590	3,480
41.0	Grants, subsidies, and contributions	20,740	17,164	19,641
43.0	Interest and dividends	390	490	477
99.0	Direct obligations	26,828	23,001	24,291
Reimbursable obligations:				
22.0	Transportation of things: P. L. 480 ocean transportation	631	663	673
26.0	Supplies and materials—Cost of Commodities Procured/Donated—PL 480	704	499	477
33.0	Investments and loans	12,619	11,116	10,331
99.0	Reimbursable obligations	13,954	12,278	11,481
99.9	Total new obligations	40,782	35,279	35,772

COMMODITY CREDIT CORPORATION FUND
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12-4336-4-3-999	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01	Direct program activity		-1,081
10.00	Total new obligations (object class 41.0)		-1,081
Budgetary resources available for obligation:			
22.00	New budget authority (gross)		-1,081
23.95	Total new obligations		1,081
New budget authority (gross), detail:			
Mandatory:			
67.10	Authority to borrow		-1,081
Change in obligated balances:			
73.10	Total new obligations		-1,081
73.20	Total outlays (gross)		1,081
Outlays (gross), detail:			
86.97	Outlays from new mandatory authority		-1,081
Net budget authority and outlays:			
89.00	Budget authority		-1,081
90.00	Outlays		-1,081

The 2007 President's Budget proposes to reduce CCC support to farmers by \$7.7 billion over ten years. In order to do so, the Administration proposes making the following legislative changes to reduce agricultural spending:

- Reduce all crop payments to farmers by 5 percent. Payment to farmers from all commodity programs (marketing loans, direct and counter-cyclical payments, and the Milk Income Loss Compensation program) would be calculated and payments would be reduced by 5 percent. (Savings = \$4.9 billion over 10 years).

- Initiate a sugar marketing assessment to be paid by sugar processors on all processed sugar. An assessment of 1.2% of the raw sugar loan rate would be paid by processors for sugar from both cane and beets. (Savings = \$364 million over 10 years).

- Require USDA to achieve effective dairy price supports at the least possible costs to the taxpayer. Change the law to require dairy product prices set by USDA to minimize costs, and allow purchases only when reported prices are below the support rate. This would change milk product price ratios to reduce government purchases and save on storage costs. (Savings = \$618 million over 10 years.)

- Reduce the payment limit cap for individuals to \$250,000 for all commodity payments, including all types of marketing loan gains while removing the three-entity-rule and making marketing loans recourse above the payment limit. (Savings = \$1.2 billion over 10 years).

- Initiate a dairy assessment to be paid by dairy producers. An assessment of 3 cents per hundredweight of milk produced to be paid by all dairy producers on all of their production. (Savings = \$578 million over 10 years).

COMMODITY CREDIT CORPORATION EXPORT LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For administrative expenses to carry out the Commodity Credit Corporation's export guarantee program, GSM 102 and GSM 103, **[\$5,279,000] \$5,331,000**; to cover common overhead expenses as permitted by section 11 of the Commodity Credit Corporation Charter Act and in conformity with the Federal Credit Reform Act of 1990, of which **[\$3,440,000] \$4,985,000** may be transferred to and merged with the appropriation for "Foreign Agricultural Service, Salaries and Expenses", including \$775,000 to be made available for debt recovery, and of which **[\$1,839,000] \$346,000** may be transferred to and merged with the appropriation for "Farm Service Agency, Salaries and Expenses". (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-1336-0-1-351	2005 actual	2006 est.	2007 est.	
Obligations by program activity:				
00.02	Guaranteed loan subsidy	152	128	115
00.07	Reestimates of subsidy	156	64	
00.08	Interest on reestimates	53	4	
00.09	Administrative expenses	4	5	5
10.00	Total new obligations	365	201	120
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	642	104	104
22.00	New budget authority (gross)	522	201	120
22.40	Capital transfer to general fund	-695		
23.90	Total budgetary resources available for obligation	469	305	224
23.95	Total new obligations	-365	-201	-120
24.40	Unobligated balance carried forward, end of year	104	104	104
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	4	5	5
Mandatory:				
60.00	Appropriation	309	128	115
60.00	Appropriation—upward reestimate	209	68	
62.50	Appropriation (total mandatory)	518	196	115
70.00	Total new budget authority (gross)	522	201	120
Change in obligated balances:				
72.40	Obligated balance, start of year	180	166	111
73.10	Total new obligations	365	201	120
73.20	Total outlays (gross)	-379	-256	-124
74.40	Obligated balance, end of year	166	111	107

Public enterprise funds—Continued**COMMODITY CREDIT CORPORATION EXPORT LOANS PROGRAM
ACCOUNT—Continued**

(INCLUDING TRANSFERS OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1336-0-1-351	2005 actual	2006 est.	2007 est.
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	4	5	5
86.97 Outlays from new mandatory authority	375	158	81
86.98 Outlays from mandatory balances		93	38
87.00 Total outlays (gross)	379	256	124
Net budget authority and outlays:			
89.00 Budget authority	522	201	120
90.00 Outlays	379	256	124

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-1336-0-1-351	2005 actual	2006 est.	2007 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Export guarantee program—GSM 102	2,325	2,485	2,535
215002 Export guarantee program—Supplier Credit	676	602	602
215003 Export guarantee program—Facilities		20	30
215901 Total loan guarantee levels	3,001	3,107	3,167
Guaranteed loan subsidy (in percent):			
232001 Export guarantee program—GSM 102	6.09	5.05	4.48
232002 Export guarantee program—Supplier Credit	1.55	0.22	-0.03
232003 Export guarantee program—Facilities	0.00	8.16	3.48
232901 Weighted average subsidy rate	5.07	4.13	3.61
Guaranteed loan subsidy budget authority:			
233001 Export guarantee program—GSM 102	142	125	114
233002 Export guarantee program—Supplier Credit	10	1	
233003 Export guarantee program—Facilities		2	1
233901 Total subsidy budget authority	152	128	115
Guaranteed loan subsidy outlays:			
234001 GSM 102 Subsidy Outlays	157	147	95
234002 Supplier Credit Subsidy Outlays	9	1	
234003 Facility Subsidy Outlays			
234901 Total subsidy outlays	166	148	95
Guaranteed loan upward reestimate subsidy budget authority:			
235001 GSM 102 Upward Reestimate	209		
235002 Supplier Credit Upward Reestimate		63	
235003 GSM 103 Upward Reestimate		5	
235901 Total upward reestimate budget authority	209	68	
Guaranteed loan downward reestimate subsidy budget authority:			
237001 Export guarantee program—GSM 102	-212	-541	
237002 Export guarantee program—Supplier Credit	-69	-6	
237003 Export guarantee program—GSM 103	-247	-4	
237901 Total downward reestimate subsidy budget authority	-528	-551	
Administrative expense data:			
351001 Budget authority—administrative expenses	4	5	5
359001 Outlays from new authority	4	5	5

This is the program account for the GSM-102 and GSM-103 CCC Export Credit Guarantee Programs. The Export Credit Guarantee Program (GSM-102) covers credit terms of up to 3 years. The Intermediate Export Credit Guarantee Program (GSM-103) was discontinued as of July 2005. Under these programs, CCC does not provide financing, but guarantees payments due from foreign banks and buyers. Because payment is guaranteed, financial institutions in the United States can offer competitive credit terms to foreign banks, usually with interest rates based on the London Inter-Bank Offered Rate (LIBOR). If the foreign bank fails to make any payment as agreed, the exporter or assignee must submit a notice of default to the CCC. A claim for loss must be

filed, and the CCC will promptly pay claims found to be in good order. CCC usually guarantees 98 percent of the principal payment due and interest based on a percentage of the one-year Treasury rate.

A portion of the guarantees made available under the GSM-102 program is provided as Supplier Credit Guarantees. Under this activity, CCC guarantees a portion of payment due from importers under short-term financing (for up to 180 days) that exporters have extended directly to the importers for the purchase of U.S. agricultural commodities and products. CCC does not provide financing, but guarantees payment due from an importer. A substantially smaller portion of the value of exports (currently 65 percent) is guaranteed under Supplier Credit Guarantees than under regular GSM-102 guarantees where CCC is guaranteeing foreign bank obligations.

A portion of the GSM-102 guarantees is also made available as Facilities Guarantees. Under this activity, CCC guarantees export financing for capital goods and services to improve handling, marketing, processing, storage, or distribution of imported agricultural commodities and products.

The subsidy estimates for the GSM-102 and GSM-103 programs are determined in large part by the obligor's sovereign or non-sovereign country risk grade. These grades are developed annually by the International Credit Risk Assessment System Committee (ICRAS). In unusual circumstances, an ICRAS grade for a country may change during the fiscal year. The default estimates for GSM guarantees are determined in large part by the risk premia assigned for each risk grade.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the credit guarantees committed in 1992 and beyond (including modifications of credit guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis. The 2007 Budget displays the GSM loan guarantee volume and the subsidy level that can be justified by forecast economic conditions, the expected supply/demand conditions of countries requesting GSM loan guarantees.

Object Classification (in millions of dollars)

Identification code 12-1336-0-1-351	2005 actual	2006 est.	2007 est.
25.3 Other purchases of goods and services from Government accounts	4	5	5
41.0 Grants, subsidies, and contributions	361	196	115
99.9 Total new obligations	365	201	120

**COMMODITY CREDIT CORPORATION EXPORT GUARANTEE FINANCING
ACCOUNT****Program and Financing** (in millions of dollars)

Identification code 12-4337-0-3-351	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Default claims	190	160	160
00.02 Interest on debt to Treasury	80	91	91
00.91 Subtotal, new loans	270	251	251
08.02 Reestimates of guaranteed loan subsidy	361	430	
08.04 Interest on reestimates of guaranteed loan subsidy	167	120	
08.91 Subtotal, reestimates	528	550	
10.00 Total new obligations	798	801	251
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1,277	1,159	1,428
22.00 New financing authority (gross)	680	1,070	399

23.90	Total budgetary resources available for obligation	1,957	2,229	1,827
23.95	Total new obligations	-798	-801	-251
24.40	Unobligated balance carried forward, end of year	1,159	1,428	1,576

New financing authority (gross), detail:

Mandatory:				
67.10	Authority to borrow	326	550	
Spending authority from offsetting collections:				
Mandatory:				
69.00	Offsetting collections (cash)	942	520	399
69.10	Receivable from Federal sources	-113		
69.27	Capital transfer to general fund	-475		
69.90	Spending authority from offsetting collections (total mandatory)	354	520	399
70.00	Total new financing authority (gross)	680	1,070	399

Change in obligated balances:

72.40	Obligated balance, start of year	-273	-160	-160
73.10	Total new obligations	798	801	251
73.20	Total financing disbursements (gross)	-798	-801	-251
74.00	Change in uncollected customer payments from Federal sources (unexpired)	113		
74.40	Obligated balance, end of year	-160	-160	-160
87.00	Total financing disbursements (gross)	798	801	251

Offsets:

Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Payments from program account	-374	-216	-95
88.25	Interest on uninvested funds	-60	-40	-40
88.40	Loan origination fee	-508	-29	-29
88.40	Principal collections		-120	-120
88.40	Interest collections		-115	-115
88.90	Total, offsetting collections (cash)	-942	-520	-399
Against gross financing authority only:				
88.95	Change in receivables from program accounts	113		

Net financing authority and financing disbursements:

89.00	Financing authority	-149	550	
90.00	Financing disbursements	-144	281	-148

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4337-0-3-351		2005 actual	2006 est.	2007 est.
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders			
2131	Guaranteed loan commitments exempt from limitation	3,000	3,107	3,167
2150	Total guaranteed loan commitments	3,000	3,107	3,167
2199	Guaranteed amount of guaranteed loan commitments	2,644	2,754	2,807
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	4,191	2,461	3,004
2231	Disbursements of new guaranteed loans	2,303	3,107	3,167
2251	Repayments and prepayments	-3,843	-2,401	-2,661
2263	Adjustments: Terminations for default that result in claim payments	-190	-163	-181
2290	Outstanding, end of year	2,461	3,004	3,329
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	2,249	2,746	3,043
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	1,794	1,604	1,644
2331	Disbursements for guaranteed loan claims	190	160	160
2351	Repayments of loans receivable	-376	-120	-120
2364	Other adjustments, net	-4		
2390	Outstanding, end of year	1,604	1,644	1,684

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from

the Government resulting from loan guarantees committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4337-0-3-351		2004 actual	2005 actual
ASSETS:			
Federal assets:			
1101	Fund balances with Treasury	1,004	997
1101	Accounts Receivable, net	359	233
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:			
1501	Defaulted guaranteed loans receivable, gross	1,794	1,605
1502	Interest receivable	27	24
1505	Allowance for subsidy cost (-)	-873	-691
1599	Net present value of assets related to defaulted guaranteed loans	948	938
1999	Total assets	2,311	2,168
LIABILITIES:			
Federal liabilities:			
2101	Accounts payable	273	398
2103	Debt	1,491	1,342
2105	Other	305	161
Non-Federal liabilities:			
2204	Liabilities for loan guarantees	242	261
2204	Liabilities for loan guarantees—Other		6
2999	Total liabilities	2,311	2,168
4999	Total liabilities and net position	2,311	2,168

COMMODITY CREDIT CORPORATION GUARANTEED LOANS LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4338-0-3-351		2005 actual	2006 est.	2007 est.
Obligations by program activity:				
00.01	Operating Expenses	6	1	1
10.00	Total new obligations (object class 25.3)	6	1	1
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	66	6	
22.00	New budget authority (gross)	7	1	1
22.40	Capital transfer to general fund	-61	-6	
23.90	Total budgetary resources available for obligation	12	1	1
23.95	Total new obligations	-6	-1	-1
24.40	Unobligated balance carried forward, end of year	6		
New budget authority (gross), detail:				
Spending authority from offsetting collections:				
Mandatory:				
69.00	Offsetting collections (cash)	1,768	226	216
69.27	Capital transfer to general fund	-1,761	-225	-215
69.90	Spending authority from offsetting collections (total mandatory)	7	1	1
Change in obligated balances:				
72.40	Obligated balance, start of year	1	3	3
73.10	Total new obligations	6	1	1
73.20	Total outlays (gross)	-4	-1	-1
74.40	Obligated balance, end of year	3	3	3
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	4	1	1
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-335		
88.40	Repayments of principal	-1,261	-148	-136
88.40	Interest received on loans	-166	-78	-80
88.40	Other Interest	-6		

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION GUARANTEED LOANS LIQUIDATING ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-4338-0-3-351	2005 actual	2006 est.	2007 est.
88.90 Total, offsetting collections (cash)	-1,768	-226	-216
Net budget authority and outlays:			
89.00 Budget authority	-1,761	-225	-215
90.00 Outlays	-1,763	-225	-215

Note.—Includes amounts for activities previously funded in the Commodity Credit Corporation Fund.

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4338-0-3-351	2005 actual	2006 est.	2007 est.
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	4,709	1,401	1,253
2351 Repayments of loans receivable	-1,261	-148	-136
2364 Other adjustments, net	-2,047		
2390 Outstanding, end of year	1,401	1,253	1,117

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from loan guarantees committed prior to 1992. This account is shown on a cash basis. All new activity in this program in 1992 and beyond is recorded in corresponding program and financing accounts.

Balance Sheet (in millions of dollars)

Identification code 12-4338-0-3-351	2004 actual	2005 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	67	8
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:		
1701 Defaulted guaranteed loans, gross	4,709	1,401
1702 Interest receivable	21	15
1703 Allowance for estimated uncollectible loans and interest (-)	-2,204	-122
1799 Value of assets related to loan guarantees ..	2,526	1,294
1999 Total assets	2,593	1,302
LIABILITIES:		
Federal liabilities:		
2101 Accounts payable		3
2104 Resources payable to Treasury	2,586	1,294
2207 Non-Federal liabilities: Other	7	5
2999 Total liabilities	2,593	1,302
4999 Total liabilities and net position	2,593	1,302

FARM STORAGE FACILITY LOANS PROGRAM ACCOUNT

For administrative expenses necessary to carry out the Farm Storage and Sugar Storage Facility Loan Programs, \$4,560,000, to be transferred to and merged with the appropriation for "Farm Service Agency, Salaries and Expenses".

Program and Financing (in millions of dollars)

Identification code 12-3301-0-1-351	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.05 Upward Reestimate	12	3	
00.06 Interest on Upward Reestimate	2		
00.09 Administrative Expenses			5
00.10 Non-recoverable costs		1	
10.00 Total new obligations (object class 41.0)	14	4	5

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year		1	
22.00 New budget authority (gross)	15	4	5
22.40 Capital transfer to general fund		-1	
23.90 Total budgetary resources available for obligation	15	4	5
23.95 Total new obligations	-14	-4	-5
24.40 Unobligated balance carried forward, end of year	1		

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation			5
Mandatory:			
60.00 Appropriation	15	4	
70.00 Total new budget authority (gross)	15	4	5

Change in obligated balances:

72.40 Obligated balance, start of year		1	
73.10 Total new obligations	14	4	5
73.20 Total outlays (gross)	-15	-4	-5
74.40 Obligated balance, end of year			

Outlays (gross), detail:

86.90 Outlays from new discretionary authority			5
86.97 Outlays from new mandatory authority	15	4	
87.00 Total outlays (gross)	15	4	5

Net budget authority and outlays:

89.00 Budget authority	15	4	5
90.00 Outlays	15	4	5

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-3301-0-1-351	2005 actual	2006 est.	2007 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Farm Storage facility loans	72	64	71
115002 Sugar Storage Facility Loans		3	3
115901 Total direct loan levels	72	67	74
Direct loan subsidy (in percent):			
132001 Farm Storage facility loans	-1.43	-0.62	0.38
132002 Sugar Storage Facility Loans	-5.25	-5.45	-2.71
132901 Weighted average subsidy rate	-1.43	-0.84	0.25
Direct loan subsidy budget authority:			
133001 Farm Storage facility loans	-1		
133002 Sugar Storage Facility Loans			
133901 Total subsidy budget authority	-1		
Direct loan subsidy outlays:			
134001 Farm Storage facility loans		-1	
134002 Sugar Storage Facility Loans			
134901 Total subsidy outlays		-1	
Direct loan upward reestimate subsidy budget authority:			
135001 Farm Storage facility loans	14	3	
135901 Total upward reestimate budget authority	14	3	
Direct loan downward reestimate subsidy budget authority:			
137001 Farm Storage facility loans	-5	-4	
137901 Total downward reestimate budget authority	-5	-4	
Administrative expense data:			
351001 Budget authority			5
359001 Outlays from new authority			5

Farm Storage Facility Loan (FSFL) Program. The FSFL program was established by CCC in 1949 to offer low-cost financing to producers for the construction or upgrade of on-farm storage facilities. The program was discontinued in the early 1980's when studies showed sufficient storage space was available. The FSFL was re-established in 2000 due to a severe shortage of sufficient available storage. The program was implemented in 2000 by CCC under Section 504(c) of the Federal Credit Reform Act of 1990. The program provides

producers financing with five- to ten-year repayment terms and low interest rates. The program gives producers greater marketing flexibility when farm storage is limited and/or transportation difficulties cause storage problems, allows farmers to benefit from new marketing and technological advances, and maximizes their returns through identity-preserved marketing.

Sugar Storage Facility Loans. The 2002 Farm Bill directs that the CCC establish a sugar storage facility loan program to provide financing for processors of domestically produced sugarcane and sugar beets to construct or upgrade storage and handling facilities for raw sugars and refined sugars. The loan term is a minimum of 7 years with the amount and terms being determined as any other commercial loan.

As required by the Federal Credit Reform Act of 1990, this account records the subsidy costs associated with the direct loans obligated in 1992 and beyond, as well as administrative expenses of this program. The subsidy amounts are estimated on a prevent value basis; the administrative expenses are estimated on a cash basis.

FARM STORAGE FACILITY DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4158-0-3-351	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct loans	72	67	74
00.02 Payment of interest to Treasury	12	12	12
00.03 Recovery of prior years' obligations	-3		
00.91 Obligations associated with loans	81	79	86
08.01 Negative subsidies paid to receipt account	1	1	
08.02 Downward reestimates paid to receipt accounts	5	4	
08.91 Other obligations by program activities	6	5	
10.00 Total new obligations	87	84	86
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	27	29	
22.00 New financing authority (gross)	168	140	145
22.10 Resources available from recoveries of prior year obligations	3		
22.60 Portion applied to repay debt	-57	-85	-59
22.75 Other authority withdrawn	-25		
23.90 Total budgetary resources available for obligation	116	84	86
23.95 Total new obligations	-87	-84	-86
24.40 Unobligated balance carried forward, end of year	29		
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	104	79	73
Spending authority from offsetting collections:			
Mandatory:			
69.00 Payments from program account	14	3	
69.00 Principal	37	44	56
69.00 Interest collections (cash)	8	8	10
69.00 Interest on Uninvested Funds	5	6	6
69.90 Spending authority from offsetting collections (total mandatory)	64	61	72
70.00 Total new financing authority (gross)	168	140	145
Change in obligated balances:			
72.40 Obligated balance, start of year	39	47	21
73.10 Total new obligations	87	84	86
73.20 Total financing disbursements (gross)	-76	-110	-87
73.45 Recoveries of prior year obligations	-3		
74.40 Obligated balance, end of year	47	21	20
87.00 Total financing disbursements (gross)	76	110	87

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00	Payments from Program Account	-14	-3
88.25	Interest on uninvested funds	-5	-6
88.40	Principal collections	-37	-44
88.40	Interest collections	-8	-8
88.90	Total, offsetting collections (cash)	-64	-61
Net financing authority and financing disbursements:			
89.00	Financing authority	104	79
90.00	Financing disbursements	12	49

Status of Direct Loans (in millions of dollars)

Identification code 12-4158-0-3-351	2005 actual	2006 est.	2007 est.
Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans		
1131	Direct loan obligations exempt from limitation	72	67
1150	Total direct loan obligations	72	67
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	187	210
1231	Disbursements: Direct loan disbursements	60	93
1251	Repayments: Repayments and prepayments	-37	-44
1290	Outstanding, end of year	210	259

Balance Sheet (in millions of dollars)

Identification code 12-4158-0-3-351	2004 actual	2005 actual
ASSETS:		
Federal assets:		
1101	Fund balances with Treasury	66
Investments in US securities:		
1106	Receivables, net	14
Net value of assets related to post-1991 direct loans receivable:		
1401	Direct loans receivable, gross	187
1402	Interest receivable	3
1405	Allowance for subsidy cost (-)	-1
1499	Net present value of assets related to direct loans	189
1999	Total assets	269
LIABILITIES:		
Federal liabilities:		
2103	Debt payable to Treasury	264
2105	Other Federal Liabilities	5
2999	Total liabilities	269
4999	Total liabilities and net position	269

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

APPLE LOANS PROGRAM ACCOUNT

The Agricultural Risk Protection Act of 2000 authorized up to \$5 million for the cost to provide loans to producers of apples for economic losses as the result of low prices. Although the program is funded through CCC, program management is performed through farm loan programs. No further funding is requested for this program.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated in 1992 and beyond (including modifications of direct loans or loan guarantees

Public enterprise funds—Continued

APPLE LOANS PROGRAM ACCOUNT—Continued

that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

EMERGENCY BOLL WEEVIL LOAN PROGRAM ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-3303-0-1-351	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.05 Upward Reestimate		2	
00.06 Interest on Reestimate		1	
10.00 Total new obligations (object class 41.0)		3	
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		3	
23.95 Total new obligations		-3	
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation		3	
Change in obligated balances:			
73.10 Total new obligations		3	
73.20 Total outlays (gross)		-3	
74.40 Obligated balance, end of year			
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority		3	
Net budget authority and outlays:			
89.00 Budget authority		3	
90.00 Outlays		3	

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-3303-0-1-351	2005 actual	2006 est.	2007 est.
Direct loan upward reestimate subsidy budget authority:			
135001 Emergency boll weevil loans		3	
135901 Total upward reestimate budget authority		3	

EMERGENCY BOLL WEEVIL DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4221-0-3-351	2005 actual	2006 est.	2007 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2	1	
22.00 New financing authority (gross)		3	
22.60 Portion applied to repay debt	-1	-4	
23.90 Total budgetary resources available for obligation	1		
24.40 Unobligated balance carried forward, end of year	1		
New financing authority (gross), detail:			
Mandatory:			
69.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)		3	
Offsets:			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources		-3	
Net financing authority and financing disbursements:			
89.00 Financing authority			

90.00 Financing disbursements			-3
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Status of Direct Loans (in millions of dollars)

Identification code 12-4221-0-3-351	2005 actual	2006 est.	2007 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1150 Total direct loan obligations			
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	10	10	10
1251 Repayments: Repayments and prepayments			
1263 Write-offs for default: Direct loans			
1290 Outstanding, end of year	10	10	10

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4221-0-3-351	2004 actual	2005 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury		1
Investments in US securities:		
1106 Receivables, net		3
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	10	10
1405 Allowance for subsidy cost (-)	-7	-10
1499 Net present value of assets related to direct loans	3	
1999 Total assets	3	4
LIABILITIES:		
2103 Federal liabilities: Debt	3	4
2999 Total liabilities	3	4
4999 Total liabilities and net position	3	4

TOBACCO TRUST FUND

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-8161-0-7-351	2005 actual	2006 est.	2007 est.
01.00 Balance, start of year			
01.99 Balance, start of year			
Receipts:			
02.60 Excise taxes for tobacco assessments, Tobacco trust fund	899	1,033	955
Appropriations:			
05.00 Tobacco trust fund	-899	-1,033	-955
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 12-8161-0-7-351	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
09.01 Tobacco Buyout Cost Reimbursement to CCC	899	1,033	955
10.00 Total new obligations (object class 41.0)	899	1,033	955
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	899	1,033	955
23.95 Total new obligations	-899	-1,033	-955

New budget authority (gross), detail:			
Mandatory:			
60.26	Appropriation (trust fund)	899	1,033 955
Change in obligated balances:			
73.10	Total new obligations	899	1,033 955
73.20	Total outlays (gross)	-899	-1,033 -955
Outlays (gross), detail:			
86.97	Outlays from new mandatory authority	899	1,033 955
Net budget authority and outlays:			
89.00	Budget authority	899	1,033 955
90.00	Outlays	899	1,033 955

22.00	New budget authority (gross)	852	875	798
22.10	Resources available from recoveries of prior year obligations	22		
23.90	Total budgetary resources available for obligation	923	907	798
23.95	Total new obligations	-892	-907	-798
24.40	Unobligated balance carried forward, end of year	32		

New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	838	840	745
40.33	Appropriation permanently reduced (P.L. 109-148)		-8	
40.35	Appropriation permanently reduced	-7		
40.36	Unobligated balance permanently reduced		-10	
43.00	Appropriation (total discretionary)	831	822	745
Spending authority from offsetting collections:				
Discretionary:				
68.00	Offsetting collections (cash)	34	53	53
68.10	Change in uncollected customer payments from Federal sources (unexpired)	-13		
68.90	Spending authority from offsetting collections (total discretionary)	21	53	53
70.00	Total new budget authority (gross)	852	875	798

Change in obligated balances:				
72.40	Obligated balance, start of year	247	312	245
73.10	Total new obligations	892	907	798
73.20	Total outlays (gross)	-817	-974	-821
73.45	Recoveries of prior year obligations	-22		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	13		
74.40	Obligated balance, end of year	312	245	222

Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	691	776	709
86.93	Outlays from discretionary balances	126	198	112
87.00	Total outlays (gross)	817	974	821

Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-22	-36	-36
88.40	Non-Federal sources	-12	-17	-17
88.90	Total, offsetting collections (cash)	-34	-53	-53
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	13		

Net budget authority and outlays:				
89.00	Budget authority	831	822	745
90.00	Outlays	783	921	768

NATURAL RESOURCES CONSERVATION SERVICE

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures for soil and water management as may be necessary to prevent floods and the siltation of reservoirs and to control agricultural related pollutants); operation of conservation plant materials centers; classification and mapping of soil; dissemination of information; acquisition of lands, water, and interests therein for use in the plant materials program by donation, exchange, or purchase at a nominal cost not to exceed \$100 pursuant to the Act of August 3, 1956 (7 U.S.C. 428a); purchase and erection or alteration or improvement of permanent and temporary buildings; and operation and maintenance of aircraft, **[\$839,519,000] \$744,877,000**, to remain available until May 31, 2007, of which not less than **[\$10,650,000] \$10,588,000** is for snow survey and water forecasting, and not less than **[\$10,547,000] \$10,678,000** is for operation and establishment of the plant materials centers, and of which not less than \$27,500,000 shall be for the grazing lands conservation initiative: *Provided*, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for construction and improvement of buildings and public improvements at plant materials centers, except that the cost of alterations and improvements to other buildings and other public improvements shall not exceed \$250,000: *Provided further*, That when buildings or other structures are erected on non-Federal land, that the right to use such land is obtained as provided in 7 U.S.C. 2250a: *Provided further*, That this appropriation shall be available for technical assistance and related expenses to carry out programs authorized by section 202(c) of title II of the Colorado River Basin Salinity Control Act of 1974 (43 U.S.C. 1592(c)): *Provided further*, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the Service. (7 U.S.C. 2201-02; 16 U.S.C. 1101-5; 33 U.S.C. 7016-11; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.)

[(RESCISSION)]

[Of the unobligated balances available under this heading, \$10,000,000 are rescinded: *Provided*, That funds for projects or activities identified in the Statement of Managers that accompanies House Report 109-255, pages 84 through 87, shall not be reduced due to such rescission.] (*Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-1000-0-1-302	2005 actual	2006 est.	2007 est.	
Obligations by program activity:				
00.01	Technical assistance	747	742	634
00.02	Soil surveys	89	89	89
00.03	Snow survey and water forecasting	10	11	11
00.04	Plant materials centers	13	12	11
09.00	Reimbursable program	33	53	53
10.00	Total new obligations	892	907	798
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	49	32	

Technical assistance.—Technical assistance is provided through 2,955 conservation districts or special districts to land users and decisionmakers, including individual landowners and operators, community groups, units of government, Indian tribes, and others for the planning of conservation programs and installation of needed conservation systems on the land, including design, layout, installation, and consultation services.

MAIN WORKLOAD FACTORS

	2005 Actual	2006 est.	2007 est.
Customers receiving technical assistance for planning & application, number	106,400	106,000	110,000
Conservation systems planned on cropland and grazing land, acres	42.1 million	35.8 million	45 million
Erosion reduction applied on cropland	3.9 million	3 million	3 million
Conservation practices applied on grazing land	13.2 million	9 million	8 million

Inventory and monitoring, resource appraisal, and program development activities are also funded through this account. Resource inventories are conducted to provide soil, water, and related resource data for evaluating land-use changes and trends; and for guidance in the development and implementation of Federal, State, and local resource conservation pro-

CONSERVATION OPERATIONS—Continued

grams. Resource appraisal and program development provides periodic reports to the public and Congress as required by the Soil and Water Resources Conservation Act of 1977 as amended.

Soil surveys.—Soil surveys and investigations are made on the soil resources of the Nation's private lands. NRCS provides this information as electronic and printed publications for use by the American public and other Federal, State and local agencies in making land-use decisions. NRCS uses the information for program development, resource conservation planning, and installation of planned practices. NRCS provides national leadership for the National Cooperative Soil Survey and digitizing of soil surveys in cooperation with States, and other users of soil survey data.

MAIN WORKLOAD FACTORS

	2005 actual	2006 est.	2007 est.
Acres mapped annually (millions)	32	32	34
Soil surveys released for public use, (million acres) ...	81.2	80	81

Snow survey and water supply forecasting.—Water supply forecasts prepared from snow surveys in western states are used in making efficient seasonal use of water for irrigation, flood control, fish and wildlife, recreation, power generation, municipal and industrial water supply, emergency management, and water quality management.

Operation of plant materials centers.—The selection and evaluation of plant materials are made at 26 plant materials centers through field trials to determine their suitability for erosion control, conservation, and other environmental improvements. Native plant species will be preferred and exotic species introductions phased out for this program.

Object Classification (in millions of dollars)

Identification code 12-1000-0-1-302	2005 actual	2006 est.	2007 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	408	398	345
11.3 Other than full-time permanent	8	8	7
11.5 Other personnel compensation	7	6	5
11.9 Total personnel compensation	423	412	357
12.1 Civilian personnel benefits	138	131	119
21.0 Travel and transportation of persons	20	19	17
22.0 Transportation of things	5	5	4
23.2 Rental payments to others	23	21	19
23.3 Communications, utilities, and miscellaneous charges	22	21	18
24.0 Printing and reproduction	3	3	3
25.2 Other services	181	205	176
26.0 Supplies and materials	17	16	14
31.0 Equipment	21	20	17
41.0 Grants, subsidies, and contributions	5		
42.0 Insurance claims and indemnities	1	1	1
99.0 Direct obligations	859	854	745
99.0 Reimbursable obligations	33	53	53
99.9 Total new obligations	892	907	798

Personnel Summary

Identification code 12-1000-0-1-302	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	7,277	6,638	5,720
Reimbursable:			
2001 Civilian full-time equivalent employment	215	300	300

FARM SECURITY AND RURAL INVESTMENT PROGRAMS

Program and Financing (in millions of dollars)

Identification code 12-1004-0-1-302	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Wetlands Reserve Program	267	250	403
00.02 Environmental Quality Incentives Program	950	1,017	1,000
00.03 Ground and Surface Water Conservation	65	51	51
00.04 Klamath Basin	10	8	6
00.05 Wildlife Habitat Incentives Program	46	43	55
00.06 Farm and Ranch Lands Protection Program	112	74	50
00.07 Conservation Security Program	202	259	342
00.08 Grassland Reserve Program	71	54	
00.10 Agricultural Management Assistance Program	14	5	
09.00 Reimbursable program-CRP	69	77	80
10.00 Total new obligations	1,806	1,838	1,987
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	1,868	1,838	1,987
23.95 Total new obligations	-1,806	-1,838	-1,987
23.98 Unobligated balance expiring or withdrawn	-63		
New budget authority (gross), detail:			
Discretionary:			
40.35 Appropriation permanently reduced			-370
Mandatory:			
62.00 Transferred from other accounts	1,799	1,761	2,277
Spending authority from offsetting collections:			
Mandatory:			
69.00 Offsetting collections (cash)	42	77	80
69.10 Change in uncollected customer payments from Federal sources (unexpired)	27		
69.90 Spending authority from offsetting collections (total mandatory)	69	77	80
70.00 Total new budget authority (gross)	1,868	1,838	1,987
Change in obligated balances:			
72.40 Obligated balance, start of year	833	2,703	2,892
73.10 Total new obligations	1,806	1,838	1,987
73.20 Total outlays (gross)	-1,608	-1,649	-1,585
73.32 Obligated balance transferred from other accounts	216		
73.40 Adjustments in expired accounts (net)	1,483		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-27		
74.40 Obligated balance, end of year	2,703	2,892	3,294
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			-196
86.97 Outlays from new mandatory authority	636	692	764
86.98 Outlays from mandatory balances	972	957	1,017
87.00 Total outlays (gross)	1,608	1,649	1,585
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-1,594	-77	-80
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-27		
88.96 Portion of offsetting collections (cash) credited to expired accounts	1,552		
Net budget authority and outlays:			
89.00 Budget authority	1,799	1,761	1,907
90.00 Outlays	13	1,572	1,505

The Farm Security and Rural Investment Act of 2002 (P.L. 107-171) reauthorizes a number of USDA's conservation programs. NRCS is responsible for implementing many of these programs. All of the assistance for programs where NRCS is the lead implementation agency is transferred from the Commodity Credit Corporation (CCC) to the Farm Security and Rural Investment Programs account. This account funds the cost-share, monitoring, easement, and other financial assistance activities associated with the programs under title II of the 2002 Farm Bill. In addition, this account funds the technical assistance costs necessary for delivering the En-

vironmental Quality Incentives Program, Ground and Surface Water Conservation, Klamath Basin, Wildlife Habitat Incentives Program, Farm and Ranch Land Protection Program, Conservation Security Program, Grassland Reserve Program, and Wetlands Reserve Program.

The following programs are funded in this account.

Wetlands Reserve Program (WRP) is authorized under Section 1237 of the Food Security Act of 1985, as amended. The authority provides for a total acreage enrollment cap of 2,275,000 acres. The purpose of the WRP is to preserve, protect, and restore valuable wetlands.

Environmental Quality Incentives Program (EQIP) was reauthorized in the Farm Security and Rural Investment Act of 2002. Funding is authorized at \$5.8 billion over 6 years with \$400 million in 2002 increasing to \$1.27 billion in 2007. The Budget proposes canceling funds in excess of \$1.0 billion in fiscal year 2007. The purpose of the program is to promote agricultural production and environmental quality as compatible national goals.

Ground and Surface Water Program (GSW) is authorized by Section 1240I of Title XII of the Food Security Act of 1985. Funding is authorized at \$310 million over six years. The purpose of the program is to promote ground and surface water conservation by providing cost-share payments and incentive payments to producers to carry out eligible water conservation activities. The Budget proposes canceling funds in excess of \$51 million in fiscal year 2007.

Klamath Basin is authorized by Section 1240I of Title XII of the Food Security Act of 1985. Funding is authorized at \$50 million over 6 years. The purpose of the Klamath Basin program is to carry out water conservation activities in the Klamath Basin located in California and Oregon.

Farm and Ranch Lands Protection Program (FRPP). The Farm Security and Rural Investment Act of 2002 repealed the Farmland Protection Program authorized by the Federal Agriculture Improvement and Reform Act of 1996 and authorized a new Farmland Protection Program. Funding is authorized at \$597 million over 6 years. The purpose of the program is to protect soil by limiting nonagricultural use of prime and unique farm and ranch land.

Wildlife Habitat Incentives Program (WHIP) is authorized by Section 1240N of the Food Security Act of 1985. Funding is authorized at \$360 million over 6 years. The purpose of the program is to develop habitat for upland wildlife, wetlands wildlife, threatened and endangered species, fish, and other types of wildlife. The Budget proposes canceling funds in excess of \$55 million in fiscal year 2007.

Conservation Security Program (CSP) is authorized by subchapter A chapter 2, subtitle D. Title XII of the Food Security Act of 1985 as added by the Farm Security and Rural Investment Act of 2002. The purpose of the program is to provide financial and technical assistance for the conservation, protection, and improvement of natural resources on Tribal and private working lands. The program provides assistance to producers who have already implemented high levels of conservation in order to reward and maintain their model stewardship. CSP also pays qualified producers to do further environmental enhancements to improve natural resource conditions on their agricultural operations.

Grassland Reserve Program (GRP) is authorized by Section 1238N of Title XII, of Food Security Act of 1985. Funding is authorized at \$254 million over 5 years. The purpose of the program is to assist landowners in restoring and protecting grassland. This program will reach its authorized level by the end of FY 2006.

Agricultural Management Assistance Program (AMA) is authorized by Section 211 of the Agriculture Risk Protection Act of 2000, Subtitle F, Section 2501(l)(4)(ii) of the Farm Security and Rural Investment Act of 2002 provides \$20 million annually for financial assistance in 15 states, as deter-

mined by the Secretary, in which participation in the Federal Crop Insurance Program is historically low. The program provides assistance to producers to mitigate financial risk by using conservation measures to reduce soil erosion and improve water quality. The Budget proposes canceling funds in excess of \$6 million in fiscal year 2007.

NRCS works to deliver these conservation programs using its technical field staff and by partnering with public and private entities through the Technical Service Provider (TSP) system. NRCS can contract with TSPs to help deliver the Farm Bill programs, or agricultural producers may select TSPs to help plan and implement conservation practices on their operations.

Object Classification (in millions of dollars)

Identification code 12-1004-0-1-302	2005 actual	2006 est.	2007 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	171	156	160
11.3 Other than full-time permanent	3	3	3
11.5 Other personnel compensation	4	3	3
11.9 Total personnel compensation	178	162	166
12.1 Civilian personnel benefits	52	49	51
21.0 Travel and transportation of persons	6	7	7
22.0 Transportation of things	1	2	2
23.2 Rental payments to others	10	10	11
23.3 Communications, utilities, and miscellaneous charges	9	10	10
24.0 Printing and reproduction	1	1	1
25.2 Other services	-135	68	113
26.0 Supplies and materials	8	8	8
31.0 Equipment	11	11	11
32.0 Land and structures	242	241	369
41.0 Grants, subsidies, and contributions	1,354	1,192	1,158
99.0 Direct obligations	1,737	1,761	1,907
99.0 Reimbursable obligations	69	77	80
99.9 Total new obligations	1,806	1,838	1,987

Personnel Summary

Identification code 12-1004-0-1-302	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	3,096	3,541	3,861
Reimbursable:			
2001 Civilian full-time equivalent employment	632	681	800

WATERSHED SURVEYS AND PLANNING

【For necessary expenses to conduct research, investigation, and surveys of watersheds of rivers and other waterways, and for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001-1009), \$6,083,000.】 (7 U.S.C. 2201-02; 16 U.S.C. 1101-5; 33 U.S.C. 7016-11; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.)

Program and Financing (in millions of dollars)

Identification code 12-1066-0-1-301	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct program	7	6	.....
10.00 Total new obligations	7	6	.....
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	7	6	.....
23.95 Total new obligations	-7	-6	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	7	6	.....
Change in obligated balances:			
72.40 Obligated balance, start of year	4	3	1

WATERSHED SURVEYS AND PLANNING—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1066-0-1-301	2005 actual	2006 est.	2007 est.
73.10 Total new obligations	7	6	.....
73.20 Total outlays (gross)	-8	-8	-1
74.40 Obligated balance, end of year	3	1	.....
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	5	5	.....
86.93 Outlays from discretionary balances	3	3	1
87.00 Total outlays (gross)	8	8	1
Net budget authority and outlays:			
89.00 Budget authority	7	6	.....
90.00 Outlays	8	8	1

Under the authorities of Public Law 83-566, watershed planning assistance is provided to States and communities to address specific resource problems on a watershed scale. The funds are used to cooperate with other agencies and the States in providing local decision makers with resource data, derived from cooperative river basin surveys and flood-plain management studies, for use in decision making. Watershed plans are used to develop the small watershed projects.

Watershed work plans are prepared by sponsoring local organizations with the Department's assistance or through State and local resources. The FY 2007 Budget does not request funding for this program because the Budget is also not proposing to fund additional watershed operations projects.

Object Classification (in millions of dollars)

Identification code 12-1066-0-1-301	2005 actual	2006 est.	2007 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	3	3	.....
12.1 Civilian personnel benefits	1	1	.....
25.2 Other services	1	1	.....
99.0 Direct obligations	5	5	.....
99.5 Below reporting threshold	2	1	.....
99.9 Total new obligations	7	6	.....

Personnel Summary

Identification code 12-1066-0-1-301	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	48	41	.....
Reimbursable:			
2001 Civilian full-time equivalent employment	1	1	.....

WATERSHED AND FLOOD PREVENTION OPERATIONS

For necessary expenses to carry out preventive measures, including but not limited to research, engineering operations, methods of cultivation, the growing of vegetation, rehabilitation of existing works and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001-1005 and 1007-1009), the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), and in accordance with the provisions of laws relating to the activities of the Department, \$75,000,000, to remain available until expended; of which up to \$10,000,000 may be available for the watersheds authorized under the Flood Control Act (33 U.S.C. 701 and 16 U.S.C. 1006a): *Provided*, That not to exceed \$30,000,000 of this appropriation shall be available for technical assistance: *Provided further*, That not to exceed \$1,000,000 of this appropriation is available to carry out the purposes of the Endangered Species Act of 1973 (Public Law 93-205), including cooperative efforts as contemplated by that Act to relocate endangered or threatened species to other suitable habitats as may be necessary to expedite project construction. (7 U.S.C.

2209b, 2225; 16 U.S.C. 1001-1005, 1007-1009; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.)

Program and Financing (in millions of dollars)

Identification code 12-1072-0-1-301	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Watershed operations (P.L. 534)	9	11	.....
00.03 Emergency watershed protection operations	363	454	.....
00.04 Small watershed operations (P.L. 566)	71	86	.....
09.01 Reimbursable program	35	32	.....
10.00 Total new obligations	478	583	.....
Budgetary resources available for obligation:			
21.00 Unobligated balance carried forward, start of year	161	178	.....
22.00 New budget authority (gross)	465	405	.....
22.10 Resources available from recoveries of prior year obligations	28	.....	.....
23.90 Total budgetary resources available for obligation	654	583	.....
23.95 Total new obligations	-478	-583	.....
24.40 Unobligated balance carried forward, end of year	178	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	430	375	.....
40.33 Appropriation permanently reduced (P.L. 109-148) .....	.....	-1	.....
40.35 Appropriation permanently reduced	-1	.....	.....
40.36 Unobligated balance permanently reduced	-1	.....	.....
43.00 Appropriation (total discretionary)	428	374	.....
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	7	31	.....
68.10 Change in uncollected customer payments from Federal sources (unexpired)	30	.....	.....
68.90 Spending authority from offsetting collections (total discretionary)	37	31	.....
70.00 Total new budget authority (gross)	465	405	.....
Change in obligated balances:			
72.40 Obligated balance, start of year	252	461	551
73.10 Total new obligations	478	583	.....
73.20 Total outlays (gross)	-211	-493	-335
73.45 Recoveries of prior year obligations	-28	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-30	.....	.....
74.40 Obligated balance, end of year	461	551	216
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	127	280	.....
86.93 Outlays from discretionary balances	84	213	335
87.00 Total outlays (gross)	211	493	335
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-5	-31	.....
88.40 Non-Federal sources	-2	.....	.....
88.90 Total, offsetting collections (cash)	-7	-31	.....
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-30	.....	.....
Net budget authority and outlays:			
89.00 Budget authority	428	374	.....
90.00 Outlays	203	462	335

These programs provide for cooperative actions between the Federal Government and States and their political subdivisions to reduce damage from floodwater, sediment, and erosion, for the conservation, development, utilization, and disposal of water, and for the conservation and proper utilization of land. Funds in Watershed and Flood Prevention Operations can be used for either flood prevention projects or flood dam-

age rehabilitation efforts, depending upon the needs and opportunities. In order to improve the environmental and economic benefits of these projects, NRCS intends to focus on developing and funding non-structural flood prevention measures.

Emergency watershed protection.—This program authorizes the Secretary of Agriculture to undertake such emergency measures for runoff retardation and soil erosion prevention as may be needed to safeguard life and property from floods and the products of erosion on any watershed whenever natural elements or forces cause a sudden impairment of that watershed. An emergency is considered to exist when a watershed is suddenly impaired by flood, fire, wind, earthquake, drought or other natural causes and consequently life and property are endangered by floodwater, erosion, or sediment discharge. The emergency area need not be declared a national disaster area to be eligible for emergency watershed protection. Emergency watershed protection is applicable to small scale, localized disasters as well as large scale disasters. State environmental, natural resource, fish and game, and other agencies participate in planning and coordinating emergency work. Funding for the emergency watershed protection program is typically provided through emergency supplemental appropriations.

Watershed operations authorized by Public Law 78-534.—The Department cooperates with soil conservation districts and other local organizations in planning and installing flood prevention improvements in 11 watersheds authorized by the Flood Control Act of 1944. The Federal Government shares the cost of improvements for flood prevention, agricultural water management, recreation, and fish and wildlife development.

Small watershed operations authorized by Public Law 83-566.—The Department provides technical and financial assistance to local organizations to install measures for watershed protection, flood prevention, agricultural water management, recreation, and fish and wildlife enhancement. At least 60 percent of the funding provided is used for financial assistance. The 2007 Budget redirects this program's resources to other priority programs within the Agency.

Loans through the Agricultural Credit Insurance Fund have been made in previous years to the local sponsors in order to fund the local cost of Public Law 83-566 or 78-534 projects. No funding for these loans is assumed in 2007.

The 2007 Budget does not request funding for the watershed operations program.

The following tabulation shows the status of Public Law 83-566 projects:

MAIN WORKLOAD FACTORS

Status of operational projects:	2005 actual	2006 est.	2007 est.
Projects receiving land treatment	164	145	.....
Structural projects	271	270	.....
Land treatment and structural	99	90	.....
Subtotal active projects	534	505	.....
Projects continuing post-installation assistance	989	999	.....
Inactive projects	30	50	.....
Project life completed	41	43	.....
Deauthorized projects	156	157	.....
Total operational projects	1,750	1,754	.....
New projects approved during year	1	4	.....

Object Classification (in millions of dollars)

Identification code 12-1072-0-1-301	2005 actual	2006 est.	2007 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	26	43	.....
11.3 Other than full-time permanent .....	.....	1	.....
11.5 Other personnel compensation	2	5	.....

11.9 Total personnel compensation	28	49	.....
12.1 Civilian personnel benefits	8	13	.....
21.0 Travel and transportation of persons	1	3	.....
23.2 Rental payments to others	2	2	.....
23.3 Communications, utilities, and miscellaneous charges	2	3	.....
25.2 Other services	22	55	.....
25.2 Other services	123	140	.....
26.0 Supplies and materials	2	3	.....
31.0 Equipment	3	5	.....
41.0 Grants, subsidies, and contributions	251	278	.....
99.0 Direct obligations	442	551	.....
99.0 Reimbursable obligations	34	32	.....
99.5 Below reporting threshold	2	.....	.....
99.9 Total new obligations	478	583	.....

Personnel Summary

Identification code 12-1072-0-1-301	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	440	704	.....
Reimbursable:			
2001 Civilian full-time equivalent employment	30	32	.....

WATERSHED REHABILITATION PROGRAM

For necessary expenses to carry out rehabilitation of structural measures, in accordance with section 14 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012), and in accordance with the provisions of laws relating to the activities of the Department, **[\$31,561,000]** \$15,300,000, to remain available until expended. (16 U.S.C. 1001 et seq.; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.)

Program and Financing (in millions of dollars)

Identification code 12-1002-0-1-301	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct program activity	28	32	15
09.01 Reimbursable program	1	.....	.....
10.00 Total new obligations	29	32	15
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2	1	.....
22.00 New budget authority (gross)	28	31	15
23.90 Total budgetary resources available for obligation	30	32	15
23.95 Total new obligations	-29	-32	-15
24.40 Unobligated balance carried forward, end of year	1	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	28	31	15
40.35 Appropriation permanently reduced .....	.....	.....	-65
43.00 Appropriation (total discretionary)	28	31	-50
Mandatory:			
62.00 Transferred from other accounts .....	.....	.....	65
70.00 Total new budget authority (gross)	28	31	15
Change in obligated balances:			
72.40 Obligated balance, start of year	33	41	47
73.10 Total new obligations	29	32	15
73.20 Total outlays (gross)	-21	-26	-26
74.40 Obligated balance, end of year	41	47	36
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	10	13	-59
86.93 Outlays from discretionary balances	11	13	20
86.97 Outlays from new mandatory authority .....	.....	.....	65
87.00 Total outlays (gross)	21	26	26
Net budget authority and outlays:			
89.00 Budget authority	28	31	15
90.00 Outlays	21	26	26

WATERSHED REHABILITATION PROGRAM—Continued

Under the authorities of section 14 of the Watershed Protection and Flood Prevention Act assistance is provided to communities to address concerns about local aging dams. The 2007 Budget request will support rehabilitation of the highest priority dam projects that have reached the end of their design life. NRCS may provide technical and financial assistance for the planning, design, and implementation of rehabilitation projects that may include upgrading or removing the dams.

Object Classification (in millions of dollars)

Identification code 12-1002-0-1-301	2005 actual	2006 est.	2007 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	6	6	3
12.1 Civilian personnel benefits	2	2	1
23.2 Rental payments to others		1	
25.2 Other services	5	6	2
25.2 Other services	4	4	2
31.0 Equipment	1	1	
41.0 Grants, subsidies, and contributions	9	10	5
99.0 Direct obligations	27	30	13
99.0 Reimbursable obligations	1		
99.5 Below reporting threshold	1	2	2
99.9 Total new obligations	29	32	15

Personnel Summary

Identification code 12-1002-0-1-301	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	99	96	47

RESOURCE CONSERVATION AND DEVELOPMENT

For necessary expenses in planning and carrying out projects for resource conservation and development and for sound land use pursuant to the provisions of sections 31 and 32 of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1010-1011; 76 Stat. 607); the Act of April 27, 1935 (16 U.S.C. 590a-f); and subtitle H of title XV of the Agriculture and Food Act of 1981 (16 U.S.C. 3451-3461), **[\$51,300,000] \$25,933,000**, to remain available until expended: *Provided*, That the Secretary shall enter into a cooperative or contribution agreement, within 45 days of enactment of this Act, with a national association regarding a Resource Conservation and Development program and such agreement shall contain the same matching, contribution requirements, and funding level, set forth in a similar cooperative or contribution agreement with a national association in fiscal year 2002: *Provided further*, That not to exceed \$3,411,000 shall be available for national headquarters activities]. (7 U.S.C. 2225; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.)

Program and Financing (in millions of dollars)

Identification code 12-1010-0-1-302	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.02 Technical assistance	52	51	26
09.01 Reimbursable program		1	1
10.00 Total new obligations	52	52	27
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	1
22.00 New budget authority (gross)	52	52	27
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	54	53	28
23.95 Total new obligations	-52	-52	-27
24.40 Unobligated balance carried forward, end of year	1	1	1
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	52	52	26

40.33 Appropriation permanently reduced (P.L. 109-148)		-1	
43.00 Appropriation (total discretionary)	52	51	26
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)		1	1
70.00 Total new budget authority (gross)	52	52	27
Change in obligated balances:			
72.40 Obligated balance, start of year	10	10	11
73.10 Total new obligations	52	52	27
73.20 Total outlays (gross)	-51	-51	-31
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	10	11	7
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	46	47	24
86.93 Outlays from discretionary balances	5	4	7
87.00 Total outlays (gross)	51	51	31
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources		-1	-1
Net budget authority and outlays:			
89.00 Budget authority	52	51	26
90.00 Outlays	51	50	30

The Resource Conservation and Development (RC&D) Program began in February 1964 under authority of Section 102 of the Food and Agricultural Act of 1962 (P.L. 87-703) and other Departmental authorities. Sections 1528-1538 of the Agricultural and Food Act of 1981 have replaced these authorities. This act authorized a program to encourage and improve the capability of State and local units of government and local nonprofit organizations in rural areas to plan, develop, and implement programs for resource conservation and development. Through the establishment of RC&D areas, led by a council, the program establishes or improves coordination systems in rural communities and builds rural community leadership skills to effectively utilize Federal, State and local programs for the communities' benefit. The Farm Security and Rural Investment Act of 2002 (P.L. 107-171) permanently reauthorized RC&D.

Designated RC&D areas are provided technical assistance to help States and local units of government prepare plans for resource development and economic improvement and to plan and install community-related conservation projects. Financial contributions, loans, and other Federal assistance may be used to help carry out projects specified in RC&D area plans. These coordinators help the area councils develop plans and proposals to compete for financial assistance from other Federal, State and private sources.

The 2007 Budget proposes new policy for the RC&D Program that consolidates and streamlines all RC&D areas and operations. Under this proposal the number of RC&D coordinators would be reduced from the current 375 to approximately 150. This policy is based on a finding that the program is duplicative of other USDA and Federal resource conservation and rural development programs. The new streamlined RC&D program will be focused on multi-county planning and intergovernmental relations.

The following tabulation shows the status of RC&D areas authorized to receive technical and financial assistance.

MAIN WORKLOAD FACTORS

	2005 actual	2006 est.	2007 est.
Areas funded at beginning of year	375	375	375
Areas funded at end of year	375	375	375
Project plans adopted	5,338	2,500	2,500
Projects completed	4,652	4,000	2,500

Object Classification (in millions of dollars)

Identification code 12-1010-0-1-302	2005 actual	2006 est.	2007 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	30	29	15
11.3 Other than full-time permanent	1	1	1
11.9 Total personnel compensation	31	30	16
12.1 Civilian personnel benefits	7	8	4
21.0 Travel and transportation of persons	1	1	.....
23.2 Rental payments to others	1	2	1
23.3 Communications, utilities, and miscellaneous charges	2	1	1
25.2 Other services	8	7	3
26.0 Supplies and materials	1	1	1
31.0 Equipment	1	1	.....
99.0 Direct obligations	52	51	26
99.0 Reimbursable obligations .....	.....	1	1
99.9 Total new obligations	52	52	27

Personnel Summary

Identification code 12-1010-0-1-302	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	491	467	234
Reimbursable:			
2001 Civilian full-time equivalent employment	1	1	1

BIOMASS RESEARCH AND DEVELOPMENT

Program and Financing (in millions of dollars)

Identification code 12-1003-0-1-271	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Biomass Research and Development	1	12	12
10.00 Total new obligations (object class 41.0)	1	12	12
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	14	14
22.00 New budget authority (gross)	14	12	12
23.90 Total budgetary resources available for obligation	15	26	26
23.95 Total new obligations	-1	-12	-12
24.40 Unobligated balance carried forward, end of year	14	14	14
New budget authority (gross), detail:			
Discretionary:			
40.35 Appropriation permanently reduced .....	.....	.....	-2
Mandatory:			
62.00 Transferred from other accounts	14	12	14
70.00 Total new budget authority (gross)	14	12	12
Change in obligated balances:			
72.40 Obligated balance, start of year	24	17	5
73.10 Total new obligations	1	12	12
73.20 Total outlays (gross)	-8	-24	-12
74.40 Obligated balance, end of year	17	5	5
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority .....	.....	.....	-2
86.97 Outlays from new mandatory authority .....	.....	12	14
86.98 Outlays from mandatory balances	8	12	.....
87.00 Total outlays (gross)	8	24	12
Net budget authority and outlays:			
89.00 Budget authority	14	12	12
90.00 Outlays	8	24	12

Biomass Research and Development is authorized by the Biomass Research and Development Act of 2000. The program provides competitive grants for research, development, and demonstration to encourage innovation and development re-

lated to biomass, and improved commercialization of biobased products and energy. USDA and the Department of Energy jointly administer the program.

Current priorities focus on the following: feedstock development and production; biobased products emphasizing environmental and economic performance; integrated resource management and biomass use; and effective and targeted incentive systems for biomass commercialization and adoption.

Personnel Summary

Identification code 12-1003-0-1-271	2005 actual	2006 est.	2007 est.
Reimbursable:			
2001 Civilian full-time equivalent employment	1	2	2

HEALTHY FORESTS RESERVE PROGRAM

For necessary expenses to carry out the Healthy Forests Reserve Program authorized under Title V of Public Law 108-148 (16 U.S.C. 6571-6578), \$2,475,000.

Program and Financing (in millions of dollars)

Identification code 12-1090-0-1-302	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct program activity	2	2
10.00 Total new obligations (object class 32.0)	2	2
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	2	2
23.95 Total new obligations	-2	-2
24.40 Unobligated balance carried forward, end of year
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	2	2
Change in obligated balances:			
73.10 Total new obligations	2	2
73.20 Total outlays (gross)	-1	-2
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1	1
86.93 Outlays from discretionary balances	1
87.00 Total outlays (gross)	1	2
Net budget authority and outlays:			
89.00 Budget authority	2	2
90.00 Outlays	1	2

Title V of the Healthy Forests Restoration Act of 2003 (Public Law 108-148) authorizes the establishment of the Healthy Forests Reserve Program (HFRP). The purpose of this program is to assist landowners in restoring, enhancing and protecting forest ecosystems to 1) promote the recovery of threatened and endangered species, 2) improve biodiversity, and 3) enhance carbon sequestration.

NRCS provides national leadership for the implementation of this voluntary program. At the state level, the NRCS State Conservationist determines how best to deliver HFRP and implement national policies in an efficient manner based on the national priorities identified in each sign-up announcement. Only privately held land is eligible for enrollment into HFRP. Land enrolled in the HFRP must have a restoration plan that includes practices necessary to restore and enhance habitat for species listed as threatened or endangered or candidates for the threatened or endangered species list. Technical assistance will be provided by USDA to assist owners in complying with the terms of restoration plans under the HFRP.

HEALTHY FORESTS RESERVE PROGRAM—Continued

Personnel Summary

Identification code 12-1090-0-1-302	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment		1	1

GREAT PLAINS CONSERVATION PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-2268-0-1-302	2005 actual	2006 est.	2007 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2		
22.00 New budget authority (gross)	-2		
23.90 Total budgetary resources available for obligation			
New budget authority (gross), detail:			
Discretionary:			
40.36 Unobligated balance permanently reduced	-2		
Change in obligated balances:			
74.40 Obligated balance, end of year			
Net budget authority and outlays:			
89.00 Budget authority	-2		
90.00 Outlays			

The 1996 Farm Bill combined the authority for this and several other conservation programs into the Environmental Quality Incentives Program. Prior-year account balances are maintained in this account until expended.

This program provides cost-share assistance to participating landowners or operators in the Great Plains area in the development and installation of long-term conservation plans and practices for their land under contracts entered into in prior years. It is a voluntary program in 556 designated counties of 10 Great Plains States. Contracts with individual landowners range in time from 3 to 10 years.

MAIN WORKLOAD FACTORS

	2005 actual	2006 est.
Program participants:		
Number of contracts serviced during year	220	31
Number of acres under contracts	528,248	113,500

Co-landowners or operators finance the entire cost of installing recurring management-type practices and pay a specified part of the cost-shared practices installed on their land. Program regulations provide that cost-share rates offered in any contract cannot exceed 80 percent of the cost of installing eligible practices within the designated county. There is a cost-sharing limitation of \$35,000 for any contract.

FORESTRY INCENTIVES PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3336-0-1-302	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct program activity	1		
10.00 Total new obligations (object class 41.0)	1		
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	6	4	4
22.00 New budget authority (gross)	-5		
22.10 Resources available from recoveries of prior year obligations	4		
23.90 Total budgetary resources available for obligation	5	4	4
23.95 Total new obligations	-1		

24.40 Unobligated balance carried forward, end of year	4	4	4
New budget authority (gross), detail:			
Discretionary:			
40.36 Unobligated balance permanently reduced	-5		
Change in obligated balances:			
72.40 Obligated balance, start of year	7	2	4
73.10 Total new obligations	1		
73.20 Total outlays (gross)	-1	2	1
73.45 Recoveries of prior year obligations	-4		
74.40 Obligated balance, end of year	2	4	5
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	1	-2	-1
Net budget authority and outlays:			
89.00 Budget authority	-5		
90.00 Outlays	1	-2	-1

No funds are proposed for the Forestry Incentives Program (FIP). The FIP was not reauthorized by the Farm Security and Rural Investment Act of 2002 (P.L. 107-171). Prior-year account balances are maintained in this account until expended.

FIP shares up to 65 percent of the cost of tree planting and timber stand improvement. The percentage cost-shared depends on the rate set in a particular State and county by NRCS, after consulting with the State forester. The program is available in designated counties based on a Forest Service survey of total eligible private timberland available for production of timber products. Technical assistance is provided by the Forest Service.

WATER BANK PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3320-0-1-302	2005 actual	2006 est.	2007 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	1
22.00 New budget authority (gross)	-1		
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	1	1	1
24.40 Unobligated balance carried forward, end of year	1	1	1
New budget authority (gross), detail:			
Discretionary:			
40.36 Unobligated balance permanently reduced	-1		
Change in obligated balances:			
72.40 Obligated balance, start of year	1		
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year			
Net budget authority and outlays:			
89.00 Budget authority	-1		
90.00 Outlays			

The objectives of the Water Bank Program are to conserve water; preserve, maintain, and improve the Nation's wetlands; increase waterfowl habitat in migratory waterfowl nesting, breeding, and feeding areas in the United States; and secure recreational and environmental benefits for the Nation. The program was authorized by the Water Bank Act of 1970, as amended by Public Law 96-182, approved January 2, 1980. Funding for the expiring 1985 Water Bank agreements were transferred from the Wetlands Reserve Program 1995 appropriation to this account as authorized under the Water Bank Extension Act of 1994. The 2007 Budget does not request program funding.

COLORADO RIVER BASIN SALINITY CONTROL PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3318-0-1-304	2005 actual	2006 est.	2007 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	1
24.40 Unobligated balance carried forward, end of year	1	1	1
Change in obligated balances:			
74.40 Obligated balance, end of year			
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

The Colorado River Basin Salinity Control Program (CRBSC), was authorized under section 202(c) of Title II of the Colorado River Basin Salinity Control Act, as amended by section 334, subtitle D, Title III of the Federal Agriculture Improvement Act (FAIR Act) of 1996. The FAIR Act, combined authority of the Agricultural Conservation Program (ACP), Water Quality Incentive Program (WQIP), Great Plains Conservation Program (GPCP), and the Colorado River Basin Salinity Control Program (CRBSC), into the Environmental Quality Incentives Program (EQIP). The FAIR Act also repealed CRBSC authority, while maintaining program account balances until expended.

Beginning in 1996, EQIP was implemented on an interim program level for CRBSC. Program funding provided cost-share assistance to landowners and others in the Colorado River Basin States to include: Colorado, Utah and Wyoming. The program's main objective is to enhance the supply and quality of water in the Colorado River for delivery to downstream users in the U.S. and Mexico.

WETLANDS RESERVE PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-1080-0-1-302	2005 actual	2006 est.	2007 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	1
24.40 Unobligated balance carried forward, end of year	1	1	1
Change in obligated balances:			
72.40 Obligated balance, start of year	1	1	1
74.40 Obligated balance, end of year	1	1	1
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

The 2002 Farm Bill reauthorized WRP through 2007. Funding for WRP is now provided through NRCS' Farm Security and Rural Investment Account.

Information displayed in this section represents unobligated balances from the non-CCC account in which WRP was funded prior to the 1996 Farm Bill.

WILDLIFE HABITAT INCENTIVES PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3322-0-1-302	2005 actual	2006 est.	2007 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2	3	3
22.10 Resources available from recoveries of prior year obligations	1		

23.90 Total budgetary resources available for obligation	3	3	3
24.40 Unobligated balance carried forward, end of year	3	3	3

Change in obligated balances:			
72.40 Obligated balance, start of year	16	13	11
73.20 Total outlays (gross)	-1	-2	-2
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	13	11	9

Outlays (gross), detail:			
86.98 Outlays from mandatory balances	1	2	2

Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	1	2	2

Section 1240N of the Food Security Act of 1985, as amended by Section 2502 of the Farm Security and Rural Investment Act of 2002 (2002 Farm Bill), authorized the Wildlife Habitat Incentives Program (WHIP) as a voluntary approach to improving wildlife habitat in our nation. The Natural Resources Conservation Service (NRCS) provides program administration for WHIP.

WHIP is a voluntary program that provides assistance to eligible participants to develop upland wildlife, wetland wildlife, threatened and endangered species, fish and other types of wildlife habitat in an environmentally beneficial and cost effective manner. The purpose of the program is to create high-quality wildlife habitats that support wildlife populations of local, state, and national significance.

The 2002 Farm Bill reauthorized WHIP through 2007. Funding for WHIP is now provided through NRCS's Farm Security and Rural Investment Account. Information displayed in this section represents unobligated balances remaining from the 1996 Farm Bill only.

AGRICULTURAL RESOURCE CONSERVATION DEMONSTRATION PROGRAM ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-2086-0-1-351	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.07 Reestimate of loan guarantee subsidy		1	
10.00 Total new obligations (object class 41.0)		1	

Budgetary resources available for obligation:			
22.00 New budget authority (gross)		1	
23.95 Total new obligations		-1	

New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation		1	

Change in obligated balances:			
73.10 Total new obligations		1	
73.20 Total outlays (gross)		-1	

Outlays (gross), detail:			
86.97 Outlays from new mandatory authority		1	

Net budget authority and outlays:			
89.00 Budget authority		1	
90.00 Outlays		1	

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-2086-0-1-351	2005 actual	2006 est.	2007 est.
Guaranteed loan upward reestimate subsidy budget authority:			
235001 Upward reestimate subsidy budget authority		1	

AGRICULTURAL RESOURCE CONSERVATION DEMONSTRATION PROGRAM
ACCOUNT—Continued

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)—Continued

Identification code 12-2086-0-1-351	2005 actual	2006 est.	2007 est.
235901 Total upward reestimate budget authority		1	
Guaranteed loan downward reestimate subsidy budget authority:			
237001 Downward reestimate subsidy budget authority		-1	
237901 Total downward reestimate subsidy budget authority		-1	

Credit accounts:

AGRICULTURAL RESOURCE CONSERVATION DEMONSTRATION
GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4177-0-3-351	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
08.02 Downward Reestimate Payment to receipt account		1	
10.00 Total new obligations		1	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	
23.95 Total new obligations		-1	
24.40 Unobligated balance carried forward, end of year	1		
Change in obligated balances:			
73.10 Total new obligations		1	
73.20 Total financing disbursements (gross)		-1	
87.00 Total financing disbursements (gross)		1	
Offsets:			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources		-1	
Against gross financing authority only:			
88.96 Portion of offsetting collections (cash) credited to expired accounts		1	
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements			

This program, also known as "Farms for the Future," provides guarantees and interest assistance on loans made to State trust funds, who in turn finance acquisitions to preserve farmland in selected states. No guarantees have been made since 1993.

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loans committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4177-0-3-351	2004 actual	2005 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	1	1
Investments in US securities:		
1106 Receivables, net		1
1999 Total assets	1	2
LIABILITIES:		
Federal liabilities:		
2104 Resources payable to Treasury	1	1
2105 Other		1
2999 Total liabilities	1	2
4999 Total liabilities and net position	1	2

Trust Funds

MISCELLANEOUS CONTRIBUTED FUNDS

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-8210-0-7-302	2005 actual	2006 est.	2007 est.
01.00 Balance, start of year	5	5	6
01.99 Balance, start of year	5	5	6
Receipts:			
02.20 Miscellaneous contributed funds		1	1
04.00 Total: Balances and collections	5	6	7
07.99 Balance, end of year	5	6	7

Program and Financing (in millions of dollars)

Identification code 12-8210-0-7-302	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct program activity		3	2
10.00 Total new obligations (object class 25.2)		3	2
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	5	5	2
23.95 Total new obligations		-3	-2
24.40 Unobligated balance carried forward, end of year	5	2	
Change in obligated balances:			
72.40 Obligated balance, start of year	1		
73.10 Total new obligations		3	2
73.20 Total outlays (gross)	-1	-3	-2
74.40 Obligated balance, end of year			
Outlays (gross), detail:			
86.98 Outlays from mandatory balances	1	3	2
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	1	3	2

Funds received from State and local organizations, and others are available for work under cooperative agreements for soil survey, watershed protection, and resource conservation and development activities.

Personnel Summary

Identification code 12-8210-0-7-302	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	1	1	1

RURAL DEVELOPMENT

Federal Funds

General and special funds:

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses for carrying out the administration and implementation of programs in the Rural Development mission area, including activities with institutions concerning the development and operation of agricultural cooperatives; and for cooperative agreements; [\$164,625,000] \$170,741,000: Provided, [That of the funds appropriated under this title for salaries and expenses, \$11,147,000, to remain available until September 30, 2007, shall be used to complete the consolidation of Rural Development activities in St. Louis, Missouri: Provided further,] That notwithstanding any other provision of law, funds appropriated under this section may be used for advertising and promotional activities that support the Rural Development mission area: Provided further, That not more than \$10,000

may be expended to provide modest nonmonetary awards to non-USDA employees: *Provided further*, That any balances available from prior years for the Rural Utilities Service, Rural Housing Service, and the Rural Business-Cooperative Service salaries and expenses accounts shall be transferred to and merged with this appropriation. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-0403-0-1-452	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct program	147	163	171
09.01 Reimbursable program	506	496	500
10.00 Total new obligations	653	659	671
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	655	659	671
23.95 Total new obligations	-653	-659	-671
23.98 Unobligated balance expiring or withdrawn	-3		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	148	165	171
40.33 Appropriation permanently reduced (P.L. 109-148)		-2	
40.35 Appropriation permanently reduced	-1		
43.00 Appropriation (total discretionary)	147	163	171
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	506	496	500
68.10 Change in uncollected customer payments from Federal sources (unexpired)	2		
68.90 Spending authority from offsetting collections (total discretionary)	508	496	500
70.00 Total new budget authority (gross)	655	659	671
Change in obligated balances:			
72.40 Obligated balance, start of year	130	132	127
73.10 Total new obligations	653	659	671
73.20 Total outlays (gross)	-647	-664	-668
73.40 Adjustments in expired accounts (net)	-3		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-2		
74.10 Change in uncollected customer payments from Federal sources (expired)	1		
74.40 Obligated balance, end of year	132	127	130
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	566	561	570
86.93 Outlays from discretionary balances	81	103	98
87.00 Total outlays (gross)	647	664	668
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-507	-496	-500
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-2		
88.96 Portion of offsetting collections (cash) credited to expired accounts	1		
Net budget authority and outlays:			
89.00 Budget authority	147	163	171
90.00 Outlays	140	168	168

Since 2001, Rural Development has had a consolidated Salaries and Expenses account to administer all Rural Development programs, including programs administered by the Rural Utilities Service (RUS), the Rural Housing Service (RHS), and the Rural Business-Cooperative Service (RBS).

RUS provides grants, direct loans and loan guarantees to suppliers of electric, telecommunications (for general purpose and for distance learning/telemedicine), and water and wastewater services in rural areas. Through the water and wastewater program, RUS also provides technical assistance. The programs are administered in Washington, DC. The Rural

Development field office staff performs the services related to the water and wastewater grant and loan programs. For the electric and telecommunication loans, general field representatives visit borrowers periodically and maintain liaisons between the borrowers and headquarters.

RHS was formed from the Rural Housing section of the Farmers Home Administration and the Community Facilities Division of the Rural Development Administration. RHS delivers rural housing and community facility programs through a system of State, area, and local offices.

RBS includes programs from the former Rural Development Administration, rural development programs from the former Rural Electrification Administration, and the Agricultural Cooperative Service. This agency delivers loan and grant programs, as well as technical assistance, to cooperatives and rural businesses.

Object Classification (in millions of dollars)

Identification code 12-0403-0-1-452	2005 actual	2006 est.	2007 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	87	100	106
11.3 Other than full-time permanent	1	1	1
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	89	102	108
12.1 Civilian personnel benefits	23	26	28
21.0 Travel and transportation of persons	4	4	4
23.1 Rental payments to GSA	5	5	5
23.2 Rental payments to others	1	2	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
24.0 Printing and reproduction	1	1	1
25.2 Other services	11	13	12
25.4 Operation and maintenance of facilities	1	1	1
25.5 Research and development contracts	6	6	6
25.7 Operation and maintenance of equipment	2		2
26.0 Supplies and materials	2	1	1
31.0 Equipment	1	1	1
99.0 Direct obligations	147	163	171
99.0 Reimbursable obligations	506	496	500
99.9 Total new obligations	653	659	671

Personnel Summary

Identification code 12-0403-0-1-452	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	1,515	1,700	1,748
Reimbursable:			
2001 Civilian full-time equivalent employment	5,065	5,172	5,124

RURAL COMMUNITY ADVANCEMENT PROGRAM
(INCLUDING TRANSFERS OF FUNDS)

For the cost of direct loans, loan guarantees, and grants, as authorized by 7 U.S.C. 1926, 1926a, 1926c, 1926d, and 1932, except for sections 381E-H and 381N of the Consolidated Farm and Rural Development Act, **[\$701,941,000] \$600,762,000**, to remain available until expended, of which **[\$82,620,000] \$43,477,000** shall be for rural community programs described in section 381E(d)(1) of such Act; of which **[\$530,100,000] \$514,121,000** shall be for the rural utilities programs described in sections 381E(d)(2), 306C(a)(2), and 306D of such Act, of which not to exceed \$500,000 shall be available for the rural utilities program described in section 306(a)(2)(B) of such Act, and of which not to exceed \$1,000,000 shall be available for the rural utilities program described in section 306E of such Act; and of which **[\$89,221,000] \$43,164,000** shall be for the rural business and cooperative development programs described in sections 381E(d)(3) and 310B(f) of such Act: *Provided*, That of the total amount appropriated in this account, **[\$25,000,000] \$9,000,000** shall be for loans and grants to benefit Federally Recognized Native American Tribes, including grants for drinking water and waste disposal systems pursuant to section 306C of such Act, of which \$4,464,000 shall be available for community facilities grants to tribal colleges,

General and special funds—Continued

RURAL COMMUNITY ADVANCEMENT PROGRAM—Continued
(INCLUDING TRANSFERS OF FUNDS)—Continued

as authorized by section 306(a)(19) of the Consolidated Farm and Rural Development Act, and of which \$250,000 shall be available for a grant to a qualified national organization to provide technical assistance for rural transportation in order to promote economic development: *Provided further*, That of the amount appropriated for rural community programs, \$6,350,000 shall be available for a Rural Community Development Initiative: *Provided further*, That such funds shall be used solely to develop the capacity and ability of private, nonprofit community-based housing and community development organizations, low-income rural communities, and Federally Recognized Native American Tribes to undertake projects to improve housing, community facilities, community and economic development projects in rural areas: *Provided further*, That such funds shall be made available to qualified private, nonprofit and public intermediary organizations proposing to carry out a program of financial and technical assistance: *Provided further*, That such intermediary organizations shall provide matching funds from other sources, including Federal funds for related activities, in an amount not less than funds provided: *Provided further*, That of the amount appropriated for the rural business and cooperative development programs, not to exceed \$500,000 shall be made available for a grant to a qualified national organization to provide technical assistance for rural transportation in order to promote economic development; \$2,000,000 shall be for grants to the Delta Regional Authority (7 U.S.C. 1921 et seq.) for any purpose under this heading: *Provided further*, That of the amount appropriated for rural utilities programs, not to exceed **[\$25,000,000]** *\$10,000,000* shall be for water and waste disposal systems to benefit the Colonias along the United States/Mexico border, including grants pursuant to section 306C of such Act; **[\$25,000,000]** shall be for water and waste disposal systems for rural and native villages in Alaska pursuant to section 306D of such Act, with up to 2 percent available to administer the program and/or improve interagency coordination may be transferred to and merged with the appropriation for “Rural Development, Salaries and Expenses”, of which \$100,000 shall be provided to develop a regional system for centralized billing, operation, and management of rural water and sewer utilities through regional cooperatives, of which 25 percent shall be provided for water and sewer projects in regional hubs, and the State of Alaska shall provide a 25 percent cost share, and grantees may use up to 5 percent of grant funds, not to exceed \$35,000 per community, for the completion of comprehensive community safe water plans;] not to exceed **[\$18,250,000]** *\$16,215,000* shall be for technical assistance grants for rural water and waste systems pursuant to section 306(a)(14) of such Act, unless the Secretary makes a determination of extreme need, of which \$5,600,000 shall be for Rural Community Assistance Programs and not less than \$850,000 shall be for a qualified national Native American organization to provide technical assistance for rural water systems for tribal communities; and not to exceed **[\$13,750,000]** *\$9,500,000* shall be for contracting with qualified national organizations for a circuit rider program to provide technical assistance for rural water systems: *Provided further*, That of the total amount appropriated, not to exceed **[\$21,367,000]** *\$14,775,000* shall be available through June 30, **[2006]** *2007*, for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones; of which **[\$1,067,000]** *\$1,100,000* shall be for the rural community programs described in section 381E(d)(1) of such Act, of which **[\$12,000,000]** *\$13,400,000* shall be for the rural utilities programs described in section 381E(d)(2) of such Act, and of which **[\$8,300,000]** *\$275,000* shall be for the rural business and cooperative development programs described in section 381E(d)(3) of such Act: *Provided further*, That of the amount appropriated for rural community programs, \$18,000,000 shall be to provide grants for facilities in rural communities with extreme unemployment and severe economic depression (Public Law 106–387), with 5 percent for administration and capacity building in the State rural development offices: *Provided further*, That of the amount appropriated, \$26,000,000 shall be transferred to and merged with the “Rural Utilities Service, High Energy Cost Grants Account” to provide grants authorized under section 19 of the Rural Electrification Act of 1936 (7 U.S.C. 918a):] *Provided further*, That any prior year balances for high cost energy grants authorized by section 19 of the Rural Electrification Act of 1936 (7 U.S.C. 901(19)) shall be transferred to and merged with the “Rural Utilities

Service, High Energy Costs Grants Account”. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

[For the cost of grants for the water, waste disposal, and wastewater facilities programs authorized under section 306(a) and 306A of the Consolidated Farm and Rural Development Act, \$45,000,000: *Provided*, That funds made available under this paragraph shall remain available until expended to respond to damage caused by hurricanes that occurred during the 2005 calendar year: *Provided further*, That the amounts provided under this heading are designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.] (*Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12–0400–0–1–452	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct loan subsidy	112	83	184
00.02 Guaranteed loan subsidy	34	49	51
00.05 Reestimate of Direct Loan Subsidy	19		
00.06 Interest on Reestimates of Direct Loan Subsidy	4		
00.07 Reestimates of Guaranteed Loan Subsidy	38		
00.08 Interest on Reestimate of Guaranteed Loan Subsidy	10		
00.11 Water and waste disposal systems grants	472	465	346
00.12 Water and waste disposal systems emergency supplemental grants	39	56	
00.13 Emergency and imminent community water assistance grants	11	14	
00.14 Solid waste management grants	3	4	3
00.15 Community facility grants	28	26	17
00.16 Community facility emergency supplemental grants	5		
00.18 Economic impact initiative grants	20	19	
00.20 Rural business enterprise grants	44	43	
00.21 Rural business opportunity grants	3	3	
00.26 Rural Community Development Initiative Grants	5	15	
10.00 Total new obligations (object class 41.0)	849	777	601
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	42	60	1
22.00 New budget authority (gross)	824	718	601
22.10 Resources available from recoveries of prior year obligations	42		
23.90 Total budgetary resources available for obligation	908	778	602
23.95 Total new obligations	–849	–777	–601
24.40 Unobligated balance carried forward, end of year	60	1	1
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	788	706	601
40.00 Appropriation, Hurricane Supplemental		45	
40.33 Appropriation permanently reduced (P.L. 109–148)		–7	
40.35 Appropriation permanently reduced	–6		
41.00 Transferred to other accounts	–28	–26	
43.00 Appropriation (total discretionary)	754	718	601
Mandatory:			
60.00 Appropriation	70		
70.00 Total new budget authority (gross)	824	718	601
Change in obligated balances:			
72.40 Obligated balance, start of year	2,637	2,519	2,497
73.10 Total new obligations	849	777	601
73.20 Total outlays (gross)	–923	–799	–811
73.45 Recoveries of prior year obligations	–42		
74.40 Obligated balance, end of year	2,519	2,497	2,287
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	61	54	45
86.93 Outlays from discretionary balances	720	702	748
86.97 Outlays from new mandatory authority	70		
86.98 Outlays from mandatory balances	72	43	18
87.00 Total outlays (gross)	923	799	811
Net budget authority and outlays:			
89.00 Budget authority	824	718	601

90.00 Outlays 925 799 811

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-0400-0-1-452	2005 actual	2006 est.	2007 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Direct water and waste disposal	921	990	990
115002 Direct community facility	729	297	297
115901 Total direct loan levels	1,650	1,287	1,287
Direct loan subsidy (in percent):			
132001 Direct water and waste disposal	9.00	6.91	16.64
132002 Direct community facility	4.05	3.35	6.41
132901 Weighted average subsidy rate	6.81	6.09	14.28
Direct loan subsidy budget authority:			
133001 Direct water and waste disposal	83	68	165
133002 Direct community facility	30	10	19
133901 Total subsidy budget authority	113	78	184
Direct loan subsidy outlays:			
134001 Direct water and waste disposal	75	72	82
134002 Direct community facility	14	15	21
134901 Total subsidy outlays	89	87	103
Direct loan upward reestimate subsidy budget authority:			
135001 Direct water and waste disposal	13		
135002 Direct community facility	4		
135003 Direct business and industry	5		
135901 Total upward reestimate budget authority	22		
Direct loan downward reestimate subsidy budget authority:			
137001 Direct water and waste disposal	-61		
137002 Direct community facility	-10		
137003 Direct business and industry	-8		
137901 Total downward reestimate budget authority	-79		
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Water and waste disposal loan guarantees	3	75	75
215002 Community facility loan guarantees	195	208	208
215003 Business and industry loan guarantees	678	917	990
215901 Total loan guarantee levels	876	1,200	1,273
Guaranteed loan subsidy (in percent):			
232001 Water and waste disposal loan guarantees	-0.90	-0.90	-0.90
232002 Community facility loan guarantees	0.09	0.36	3.66
232003 Business and industry loan guarantees	5.03	4.92	4.36
232901 Weighted average subsidy rate	3.91	3.77	3.94
Guaranteed loan subsidy budget authority:			
233001 Water and waste disposal loan guarantees		-1	-1
233002 Community facility loan guarantees		1	8
233003 Business and industry loan guarantees	34	44	43
233901 Total subsidy budget authority	34	44	50
Guaranteed loan subsidy outlays:			
234002 Community facility loan guarantees			2
234003 Business and industry loan guarantees	28	19	36
234901 Total subsidy outlays	28	19	38
Guaranteed loan upward reestimate subsidy budget authority:			
235002 Community facility loan guarantees	13		
235003 Business and industry loan guarantees	35		
235901 Total upward reestimate budget authority	48		
Guaranteed loan downward reestimate subsidy budget authority:			
237001 Downward reestimate subsidy budget authority	-11		
237901 Total downward reestimate subsidy budget authority	-11		

This account consolidates under the Rural Community Advancement Program (RCAP) funding for the 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 is

in accordance with the provisions set forth in the Federal Agriculture Improvement and Reform Act of 1996, as amended, Public Law 104-127 (the 1996 Act). Consolidating funding for these loan and grant programs under RCAP provides greater flexibility to tailor financial assistance to applicant needs.

RCAP is composed of the following three funding streams: Rural Community Facilities, Rural Utilities, and Rural Business and Cooperative Development. Funds for Native American Communities are provided as part of the whole amount appropriated for these streams as part of the Native Americans Initiative. The funds are earmarked to one of the funding streams.

Water and waste disposal loans are authorized under 7 U.S.C. 1926. The program provides direct loans to municipalities, counties, special purpose districts, certain Indian Tribes, and non-profit corporations to develop water and waste disposal systems in rural areas and towns with populations of less than 10,000. The program also guarantees water and waste disposal loans made by banks and other eligible lenders. Total loan level is projected to be \$990 million for these programs in 2007. The 2007 subsidy rate for this program reflects a reduction in the borrower's interest rate for these loans, making them more affordable to qualifying rural communities.

Water and waste disposal grants are authorized under Section 306(a)(2) of the Consolidated Farm and Rural Development Act, as amended. Grants are authorized to be made to associations, including nonprofit corporations, municipalities, counties, public and quasi-public agencies, and certain Indian tribes. The grants can be used to finance development, storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas and cities or towns with populations of less than 10,000. The amount of any development grant may not exceed 75 percent of the eligible development cost of the project. \$346 million is projected for this program in 2007.

Emergency community water assistance grants are authorized under Section 306A of the Consolidated Farm and Rural Development Act, as amended. Grants are made to public bodies and nonprofit organizations for construction or extension of water lines, repair or maintenance of existing systems, replacement of equipment, and payment of costs to correct emergency situations. These grants are funded on an as needed basis using RCAP flexibility of funds authorization.

Solid waste management grants are authorized under Section 310B(b) of the Consolidated Farm and Rural Development Act, as amended. Grants are made to non-profit organizations to provide regional technical assistance to local and regional governments and related agencies for the purpose of reducing or eliminating pollution of water resources, and for improving the planning and management of solid waste disposal facilities. \$3.5 million is projected for this program in 2007.

Community facility loans and grants are authorized under sections 306(a)(1) and 306(a)(19) of the Consolidated Farm and Rural Development Act, as amended. Loans are provided to local governments and nonprofit organizations for the construction and improvement of community facilities providing essential services in rural areas of not more than 20,000 population, such as hospitals and fire stations. Total program level in 2007 is projected to be \$522 million.

Business and industry guaranteed and direct loans are authorized under section 310B(a)(1) of the Consolidated Farm and Rural Development Act, as amended. These loans are made to public, private or cooperative organizations, Indian tribes or tribal groups, corporate entities, or individuals for the purpose of improving the economic climate in rural areas. For direct loans no funds were requested or provided since 2002,

General and special funds—Continued

RURAL COMMUNITY ADVANCEMENT PROGRAM—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

and no funds are requested in 2007. 2007 projections for loan guarantees are \$990 million.

No funding is provided in this account for the rural business enterprise grants or the rural business opportunity grants. For grants like these that are for community organizations to stimulate economic development, the FY 2007 Budget proposes to consolidate them into a new economic and community development program to be administered by the Department of Commerce. The new program would be designed to achieve greater results and focus on communities most in need of assistance.

NORTHERN GREAT PLAINS REGIONAL AUTHORITY

Program and Financing (in millions of dollars)

Identification code 12-0404-0-1-452	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct program activity		1	
10.00 Total new obligations (object class 25.2)		1	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	
23.95 Total new obligations		-1	
24.40 Unobligated balance carried forward, end of year	1		
Change in obligated balances:			
73.10 Total new obligations		1	
73.20 Total outlays (gross)		-1	
Outlays (gross), detail:			
86.93 Outlays from discretionary balances		1	
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays		1	

The Northern Great Plains Regional Authority was established under section 6028 of the Farm Security and Rural Investment Act of 2002 Public Law 107-171. This account is for the Federal share of the administrative expenses associated with the Northern Great Plains Regional Authority.

RURAL HOUSING SERVICE

Federal Funds

General and special funds:

RURAL HOUSING ASSISTANCE GRANTS

For grants and contracts for very low-income housing repair, supervisory and technical assistance, compensation for construction defects, and rural housing preservation made by the Rural Housing Service, as authorized by 42 U.S.C. 1474, 1479(c), 1490e, and 1490m, **[\$43,976,000] \$40,590,000**, to remain available until expended: *Provided*, **That \$2,976,000 shall be made available for loans to private non-profit organizations, or such non-profit organizations' affiliate loan funds and State and local housing finance agencies, to carry out a housing demonstration program to provide revolving loans for the preservation of low-income multi-family housing projects: *Provided further*, That loans under such demonstration program shall have an interest rate of not more than 1 percent direct loan to the recipient: *Provided further*, That the Secretary may defer the interest and principal payment to the Rural Housing Service for up to 3 years and the term of such loans shall not exceed 30 years: *Provided further*,] That of the total amount appropriated, **[\$1,200,000] \$1,188,000** shall be available through June 30, **[2006] 2007**, for authorized empowerment zones and enterprise communities**

and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones: *Provided further, That any balances to carry out a housing demonstration program to provide revolving loans for the preservation of low-income multi-family housing projects as authorized in Public Law 108-447 and Public Law 109-97 shall be transferred to and merged with "Rural Housing Service, Multifamily Housing Revitalization Program Account". (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.)*

[For an additional amount for grants for very low-income housing repairs as authorized by 42 U.S.C. 1474 to respond to damage caused by hurricanes that occurred during the 2005 calendar year, \$20,000,000, to remain available until expended: *Provided*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006: *Provided further*, That these funds are not subject to any age limitation.] (Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006.)

Program and Financing (in millions of dollars)

Identification code 12-1953-0-1-604	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Multi-Family Housing Preservation Demo Revolving Fund	3	3	
00.11 Domestic Farm Labor Housing Natural Disaster Grants	4	1	
00.12 Very Low-Income Housing Repair Grants	32	30	30
00.13 Very Low-Income Housing Repair Natural Disaster Grants	6	2	
00.14 Supervisory and Technical Assistance Grants	1	1	1
00.15 Processing Workers Housing Grants	1	8	
00.16 Rural Housing Preservation Grants	9	11	10
00.17 Domestic Farm Labor Housing Grants 2005 Hurricanes Emer Supp.		20	
10.00 Total new obligations (object class 41.0)	56	76	41
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	11	13	1
22.00 New budget authority (gross)	56	64	41
22.10 Resources available from recoveries of prior year obligations	2		
23.90 Total budgetary resources available for obligation	69	77	42
23.95 Total new obligations	-56	-76	-41
24.40 Unobligated balance carried forward, end of year	13	1	1
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	56	44	41
40.00 Appropriation Hurricane Supplemental		20	
43.00 Appropriation (total discretionary)	56	64	41
Change in obligated balances:			
72.40 Obligated balance, start of year	29	36	46
73.10 Total new obligations	56	76	41
73.20 Total outlays (gross)	-47	-66	-51
73.45 Recoveries of prior year obligations	-2		
74.40 Obligated balance, end of year	36	46	36
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	35	45	27
86.93 Outlays from discretionary balances	12	21	24
87.00 Total outlays (gross)	47	66	51
Net budget authority and outlays:			
89.00 Budget authority	56	64	41
90.00 Outlays	48	66	51

The rural housing for domestic farm labor grant program is authorized under section 516 of the Housing Act of 1949, as amended. This program was funded under this heading until 2001. Starting in 2001, it is funded under the Farm Labor Program Account.

The very low-income housing repair grant program is authorized under section 504 of the Housing Act of 1949, as

amended. This grant program enables very low-income elderly residents in rural areas to improve or modernize their dwellings, to make the dwelling safer or more sanitary, or to remove health and safety hazards. The Budget provides \$29.7 million for this program in 2007.

The supervisory and technical assistance grant program is carried out under the provisions of section 509(f) and 525 of the Housing Act of 1949, as amended. Under section 509, grants are made to public and private nonprofit organizations for packaging loan applications for housing under sections 502, 504, 514/516, 515, and 533 of the Housing Act of 1949, as amended. The assistance is to be directed to underserved areas where at least 20 percent or more of the population is at or below the poverty level, and at least 10 percent or more of the population resides in substandard housing. Under section 525, grants are made to public and private nonprofit organizations and other associations for the developing, conducting, administering or coordinating of technical and supervisory assistance programs to demonstrate the benefits of Federal, State, and local housing programs for low-income families in rural areas. The Budget provides \$990 thousand for this program in 2007.

The rural housing preservation grant program is authorized under section 533 of the Housing Act of 1949, as amended. Grants are made to eligible nonprofit groups, Indian tribes, or government agencies for rehabilitation of single family housing owned by low- and very low-income families and the rehabilitation of rental and cooperative housing for low- and very low-income families. \$9.9 million is provided for this program in 2007.

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-1953-0-1-604	2005 actual	2006 est.	2007 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Direct loan levels	6	6	
115901 Total direct loan levels	6	6	
Direct loan subsidy (in percent):			
132001 Subsidy rate	46.76	46.76	47.82
132901 Weighted average subsidy rate	46.76	46.76	0.00
Direct loan subsidy budget authority:			
133001 Subsidy budget authority	3	3	
133901 Total subsidy budget authority	3	3	
Direct loan subsidy outlays:			
134001 Subsidy outlays		3	3
134901 Total subsidy outlays		3	3

MULTIFAMILY HOUSING REVITALIZATION DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4269-0-3-604	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct loan obligations	6	6	
10.00 Total new obligations	6	6	
Budgetary resources available for obligation:			
22.00 New financing authority (gross)	6	6	
23.95 Total new obligations	-6	-6	
24.40 Unobligated balance carried forward, end of year			
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	3	3	
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)		3	3

68.10 Change in uncollected customer payments from Federal sources (unexpired)	3		-3
68.90 Spending authority from offsetting collections (total discretionary)	3	3	
70.00 Total new financing authority (gross)	6	6	
Change in obligated balances:			
72.40 Obligated balance, start of year		3	3
73.10 Total new obligations	6	6	
73.20 Total financing disbursements (gross)		-6	-3
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-3		3
74.40 Obligated balance, end of year	3	3	3
87.00 Total financing disbursements (gross)		6	3
Offsets:			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources		-3	-3
Against gross financing authority only:			
88.95 Change in receivables from program accounts	-3		3
Net financing authority and financing disbursements:			
89.00 Financing authority	3	3	
90.00 Financing disbursements		3	

Status of Direct Loans (in millions of dollars)

Identification code 12-4269-0-3-604	2005 actual	2006 est.	2007 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	6	6	
1150 Total direct loan obligations	6	6	
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year			6
1231 Disbursements: Direct loan disbursements		6	3
1251 Repayments: Repayments and prepayments			
1290 Outstanding, end of year		6	9

FARM LABOR PROGRAM ACCOUNT

For the cost of direct loans, grants, and contracts, as authorized by 42 U.S.C. 1484 and 1486, **[\$31,168,000] \$33,798,000**, to remain available until expended, for direct farm labor housing loans and domestic farm labor housing grants and contracts. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-1954-0-1-604	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct loan subsidy	16	17	20
00.11 Farm labor housing grants	30	14	14
10.00 Total new obligations (object class 41.0)	46	31	34
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	10		
22.00 New budget authority (gross)	34	31	34
22.10 Resources available from recoveries of prior year obligations	2		
23.90 Total budgetary resources available for obligation	46	31	34
23.95 Total new obligations	-46	-31	-34
24.40 Unobligated balance carried forward, end of year			
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	34	31	34
Change in obligated balances:			
72.40 Obligated balance, start of year	103	129	131

General and special funds—Continued

FARM LABOR PROGRAM ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1954-0-1-604	2005 actual	2006 est.	2007 est.
73.10 Total new obligations	46	31	34
73.20 Total outlays (gross)	-18	-29	-34
73.45 Recoveries of prior year obligations	-2		
74.40 Obligated balance, end of year	129	131	131
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	18	29	34
Net budget authority and outlays:			
89.00 Budget authority	34	31	34
90.00 Outlays	18	29	34

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-1954-0-1-604	2005 actual	2006 est.	2007 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Farm Labor Program	33	38	42
115901 Total direct loan levels	33	38	42
Direct loan subsidy (in percent):			
132001 Farm Labor Program	47.06	44.59	47.95
132901 Weighted average subsidy rate	47.06	44.59	47.95
Direct loan subsidy budget authority:			
133001 Farm Labor Program	16	17	20
133901 Total subsidy budget authority	16	17	20
Direct loan subsidy outlays:			
134001 Farm Labor Program	10	20	20
134901 Total subsidy outlays	10	20	20

The account consists of direct farm labor housing loans and domestic farm labor housing grants.

The direct farm labor loan program is authorized under section 514 and the rural housing for domestic farm labor 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. Grants 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. Total program level provided in 2007 is \$55.4 million (\$13.9 million in grants and \$41.6 million in loan level).

RENTAL ASSISTANCE PROGRAM

For rental assistance agreements entered into or renewed pursuant to the authority under section 521(a)(2) or agreements entered into in lieu of debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Housing Act of 1949, [§653,102,000] \$486,320,000; and, in addition, such sums as may be necessary, as authorized by section 521(c) of the Act, to liquidate debt incurred prior to fiscal year 1992 to carry out the rental assistance program under section 521(a)(2) of the Act: *Provided*, [That of this amount, up to \$8,000,000 shall be available for debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Act, and not to exceed \$50,000 per project for advances to nonprofit organizations or public agencies to cover direct costs (other than purchase price) incurred in purchasing projects pursuant to section 502(c)(5)(C) of the Act: *Provided further*,] That agreements entered into or renewed during the current fiscal year shall be funded for a [four-year] two-year period: *Provided further*, [That

any unexpended balances remaining at the end of such four-year agreements may be transferred and used for the purposes of any debt reduction; maintenance, repair, or rehabilitation of any existing projects; preservation; and rental assistance activities authorized under title V of the Act: *Provided further*, That rental assistance that is recovered from projects that are subject to prepayment shall be deobligated and reallocated for vouchers and debt forgiveness or payments consistent with the requirements of this Act for purposes authorized under section 542 and section 502(c)(5)(D) of the Housing Act of 1949, as amended,] *That the life of any such agreement may be extended to fully utilize amounts obligated: Provided further, That up to \$4,190,000 may be used for the purpose of reimbursing funds used for rental assistance agreements entered into or renewed pursuant to the authority under section 521(a)(2) of the Act for emergency needs related to Hurricanes Katrina and Rita. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.)*

Program and Financing (in millions of dollars)

Identification code 12-0137-0-1-604	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct program activity	593	647	486
10.00 Total new obligations (object class 41.0)	593	647	486
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	593	647	486
23.95 Total new obligations	-593	-647	-486
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	592	653	486
40.00 Appropriation	58	58	56
40.33 Appropriation permanently reduced (P.L. 109-148)		-6	
40.35 Appropriation permanently reduced	-5		
40.47 Portion substituted for borrowing authority	-58		
40.47 Portion applied to repay debt		-58	-56
42.00 Transferred from other accounts	6		
43.00 Appropriation (total discretionary)	593	647	486
Change in obligated balances:			
72.40 Unpaid obligations, appropriation, start of year	2,593	2,364	2,188
73.10 Total new obligations	593	647	486
73.20 Total outlays (gross)	-823	-823	-915
74.40 Obligated balance, appropriation, end of year	2,364	2,188	1,759
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	103	65	122
86.93 Outlays from discretionary balances	720	758	793
87.00 Total outlays (gross)	823	823	915
Net budget authority and outlays:			
89.00 Budget authority	593	647	486
90.00 Outlays	823	823	915

The rental assistance program is authorized under section 521(a)(2) of the Housing Act of 1949, as amended, and is designed to reduce rents paid by very low-income and low-income families living in RHS-financed rural rental and farm labor housing projects. Funding under this account is provided for renewals of existing rental assistance contracts, assistance for newly constructed units financed by the section 515 rural rental and cooperative housing program or the 514/516 farm labor housing loan and grant programs, and for additional servicing assistance for existing projects.

For 2007, the request for rental assistance grants is for two-year contracts with a total funding level of \$486 million. Two years is the minimal contract term that provides savings but still allows the multi-family housing direct loan program to operate efficiently.

From 1978 through 1991, the rental assistance program was funded under the Rural Housing Insurance Fund. Beginning in 1992, pursuant to Credit Reform, a separate grant account was established for this program.

[RURAL HOUSING VOUCHER PROGRAM] MULTIFAMILY HOUSING REVITALIZATION PROGRAM ACCOUNT

For the rural housing voucher program as authorized under section 542 of the Housing Act of 1949, [(without regard to section 542(b))] but notwithstanding subsection (b) of such section, [\$16,000,000] \$74,250,000, to remain available until expended: *Provided*, That such vouchers shall be available to any low-income household (including those not receiving rental assistance) residing in a property financed with a section 515 loan which has been prepaid after September 30, 2005: *Provided further*, That the amount of the voucher shall be the difference between comparable market rent for the section 515 unit and the tenant paid rent for such unit: *Provided further*, That funds made available for such vouchers, shall be subject to the availability of annual appropriations: *Provided further*, That the Secretary shall, to the maximum extent practicable, administer such vouchers with current regulations and administrative guidance applicable for section 8 housing vouchers administered by the Secretary of the Department of Housing and Urban Development (including the ability to pay administrative costs related to delivery of the voucher funds): *Provided further*, That funds made available under this paragraph may also be used for preservation and revitalization of the section 515 multifamily rental housing properties including debt restructuring, subject to authorization. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-2002-0-1-604	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Choctaw Indians Housing Relending Loan Program		1	
00.02 Vouchers		14	66
00.03 Administrative Expenses		2	8
10.00 Total new obligations		17	74
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		17	74
23.95 Total new obligations		-17	-74
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation		17	74
43.00 Appropriation (total discretionary)		17	74
Change in obligated balances:			
72.40 Obligated balance, start of year	1	1	13
73.10 Total new obligations		17	74
73.20 Total outlays (gross)		-5	-36
74.40 Obligated balance, end of year	1	13	51
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority		5	24
86.93 Outlays from discretionary balances			12
87.00 Total outlays (gross)		5	36
Net budget authority and outlays:			
89.00 Budget authority		17	74
90.00 Outlays		5	36

USDA's portfolio of multifamily housing projects provides housing for nearly half a million low-income families, many of whom are elderly. Recent Federal court rulings allow projects that received their financing prior to 1989 to prepay and leave the program. A recent assessment of the capital and operating needs of the projects indicated that about 10 percent of the projects have economically viable prepayment potential and that about 46,000 tenants of these projects risk substantial rent increases and possible loss of their housing if these projects are prepaid. Current law allows USDA to assist these families by providing them with letters of priority and vouchers which have not been funded to date. The 2007 Budget includes \$74 million to continue the multifamily housing revitalization proposal that was initially proposed in the 2006 Budget. The funding will be used primarily for housing

vouchers for residents of projects whose sponsors prepay their outstanding indebtedness on USDA loans and leave the program. The appropriation language for this funding is consistent with the 2006 appropriation language that requires such vouchers to be administered, to the maximum extent possible, under current regulations and administrative guidance applicable to section 8 vouchers, including delivery costs; and allows the number of such vouchers to exceed 5,000, and allows the vouchers to all low-income residents who are affected by prepayment, regardless of whether they were receiving rental assistance payments. In addition, the Administration is proposing that 2007 appropriation language provide the flexibility to use the \$74 million for debt restructuring and other revitalization incentives that we expect to be authorized before or during 2007. The Administration has already submitted to Congress draft legislation that would authorize this revitalization effort.

Prior year obligated balances reflect funding for rental assistance for newly constructed units provided in limited amounts in 1984 and 1985. From 1986 through 1991 rental assistance for newly constructed units, as well as existing rental assistance contract renewals and additional servicing assistance for existing projects, had been funded under the Rural Housing Insurance Fund. Beginning in 1992, pursuant to Credit Reform, a separate grant account was established for the rental assistance program.

Object Classification (in millions of dollars)

Identification code 12-2002-0-1-604	2005 actual	2006 est.	2007 est.
25.1 Advisory and assistance services		2	8
41.0 Grants, subsidies, and contributions		15	66
99.9 Total new obligations		17	74

MUTUAL AND SELF-HELP HOUSING GRANTS

For grants and contracts pursuant to section 523(b)(1)(A) of the Housing Act of 1949 (42 U.S.C. 1490c), [\$34,000,000] \$37,620,000, to remain available until expended: *Provided*, That of the total amount appropriated, \$1,000,000 shall be available through June 30, 2006, for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones]. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-2006-0-1-604	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct program activity	42	35	38
10.00 Total new obligations (object class 41.0)	42	35	38
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	8	1	
22.00 New budget authority (gross)	34	34	38
22.10 Resources available from recoveries of prior year obligations		1	
23.90 Total budgetary resources available for obligation	43	35	38
23.95 Total new obligations	-42	-35	-38
24.40 Unobligated balance carried forward, end of year	1		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	34	34	38
Change in obligated balances:			
72.40 Obligated balance, start of year	52	58	56
73.10 Total new obligations	42	35	38
73.20 Total outlays (gross)	-35	-37	-38
73.45 Recoveries of prior year obligations	-1		

General and special funds—Continued

MUTUAL AND SELF-HELP HOUSING GRANTS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-2006-0-1-604	2005 actual	2006 est.	2007 est.
74.40 Obligated balance, end of year	58	56	56
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	6	6	7
86.93 Outlays from discretionary balances	29	31	31
87.00 Total outlays (gross)	35	37	38
Net budget authority and outlays:			
89.00 Budget authority	34	34	38
90.00 Outlays	35	37	38

This program is authorized under section 523 of the Housing Act of 1949, as amended. Grants and contracts are made for the purpose of providing technical and supervisory assistance to groups of families to enable them to build their own homes through the mutual exchange of labor.

RURAL COMMUNITY GRANTS

Rural firefighters and emergency personnel grants are authorized under 7 U.S.C. 2655. Grants are provided to local government and Indian tribes to pay the cost of training firefighters and emergency personnel in firefighting, emergency medical practices, and responding to hazardous materials and bioagents in rural areas. Not less than 60 percent of the amounts made available for training grants shall be used to provide grants to fund partial scholarships for training of individuals at training centers. The remaining funding may be made available for grants to provide financial assistance to State and regional centers that provide training for firefighters and emergency medical personnel for improvements to the training facility, equipment, curricula, and personnel. The Farm Security and Rural Investment Act of 2002, Public Law 107-171, provides mandatory funding for this program. The Act provided \$10,000,000 for each of fiscal years 2003 through 2007, to remain available until expended, from the funds of the Commodity Credit Corporation. Reconciliation canceled the funding and no funds are provided in the Budget because other programs in Forest Service, Federal Emergency Management Agency, and the Bureau of Land Management provide significant funding for this purpose.

Credit accounts:

RURAL COMMUNITY FACILITY DIRECT LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4225-0-3-452	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct loans	729	370	297
00.02 Interest on Treasury borrowing	99	128	140
00.91 Direct Program by Activities—Subtotal (1 level)	828	498	437
08.01 Negative subsidy	1	1	1
08.02 Downward reestimate paid to receipt account	7		
08.04 Interest paid on downward reestimates paid to receipt account	3		
08.91 Direct Program by Activities—Subtotal (1 level)	11	1	1
10.00 Total new obligations	839	499	438
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	22	4	
22.00 New financing authority (gross)	816	495	438
22.10 Resources available from recoveries of prior year obligations	66		

22.70 Balance of authority to borrow withdrawn	-62		
23.90 Total budgetary resources available for obligation	842	499	438
23.95 Total new obligations	-839	-499	-438
24.40 Unobligated balance carried forward, end of year	4		

New financing authority (gross), detail:

Mandatory:			
67.10 Authority to borrow	710	248	153
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	189	248	286
68.10 Change in uncollected customer payments from Federal sources (unexpired)	12	-1	-1
68.47 Portion applied to repay debt	-95		
68.90 Spending authority from offsetting collections (total discretionary)	106	247	285
70.00 Total new financing authority (gross)	816	495	438

Change in obligated balances:

72.40 Obligated balance, start of year	897	1,225	1,063
73.10 Total new obligations	839	499	438
73.20 Total financing disbursements (gross)	-433	-662	-633
73.45 Recoveries of prior year obligations	-66		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-12	1	1
74.40 Obligated balance, end of year	1,225	1,063	869
87.00 Total financing disbursements (gross)	433	662	633

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-18	-15	-21
88.25 Interest on uninvested funds	-18	-28	-32
88.40 Repayment of principal	-84	-116	-145
88.40 Interest received on loans	-69	-88	-88
88.90 Total, offsetting collections (cash)	-189	-247	-286
Against gross financing authority only:			
88.95 Change in receivables from program accounts	-12	1	1
88.96 Portion of offsetting collections (cash) credited to expired accounts		-1	

Net financing authority and financing disbursements:

89.00 Financing authority	615	248	153
90.00 Financing disbursements	244	415	347

Status of Direct Loans (in millions of dollars)

Identification code 12-4225-0-3-452	2005 actual	2006 est.	2007 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	729	370	297
1150 Total direct loan obligations	729	370	297
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1,424	1,662	2,095
1231 Disbursements: Direct loan disbursements	323	533	492
1251 Repayments: Repayments and prepayments	-84	-100	-112
Write-offs for default:			
1263 Direct loans	-1		
1264 Other adjustments, net			
1290 Outstanding, end of year	1,662	2,095	2,475

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals. Loans made prior to 1992 are recorded in the Rural Development Insurance Fund Liquidating Account.

This account provides funding to non-profit organizations and local governments for the construction and improvement of community facilities providing essential services in rural

areas, such as hospitals, telecommunications applications, child care centers and fire stations.

Balance Sheet (in millions of dollars)

Identification code 12-4225-0-3-452	2004 actual	2005 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	27	13
Investments in US securities:		
1106 Receivables, net	-2	-3
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	1,424	1,663
1402 Interest receivable	20	22
1404 Foreclosed property	2	1
1405 Allowance for subsidy cost (-)	-87	-74
1499 Net present value of assets related to direct loans	1,359	1,612
1999 Total assets	1,384	1,622
LIABILITIES:		
Federal liabilities:		
2101 Accounts payable	1,376	1,606
2105 Other	8	16
2999 Total liabilities	1,384	1,622
4999 Total liabilities and net position	1,384	1,622

RURAL COMMUNITY FACILITY GUARANTEED LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4228-0-3-452	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Default Claims	7	6	6
00.02 Interest to Treasury	1	1	1
00.91 Direct Program by Activities—Subtotal (1 level)	8	7	7
08.01 Negative subsidy paid to receipt account	1		
10.00 Total new obligations	8	7	7
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	4	9	
22.00 New financing authority (gross)	14	12	14
22.60 Portion applied to repay debt		-14	-7
23.90 Total budgetary resources available for obligation	18	7	7
23.95 Total new obligations	-8	-7	-7
24.40 Unobligated balance carried forward, end of year	9		
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	3	2	3
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	15	2	4
68.10 Change in uncollected customer payments from Federal sources (unexpired)		8	7
68.47 Portion applied to repay debt	-4		
68.90 Spending authority from offsetting collections (total discretionary)	11	10	11
70.00 Total new financing authority (gross)	14	12	14
Change in obligated balances:			
72.40 Obligated balance, start of year	2	1	
73.10 Total new obligations	8	7	7
73.20 Total financing disbursements (gross)	-9		
74.00 Change in uncollected customer payments from Federal sources (unexpired)		-8	-7
74.40 Obligated balance, end of year	1		
87.00 Total financing disbursements (gross)	9		

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-13		-2
88.25 Interest on uninvested funds	-1	-1	-1
88.40 Non-Federal sources, Guarantee Fees	-1	-1	-1
88.90 Total, offsetting collections (cash)	-15	-2	-4
Against gross financing authority only:			
88.95 Change in receivables from program accounts		-8	-7
Net financing authority and financing disbursements:			
89.00 Financing authority	-1	2	3
90.00 Financing disbursements	-6	-2	-4

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4228-0-3-452	2005 actual	2006 est.	2007 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders			
2131 Guaranteed loan commitments exempt from limitation	195	208	208
2150 Total guaranteed loan commitments	195	208	208
2199 Guaranteed amount of guaranteed loan commitments	156	166	166
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	434	488	592
2231 Disbursements of new guaranteed loans	93	194	248
2251 Repayments and prepayments	-32	-84	-103
2263 Adjustments: Terminations for default that result in claim payments	-7	-6	-6
2290 Outstanding, end of year	488	592	731
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	396	484	599

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loans committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals. Loans made prior to 1992 are recorded in the Rural Development Insurance Fund Liquidating Account.

This account finances loan guarantee commitments for essential community facilities in rural areas.

Balance Sheet (in millions of dollars)

Identification code 12-4228-0-3-452	2004 actual	2005 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	6	10
Investments in US securities:		
1106 Receivables, net	15	15
1999 Total assets	21	25
LIABILITIES:		
2104 Federal liabilities: Resources payable to Treasury	14	13
2204 Non-Federal liabilities: Liabilities for loan guarantees	7	12
2999 Total liabilities	21	25
4999 Total liabilities and net position	21	25

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT
(INCLUDING TRANSFERS OF FUNDS)

For gross obligations for the principal amount of direct and guaranteed loans as authorized by title V of the Housing Act of 1949, to be available from funds in the rural housing insurance fund, as follows: **[\$4,821,832,000] \$4,801,736,000** for loans to section 502 borrowers, as determined by the Secretary, of which **[\$1,140,799,000] \$1,237,498,000** shall be for direct loans, and of which **[\$3,681,033,000] \$3,564,238,000** shall be for unsubsidized guaranteed

Credit accounts—Continued

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

loans; **[\$35,000,000]** \$36,382,000 for section 504 housing repair loans; **[\$100,000,000]** for section 515 rental housing; **[\$100,000,000]** \$197,997,000 for section 538 guaranteed multi-family housing loans; **[\$5,000,000]** \$5,045,000 for section 524 site loans; **[\$11,500,000]** \$11,482,000 for credit sales of acquired property, of which up to **[\$1,500,000]** \$1,482,000 may be for multi-family credit sales; and **[\$5,048,000]** \$4,980,000 for section 523 self-help housing land development loans.

For the cost of direct and guaranteed loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, as follows: section 502 loans, **[\$170,837,000]** \$131,893,000, of which **[\$129,937,000]** \$124,121,000 shall be for direct loans, and of which **[\$40,900,000]** \$7,772,000, to remain available until expended, shall be for unsubsidized guaranteed loans; section 504 housing repair loans, **[\$10,238,000]**; repair, rehabilitation, and new construction of section 515 rental housing, **[\$45,880,000]** \$10,751,000; section 538 multi-family housing guaranteed loans, **[\$5,420,000]** \$15,325,000; **[multi-family]** credit sales of acquired property, **[\$681,000]** \$720,000; and section 523 self-help housing and development loans, **[\$52,000]** \$123,000: *Provided*, That of the total amount appropriated in this paragraph, **[\$2,500,000]** \$1,500,000 shall be available through June 30, **[2006]** 2007, for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones: *Provided further*, **[That any funds under this paragraph initially allocated by the Secretary for housing projects in the State of Alaska that are not obligated by September 30, 2006, shall be carried over until September 30, 2007, and made available for such housing projects only in the State of Alaska]** *That any obligated balances for a demonstration program for the preservation and revitalization of the section 515 multi-family rental housing properties as authorized in Public Law 109-97 shall be transferred to and merged with the "Rural Housing Service, Multifamily Housing Revitalization Program Account"*.

[For additional costs to conduct a demonstration program for the preservation and revitalization of the section 515 multi-family rental housing properties, \$9,000,000: *Provided*, That funding made available under this heading shall be used to restructure existing section 515 loans, as the Secretary deems appropriate, expressly for the purposes of ensuring the project has sufficient resources to preserve the project for the purpose of providing safe and affordable housing for low-income residents including reducing or eliminating interest; deferring loan payments, subordinating, reducing or reamortizing loan debt; and other financial assistance including advances and incentives required by the Secretary.]

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, **[\$454,809,000]** \$455,776,000, which shall be transferred to and merged with the appropriation for "Rural Development, Salaries and Expenses", of which not less than \$1,000,000 shall be made available for the Secretary to contract with third parties to acquire the necessary automation and technical services needed to restructure section 515 mortgages. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

[For gross obligations for the principal amount of direct and guaranteed loans as authorized by title V of the Housing Act of 1949 to respond to damage caused by hurricanes that occurred during the 2005 calendar year to be available from the Rural Housing Insurance Fund, as follows: \$1,468,696,000 for loans to section 502 borrowers, as determined by the Secretary, of which \$175,593,000 shall be for direct loans and of which \$1,293,103,000 shall be for unsubsidized guaranteed loans; and \$34,188,000 for section 504 housing repair loans.

For the cost of direct and guaranteed loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, as follows, to remain available until expended: section 502 loans, \$35,000,000, of which \$20,000,000 shall be for direct loans, and of which \$15,000,000 shall be for subsidized guaranteed loans; and section 504 housing repair loans, \$10,000,000: *Provided*, That the amounts provided under this heading are designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006. (*Emergency Supplemental Appropriations Act*

to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006.)

Program and Financing (in millions of dollars)

Identification code 12-2081-0-1-371	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct loan subsidy	191	223	136
00.02 Guaranteed loan subsidy	37	62	23
00.03 Modification of direct loan		9	
00.05 Reestimates of direct loan subsidy	13		
00.06 Interest on reestimates of direct loan subsidy	3		
00.07 Reestimates of loan guarantee subsidy	68		
00.08 Interest on reestimates of loan guarantee subsidy	15		
00.09 Administrative expenses	445	450	456
10.00 Total new obligations	774	744	615
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	11	9	
22.00 New budget authority (gross)	768	735	615
22.10 Resources available from recoveries of prior year obligations	4		
23.90 Total budgetary resources available for obligation	783	744	615
23.95 Total new obligations	-774	-744	-615
24.40 Unobligated balance carried forward, end of year	9		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	677	697	615
40.00 Appropriation, hurricane supplemental	5	45	
40.33 Appropriation permanently reduced (P.L. 109-148)		-7	
40.35 Appropriation permanently reduced	-5		
40.36 Unobligated balance permanently reduced	-3		
41.00 Transferred to other accounts	-6		
43.00 Appropriation (total discretionary)	668	735	615
Mandatory:			
60.00 Appropriation	100		
70.00 Total new budget authority (gross)	768	735	615
Change in obligated balances:			
72.40 Obligated balance, start of year	176	169	193
73.10 Total new obligations	774	744	615
73.20 Total outlays (gross)	-766	-720	-660
73.40 Adjustments in expired accounts (net)	-11		
73.45 Recoveries of prior year obligations	-4		
74.40 Obligated balance, end of year	169	193	148
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	590	628	562
86.93 Outlays from discretionary balances	76	92	98
86.97 Outlays from new mandatory authority	100		
87.00 Total outlays (gross)	766	720	660
Net budget authority and outlays:			
89.00 Budget authority	768	735	615
90.00 Outlays	765	720	660

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-2081-0-1-371	2005 actual	2006 est.	2007 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Direct 502 single family housing	1,141	1,129	1,237
115003 Direct 502 natural disaster		2	
115004 Direct 515 multi-family housing	99	99	
115007 Direct 504 housing repair	35	35	36
115008 Direct 504 natural disaster		3	
115009 Direct 504, Katrina hurricane supplemental	2	49	
115011 Direct Farm Labor Housing Supp.		1	
115012 Direct 524 site development	5	5	5
115013 Direct 523 self-help housing	3	5	5
115014 Single family credit sales	2	10	10
115015 Multi-family credit sales	1	1	1
115016 502 ND Katrina Hurricane Supplemental		176	
115901 Total direct loan levels	1,288	1,515	1,294

Direct loan subsidy (in percent):			
132001 Direct 502 single family housing	11.58	11.39	10.03
132003 Direct 502 natural disaster	11.58	11.39	10.03
132004 Direct 515 multi-family housing	47.09	45.88	0.00
132006 Direct 515 natural disaster	47.09	45.88	0.00
132007 Direct 504 housing repair	29.06	29.25	29.55
132008 Direct 504 natural disaster	29.06	29.25	0.00
132009 Direct 504, Katrina hurricane supplemental	29.06	29.25	0.00
132010 Direct Farm Labor Housing	47.06	44.59	47.06
132011 Direct Farm Labor Housing Supp.	47.06	44.59	47.06
132012 Direct 524 site development	-4.94	-3.51	-1.66
132013 Direct 523 self-help housing	-0.47	1.03	2.47
132014 Single family credit sales	-16.23	-14.53	0.48
132015 Multi-family credit sales	48.44	45.40	45.33
132016 502 ND Katrina Hurricane Supplemental	0.00	11.39	0.00
132901 Weighted average subsidy rate	14.70	14.46	10.45
Direct loan subsidy budget authority:			
133001 Direct 502 single family housing	132	129	124
133003 Direct 502 natural disaster			
133004 Direct 515 multi-family housing	47	45	
133007 Direct 504 housing repair	10	10	11
133008 Direct 504 natural disaster			
133009 Direct 504 Katrina hurricane supplemental	1	10	
133011 Direct Farm Labor Housing Supp.			
133012 Direct 524 site development			
133013 Direct 523 self-help housing			
133014 Single family credit sales			
133015 Multi-family credit sales	1	1	1
133016 502 ND Hurricane Supplemental		20	
133901 Total subsidy budget authority	191	215	136
Direct loan subsidy outlays:			
134001 Direct 502 single family housing	135	127	120
134003 Direct 502 natural disaster			
134004 Direct 515 multi-family housing	38	49	43
134006 Direct 515 natural disaster	1	1	
134007 Direct 504 housing repair	10	11	6
134008 Direct 504 natural disaster		1	
134009 Direct 504, Katrina hurricane supplemental		8	2
134011 Direct Farm Labor Housing Supp.			
134012 Direct 524 site development			
134013 Direct 523 self-help housing			
134014 Single family credit sales			
134015 Multi-family credit sales		1	1
134016 502 ND Katrina Hurricane Supplemental		14	5
134901 Total subsidy outlays	184	212	177
Direct loan upward reestimate subsidy budget authority:			
135001 Direct 502 single family housing	10		
135004 Direct 515 multi-family housing	4		
135007 Direct 504 housing loans	1		
135901 Total upward reestimate budget authority	15		
Direct loan downward reestimate subsidy budget authority:			
137001 Direct 502 single family housing	-243		
137004 Direct 515 multi-family housing	-25		
137007 Direct 504 housing loans	-3		
137010 Direct Farm Labor Housing	-4		
137901 Total downward reestimate budget authority	-275		

Guaranteed loan levels supportable by subsidy budget authority:			
215001 Guaranteed 502 single family housing , purchase	3,022	3,538	601
215002 Guaranteed 502, refinancing	23	207	99
215003 Guaranteed 538 multi-family housing	97	99	198
215004 Guaranteed 502 hurricane supplemental		1,293	
215901 Total loan guarantee levels	3,142	5,137	898
Guaranteed loan subsidy (in percent):			
232001 Guaranteed 502 single family housing , purchase	1.07	1.16	1.21
232002 Guaranteed 502, refinancing	0.27	0.29	0.50
232003 Guaranteed 538 multi-family housing	3.49	5.42	7.74
232004 Guaranteed 502 hurricane supplemental	0.00	1.16	1.21
232901 Weighted average subsidy rate	1.14	1.21	2.57
Guaranteed loan subsidy budget authority:			
233001 Guaranteed 502 single family housing , purchase	33	41	7
233002 Guaranteed 502, refinancing		1	1
233003 Guaranteed 538 multi-family housing	3	5	15
233004 Guaranteed 502 hurricane supplemental		15	
233901 Total subsidy budget authority	36	62	23
Guaranteed loan subsidy outlays:			
234001 Guaranteed 502 single family housing , purchase	33	34	11
234002 Guaranteed 502, refinancing		1	1
234003 Guaranteed 538 multi-family housing	2	4	11

234004 Guaranteed 502 hurricane supplemental		10	4
234901 Total subsidy outlays	35	49	27
Guaranteed loan upward reestimate subsidy budget authority:			
235001 Guaranteed 502 single family housing , purchase	82		
235003 Guaranteed 538 multi-family housing	1		
235901 Total upward reestimate budget authority	83		
Guaranteed loan downward reestimate subsidy budget authority:			
237001 Guaranteed 502 single family housing , purchase	-2		
237003 Guaranteed 538 multi-family housing	-1		
237901 Total downward reestimate subsidy budget authority	-3		
Administrative expense data:			
351001 Budget authority	445	450	456
358001 Outlays from balances			
359001 Outlays from new authority	445	450	456

Rural Housing Insurance Fund.—This fund was established in 1965 (Public Law 89-117) pursuant to section 517 of title V of the Housing Act of 1949, as amended.

The programs funded through the Rural Housing Insurance Fund Program account are: section 502 very low and low to moderate income homeownership loans and guarantees; section 504 very low-income housing repair loans; section 515 rural rental housing loans; section 524 housing site loans, single family and multi-family housing credit sales of acquired property, and section 538 multi-family housing guarantees. The section 523 self-help housing land development loan program was included under this heading beginning in 1997. Previously, this loan program was accounted for under the separate heading of "Self-Help Housing Land Development Fund Program Account." Starting in 2001, section 514 domestic farm labor housing loans and grants are funded under the new Farm Labor Program Account in order to provide flexibility between loans and the farm labor housing grants.

Loan programs are limited to rural areas that include towns, villages, and other places which are not part of an urban area and that have a population not in excess of 2,500 inhabitants, or is in excess of 2,500 but not in excess of 10,000 if rural in character, or has a population in excess of 10,000 but not more than 20,000 and is not within a standard metropolitan statistical area and has a serious lack of mortgage credit for low- and moderate-income borrowers.

No funds are requested in 2007 for section 515 rural rental housing loans. However, RHS will continue to revitalize the existing 515 portfolio by providing a voucher program to assist tenants that have been displaced due to property owners prepaying their loans. Additional authorizations are anticipated to assist in revitalizing the portfolio.

For 502 guaranteed single family housing loans in 2007, the Budget reflects an increase in the guarantee fee on new loans to 3.0 percent and will allow more lower income rural Americans to continue to afford these loans. In 2002, RHS approved separate risk categories for the guarantee refinancing (refis) and guarantees of new loans. The guarantee fee for the refis will remain at 0.5 percent. This change reflected the lower risk on refis as compared to an unseasoned borrower receiving a new loan. It is consistent with the rate HUD and VA charge on their refis of similar loans.

The budget includes appropriation bill language to ensure that the Section 502 single family housing loan guarantee program is carried out in a manner that is not redundant of other Federal housing programs. This language constrains eligibility to applicants who are not able to obtain other federally guaranteed home ownership loans from their lenders. A recent PART analysis found that the program, as currently operated, is redundant of other Federal programs.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated and loan guarantees

Credit accounts—Continued

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT—Continued
(INCLUDING TRANSFERS OF FUNDS)—Continued

committed in 1992 and beyond (including credit sales of acquired property), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Object Classification (in millions of dollars)

Identification code 12-2081-0-1-371	2005 actual	2006 est.	2007 est.
25.3 Other purchases of goods and services from Government accounts	445	450	456
41.0 Grants, subsidies, and contributions	329	294	159
99.9 Total new obligations	774	744	615

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-2081-2-1-371	2005 actual	2006 est.	2007 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Guaranteed 502 single family housing , purchase			2,864
215901 Total loan guarantee levels			2,864
Guaranteed loan subsidy (in percent):			
232001 Guaranteed 502 single family housing , purchase			-1.00
232901 Weighted average subsidy rate			-1.96
Guaranteed loan subsidy budget authority:			
233001 Subsidy budget authority			
233901 Total subsidy budget authority			
Guaranteed loan subsidy outlays:			
234001 Subsidy outlays			
234901 Total subsidy outlays			

RURAL HOUSING INSURANCE FUND DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4215-0-3-371	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct loans including upward adjustments of prior year obligations	1,321	1,553	1,337
00.02 Advances on behalf of borrowers	38	40	45
00.04 Interest on Treasury borrowing	703	730	748
00.06 Other expenses	34	35	35
00.91 Subtotal, Operating program	2,096	2,358	2,165
08.02 Downward subsidy reestimates paid to receipt account	213		
08.04 Interest on downward reestimates paid to receipt account	63		
08.91 Subtotal, Reestimates	276		
10.00 Total new obligations	2,372	2,358	2,165
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	607	572	
22.00 New financing authority (gross)	2,317	2,358	2,165
22.10 Resources available from recoveries of prior year obligations	100		
22.60 Portion applied to repay debt		-572	
22.70 Balance of authority to borrow withdrawn	-80		
23.90 Total budgetary resources available for obligation	2,944	2,358	2,165
23.95 Total new obligations	-2,372	-2,358	-2,165
24.40 Unobligated balance carried forward, end of year	572		
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	1,439	867	1,248

Spending authority from offsetting collections:

	2005 actual	2006 est.	2007 est.
Discretionary:			
68.00 Offsetting collections (cash)	1,953	2,037	2,060
68.10 Change in uncollected customer payments from Federal sources (unexpired)	-2	-30	-30
68.47 Portion applied to repay debt	-1,073	-516	-1,113
68.90 Spending authority from offsetting collections (total discretionary)	878	1,491	917
70.00 Total new financing authority (gross)	2,317	2,358	2,165

Change in obligated balances:

72.40 Unpaid obligations, fund balance with Treasury, start of year	703	570	876
73.10 Total new obligations	2,372	2,358	2,165
73.20 Total financing disbursements (gross)	-2,407	-2,082	-2,191
73.45 Recoveries of prior year obligations	-100		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	2	30	30
74.40 Obligated balance, end of year	570	876	880
87.00 Total financing disbursements (gross)	2,407	2,082	2,191

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources: payments from program account	-207	-233	-193
88.00 Federal sources	-4		
88.25 Interest on uninvested funds	-101	-85	-85
88.40 Non-Federal sources: Repayments of principal	-1,026	-1,046	-1,067
88.40 Interest received on loans	-549	-591	-620
88.40 Payments on judgments	-15	-14	-14
88.40 Proceeds on sale of acquired property	-21	-25	-31
88.40 Recaptured income	-20	-29	-36
88.40 Fees	-9	-7	-7
88.40 Miscellaneous collections		-7	-7
88.90 Total, offsetting collections (cash)	-1,952	-2,037	-2,060
Against gross financing authority only:			
88.95 Change in receivables from program accounts	2	30	30
88.96 Portion of offsetting collections (cash) credited to expired accounts	-1		

Net financing authority and financing disbursements:

89.00 Financing authority	366	351	135
90.00 Financing disbursements	453	45	131

Status of Direct Loans (in millions of dollars)

Identification code 12-4215-0-3-371	2005 actual	2006 est.	2007 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	1,321	1,553	1,337
1150 Total direct loan obligations	1,321	1,553	1,337
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	12,451	12,761	13,105
1231 Disbursements: Direct loan disbursements	1,427	1,473	1,464
1251 Repayments: Repayments and prepayments	-1,025	-1,046	-1,078
1261 Adjustments: Capitalized interest	25	25	25
Write-offs for default:			
1263 Direct loans	-56	-83	-83
1264 Other adjustments, net	-61	-25	-25
1290 Outstanding, end of year	12,761	13,105	13,408

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond including credit sales of acquired property. The amounts in this account are a means of financing and are not included in the budget totals.

This account finances direct rural housing loans for section 502 very low- and low-to-moderate-income home ownership loan program; section 504 very low income housing repair loan program; section 514 domestic farm labor housing loan program; section 515 rural rental housing loan program; sections 523 self-help housing loans, and 524 site development

loans; and single family and multi-family housing credit sales of acquired property.

Loan programs are limited to rural areas that include towns, villages and other places which are not part of an urban area and that have a population not in excess of 2,500 inhabitants, or is in excess of 2,500 but not in excess of 10,000 if rural in character, or has a population in excess of 10,000 but not more than 20,000 and is not within a standard metropolitan statistical area and has a serious lack of mortgage credit for low and moderate-income borrowers.

Balance Sheet (in millions of dollars)

Identification code 12-4215-0-3-371	2004 actual	2005 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	235	224
Investments in US securities:		
1106 Receivables, net	14	-77
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	12,451	12,761
1402 Interest receivable	69	132
1404 Foreclosed property	23	18
1405 Allowance for subsidy cost (-)	-1,979	-1,040
1499 Net present value of assets related to direct loans	10,564	11,871
1999 Total assets	10,813	12,018
LIABILITIES:		
Federal liabilities:		
2103 Debt	10,547	10,989
2105 Other	267	1,021
2207 Non-Federal liabilities: Other	-1	8
2999 Total liabilities	10,813	12,018
4999 Total liabilities and net position	10,813	12,018

RURAL HOUSING INSURANCE FUND GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4216-0-3-371	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Default claims	100	125	140
00.02 Interest assistance paid to lenders	5	6	7
00.91 Direct Program by Activities—Subtotal (1 level)	105	131	147
08.02 Payments of downward estimates to receipt account	2		
08.04 Payment of interest on downward reestimate to receipt account	1		
08.91 Direct Program by Activities—Subtotal (1 level)	3		
10.00 Total new obligations	108	131	147
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	433	527	549
22.00 New financing authority (gross)	202	153	119
23.90 Total budgetary resources available for obligation	635	680	668
23.95 Total new obligations	-108	-131	-147
24.40 Unobligated balance carried forward, end of year	527	549	521
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	3	8	8
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	199	146	112
68.10 Change in uncollected customer payments from Federal sources (unexpired)		-1	-1
68.90 Spending authority from offsetting collections (total discretionary)	199	145	111
70.00 Total new financing authority (gross)	202	153	119

Change in obligated balances:			
73.10 Total new obligations	108	131	147
73.20 Total financing disbursements (gross)	-108	-132	-148
74.00 Change in uncollected customer payments from Federal sources (unexpired)		1	1
87.00 Total financing disbursements (gross)	108	132	148

Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-118	-62	-23
88.25 Interest on uninvested funds	-21	-22	-24
88.40 Non-Federal sources: guarantee fees	-60	-62	-65
88.90 Total, offsetting collections (cash)	-199	-146	-112
Against gross financing authority only:			
88.95 Change in receivables from program accounts		1	1

Net financing authority and financing disbursements:			
89.00 Financing authority	3	8	8
90.00 Financing disbursements	-91	-14	36

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4216-0-3-371	2005 actual	2006 est.	2007 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders			
2131 Guaranteed loan commitments exempt from limitation	3,142	5,164	3,762
2150 Total guaranteed loan commitments	3,142	5,164	3,762
2199 Guaranteed amount of guaranteed loan commitments	2,828	4,648	3,386
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	13,856	14,673	16,484
2231 Disbursements of new guaranteed loans	3,142	4,161	4,031
2251 Repayments and prepayments	-1,961	-2,075	-2,197
Adjustments:			
2263 Terminations for default that result in claim payments	-260	-275	-280
2264 Other adjustments, net	-104		
2290 Outstanding, end of year	14,673	16,484	18,038

Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	13,206	14,834	16,234

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loan commitments made in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

This account finances the nonsubsidized guaranteed section 502 low-to-moderate-income home ownership loan program and section 538 multi-family housing loan program. The guaranteed programs enable RHS to utilize private sector resources for the making and servicing of loans while the Agency provides a financial guarantee to encourage private sector activity.

Balance Sheet (in millions of dollars)

Identification code 12-4216-0-3-371	2004 actual	2005 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	427	517
Investments in US securities:		
1106 Receivables, net	34	29
1999 Total assets	461	546
LIABILITIES:		
Non-Federal liabilities:		
2204 Liabilities for loan guarantees	440	545
2207 Other	21	1
2999 Total liabilities	461	546
4999 Total liabilities and net position	461	546

Credit accounts—Continued

RURAL HOUSING INSURANCE FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4141-0-3-371	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
Capital investment:			
00.02 Advances on behalf of borrowers	44	41	38
00.05 Collateral acquired by default	1		
00.91 Total capital investment	45	41	38
01.03 Interest on FFB borrowings	35	19	
01.04 Premiums paid FFB at redemption of certificates of beneficial ownership	4		
01.06 Interest credits on loans sold to investors	1		
01.07 Other costs incident to loans	3	3	3
01.91 Total operating expenses	43	22	3
10.00 Total new obligations	88	63	41
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	150	88	
22.00 New budget authority (gross)	174	54	41
22.10 Resources available from recoveries of prior year obligations	2		
22.40 Capital transfer to general fund	-150	-78	
22.60 Portion applied to repay debt		-1	
23.90 Total budgetary resources available for obligation	176	63	41
23.95 Total new obligations	-88	-63	-41
24.40 Unobligated balance carried forward, end of year	88		
New budget authority (gross), detail:			
Spending authority from offsetting collections:			
Mandatory:			
69.00 Offsetting collections (cash)	1,404	1,289	1,186
69.27 Capital transfer to general fund	-550	-1,235	-1,145
69.47 Portion applied to repay debt	-680		
69.90 Spending authority from offsetting collections (total mandatory)	174	54	41
Change in obligated balances:			
72.40 Unpaid fund balance with treasury, end of year	90	73	82
73.10 Total new obligations	88	63	41
73.20 Total outlays (gross)	-103	-54	-41
73.45 Recoveries of prior year obligations	-2		
74.40 Obligated balance, end of year	73	82	82
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	103	54	41
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-2		
88.40 Repayments of loans and advances	-750	-692	-645
88.40 Proceeds from sale of acquired property	-14	-9	-8
88.40 Payments on judgments	-9	-11	-11
88.40 Interest payments from borrowers	-475	-406	-354
88.40 Recapture of subsidies	-135	-157	-156
88.40 Income from residual investment in loan asset sale	-17	-14	-12
88.40 Fees and other revenue	-1		
88.90 Total, offsetting collections (cash)	-1,403	-1,289	-1,186
Against gross budget authority only:			
88.96 Portion of offsetting collections (cash) credited to expired accounts	-1		
Net budget authority and outlays:			
89.00 Budget authority	-1,230	-1,235	-1,145
90.00 Outlays	-1,300	-1,235	-1,145

Status of Direct Loans (in millions of dollars)

Identification code 12-4141-0-3-371	2005 actual	2006 est.	2007 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	12,949	12,149	11,420

1251 Repayments: Repayments and prepayments	-751	-692	-645
1261 Adjustments: Capitalized interest	8	8	8
Write-offs for default:			
1263 Direct loans	-34	-30	-25
1264 Other adjustments, net	-23	-15	-10
1290 Outstanding, end of year	12,149	11,420	10,748

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4141-0-3-371	2005 actual	2006 est.	2007 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	9	7	6
2251 Repayments and prepayments	-2	-1	-1
2290 Outstanding, end of year	7	6	5
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	6	5	4

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from direct loans obligated and loan guarantees committed prior to 1992. New loan activity in 1992 and beyond is recorded in corresponding program and financing accounts.

Balance Sheet (in millions of dollars)

Identification code 12-4141-0-3-371	2004 actual	2005 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	240	160
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601 Direct loans, gross	12,949	12,149
1602 Interest receivable	122	711
1603 Allowance for estimated uncollectible loans and interest (-)	-5,558	-5,686
1604 Direct loans and interest receivable, net	7,513	7,174
1606 Foreclosed property	17	13
1699 Value of assets related to direct loans	7,530	7,187
1901 Other Federal assets: Other assets	85	94
1999 Total assets	7,855	7,441
LIABILITIES:		
Federal liabilities:		
2102 Interest payable	36	1
2103 Debt	680	1
2104 Resources payable to Treasury	7,055	7,347
Non-Federal liabilities:		
2203 Debt	1	
2204 Liabilities for loan guarantees	81	1
2207 Other	2	91
2999 Total liabilities	7,855	7,441
4999 Total liabilities and net position	7,855	7,441

Object Classification (in millions of dollars)

Identification code 12-4141-0-3-371	2005 actual	2006 est.	2007 est.
25.2 Other services	3	3	3
33.0 Investments and loans	45	41	38
43.0 Interest and dividends	40	19	
99.9 Total new obligations	88	63	41

RURAL BUSINESS—COOPERATIVE SERVICE

Federal Funds

General and special funds:

RURAL EMPOWERMENT ZONES AND ENTERPRISE COMMUNITY GRANTS

For grants in connection with second and third rounds of empowerment zones and enterprise communities, \$11,200,000, to remain

available until expended, for designated rural empowerment zones and rural enterprise communities, as authorized by the Taxpayer Relief Act of 1997 and the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105-277): *Provided*, That of the funds appropriated, \$1,000,000 shall be made available to third round empowerment zones, as authorized by the Community Renewal Tax Relief Act (Public Law 106-554).] (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

\$20,295,000, to remain available until expended, shall be for value-added agricultural product market development grants, as authorized by section 6401 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1621 note). (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-0402-0-1-452	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct program activity	12	15	
10.00 Total new obligations (object class 41.0)	12	15	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	4	4	
22.00 New budget authority (gross)	12	11	
23.90 Total budgetary resources available for obligation	16	15	
23.95 Total new obligations	-12	-15	
24.40 Unobligated balance carried forward, end of year	4		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	12	11	
Change in obligated balances:			
72.40 Obligated balance, start of year	26	24	24
73.10 Total new obligations	12	15	
73.20 Total outlays (gross)	-14	-15	-11
74.40 Obligated balance, end of year	24	24	13
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	2	2	
86.93 Outlays from discretionary balances	12	13	11
87.00 Total outlays (gross)	14	15	11
Net budget authority and outlays:			
89.00 Budget authority	12	11	
90.00 Outlays	13	15	11

The goal of the Empowerment Zone/Enterprise Community (EZ/EC) initiative is to revitalize rural communities in a manner that attracts private sector investment and thereby provides self-sustaining community and economic development. Appropriated funding in 1999 through 2002 was provided for EZ/ECs designated as part of the second round of this initiative.

No funding is provided in 2007 for EZ/EC grants. For grants like these that are for community organizations to stimulate economic development, the 2007 Budget proposes to consolidate them into a new economic and community development program to be administered by the Department of Commerce. The new program would be designed to achieve greater results and focus on communities most in need of assistance.

RURAL COOPERATIVE DEVELOPMENT GRANTS

For rural cooperative development grants authorized under section 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932), [\$29,488,000] \$27,225,000, of which [\$500,000] \$495,000 shall be for a cooperative research agreement with a qualified academic institution to conduct research on the national economic impact of all types of cooperatives; and of which [\$2,500,000] shall be for cooperative agreements for the appropriate technology transfer for rural areas program: *Provided*, That not to exceed [\$1,488,000] \$1,485,000 shall be for cooperatives or associations of cooperatives whose primary focus is to provide assistance to small, minority producers and whose governing board and/or membership is comprised of at least 75 percent minority; and of which [\$20,500,000]

Program and Financing (in millions of dollars)

Identification code 12-1900-0-1-452	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Rural Cooperative Development Grants	7	6	7
00.10 Value-added Agricultural Product Marketing (mandatory)		1	
00.11 Value added Agricultural Product Marketing (discretionary)	14	34	20
00.12 Appropriate Technology Transfer for Rural Areas	3	3	
10.00 Total new obligations (object class 41.0)	24	44	27
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	14	15	
22.00 New budget authority (gross)	24	29	27
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	39	44	27
23.95 Total new obligations	-24	-44	-27
24.40 Unobligated balance carried forward, end of year	15		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	24	29	27
40.35 Appropriation permanently reduced			-40
43.00 Appropriation (total discretionary)	24	29	-13
Mandatory:			
62.00 Transferred from other accounts			40
70.00 Total new budget authority (gross)	24	29	27
Change in obligated balances:			
72.40 Obligated balance, start of year	57	40	57
73.10 Total new obligations	24	44	27
73.20 Total outlays (gross)	-40	-27	-38
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	40	57	46
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	7	8	-6
86.93 Outlays from discretionary balances	33	19	32
86.97 Outlays from new mandatory authority			12
87.00 Total outlays (gross)	40	27	38
Net budget authority and outlays:			
89.00 Budget authority	24	29	27
90.00 Outlays	40	27	38

Grants for rural cooperative development were authorized under section 310B(e) of the Consolidated Farm and Rural Development Act by Public Law 104-127, April 4, 1996. These grants are made available to nonprofit corporations and institutions of higher education to fund the establishment and operation of centers for rural cooperative development. The primary purpose of the centers is the improvement of economic conditions of rural areas through the development of new cooperatives and improving operations of existing cooperatives. RBS can fund up to 75 percent of any project and associated administrative costs and requires at least a 25 percent matching share from the applicant which must be from non-Federal sources.

The Appropriate Technology Transfer to 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

General and special funds—Continued

RURAL COOPERATIVE DEVELOPMENT GRANTS—Continued

production costs. The 2007 Budget provides no funding for this purpose.

Funds are requested for cooperative research agreements to help the Rural Development mission area maintain a predictable level of research on agricultural and non-agricultural cooperative issues.

Additionally, USDA provides value added marketing grants for cooperatives. These were first funded in the Agriculture Risk Protection Act of 2000. The 2002 Farm Bill provided \$40 million for this purpose each year from 2002 through 2007. The 2007 Budget cancels these funds for a savings of \$40 million. However, \$20.3 million in discretionary 2007 funds is provided for this purpose.

RURAL ECONOMIC DEVELOPMENT GRANTS

(INCLUDING RESCISSION OF FUNDS)

Of the funds derived from interest on the cushion of credit payments, as authorized by section 313 of the Rural Electrification Act of 1936, \$81,000,000 is rescinded.

Program and Financing (in millions of dollars)

Identification code 12-3105-0-1-452	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct program activity	8	10	10
10.00 Total new obligations (object class 41.0)	8	10	10
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	110	187	93
22.00 New budget authority (gross)	84	-84	-11
23.90 Total budgetary resources available for obligation	194	103	82
23.95 Total new obligations	-8	-10	-10
24.40 Unobligated balance carried forward, end of year	187	93	72
New budget authority (gross), detail:			
Discretionary:			
40.36 Unobligated balance permanently reduced			-81
Mandatory:			
60.36 Unobligated balance permanently reduced		-170	
Spending authority from offsetting collections:			
Mandatory:			
69.00 Offsetting collections (cash)	67	89	82
69.00 Offsetting collections (cash)		4	6
69.10 Change in uncollected customer payments from Federal sources (unexpired)	17	-7	-18
69.90 Spending authority from offsetting collections (total mandatory)	84	86	70
70.00 Total new budget authority (gross)	84	-84	-11
Change in obligated balances:			
72.40 Obligated balance, start of year	-59	-79	-157
73.10 Total new obligations	8	10	10
73.20 Total outlays (gross)	-10	-95	-79
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-17	7	18
74.40 Obligated balance, end of year	-79	-157	-208
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	10	86	70
86.98 Outlays from mandatory balances		9	9
87.00 Total outlays (gross)	10	95	79
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-67	-89	-82
88.00 Federal sources		-4	-6
88.90 Total, offsetting collections (cash)	-67	-93	-88

88.95	Against gross budget authority only: Change in uncollected customer payments from Federal sources (unexpired)	-17	7	18
Net budget authority and outlays:				
89.00	Budget authority	-170	-81	
90.00	Outlays	-57	2	-9

This grant program is authorized under section 313 of the Rural Electrification Act, as amended, and provides funds for the purpose of promoting rural economic development and job creation projects, including funding for project feasibility studies, start-up costs, incubator projects and other expenses for the purpose of fostering rural development.

Funding for this program is provided from the interest differential on Rural Utilities Service borrowers' cushion of credit accounts.

NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER

Program and Financing (in millions of dollars)

Identification code 12-1906-0-1-452	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct program activity	1	1	
10.00 Total new obligations (object class 41.0)	1	1	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	5	5	5
22.00 New budget authority (gross)	1	1	
23.90 Total budgetary resources available for obligation	6	6	5
23.95 Total new obligations	-1	-1	
23.98 Unobligated balance expiring or withdrawn			-5
24.40 Unobligated balance carried forward, end of year	5	5	
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	1	1	
Change in obligated balances:			
73.10 Total new obligations	1	1	
73.20 Total outlays (gross)	-1	-1	-1
Outlays (gross), detail:			
86.98 Outlays from mandatory balances	1	1	1
Net budget authority and outlays:			
89.00 Budget authority	1	1	
90.00 Outlays	1	1	1

The Federal Agriculture Improvement Act of 1996 established the National Sheep Industry Improvement Center to promote activities to strengthen and enhance production or marketing of sheep and goat products in the United States. The Center may provide loans or grants to eligible entities to provide assistance to the industry for infrastructure development, business development, production, resource development, and market and environmental research. The 1996 Act provided \$20 million in mandatory funding for the establishment and operation of the Center and authorized additional discretionary funding of \$30 million. In 2000, \$10 million was granted to an intermediary to provide assistance to the sheep and lamb industry. Additional funds have been added to the original authorized amount so that the total available for this purpose is now \$28 million. No additional funds are requested in 2007. This Program will be privatized in September 2006.

RURAL STRATEGIC INVESTMENT PROGRAM GRANTS

The Rural Strategic Investment Program is authorized under 7 U.S.C. 2009dd. The Rural Strategic Investment Pro-

gram will provide rural communities with flexible resources to develop comprehensive, collaborative, and locally-based strategic planning processes; and will implement innovative community and economic development strategies that optimize regional competitive advantages. The program was authorized and funded in section 6030 of the Farm Security and Rural Investment Act of 2002, Public Law 107-171. The Act provides that if the Secretary approves a national strategic investment plan submitted by the National Board, the Secretary shall transfer \$100,000,000 for planning grants and innovation grants to Regional Boards from the Commodity Credit Corporation, to remain available until expended. However, in 2004 these funds were blocked from being spent. The Deficit Reduction Act cancels the funding and no funds are provided in the Budget.

Credit accounts:

RURAL BUSINESS AND INDUSTRY DIRECT LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4223-0-3-452	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.02 Interest on Treasury borrowings	3	6	6
08.02 Downward reestimates paid to receipt account	5		
08.04 Interest on downward reestimates paid to receipt account	3		
08.91 Direct Program by Activities—Subtotal (1 level)	8		
10.00 Total new obligations	11	6	6
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	47	20	1
22.00 New financing authority (gross)	-17	32	32
22.10 Resources available from recoveries of prior year obligations	4		
22.60 Portion applied to repay debt		-45	-26
22.70 Balance of authority to borrow withdrawn	-3		
23.90 Total budgetary resources available for obligation	31	7	7
23.95 Total new obligations	-11	-6	-6
24.40 Unobligated balance carried forward, end of year	20	1	1
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	8	18	18
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	17	14	14
68.47 Portion applied to repay debt	-42		
68.90 Spending authority from offsetting collections (total discretionary)	-25	14	14
70.00 Total new financing authority (gross)	-17	32	32
Change in obligated balances:			
72.40 Obligated balance, start of year	5		
73.10 Total new obligations	11	6	6
73.20 Total financing disbursements (gross)	-12	-6	-6
73.45 Recoveries of prior year obligations	-4		
74.40 Obligated balance, end of year			
87.00 Interest received on loans	12	6	6
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-5		
88.25 Interest on uninvested funds	-3	-3	-3
88.40 Repayments of principal	-9	-5	-5
88.40 Interest received on loans		-6	-6
88.90 Total, offsetting collections (cash)	-17	-14	-14
Net financing authority and financing disbursements:			
89.00 Financing authority	-34	18	18

Identification code 12-4223-0-3-452	2005 actual	2006 est.	2007 est.
Status of Direct Loans (in millions of dollars)			
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	89	81	69
1251 Repayments: Repayments and prepayments	-5	-8	-8
1263 Write-offs for default: Direct loans	-3	-4	-4
1290 Outstanding, end of year	81	69	57

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals. The subsidy cost of these programs is funded through the Rural Community Advancement Program. Loans made prior to 1992 are recorded in the Rural Development Insurance Fund Liquidating Account.

Direct business and industry loans are made to public, private, or cooperative organizations, Indian tribes or tribal groups, corporate entities, or individuals for the purpose of improving the economic climate in rural areas. Funding for this purpose was discontinued beginning in 2002.

Balance Sheet (in millions of dollars)

Identification code 12-4223-0-3-452	2004 actual	2005 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	44	7
Investments in US securities:		
1106 Receivables, net		-6
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	89	83
1402 Interest receivable	7	7
1405 Allowance for subsidy cost (-)	-78	-75
1499 Net present value of assets related to direct loans	18	15
1999 Total assets	62	16
LIABILITIES:		
Federal liabilities:		
2104 Resources payable to Treasury	62	15
2105 Other		1
2999 Total liabilities	62	16
4999 Total liabilities and net position	62	16

RURAL BUSINESS AND INDUSTRY GUARANTEED LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4227-0-3-452	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Default claims	40	44	49
00.02 Purchase from Secondary Market	37	41	45
00.03 Interest to Treasury	8	6	6
00.06 Direct Program Activity	5		
00.91 Direct Program by Activities—Subtotal (1 level)	90	91	100
08.02 Subsidy reestimates paid to receipt account	9		
08.04 Interest on downward reestimates	2		
08.91 Direct Program by Activities—Subtotal (1 level)	11		
10.00 Total new obligations	101	91	100
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	255	300	
22.00 New financing authority (gross)	141	102	127
22.10 Resources available from recoveries of prior year obligations	5		

Credit accounts—Continued

RURAL BUSINESS AND INDUSTRY GUARANTEED LOANS FINANCING ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-4227-0-3-452	2005 actual	2006 est.	2007 est.
22.60 Portion applied to repay debt		- 311	- 27
23.90 Total budgetary resources available for obligation	401	91	100
23.95 Total new obligations	- 101	- 91	- 100
24.40 Unobligated balance carried forward, end of year	300		
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	23	15	10
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	125	87	117
68.47 Portion applied to repay debt	- 7		
68.90 Spending authority from offsetting collections (total discretionary)	118	87	117
70.00 Total new financing authority (gross)	141	102	127
Change in obligated balances:			
73.10 Total new obligations	101	91	100
73.20 Total financing disbursements (gross)	- 96	- 91	- 100
73.45 Recoveries of prior year obligations	- 5		
87.00 Guarantee fees	96	91	100
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	- 63	- 19	- 36
88.25 Interest on uninvested funds	- 10	- 12	- 15
88.40 Interest and principal on purchased loans from secondary market	- 41	- 44	- 52
88.40 Guarantee fees	- 11	- 12	- 14
88.90 Total, offsetting collections (cash)	- 125	- 87	- 117
Net financing authority and financing disbursements:			
89.00 Financing authority	16	15	10
90.00 Financing disbursements	- 29	4	- 17

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4227-0-3-452	2005 actual	2006 est.	2007 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders			
2131 Guaranteed loan commitments exempt from limitation	678	1,003	990
2150 Total guaranteed loan commitments	678	1,003	990
2199 Guaranteed amount of guaranteed loan commitments	542	802	792
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	4,194	4,183	4,426
2231 Disbursements of new guaranteed loans	698	798	914
2251 Repayments and prepayments	- 629	- 460	- 487
2263 Adjustments: Terminations for default that result in claim payments	- 80	- 95	- 111
2290 Outstanding, end of year	4,183	4,426	4,742
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	3,349	3,543	3,795

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loans committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals. The subsidy cost of this program is funded through the Rural Community Advancement Program. Loans made prior to 1992

are recorded in the Rural Development Insurance Fund Liquidating Account.

This account finances loan guarantee commitments for industrial development in rural areas.

Balance Sheet (in millions of dollars)

Identification code 12-4227-0-3-452	2004 actual	2005 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	255	300
Investments in US securities:		
1106 Receivables, net	204	216
1999 Total assets	459	516
LIABILITIES:		
Federal liabilities:		
2104 Resources payable to Treasury	124	141
2105 Other	1	8
2204 Non-Federal liabilities: Liabilities for loan guarantees	334	367
2999 Total liabilities	459	516
4999 Total liabilities and net position	459	516

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT (INCLUDING TRANSFER OF FUNDS)

For the principal amount of direct loans, as authorized by the Rural Development Loan Fund (42 U.S.C. 9812(a)), **[\$34,212,000] \$33,925,000.**

For the cost of direct loans, **[\$14,718,000] \$14,951,000**, as authorized by the Rural Development Loan Fund (42 U.S.C. 9812(a)), of which \$1,724,000 shall be available through June 30, 2006, for Federally Recognized Native American Tribes and of which \$3,449,000 shall be available through June 30, 2006, for Mississippi Delta Region counties (as determined in accordance with Public Law 100-460): *Provided*, That of such amount made available, the Secretary may provide up to \$1,500,000 for the Delta Regional Authority (7 U.S.C. 1921 et seq.): *Provided [further]*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That of the total amount appropriated, **[\$887,000] \$80,000** shall be available through June 30, **[2006] 2007**, for the cost of direct loans for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones.

In addition, for administrative expenses to carry out the direct loan programs, **[\$4,793,000] \$4,950,000** shall be transferred to and merged with the appropriation for "Rural Development, Salaries and Expenses". (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-2069-0-1-452	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct loan subsidy	16	14	15
00.09 Administrative expense	4	5	5
10.00 Total new obligations	20	19	20
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	20	19	20
23.95 Total new obligations	- 20	- 19	- 20
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	20	19	20
Change in obligated balances:			
72.40 Obligated balance, start of year	52	49	45
73.10 Total new obligations	20	19	20
73.20 Total outlays (gross)	- 20	- 23	- 22
73.40 Adjustments in expired accounts (net)	- 3		
74.40 Obligated balance, end of year	49	45	43
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	5	6	6

86.93	Outlays from discretionary balances	15	17	16
87.00	Total outlays (gross)	20	23	22
Net budget authority and outlays:				
89.00	Budget authority	20	19	20
90.00	Outlays	20	23	22

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-2069-0-1-452	2005 actual	2006 est.	2007 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Rural development loan fund program	34	34	34
115901 Total direct loan levels	34	34	34
Direct loan subsidy (in percent):			
132001 Rural development loan fund program	46.38	43.02	44.07
132901 Weighted average subsidy rate	46.38	43.02	44.07
Direct loan subsidy budget authority:			
133001 Rural development loan fund program	16	15	15
133901 Total subsidy budget authority	16	15	15
Direct loan subsidy outlays:			
134001 Rural development loan fund program	16	18	17
134901 Total subsidy outlays	16	18	17
Direct loan downward reestimate subsidy budget authority:			
137001 Rural development loan fund program	-4		
137901 Total downward reestimate budget authority	-4		
Administrative expense data:			
351001 Budget authority	4	5	5
359001 Outlays from new authority	4	5	5

This account finances loans to intermediary borrowers, who, in turn, re-lend the funds to small rural businesses, community development corporations, and other organizations for the purpose of improving economic opportunities in rural areas. Through the use of local intermediaries, this program serves small-scale enterprises and gives preference to those communities with the greatest need. In 2007 the Budget provides \$34 million in loans for this purpose.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated in 1992 and beyond, as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Object Classification (in millions of dollars)

Identification code 12-2069-0-1-452	2005 actual	2006 est.	2007 est.
25.3 Other purchases of goods and services from Government accounts	4	5	5
41.0 Grants, subsidies, and contributions	16	14	15
99.9 Total new obligations	20	19	20

RURAL DEVELOPMENT LOAN FUND DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4219-0-3-452	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
Operating program:			
00.01 Direct loans	34	34	34
00.02 Interest on Treasury Borrowing	15	16	16
00.91 Direct Program by Activities—Subtotal	49	50	50
08.02 Downward subsidy reestimate paid to receipt account	3		
08.04 Interest on downward subsidy reestimate paid to receipt account	1		

08.91	Direct Program by Activities—Subtotal	4		
10.00	Total new obligations	53	50	50
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	1		
22.00	New financing authority (gross)	50	66	66
22.10	Resources available from recoveries of prior year obligations	7		
22.60	Portion applied to repay debt		-16	-16
22.70	Balance of authority to borrow withdrawn	-5		
23.90	Total budgetary resources available for obligation	53	50	50
23.95	Total new obligations	-53	-50	-50

New financing authority (gross), detail:

Mandatory:				
67.10	Authority to borrow	24	24	24
Spending authority from offsetting collections:				
Discretionary:				
68.00	Offsetting collections (cash)	35	42	42
68.10	Change in uncollected customer payments from Federal sources (unexpired)	-3		
68.47	Portion applied to repay debt	-6		
68.90	Spending authority from offsetting collections (total discretionary)	26	42	42
70.00	Total new financing authority (gross)	50	66	66

Change in obligated balances:

72.40	Obligated balance, start of year	60	55	36
73.10	Total new obligations	53	50	50
73.20	Total financing disbursements (gross)	-54	-69	-79
73.45	Recoveries of prior year obligations	-7		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	3		
74.40	Obligated balance, end of year	55	36	7
87.00	Total financing disbursements (gross)	54	69	79

Offsets:

Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Payments from program account	-16	-19	-17
88.25	Interest on uninvested funds	-2	-5	-3
88.40	Non-Federal sources—repayment of principal	-17	-15	-17
88.40	Non-Federal sources—interest on loans		-5	-5
88.90	Total, offsetting collections (cash)	-35	-44	-42
Against gross financing authority only:				
88.95	Change in receivables from program accounts	3		
88.96	Portion of offsetting collections (cash) credited to expired accounts		2	

Net financing authority and financing disbursements:

89.00	Financing authority	18	24	24
90.00	Financing disbursements	19	25	37

Status of Direct Loans (in millions of dollars)

Identification code 12-4219-0-3-452	2005 actual	2006 est.	2007 est.	
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans			
1131	Direct loan obligations exempt from limitation	34	34	34
1150	Total direct loan obligations	34	34	34
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	359	379	398
1231	Disbursements: Direct loan disbursements	35	34	32
1251	Repayments: Repayments and prepayments	-15	-15	-15
1290	Outstanding, end of year	379	398	415

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

This account finances loans to intermediary borrowers, who in turn relend the funds to small rural businesses, community

Credit accounts—Continued

RURAL DEVELOPMENT LOAN FUND DIRECT LOAN FINANCING ACCOUNT—Continued

development corporations, or other organizations for the purpose of improving economic opportunities in rural areas. Through the use of local intermediaries, this program serves small-scale enterprises and gives preference to those communities with the greatest need.

Balance Sheet (in millions of dollars)

Identification code 12-4219-0-3-452	2004 actual	2005 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	13	13
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	359	379
1402 Interest receivable	2	2
1405 Allowance for subsidy cost (-)	-150	-151
1499 Net present value of assets related to direct loans	211	230
1999 Total assets	224	243
LIABILITIES:		
2104 Federal liabilities: Resources payable to Treasury	224	243
2999 Total liabilities	224	243
4999 Total liabilities and net position	224	243

RURAL DEVELOPMENT LOAN FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4233-0-3-452	2005 actual	2006 est.	2007 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1		
22.40 Capital transfer to general fund	-1		
23.90 Total budgetary resources available for obligation			
24.40 Unobligated balance carried forward, end of year			

New budget authority (gross), detail:

Spending authority from offsetting collections:			
Mandatory:			
69.00 Offsetting collections (cash)	3	4	4
69.27 Capital transfer to general fund	-3	-4	-4
69.90 Spending authority from offsetting collections (total mandatory)			

Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.40 Loan repayments	-3	-3	-3
88.40 Borrower interest payments		-1	-1
88.90 Total, offsetting collections (cash)	-3	-4	-4

Net budget authority and outlays:

89.00 Budget authority	-3	-4	-4
90.00 Outlays	-4	-4	-4

Status of Direct Loans (in millions of dollars)

Identification code 12-4233-0-3-452	2005 actual	2006 est.	2007 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	55	52	49
1251 Repayments: Repayments and prepayments	-3	-3	-3
1290 Outstanding, end of year	52	49	46

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from direct loans obligated

prior to 1992. New loan activity in 1992 and beyond is recorded in corresponding program and financing accounts.

Balance Sheet (in millions of dollars)

Identification code 12-4233-0-3-452	2004 actual	2005 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	1	1
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601 Direct loans, gross	55	52
1603 Allowance for estimated uncollectible loans and interest (-)	-27	-25
1604 Direct loans and interest receivable, net	28	27
1699 Value of assets related to direct loans	28	27
1999 Total assets	29	28
LIABILITIES:		
2104 Federal liabilities: Resources payable to Treasury	29	28
2999 Total liabilities	29	28
4999 Total liabilities and net position	29	28

RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

(INCLUDING RESCISSION OF FUNDS)

For the principal amount of direct loans, as authorized under section 313 of the Rural Electrification Act, for the purpose of promoting rural economic development and job creation projects, **[\$25,003,000] \$34,652,000**.

For the cost of direct loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, **[\$4,993,000] \$7,568,000**, to remain available until expended.

Of the funds derived from interest on the cushion of credit payments in the current fiscal year, as authorized by section 313 of the Rural Electrification Act of 1936, **[\$170,000,000] \$7,568,000** shall not be obligated and **[\$170,000,000] \$7,568,000** are rescinded. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-3108-0-1-452	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct loan subsidy	5	5	8
10.00 Total new obligations (object class 41.0)	5	5	8

Budgetary resources available for obligation:

22.00 New budget authority (gross)	6	5	8
23.95 Total new obligations	-5	-5	-8
24.40 Unobligated balance carried forward, end of year			

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	5	5	8
Mandatory:			
60.00 Appropriation	1		
70.00 Total new budget authority (gross)	6	5	8

Change in obligated balances:

72.40 Obligated balance, start of year	3	5	6
73.10 Total new obligations	5	5	8
73.20 Total outlays (gross)	-3	-4	-7
74.40 Obligated balance, end of year	5	6	7

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	1	1	2
86.93 Outlays from discretionary balances	1	3	5
86.97 Outlays from new mandatory authority	1		
87.00 Total outlays (gross)	3	4	7

Net budget authority and outlays:				
89.00	Budget authority	6	5	8
90.00	Outlays	3	4	7

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-3108-0-1-452	2005 actual	2006 est.	2007 est.	
Direct loan levels supportable by subsidy budget authority:				
115001	Rural economic development loans program	25	25	35
115901	Total direct loan levels	25	25	35
Direct loan subsidy (in percent):				
132001	Rural economic development loans program	18.79	19.97	21.84
132901	Weighted average subsidy rate	18.79	19.97	21.84
Direct loan subsidy budget authority:				
133001	Rural economic development loans program	5	5	8
133901	Total subsidy budget authority	5	5	8
Direct loan subsidy outlays:				
134001	Rural economic development loans program	3	4	5
134901	Total subsidy outlays	3	4	5
Direct loan downward reestimate subsidy budget authority:				
137001	Downward reestimates subsidy budget authority	-2		
137901	Total downward reestimate budget authority	-2		

Rural economic development loans are made for the purpose of promoting rural economic development and job creation projects. Loans are made to electric and telecommunication borrowers, who, in turn, finance rural development projects in their service areas. Program costs are derived from interest earnings on borrowers' "cushion of credit" loan prepayments.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated in 1992 and beyond. The subsidy amounts are estimated on a present value basis.

RURAL ECONOMIC DEVELOPMENT DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4176-0-3-452	2005 actual	2006 est.	2007 est.	
Obligations by program activity:				
00.01	Direct loans	25	25	35
00.02	Interest expense	3	4	4
00.91	Direct Program by Activities—Subtotal (1 level)	28	29	39
08.02	Downward subsidy reestimate paid to receipt account	2		
10.00	Total new obligations (object class 41.0)	30	29	39
Budgetary resources available for obligation:				
22.00	New financing authority (gross)	30	29	39
22.10	Resources available from recoveries of prior year obligations	2		
22.70	Balance of authority to borrow withdrawn	-2		
23.90	Total budgetary resources available for obligation	30	29	39
23.95	Total new obligations	-30	-29	-39
New financing authority (gross), detail:				
Mandatory:				
67.10	Authority to borrow	25	20	26
Spending authority from offsetting collections:				
Discretionary:				
68.00	Offsetting collections (cash)	18	21	25
68.10	Change in uncollected customer payments from Federal sources (unexpired)	2	1	2
68.47	Portion applied to repay debt	-15	-13	-14
68.90	Spending authority from offsetting collections (total discretionary)	5	9	13
70.00	Total new financing authority (gross)	30	29	39

Change in obligated balances:				
72.40	Obligated balance, start of year	12	20	22
73.10	Total new obligations	30	29	39
73.20	Total financing disbursements (gross)	-18	-26	-31
73.45	Recoveries of prior year obligations	-2		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-2	-1	-2
74.40	Obligated balance, end of year	20	22	28
87.00	Total financing disbursements (gross)	18	26	31

Offsets:				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Federal Funds: Program Account	-3	-4	-5
88.25	Interest on uninvested funds	-1	-2	-2
88.40	Non-Federal sources: Repayment of Principal	-14	-16	-18
88.90	Total, offsetting collections (cash)	-18	-22	-25
Against gross financing authority only:				
88.95	Change in receivables from program accounts	-2	-1	-2
88.96	Portion of offsetting collections (cash) credited to expired accounts		1	
Net financing authority and financing disbursements:				
89.00	Financing authority	10	7	12
90.00	Financing disbursements		4	6

Identification code 12-4176-0-3-452	2005 actual	2006 est.	2007 est.	
Status of Direct Loans (in millions of dollars)				
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans			
1131	Direct loan obligations exempt from limitation	25	25	35
1150	Total direct loan obligations	25	25	35
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	75	73	78
1231	Disbursements: Direct loan disbursements	12	21	26
1251	Repayments: Repayments and prepayments	-14	-16	-17
1290	Outstanding, end of year	73	78	87

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

Identification code 12-4176-0-3-452	2004 actual	2005 actual	
Balance Sheet (in millions of dollars)			
ASSETS:			
1101	Federal assets: Fund balances with Treasury	4	2
Net value of assets related to post-1991 direct loans receivable:			
1401	Direct loans receivable, gross	75	73
1405	Allowance for subsidy cost (-)	-8	-5
1499	Net present value of assets related to direct loans	67	68
1999	Total assets	71	70
LIABILITIES:			
Federal liabilities:			
2104	Resources payable to Treasury	70	69
2105	Other	1	1
2999	Total liabilities	71	70
4999	Total liabilities and net position	71	70

Credit accounts—Continued

RURAL BUSINESS INVESTMENT PROGRAMS ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-1907-0-1-452	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.02 Debenture subsidy		5	
00.09 Administrative expense		2	
00.10 Grants		3	
10.00 Total new obligations		10	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	99	99	89
23.95 Total new obligations		-10	
24.40 Unobligated balance carried forward, end of year	99	89	89
Change in obligated balances:			
72.40 Obligated balance, start of year			1
73.10 Total new obligations		10	
73.20 Total outlays (gross) (-)		-9	-90
74.40 Obligated balance, end of year		1	-89
Outlays (gross), detail:			
86.98 Outlays from mandatory balances		9	90
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays		9	90

The Rural Business Investment Program is authorized under 7 U.S.C. 2009cc. The purpose of this program is to promote economic development and the creation of wealth and job opportunities in rural areas and among individuals living in those areas by encouraging developmental capital investments in smaller enterprises primarily located in rural areas. RBS may enter into participation agreements with rural business investment companies and may guarantee debentures of rural business investment companies to enable each rural business investment company to make developmental venture capital investments in smaller enterprises in rural areas. Grants will be made to rural business investment companies and other entities for the purpose of providing operational assistance to smaller enterprises financed by rural business investment companies. The Rural Business Investment Program was authorized and provided mandatory funding by section 6029 of the Farm Security and Rural Investment Act of 2002, Public Law 107-171. The Act provides such sums as may be necessary for the cost of guaranteeing \$280 million of debentures and \$44 million to make grants, an estimated total of \$100,000,000, to remain available until expended from the funds of the Commodity Credit Corporation.

In 2006, the program is limited to \$10 million. The Deficit Reduction Act cancels the funding and no funds are provided in the Budget.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the loan guarantees committed in 1992 and beyond, as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-1907-0-1-452	2005 actual	2006 est.	2007 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Loan guarantee levels		65	

215901 Total loan guarantee levels	65		
Guaranteed loan subsidy (in percent):			
232001 Subsidy rate	7.72	0.00	
232901 Weighted average subsidy rate	7.72	0.00	
Guaranteed loan subsidy budget authority:			
233001 Subsidy budget authority	5		
233901 Total subsidy budget authority	5		
Guaranteed loan subsidy outlays:			
234001 Subsidy outlays	5		
234901 Total subsidy outlays	5		
Administrative expense data:			
351001 Budget authority	2		
358001 Outlays from balances	1	1	

Object Classification (in millions of dollars)

Identification code 12-1907-0-1-452	2005 actual	2006 est.	2007 est.
25.2 Administrative Expenses		2	
41.0 Grants, subsidies, and contributions		8	
99.9 Total new obligations		10	

RURAL BUSINESS INVESTMENT PROGRAM GUARANTEE FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4033-0-3-452	2005 actual	2006 est.	2007 est.
Offsets:			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources		-5	
Against gross financing authority only:			
88.96 Portion of offsetting collections (cash) credited to expired accounts		5	
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements		-5	

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4033-0-3-452	2005 actual	2006 est.	2007 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders			
2131 Guaranteed loan commitments exempt from limitation		65	
2150 Total guaranteed loan commitments		65	
2199 Guaranteed amount of guaranteed loan commitments		65	
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year			65
2231 Disbursements of new guaranteed loans		65	
2251 Repayments and prepayments			-1
2290 Outstanding, end of year		65	64
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year		65	64

RENEWABLE ENERGY PROGRAM

For the cost of a program of direct loans, loan guarantees, and grants, under the same terms and conditions as authorized by section 9006 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8106), **[\$23,000,000] \$10,163,000** for direct and guaranteed renewable energy loans and grants: *Provided*, That the cost of direct loans and loan guarantees, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-1908-0-1-451	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.02 Guaranteed loan subsidy	1	11	2
00.10 Renewable energy grants	22	12	8
10.00 Total new obligations (object class 41.0)	23	23	10
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	23	23	10
23.95 Total new obligations	-23	-23	-10
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	23	23	10
40.35 Appropriation permanently reduced			-3
43.00 Appropriation (total discretionary)	23	23	7
Mandatory:			
62.00 Transferred from other accounts			3
70.00 Total new budget authority (gross)	23	23	10
Change in obligated balances:			
72.40 Obligated balance, start of year	43	55	56
73.10 Total new obligations	23	23	10
73.20 Total outlays (gross)	-10	-22	-20
73.40 Adjustments in expired accounts (net)	-1		
74.40 Obligated balance, end of year	55	56	46
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1	1	
86.93 Outlays from discretionary balances	9	21	20
87.00 Total outlays (gross)	10	22	20
Net budget authority and outlays:			
89.00 Budget authority	23	23	10
90.00 Outlays	9	22	20

Renewable Energy Systems and Energy Efficiency Improvements is authorized under 7 U.S.C. 8106. This program provides direct loans, loan guarantees, and grants to farmers, ranchers, and small rural businesses to purchase renewable energy systems and make energy efficiency improvements. The Farm Security and Rural Investment Act of 2002, Public Law 107-171, dated May 13, 2002, provides mandatory funding for this program. Of the funds of the Commodity Credit Corporation, the Secretary shall make available \$23,000,000 for each of fiscal years 2003 through 2007. In 2005 and 2006, the full \$23 million was blocked from being spent. Similarly, in 2007 \$3 million in 2007 funds is canceled. However, \$10.163 million in discretionary funding is provided for this purpose to ensure that any unmet need by other Federal programs can potentially be accommodated. The Deficit Reduction Act cancels \$20 million.

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-1908-0-1-451	2005 actual	2006 est.	2007 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Loan guarantee levels	10	177	35
215901 Total loan guarantee levels	10	177	35
Guaranteed loan subsidy (in percent):			
232001 Subsidy rate	5.73	6.45	6.49
232901 Weighted average subsidy rate	5.73	6.45	6.49
Guaranteed loan subsidy budget authority:			
233001 Subsidy budget authority	1	11	2
233901 Total subsidy budget authority	1	11	2
Guaranteed loan subsidy outlays:			
234001 Subsidy outlays	1	11	2
234901 Total subsidy outlays	1	11	2

RENEWABLE ENERGY GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4267-0-3-451	2005 actual	2006 est.	2007 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		1	12
22.00 New financing authority (gross)	1	11	2
23.90 Total budgetary resources available for obligation	1	12	14
24.40 Unobligated balance carried forward, end of year	1	12	14
New financing authority (gross), detail:			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)	1	11	2
Offsets:			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources	-1	-11	-2
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements	-1	-11	-2

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4267-0-3-451	2005 actual	2006 est.	2007 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders			
2131 Guaranteed loan commitments exempt from limitation	10	177	35
2150 Total guaranteed loan commitments	10	177	35
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year			12
2231 Disbursements of new guaranteed loans		14	93
2251 Repayments and prepayments		-2	-3
2290 Outstanding, end of year		12	102
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year		10	82

RURAL UTILITIES SERVICE

Federal Funds

General and special funds:

HIGH ENERGY COST GRANTS

Program and Financing (in millions of dollars)

Identification code 12-2042-0-1-452	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct program activity	20	31	
10.00 Total new obligations (object class 41.0)	20	31	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	23	30	25
22.00 New budget authority (gross)	28	26	-25
23.90 Total budgetary resources available for obligation	51	56	
23.95 Total new obligations	-20	-31	
24.40 Unobligated balance carried forward, end of year	30	25	
New budget authority (gross), detail:			
Discretionary:			
40.36 Unobligated balance permanently reduced			-25
42.00 Transferred from other accounts	28	26	
43.00 Appropriation (total discretionary)	28	26	-25

General and special funds—Continued

HIGH ENERGY COST GRANTS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-2042-0-1-452	2005 actual	2006 est.	2007 est.
Change in obligated balances:			
72.40 Obligated balance, start of year	15	11	3
73.10 Total new obligations	20	31	
73.20 Total outlays (gross)	-25	-39	-16
74.40 Obligated balance, end of year	11	3	-13
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	14	13	-12
86.93 Outlays from discretionary balances	11	26	28
87.00 Total outlays (gross)	25	39	16
Net budget authority and outlays:			
89.00 Budget authority	28	26	-25
90.00 Outlays	25	39	16

Funding was provided in 2001 through 2006 to support grants for areas that have high energy costs. These grants can be made to eligible entities or the Denali Commission to construct, extend, upgrade, and otherwise improve energy generation, transmission, or distribution facilities serving communities in which the average residential expenditure for home energy is at least 275 percent of the national average residential expenditure for home energy (as determined by the Energy Information Agency using the most recent data available). Grants are also available to establish and support a revolving fund to provide a more cost-effective means of purchasing fuel where the fuel cannot be shipped by means of surface transportation.

Credit accounts:

RURAL WATER AND WASTE DISPOSAL DIRECT LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4226-0-3-452	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
Operating program:			
00.01 Direct loans	921	1,063	990
00.02 Interest on Treasury borrowing	371	401	431
00.06 Other	5		
00.91 Direct Program by Activities—Subtotal	1,297	1,464	1,421
08.02 Subsidy reestimate paid to receipt account	41		
08.04 Interest on reestimate paid to receipt account	21		
08.91 Direct Program by Activities—Subtotal (1 level)	62		
10.00 Total new obligations	1,359	1,464	1,421
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	181	187	
22.00 New financing authority (gross)	1,352	1,464	1,421
22.10 Resources available from recoveries of prior year obligations	71		
22.60 Portion applied to repay debt		-187	
22.70 Balance of authority to borrow withdrawn	-59		
23.90 Total budgetary resources available for obligation	1,545	1,464	1,421
23.95 Total new obligations	-1,359	-1,464	-1,421
24.40 Unobligated balance carried forward, end of year	187		
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	900	853	1,009
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	645	622	633
68.10 Change in uncollected customer payments from Federal sources (unexpired)	1	2	4

68.47 Portion applied to repay debt	-194	-13	-225
68.90 Spending authority from offsetting collections (total discretionary)	452	611	412
70.00 Total new financing authority (gross)	1,352	1,464	1,421

Change in obligated balances:

72.40 Obligated balance, start of year	2,462	2,462	2,611
73.10 Total new obligations	1,359	1,464	1,421
73.20 Total financing disbursements (gross)	-1,287	-1,313	-1,416
73.45 Recoveries of prior year obligations	-71		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-1	-2	-4
74.40 Obligated balance, end of year	2,462	2,611	2,612
87.00 Interest Received on Loans	1,287	1,313	1,416

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-88	-72	-82
88.25 Interest on uninvested funds	-45	-41	-41
88.40 Repayment of principal	-224	-249	-249
88.40 Interest Received on Loans	-283	-260	-261
88.40 Non-Federal sources	-6		
88.90 Total, offsetting collections (cash)	-646	-622	-633
Against gross financing authority only:			
88.95 Change in receivables from program accounts	-1	-2	-4
88.96 Portion of offsetting collections (cash) credited to expired accounts	1		

Net financing authority and financing disbursements:

89.00 Financing authority	706	840	784
90.00 Financing disbursements	642	691	783

Status of Direct Loans (in millions of dollars)

Identification code 12-4226-0-3-452	2005 actual	2006 est.	2007 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	921	1,063	990
1150 Total direct loan obligations	921	1,063	990
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	6,009	6,639	7,302
1231 Disbursements: Direct loan disbursements	855	912	984
1251 Repayments: Repayments and prepayments	-223	-249	-249
1264 Write-offs for default: Other adjustments, net	-2		
1290 Outstanding, end of year	6,639	7,302	8,037

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals. The subsidy cost of these loans is provided through the Rural Community Advancement Program. Loans made prior to 1992 are recorded in the Rural Development Insurance Fund Liquidating Account.

The water and waste disposal program makes loans and grants to finance water systems and waste disposal facilities in rural areas.

Balance Sheet (in millions of dollars)

Identification code 12-4226-0-3-452	2004 actual	2005 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	64	72
Investments in US securities:		
1106 Receivables, net	9	-1
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	6,009	6,639
1402 Interest receivable	65	67
1405 Allowance for subsidy cost (-)	-760	-705

1499	Net present value of assets related to direct loans	5,314	6,001
1999	Total assets	5,387	6,072
LIABILITIES:			
Federal liabilities:			
2103	Debt	5,373	6,022
2105	Other	14	50
2999	Total liabilities	5,387	6,072
4999	Total liabilities and net position	5,387	6,072

RURAL WATER AND WASTE WATER DISPOSAL GUARANTEED LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4218-0-3-452	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
08.01	Negative Subsidy	1	1
10.00	Total new obligations	1	1
Budgetary resources available for obligation:			
22.00	New financing authority (gross)	1	1
23.95	Total new obligations	-1	-1
New financing authority (gross), detail:			
Discretionary:			
68.00	Spending authority from offsetting collections (gross): Offsetting collections (cash)	1	1
Change in obligated balances:			
73.10	Total new obligations	1	1
Offsets:			
Against gross financing authority and financing disbursements:			
88.40	Offsetting collections (cash) from: Non-Federal sources	-1	-1
Net financing authority and financing disbursements:			
89.00	Financing authority		
90.00	Financing disbursements	-1	-1

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4218-0-3-452	2005 actual	2006 est.	2007 est.
Position with respect to appropriations act limitation on commitments:			
2111	Limitation on guaranteed loans made by private lenders		
2131	Guaranteed loan commitments exempt from limitation	3	75
2150	Total guaranteed loan commitments	3	75
2199	Guaranteed amount of guaranteed loan commitments	2	60
Cumulative balance of guaranteed loans outstanding:			
2210	Outstanding, start of year	33	33
2231	Disbursements of new guaranteed loans	5	21
2251	Repayments and prepayments	-5	-4
2290	Outstanding, end of year	33	50
Memorandum:			
2299	Guaranteed amount of guaranteed loans outstanding, end of year	26	40

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loans committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals. Loans made prior to 1992 are recorded in the Rural Development Insurance Fund Liquidating Account.

This account finances loan guarantee commitments for water systems, and waste disposal facilities in rural areas.

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

Insured loans pursuant to the authority of section 305 of the Rural Electrification Act of 1936 (7 U.S.C. 935) shall be made as follows: 5 percent rural electrification loans, [\$100,000,000] \$99,018,000; municipal rate rural electric loans, [\$100,000,000] \$39,602,000; loans made pursuant to section 306 of that Act, rural electric, [\$2,700,000,000] \$3,000,000,000; Treasury rate direct electric loans, [\$1,000,000,000] \$700,000,000; [guaranteed underwriting loans pursuant to section 313A, \$1,500,000,000;] 5 percent rural telecommunications loans, [\$145,000,000] \$143,513,000; cost of money rural telecommunications loans, [\$424,000,000] \$246,666,000; and for loans made pursuant to section 306 of that Act, rural telecommunications loans, [\$125,000,000] \$299,000,000.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the cost of modifying loans, of direct and guaranteed loans authorized by sections 305 and 306 of the Rural Electrification Act of 1936 (7 U.S.C. 935 and 936), as follows: cost of rural electric loans, [\$6,160,000] \$2,717,000, and the cost of telecommunications loans, [\$212,000] \$605,000: *Provided*, That notwithstanding section 305(d)(2) of the Rural Electrification Act of 1936, borrower interest rates may exceed 7 percent per year.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, [\$38,784,000] \$39,600,000 which shall be transferred to and merged with the appropriation for "Rural Development, Salaries and Expenses". (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

[For gross obligations for the principal amount of direct rural telecommunication loans as authorized by section 306 of the Rural Electrification Act of 1936 to respond to damage caused by hurricanes that occurred during the 2005 calendar year, \$50,000,000, as determined by the Secretary.

For the cost of loan modifications to rural electric loans made or guaranteed under the Rural Electrification Act of 1936 to respond to damage caused by hurricanes that occurred during the 2005 calendar year, \$8,000,000, to remain available until expended: *Provided*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.] (*Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-1230-0-1-271	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01	Direct loan subsidy	5	6
00.03	Subsidy for modifications of direct loans		8
00.05	Reestimate of direct loan subsidy	206	
00.06	Interest on reestimates of direct loan subsidy	31	
00.09	Administrative expenses subject to limitation	38	39
10.00	Total new obligations	280	53
Budgetary resources available for obligation:			
22.00	New budget authority (gross)	280	53
23.95	Total new obligations	-280	-53
New budget authority (gross), detail:			
Discretionary:			
40.00	Appropriation	43	53
Mandatory:			
60.00	Appropriation	237	
70.00	Total new budget authority (gross)	280	53
Change in obligated balances:			
72.40	Obligated balance, start of year	50	42
73.10	Total new obligations	280	53
73.20	Total outlays (gross)	-285	-62
73.40	Adjustments in expired accounts (net)	-3	
74.40	Obligated balance, end of year	42	33
Outlays (gross), detail:			
86.90	Outlays from new discretionary authority	38	44
86.93	Outlays from discretionary balances	10	18

Credit accounts—Continued

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS
PROGRAM ACCOUNT—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1230-0-1-271	2005 actual	2006 est.	2007 est.
86.97 Outlays from new mandatory authority	237		
87.00 Total outlays (gross)	285	62	52
Net budget authority and outlays:			
89.00 Budget authority	280	53	43
90.00 Outlays	284	62	52

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-1230-0-1-271	2005 actual	2006 est.	2007 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Hardship electric	119	99	99
115002 Municipal electric	100	99	40
115003 Treasury electric	1,000	990	700
115004 FFB electric	2,100	2,600	3,000
115005 Hardship telephone	145	145	143
115006 Treasury telephone	248	420	247
115007 FFB telephone	125	125	299
115008 Electric Underwriter	1,000	1,500	
115009 FFB telecommunications—2005 hurricane emergency suppl.		50	
115901 Total direct loan levels	4,837	6,028	4,528
Direct loan subsidy (in percent):			
132001 Hardship electric	3.04	0.92	2.14
132002 Municipal electric	1.35	5.05	1.51
132003 Treasury electric	-0.05	0.01	0.00
132004 FFB electric	-2.23	-0.48	-1.19
132005 Hardship telephone	-1.21	-1.80	0.37
132006 Treasury telephone	0.04	0.05	0.03
132007 FFB telephone	-1.95	-1.57	-1.49
132008 Electric Underwriter	0.00	-1.26	0.00
132009 FFB telecommunications—2005 hurricane emergency sppl.	0.00	-1.57	0.00
132901 Weighted average subsidy rate	-0.96	-0.51	-0.81
Direct loan subsidy budget authority:			
133001 Hardship electric	4	1	2
133002 Municipal electric	1	5	1
133003 Treasury electric	-1		
133004 FFB electric	-47	-12	-36
133005 Hardship telephone	-2	-3	1
133006 Treasury telephone			
133007 FFB telephone	-2	-2	-4
133008 Electric Underwriter		-19	
133009 FFB telecommunications—2005 hurricane suppl.		-1	
133901 Total subsidy budget authority	-47	-31	-36
Direct loan subsidy outlays:			
134001 Hardship electric	4	4	3
134002 Municipal electric	-2	-3	1
134003 Treasury electric		-1	
134004 FFB electric	-33	-35	-24
134005 Hardship telephone	-3	10	1
134006 Treasury telephone			
134007 FFB telephone	-2	-2	-3
134008 Electric Underwriter		-16	-3
134009 FFB telecommunications—2005 hurricane suppl.			
134901 Total subsidy outlays	-36	-43	-25
Direct loan upward reestimate subsidy budget authority:			
135001 Hardship electric	2		
135002 Municipal electric	35		
135003 Treasury electric	15		
135004 FFB electric	156		
135005 Hardship telephone			
135006 Treasury telephone	5		
135007 FFB telephone	23		
135008 Electric Underwriter			
135009 FFB telecommunications—2005 hurricane suppl.			
135901 Total upward reestimate budget authority	236		

Direct loan downward reestimate subsidy budget authority:

137001 Hardship electric	-67		
137002 Municipal electric	-27		
137003 Treasury Electric	-2		
137004 FFB electric	-1		
137005 Hardship telephone	-4		
137006 Treasury telephone	-6		
137007 FFB telephone			
137008 Electric Underwriter			
137009 FFB telecommunications—2005 hurricane suppl.			
137901 Total downward reestimate budget authority	-107		

Guaranteed loan levels supportable by subsidy budget authority:

215001 Guaranteed electric		99	
215002 Guaranteed underwriting loans			
215901 Total loan guarantee levels		99	
Guaranteed loan subsidy (in percent):			
232001 Guaranteed electric	0.06	0.09	0.00
232002 Guaranteed underwriting loans	0.00	0.00	0.00
232901 Weighted average subsidy rate	0.00	0.09	0.00

Administrative expense data:

351001 Budget authority	38	39	40
359001 Outlays from new authority	38	39	40

The Rural Utilities Service (RUS) conducts the rural electrification and the rural telecommunications loan programs. The rural electrification loan program is financed through RUS direct and guaranteed loans for the operation of generating plants, electric transmission, and distribution lines or systems. The rural telecommunications loan program is financed through RUS direct loans for construction, expansion, and operation of telecommunications lines and facilities or systems.

USDA will propose rule changes to require recertification of rural status for each electric and telecommunications borrower on the first loan request received in or after 2006 and on the first loan request received after each subsequent Census.

USDA will determine if the current method of issuing loans, "first in; first out," provides adequate support to the areas with the highest priority needs. USDA has completed an analysis of electric loans made in 2002 and 2003 to determine the characteristics of the communities to which the loans are going, who the loans are supporting, benefits derived from the loans by the communities, and how many loans and dollars are going to support poverty areas.

RUS will cancel loans obligated, but not disbursed, more than ten years ago. Most electric loans obligated more than ten years ago have either been disbursed or cancelled. However, current law prohibits the cancellation of telecommunications loans in most instances. This has resulted in many outstanding obligations that are older than ten years. Since loans are issued for specific projects, and technology is changing at a very fast pace, it is doubtful that the original project will be accomplished ten years after a loan is approved. Legislation will be proposed to allow the cancellation of all electric and telecommunications loan obligations that are more than ten years old.

As required by the Federal Credit Reform Act of 1990, this account records, for rural electrification and telecommunications programs, the subsidy costs associated with the direct and guaranteed loans obligated in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Object Classification (in millions of dollars)

Identification code 12-1230-0-1-271	2005 actual	2006 est.	2007 est.
25.3 Other purchases of goods and services from Government accounts	38	39	39
41.0 Grants, subsidies, and contributions	242	14	4
99.9 Total new obligations	280	53	43

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4208-0-3-271	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct loans	4,837	6,028	4,528
00.02 Interest on Treasury borrowing	1,039	1,215	1,305
00.91 Subtotal, Operating program	5,876	7,243	5,833
08.01 Negative subsidy paid to receipt account	52	37	40
08.02 Downward subsidy amount paid to receipt account	63		
08.04 Interest on downward subsidy reestimate	43		
08.91 Direct Program by Activities—Subtotal (1 level)	158	37	40
10.00 Total new obligations	6,034	7,280	5,873

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	215	277	25
22.00 New financing authority (gross)	6,093	7,305	5,868
22.10 Resources available from recoveries of prior year obligations	119		
22.60 Portion applied to repay debt		-277	
22.70 Balance of authority to borrow withdrawn	-116		
23.90 Total budgetary resources available for obligation	6,311	7,305	5,893
23.95 Total new obligations	-6,034	-7,280	-5,873
24.40 Unobligated balance carried forward, end of year	277	25	20

New financing authority (gross), detail:

Mandatory:			
67.10 Authority to borrow	4,991	7,051	4,181
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	1,914	2,084	2,174
68.10 Change in uncollected customer payments from Federal sources (unexpired)	-8	-10	-10
68.47 Portion applied to repay debt	-804	-1,820	-477
68.90 Spending authority from offsetting collections (total discretionary)	1,102	254	1,687
70.00 Total new financing authority (gross)	6,093	7,305	5,868

Change in obligated balances:

72.40 Obligated balance, start of year	10,849	11,584	13,408
73.10 Total new obligations	6,034	7,280	5,873
73.20 Total financing disbursements (gross)	-5,188	-5,466	-5,374
73.45 Recoveries of prior year obligations	-119		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	8	10	10
74.40 Obligated balance, end of year	11,584	13,408	13,917
87.00 Total financing disbursements (gross)	5,188	5,466	5,374

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payment from program account	-246	-14	-4
88.25 Interest on uninvested funds	-125	-200	-200
88.40 Repayment of principal	-675	-725	-775
88.40 Interest received on loans	-858	-1,145	-1,195
88.40 Other	-10		
88.90 Total, offsetting collections (cash)	-1,914	-2,084	-2,174
Against gross financing authority only:			
88.95 Change in receivables from program accounts	8	10	10

Net financing authority and financing disbursements:

89.00 Financing authority	4,187	5,231	3,704
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90.00 Financing disbursements	3,274	3,382	3,200
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Status of Direct Loans (in millions of dollars)

Identification code 12-4208-0-3-271	2005 actual	2006 est.	2007 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	4,837	6,028	4,528
1150 Total direct loan obligations	4,837	6,028	4,528
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	16,519	19,845	24,586
1231 Disbursements: Direct loan disbursements	4,001	5,466	4,073
1251 Repayments: Repayments and prepayments	-675	-725	-775
1290 Outstanding, end of year	19,845	24,586	27,884

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from electric and telecommunication direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4208-0-3-271	2004 actual	2005 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	166	245
Investments in US securities:		
1106 Receivables, net	89	17
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	14,675	17,858
1402 Interest receivable	4	2
1405 Allowance for subsidy cost (-)	-748	-600
1499 Net present value of assets related to direct loans	13,931	17,260
1999 Total assets	14,186	17,522
LIABILITIES:		
2103 Federal liabilities: Debt	14,167	17,384
2207 Non-Federal liabilities: Other	19	138
2999 Total liabilities	14,186	17,522
4999 Total liabilities and net position	14,186	17,522
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	114	99
Investments in US securities:		
1106 Receivables, net	24	6
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	1,844	1,987
1402 Interest receivable	1	1
1405 Allowance for subsidy cost (-)	-10	10
1499 Net present value of assets related to direct loans	1,835	1,998
1999 Total assets	1,973	2,103
LIABILITIES:		
2103 Federal liabilities: Debt	1,953	2,075
2207 Non-Federal liabilities: Other	20	28
2999 Total liabilities	1,973	2,103
4999 Total liabilities and net position	1,973	2,103

Credit accounts—Continued

**RURAL ELECTRIFICATION AND TELECOMMUNICATIONS GUARANTEED
LOANS FINANCING ACCOUNT**

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4209-0-3-271	2005 actual	2006 est.	2007 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders			
2131 Guaranteed loan commitments exempt from limitation		99	
2150 Total guaranteed loan commitments		99	
2199 Guaranteed amount of guaranteed loan commitments		99	
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	222	221	318
2231 Disbursements of new guaranteed loans	2	99	
2251 Repayments and prepayments	-3	-2	-4
2290 Outstanding, end of year	221	318	314
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	221	318	314

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loans committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

This account finances loan guarantee commitments.

**RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LIQUIDATING
ACCOUNT**

Program and Financing (in millions of dollars)

Identification code 12-4230-0-3-999	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Interest expense on certificates of beneficial ownership	223	223	194
00.02 Interest expense, FFB direct	490	554	492
00.03 Other interest expense		13	13
00.05 Other: cushion of credit	89	89	82
00.06 RTB Dividends	50		
00.07 Other RTB		1,359	
10.00 Total new obligations	852	2,238	781
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2,947	3,783	1,500
22.00 New budget authority (gross)	1,884	1,250	966
22.10 Resources available from recoveries of prior year obligations	109		
22.40 Capital transfer to general fund	-305	-1,295	-251
23.90 Total budgetary resources available for obligation	4,635	3,738	2,215
23.95 Total new obligations	-852	-2,238	-781
24.40 Unobligated balance carried forward, end of year	3,783	1,500	1,434
New budget authority (gross), detail:			
Discretionary:			
40.36 Unobligated balance permanently reduced			-8
Mandatory:			
60.00 Appropriation		100	92
60.36 Unobligated balance permanently reduced	-5	-5	
62.50 Appropriation (total mandatory)	-5	95	92
Spending authority from offsetting collections:			
Mandatory:			
69.00 Offsetting collections (cash)	2,452	1,875	1,525
69.27 Capital transfer to general fund	-27		
69.47 Portion applied to repay debt	-536	-720	-643
69.90 Spending authority from offsetting collections (total mandatory)	1,889	1,155	882
70.00 Total new budget authority (gross)	1,884	1,250	966

Change in obligated balances:

72.40 Obligated balance, start of year	358	269	175
73.10 Total new obligations	852	2,238	781
73.20 Total outlays (gross)	-832	-2,332	-856
73.45 Recoveries of prior year obligations	-109		
74.40 Obligated balance, end of year	269	175	100

Outlays (gross), detail:

86.90 Outlays from new discretionary authority			-8
86.97 Outlays from new mandatory authority	1,376	848	712
86.98 Outlays from mandatory balances	-544	1,484	152
87.00 Total outlays (gross)	832	2,332	856

Offsets:

Against gross budget authority and outlays:

Offsetting collections (cash) from:			
88.25 Interest on uninvested funds	-67		
88.40 Loans repaid	-1,359	-1,317	-1,118
88.40 Interest repaid	-796	-434	-366
88.40 Undistributed charges	-53		
88.40 Loans repaid RTB	-151	-80	-21
88.40 Interest repaid RTB	-26	-40	-14
88.40 Fees—Electric Underwriter		-4	-6
88.90 Total, offsetting collections (cash)	-2,452	-1,875	-1,525

Net budget authority and outlays:

89.00 Budget authority	-568	-625	-559
90.00 Outlays	-1,620	457	-669

Status of Direct Loans (in millions of dollars)

Identification code 12-4230-0-3-999	2005 actual	2006 est.	2007 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	15,373	13,831	12,440
1231 Disbursements: Direct loan disbursements	4	11	11
1251 Repayments: Repayments and prepayments	-1,611	-1,399	-1,137
1261 Adjustments: Capitalized interest	65		
1264 Write-offs for default: Other adjustments, net		-3	-3
1290 Outstanding, end of year	13,831	12,440	11,311

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4230-0-3-999	2005 actual	2006 est.	2007 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	255	233	215
2251 Repayments and prepayments	-22	-15	-15
2263 Adjustments: Terminations for default that result in claim payments		-3	-3
2290 Outstanding, end of year	233	215	197
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	233	215	197

STATUS OF AGENCY DEBT

(In millions of dollars)

	2005 actual	2006 est.	2007 est.
Agency debt held by FFB:			
Outstanding FFB direct, start of year	7,902	7,366	6,902
Outstanding Certificate of Beneficial Ownership (CBO's), start of year	4,270	4,270	3,916
New agency borrowing, FFB direct	0	0	0
Repayments and prepayments, FFB Direct	-536	-464	-435
Repayments, CBO's	0	-354	0
Outstanding FFB direct, end of year	7,366	6,902	6,467
Outstanding CBO's, end of year	4,270	3,916	3,916

As required by the Federal Credit Reform Act of 1990, this account records, for rural electrification and telecommunications programs, all cash flows to and from the Government resulting from direct loans obligated and loan guarantees committed prior to 1992. All new activity in RETRF in 1992 and beyond is recorded in corresponding program and financing accounts.

The Rural Telephone Bank is in the process of dissolving. To accomplish this, the Rural Telephone Bank liquidating account loans are being used to redeem a portion of the Gov-

ernment's stock. The Rural Telephone Bank liquidating account loans were transferred to the Rural Electrification and Telecommunications liquidating account in 2006.

The Rural Utilities Service (RUS) will continue to service all loans in this account providing business management and technical assistance to the borrowers on a regular basis over the life of the loans.

RUS will cancel loans obligated, but not disbursed, more than ten years ago. Most electric loans obligated more than ten years ago have either been disbursed or cancelled. However, current law prohibits the cancellation of telecommunications loans in most instances. This has resulted in many outstanding obligations that are older than ten years. Since loans are issued for specific projects, and technology is changing at a very fast pace, it is doubtful that the original project will be accomplished ten years after a loan is approved. Legislation will be proposed to allow the cancellation of all electric and telecommunications loan obligations that are more than ten years old.

Rural electric.—This program is financed through RUS direct loans for the construction and operation of generating plants, electric transmission, and distribution lines or systems.

The following tables reflect statistics on loans made through the liquidating account only. Since 1992 new electric and telephone loans have been made through a separate program account.

ELECTRIC PROGRAM STATISTICS

(dollars in millions)

	2005 actual	2006 est.	2007 est.
Cumulative RUS financed direct loans	21,851	21,851	21,851
Cumulative FFB financed direct loans	27,084	27,084	27,084
Cumulative RUS funds advanced	21,832	21,832	21,832
Unadvanced RUS funds, end of year	0	0	0
Cumulative RUS principal repaid	17,064	18,294	19,430
Cumulative RUS interest paid	12,485	12,895	13,261
Cumulative loan guarantee commitments ¹	0	0	0
Number of borrowers	705	705	705

¹ Represents loans financed by private lenders, including refinanced direct loans, FFB.

Rural telecommunications.—This loan program is financed through RUS direct loans for the construction, expansion, and operation of telecommunications lines and facilities or systems.

TELECOMMUNICATIONS PROGRAM STATISTICS

(dollars in millions)

	2005 actual	2006 est.	2007 est.
Cumulative RUS financed direct loans	6,023	6,023	6,023
Cumulative FFB financed direct loans	562	562	562
Cumulative RUS funds advanced	5,903	5,908	5,918
Unadvanced RUS funds, end of period	105	100	90
Cumulative RUS principal repaid	4,595	4,751	4,882
Cumulative RUS interest paid	3,162	3,188	3,210
Cumulative loan guarantee commitments ¹	0	0	0
Number of borrowers	487	487	487

¹ Other lenders—privately financed direct loans, FFB.

Balance Sheet (in millions of dollars)

Identification code 12-4230-0-3-999	2004 actual	2005 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	1,477	1,792
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601 Direct loans, gross	13,283	12,308
1602 Interest receivable	28	26
1603 Allowance for estimated uncollectible loans and interest (-)	-1,780	-1,599
1604 Direct loans and interest receivable, net	11,531	10,735
1699 Value of assets related to direct loans	11,531	10,735

1999 Total assets	13,008	12,527
LIABILITIES:		
Federal liabilities:		
2103 Debt	14,446	13,936
2104 Resources payable to Treasury	-1,505	-1,492
2105 Other	67	83
2999 Total liabilities	13,008	12,527
4999 Total liabilities and net position	13,008	12,527
ASSETS:		
1101 Federal assets: Fund balances with Treasury	392	2,205
1201 Non-Federal assets: Investments in non-Federal securities, net	388	369
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601 Direct loans, gross	1,665	1,523
1602 Interest receivable	9	9
1603 Allowance for estimated uncollectible loans and interest (-)	-166	-125
1604 Direct loans and interest receivable, net	1,508	1,407
1699 Value of assets related to direct loans	1,508	1,407
1999 Total assets	2,288	3,981
LIABILITIES:		
Federal liabilities:		
2103 Debt	1,369	1,343
2104 Resources payable to Treasury	905	802
2105 Other	4	1,416
2999 Total liabilities	2,278	3,561
NET POSITION:		
3300 Cumulative results of operations	10	420
3999 Total net position	10	420
4999 Total liabilities and net position	2,288	3,981

RURAL TELEPHONE BANK PROGRAM STATISTICS

(dollars in millions)

	2005 actual	2006 est.	2007 est.
Cumulative net loans	2,052	2,487	2,515
Cumulative loan funds, advanced	2,485	2,502	2,502
Unadvanced loan funds, end of year	32	15	15
Cumulative principal repaid	2,471	2,551	2,574
Cumulative interest paid	2,449	2,489	2,500
Number of borrowers	255	253	251

Object Classification (in millions of dollars)

Identification code 12-4230-0-3-999	2005 actual	2006 est.	2007 est.
25.2 Other services	139	89	82
33.0 Investments and loans		13	13
43.0 Interest and dividends	713	2,136	686
99.9 Total new obligations	852	2,238	781

RURAL TELEPHONE BANK PROGRAM ACCOUNT

(INCLUDING TRANSFER AND RESCISSION OF FUNDS)

【The Rural Telephone Bank is hereby authorized to make such expenditures, within the limits of funds available to such corporation in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as may be necessary in carrying out its authorized programs.

For administrative expenses, including audits, necessary to continue to service existing loans, \$2,500,000, which shall be transferred to and merged with the appropriation for "Rural Development, Salaries and Expenses".

Of the unobligated balances from the Rural Telephone Bank Liquidating Account, \$2,500,000 shall not be obligated and \$2,500,000 are rescinded.】 (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Credit accounts—Continued

RURAL TELEPHONE BANK PROGRAM ACCOUNT—Continued
(INCLUDING TRANSFER AND RESCISSION OF FUNDS)—Continued

Program and Financing (in millions of dollars)

Identification code 12-1231-0-1-452	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.05 Reestimate of direct loan subsidy	1		
00.06 Interests on reestimates of direct loan subsidy	1		
00.09 Administrative expenses subject to limitation	3	3	
10.00 Total new obligations	5	3	
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	5	2	
23.95 Total new obligations	-5	-3	
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	3	3	
40.33 Appropriation permanently reduced (P.L. 109-148)		-1	
43.00 Appropriation (total discretionary)	3	2	
Mandatory:			
60.00 Appropriation	2		
70.00 Total new budget authority (gross)	5	2	
Change in obligated balances:			
72.40 Obligated balance, start of year	18	16	15
73.10 Total new obligations	5	3	
73.20 Total outlays (gross)	-6	-4	-2
73.40 Adjustments in expired accounts (net)	-1		
74.40 Obligated balance, end of year	16	15	13
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	3	2	
86.93 Outlays from discretionary balances	1	2	2
86.97 Outlays from new mandatory authority	2		
87.00 Total outlays (gross)	6	4	2
Net budget authority and outlays:			
89.00 Budget authority	5	2	
90.00 Outlays	6	4	2

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-1231-0-1-452	2005 actual	2006 est.	2007 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Rural Telephone Bank	175		
115901 Total direct loan levels	175		
Direct loan subsidy (in percent):			
132001 Rural Telephone Bank	-1.83	0.00	
132901 Weighted average subsidy rate	-1.83	0.00	
Direct loan subsidy budget authority:			
133001 Rural Telephone Bank	-3		
133901 Total subsidy budget authority	-3		
Direct loan subsidy outlays:			
134001 Subsidy outlays	1		
134901 Total subsidy outlays	1		
Direct loan upward reestimate subsidy budget authority:			
135001 Rural Telephone Bank	2		
135901 Total upward reestimate budget authority	2		
Direct loan downward reestimate subsidy budget authority:			
137001 Rural Telephone Bank	-9		
137901 Total downward reestimate budget authority	-9		
Administrative expense data:			
351001 Budget authority	3	3	
359001 Outlays from new authority	3	3	

The President's Budget assumes the completion of dissolution of the Rural Telephone Bank in 2006 so no more federally funded loans are proposed.

RUS will cancel loans obligated, but not disbursed, more than ten years ago. Current law prohibits the cancellation of RTB loans in most instances. This has resulted in many outstanding obligations that are older than ten years. Since loans are issued for specific projects, and technology is changing at a very fast pace, it is doubtful that the original project will be accomplished ten years after a loan is approved. Legislation will be proposed to allow the cancellation of all RTB loan obligations that are more than ten years old.

As required by the Federal Credit Reform Act of 1990, this account records, for the RTB, the subsidy costs associated with the direct loans obligated in 1992 and beyond as well as administrative expenses for the program. The subsidy amounts are estimated on a present value basis; administrative expenses are estimated on a cash basis.

Object Classification (in millions of dollars)

Identification code 12-1231-0-1-452	2005 actual	2006 est.	2007 est.
25.2 Other services	3	3	
41.0 Grants, subsidies, and contributions	2		
99.9 Total new obligations	5	3	

RURAL TELEPHONE BANK DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4210-0-3-452	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct Loans	175		
00.02 Interest on Treasury borrowing	27	24	23
00.91 Direct Program by Activities—Subtotal	202	24	23
08.01 Payment to Receipt Account	3		
08.02 Downward reestimates paid to receipt accounts	7		
08.04 Interest on downward reestimate paid to receipt account	2		
08.91 Direct Program by Activities—Subtotal	12		
10.00 Total new obligations	214	24	23
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	30	81	
22.00 New financing authority (gross)	269	22	29
22.10 Resources available from recoveries of prior year obligations	69		
22.60 Portion applied to repay debt		-79	-6
22.70 Balance of authority to borrow withdrawn	-73		
23.90 Total budgetary resources available for obligation	295	24	23
23.95 Total new obligations	-214	-24	-23
24.40 Unobligated balance carried forward, end of year	81		
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	235		
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	141	144	129
68.47 Portion applied to repay debt	-107	-122	-100
68.90 Spending authority from offsetting collections (total discretionary)	34	22	29
70.00 Total new financing authority (gross)	269	22	29
Change in obligated balances:			
72.40 Obligated balance, start of year	1,205	1,217	1,084
73.10 Total new obligations	214	24	23
73.20 Total financing disbursements (gross)	-133	-157	-157
73.45 Recoveries of prior year obligations	-69		
74.40 Obligated balance, end of year	1,217	1,084	950

87.00	Total financing disbursements (gross)	133	157	157
Offsets:				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Federal sources: Payment from program account	-3		
88.25	Interest on uninvested funds	-8	-8	-6
88.40	Principal received on loans	-104	-114	-105
88.40	Interest received on loans	-21	-22	-18
88.40	Sale of RTB Stock	-5		
88.90	Total, offsetting collections (cash)	-141	-144	-129
Net financing authority and financing disbursements:				
89.00	Financing authority	128	-122	-100
90.00	Financing disbursements	-8	13	28

Status of Direct Loans (in millions of dollars)

Identification code 12-4210-0-3-452	2005 actual	2006 est.	2007 est.	
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans			
1131	Direct loan obligations exempt from limitation	175		
1150	Total direct loan obligations	175		
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	374	356	356
1231	Disbursements: Direct loan disbursements	96	114	96
1251	Repayments: Repayments and prepayments	-114	-114	-105
1290	Outstanding, end of year	356	356	347

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4210-0-3-452	2004 actual	2005 actual	
ASSETS:			
Federal assets:			
1101	Fund balances with Treasury	11	13
Investments in US securities:			
1106	Receivables, net	1	1
Net value of assets related to post-1991 direct loans receivable:			
1401	Direct loans receivable, gross	374	356
1405	Allowance for subsidy cost (-)	-6	10
1499	Net present value of assets related to direct loans	368	366
1999	Total assets	380	380
LIABILITIES:			
Federal liabilities:			
2103	Debt	343	336
2105	Other	37	44
2999	Total liabilities	380	380
4999	Total liabilities and net position	380	380

DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND PROGRAM

For the principal amount of [direct distance learning and telemedicine loans, \$25,000,000; and for the principal amount of] broadband telecommunication loans, [\$500,000,000] \$356,419,000.

For [the cost of direct loans and] grants for telemedicine and distance learning services in rural areas, as authorized by 7 U.S.C. 950aaa et seq., [\$30,375,000] \$24,750,000, to remain available until expended[, of which \$375,000 shall be for direct loans: *Provided*, That the cost of direct loans shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That \$5,000,000 shall be made available to convert analog to digital operation those noncommercial educational television broadcast stations that serve rural areas and are qualified for Community Service

Grants by the Corporation for Public Broadcasting under section 396(k) of the Communications Act of 1934, including associated transmitters and repeaters, regardless of the location of their main transmitter, studio-to-transmitter links, and equipment to allow local control over digital content and programming through the use of high-definition broadcast, multi-casting and datacasting technologies].

For the cost of broadband loans, as authorized by 7 U.S.C. 901 et seq., [\$10,750,000, to remain available until September 30, 2007: *Provided*, That the interest rate for such loans shall be the cost of borrowing to the Department of the Treasury for obligations of comparable maturity] \$10,826,000: *Provided [further]*, That the cost of direct loans shall be as defined in section 502 of the Congressional Budget Act of 1974.

[In addition, \$9,000,000, to remain available until expended, for a grant program to finance broadband transmission in rural areas eligible for Distance Learning and Telemedicine Program benefits authorized by 7 U.S.C. 950aaa.] (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

[(RESCISSION)]

[Of the unobligated balances available under this heading, \$9,900,000 are rescinded.] (*Emergency Supplemental Appropriations Acts to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-1232-0-1-452	2005 actual	2006 est.	2007 est.	
Obligations by program activity:				
00.01	Direct loan subsidy	2	29	9
00.02	Loan guarantee subsidy			1
00.05	Reestimate of direct loan subsidy	1		
00.06	Interest of reestimate of direct loan subsidy	1		
00.10	Grants	20	68	25
10.00	Total new obligations (object class 41.0)	24	97	35
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	50	89	32
22.00	New budget authority (gross)	58	40	5
22.10	Resources available from recoveries of prior year obligations	5		
23.90	Total budgetary resources available for obligation	113	129	37
23.95	Total new obligations	-24	-97	-35
24.40	Unobligated balance carried forward, end of year	89	32	2
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	56	50	35
40.35	Appropriation permanently reduced			-10
40.36	Unobligated balance permanently reduced		-10	
43.00	Appropriation (total discretionary)	56	40	25
Mandatory:				
60.00	Appropriation	2		
60.36	Unobligated balance permanently reduced			-30
62.00	Transferred from other accounts			10
62.50	Appropriation (total mandatory)	2		-20
70.00	Total new budget authority (gross)	58	40	5
Change in obligated balances:				
72.40	Obligated balance, start of year	137	108	162
73.10	Total new obligations	24	97	35
73.20	Total outlays (gross)	-47	-43	-32
73.40	Adjustments in expired accounts (net)	-1		
73.45	Recoveries of prior year obligations	-5		
74.40	Obligated balance, end of year	108	162	165
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority		3	-3
86.93	Outlays from discretionary balances	45	40	42
86.97	Outlays from new mandatory authority	2		-7
87.00	Total outlays (gross)	47	43	32
Net budget authority and outlays:				
89.00	Budget authority	58	40	5

Credit accounts—Continued

DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND PROGRAM—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1232-0-1-452	2005 actual	2006 est.	2007 est.
90.00 Outlays	47	43	32

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-1232-0-1-452	2005 actual	2006 est.	2007 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Distance Learning and Telemedicine	3	70	.....
115002 Direct Broadband 4% loans .....	.....	.....	30
115003 Direct Broadband Treasury Rate loans	111	940	297
115004 Mandatory Broadband 4% loans .....	.....	64	.....
115005 Mandatory Broadband Treasury Rate loans .....	.....	145	.....
115901 Total direct loan levels	114	1,219	327
Direct loan subsidy (in percent):			
132001 Distance Learning and Telemedicine	1.42	1.50	0.00
132002 Direct Broadband 4% loans	0.00	0.00	10.32
132003 Direct Broadband Treasury Rate loans	2.13	2.15	2.15
132004 Mandatory Broadband 4% loans	0.00	7.95	0.00
132005 Mandatory Broadband Treasury Rate loans	0.00	2.15	0.00
132901 Weighted average subsidy rate	2.11	2.42	2.90
Direct loan subsidy budget authority:			
133001 Distance Learning and Telemedicine .....	.....	1	.....
133002 Direct Broadband 4% loans .....	.....	.....	3
133003 Direct Broadband Treasury Rate loans	2	20	6
133004 Mandatory Broadband 4% loans .....	.....	5	.....
133005 Mandatory Broadband Treasury Rate loans .....	.....	3	.....
133901 Total subsidy budget authority	2	29	9
Direct loan subsidy outlays:			
134001 Distance Learning and Telemedicine .....	.....	.....	.....
134002 Direct Broadband 4% loans .....	.....	.....	.....
134003 Direct Broadband Treasury Rate loans	3	6	14
134004 Mandatory Broadband 4% loans .....	.....	1	3
134005 Mandatory Broadband Treasury Rate loans .....	.....	1	2
134901 Total subsidy outlays	3	8	19
Direct loan downward reestimate subsidy budget authority:			
137002 Direct Broadband 4% loans .....	.....	.....	.....
137901 Total downward reestimate budget authority .....	.....	.....	.....
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Broadband Guaranteed loans .....	.....	.....	30
215002 Mandatory Broadband Guaranteed loans .....	.....	.....	.....
215901 Total loan guarantee levels .....	.....	.....	30
Guaranteed loan subsidy (in percent):			
232001 Broadband Guaranteed loans	0.00	0.00	4.63
232002 Mandatory Broadband Guaranteed loans	0.00	0.00	0.00
232901 Weighted average subsidy rate	0.00	0.00	4.63
Guaranteed loan subsidy budget authority:			
233001 Broadband Guaranteed loans .....	.....	.....	1
233002 Mandatory Broadband Guaranteed loans .....	.....	.....	.....
233901 Total subsidy budget authority .....	.....	.....	1
Guaranteed loan subsidy outlays:			
234001 Broadband Guaranteed loans .....	.....	.....	.....
234002 Mandatory Broadband Guaranteed loans .....	.....	.....	.....
234901 Total subsidy outlays .....	.....	.....	.....

The loan and grant program provides access to advanced telecommunications services for improved education and health care in rural areas throughout the country. The loans and grants help education and health care providers bring the most modern technology, level of care, and education to rural America so its citizens can compete regionally, nationally, and globally. The Budget proposes canceling mandatory funding for 2007. The Budget provides discretionary funding

for loans to finance installation of broadband transmission capacity.

Due to defaults in 2003, the subsidy rate for the Distance Learning and Telemedicine (DLT) program increased significantly. Since there is little demand for the DLT loans and the loans now cost the Government, the Budget proposes to not provide any DLT loans in 2007.

DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4146-0-3-452	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct loans	114	1,219	327
00.02 Interest on Treasury borrowing	10	15	20
10.00 Total new obligations	124	1,234	347
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	17	8	.....
22.00 New financing authority (gross)	115	1,234	347
22.10 Resources available from recoveries of prior year obligations	44	.....	.....
22.60 Portion applied to repay debt .....	.....	-8	.....
22.70 Balance of authority to borrow withdrawn	-45	.....	.....
23.90 Total budgetary resources available for obligation	131	1,234	347
23.95 Total new obligations	-124	-1,234	-347
24.40 Unobligated balance carried forward, end of year	8	.....	.....
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	114	1,232	290
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	22	37	92
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	.....	-14	-14
68.47 Portion applied to repay debt	-21	-21	-21
68.90 Spending authority from offsetting collections (total discretionary)	1	2	57
70.00 Total new financing authority (gross)	115	1,234	347
Change in obligated balances:			
72.40 Obligated balance, start of year	733	730	1,852
73.10 Total new obligations	124	1,234	347
73.20 Total financing disbursements (gross)	-83	-126	-400
73.45 Recoveries of prior year obligations	-44	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	.....	14	14
74.40 Obligated balance, end of year	730	1,852	1,813
87.00 Total financing disbursements (gross)	83	126	400
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-3	-8	-19
88.25 Interest on uninvested funds	-3	-4	-5
88.40 Repayment of principal	-12	-18	-50
88.40 Interest received on loans	-5	-7	-18
88.90 Total, offsetting collections (cash)	-23	-37	-92
Against gross financing authority only:			
88.95 Change in receivables from program accounts .....	.....	14	14
88.96 Portion of offsetting collections (cash) credited to expired accounts	1	.....	.....
Net financing authority and financing disbursements:			
89.00 Financing authority	93	1,211	269
90.00 Financing disbursements	61	89	308

Status of Direct Loans (in millions of dollars)

Identification code 12-4146-0-3-452	2005 actual	2006 est.	2007 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	114	1,219	327
1150 Total direct loan obligations	114	1,219	327
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	131	190	298
1231 Disbursements: Direct loan disbursements	71	126	400
1251 Repayments: Repayments and prepayments	-12	-18	-50
1290 Outstanding, end of year	190	298	648

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4146-0-3-452	2004 actual	2005 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	7	5
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	131	190
1402 Interest receivable	3	2
1405 Allowance for subsidy cost (-)		3
1499 Net present value of assets related to direct loans	134	195
1999 Total assets	141	200
LIABILITIES:		
2101 Federal liabilities: Accounts payable	141	200
2999 Total liabilities	141	200
4999 Total liabilities and net position	141	200

DISTANCE LEARNING AND TELEMEDICINE GUARANTEED LOAN FINANCING ACCOUNT

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4361-0-3-451	2005 actual	2006 est.	2007 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders			
2131 Guaranteed loan commitments exempt from limitation			30
2150 Total guaranteed loan commitments			30
2199 Guaranteed amount of guaranteed loan commitments			30
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year			
2231 Disbursements of new guaranteed loans			3
2251 Repayments and prepayments			
2290 Outstanding, end of year			3
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year			3

LOCAL TELEVISION LOAN GUARANTEE PROGRAM ACCOUNT
(INCLUDING TRANSFER OF FUNDS)

Program and Financing (in millions of dollars)

Identification code 12-1233-0-1-452	2005 actual	2006 est.	2007 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	88		
22.00 New budget authority (gross)	-88		
23.90 Total budgetary resources available for obligation			
New budget authority (gross), detail:			
Discretionary:			
40.36 Unobligated balance permanently reduced	-88		
Net budget authority and outlays:			
89.00 Budget authority	-88		
90.00 Outlays			

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005 rescinded the unused budget authority for this account and the 2007 President's Budget proposes no additional funds for the Local Television Loan Guarantee program.

RURAL DEVELOPMENT INSURANCE FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4155-0-3-452	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
01.01 Interest on FFB borrowings	11		
10.00 Total new obligations (object class 43.0)	11		
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	76	23	
22.00 New budget authority (gross)	34		
22.40 Capital transfer to general fund	-76	-23	
23.90 Total budgetary resources available for obligation	34		
23.95 Total new obligations	-11		
24.40 Unobligated balance carried forward, end of year	23		
New budget authority (gross), detail:			
Spending authority from offsetting collections:			
Mandatory:			
69.00 Offsetting collections (cash)	304	221	208
69.27 Capital transfer to general fund	-70	-221	-208
69.47 Portion applied to repay debt	-200		
69.90 Spending authority from offsetting collections (total mandatory)	34		
Change in obligated balances:			
72.40 Obligated balance, start of year	14		
73.10 Total new obligations	11		
73.20 Total outlays (gross)	-25		
74.40 Obligated balance, end of year			
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	34		
86.98 Outlays from mandatory balances	-9		
87.00 Other	25		
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.40 Non-Federal sources	-189	-118	-111
88.40 Repayments of guaranteed loans purchased from investors	-1		
88.40 Interest revenue	-110	-103	-97
88.40 Other	-4		
88.90 Total, offsetting collections (cash)	-304	-221	-208

Credit accounts—Continued

**RURAL DEVELOPMENT INSURANCE FUND LIQUIDATING ACCOUNT—
Continued**

Program and Financing (in millions of dollars)—Continued

Identification code 12-4155-0-3-452	2005 actual	2006 est.	2007 est.
Net budget authority and outlays:			
89.00 Budget authority	-270	-221	-208
90.00 Outlays	-279	-221	-208

Status of Direct Loans (in millions of dollars)

Identification code 12-4155-0-3-452	2005 actual	2006 est.	2007 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	2,125	1,931	1,812
1232 Disbursements: Purchase of loans assets from the public			
1251 Repayments: Repayments and prepayments	-189	-118	-111
Write-offs for default:			
1263 Direct loans	-3	-1	-1
1264 Other adjustments, net	-2		
1290 Outstanding, end of year	1,931	1,812	1,700

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4155-0-3-452	2005 actual	2006 est.	2007 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	41	36	32
2251 Repayments and prepayments	-5	-4	-4
2290 Outstanding, end of year	36	32	28
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	27	27	24

The Rural Development Insurance Fund (RDIF) was established on October 1, 1972, pursuant to section 116 of the Rural Development Act of 1972 (Public Law 92-419).

The fund is used to insure or guarantee loans for water systems and waste disposal facilities, community facilities, and industrial development in rural areas. Communities unable to afford low interest loans for water and waste disposal facilities are also able to obtain water and waste disposal grants.

As required by the Federal Credit Reform Act of 1990, this account records, for these loan programs, all cash flows to and from the Government resulting from direct loans obligated and loan guarantees committed prior to 1992. All new activity in these programs is recorded in corresponding program accounts and financing accounts.

In 1994, these loan programs were administered by the Rural Development Administration. Under reorganization of the Department of Agriculture, the water and waste direct and guaranteed loan programs are administered by the Rural Utilities Service, the community facility direct and guaranteed loan programs are administered by the Rural Housing Service, and the business and industry direct and guaranteed loan programs are administered by the Rural Business-Cooperative Service.

Balance Sheet (in millions of dollars)

Identification code 12-4155-0-3-452	2004 actual	2005 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	167	24
1201 Non-Federal assets: Investments in non-Federal securities, net	34	34
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601 Direct loans, gross	2,125	1,931

1602 Interest receivable	32	29
1603 Allowance for estimated uncollectible loans and interest (-)	-330	-283
1604 Direct loans and interest receivable, net	1,827	1,677
1699 Value of assets related to direct loans	1,827	1,677
1901 Other Federal assets: Other assets	5	3
1999 Total assets	2,033	1,738
LIABILITIES:		
Federal liabilities:		
2103 Debt	200	
2104 Resources payable to Treasury	1,807	1,736
Non-Federal liabilities:		
2202 Interest payable	14	
2204 Liabilities for loan guarantees	5	2
2207 Other	7	
2999 Total liabilities	2,033	1,738
4999 Total liabilities and net position	2,033	1,738

RURAL COMMUNICATION DEVELOPMENT FUND LIQUIDATING ACCOUNT

Status of Direct Loans (in millions of dollars)

Identification code 12-4142-0-3-452	2005 actual	2006 est.	2007 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	4	4	4
1251 Repayments: Repayments and prepayments			
1290 Outstanding, end of year	4	4	4

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4142-0-3-452	2005 actual	2006 est.	2007 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	4	4	4
2251 Repayments and prepayments			
2290 Outstanding, end of year	4	4	4
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	3	3	3

The Rural Communication Development Fund was established pursuant to the Secretary's Memorandum No. 1988, approved May 22, 1979. No loans have been made through this account since 1992.

Balance Sheet (in millions of dollars)

Identification code 12-4142-0-3-452	2004 actual	2005 actual
ASSETS:		
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601 Direct loans, gross	3	3
1602 Interest receivable	1	1
1603 Allowance for estimated uncollectible loans and interest (-)	-1	-1
1604 Direct loans and interest receivable, net	3	3
1699 Value of assets related to direct loans	3	3
1999 Total assets	3	3
LIABILITIES:		
2104 Federal liabilities: Resources payable to Treasury	3	3
2999 Total liabilities	3	3
4999 Total liabilities and net position	3	3

FOREIGN AGRICULTURAL SERVICE

Federal Funds

General and special funds:

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U.S.C. 1761-1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed \$158,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), **[\$147,901,000] \$157,486,000: Provided,** That the Service may utilize advances of funds, or reimburse this appropriation for expenditures made on behalf of Federal agencies, public and private organizations and institutions under agreements executed pursuant to the agricultural food production assistance programs (7 U.S.C. 1737) and the foreign assistance programs of the United States Agency for International Development. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-2900-0-1-352	2005 actual	2006 est.	2007 est.
01.00 Balance, start of year			
01.99 Balance, start of year			
Receipts:			
02.20 Deposits of miscellaneous contributed funds, International cooperation and development		4	4
Appropriations:			
05.00 Salaries and expenses		-4	-4
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 12-2900-0-1-352	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
Direct program:			
00.01 Market Access, Intelligence & Analysis	65	72	78
00.02 Trade Development	48	50	52
00.03 Agricultural Development for National Security	28	29	32
09.00 Reimbursable program	76	76	76
10.00 Total new obligations	217	227	238
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	14	21	21
22.00 New budget authority (gross)	224	227	237
23.90 Total budgetary resources available for obligation	238	248	258
23.95 Total new obligations	-217	-227	-238
24.40 Unobligated balance carried forward, end of year	21	21	20
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	138	148	157
40.33 Appropriation permanently reduced (P.L. 109-148)		-1	
40.35 Appropriation permanently reduced	-1		
42.00 Transferred from other accounts	12		
43.00 Appropriation (total discretionary)	149	147	157
Mandatory:			
60.26 Appropriation (trust fund)		4	4
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	65	76	76
68.10 Change in uncollected customer payments from Federal sources (unexpired)	10		
68.90 Spending authority from offsetting collections (total discretionary)	75	76	76
70.00 Total new budget authority (gross)	224	227	237
Change in obligated balances:			
72.40 Obligated balance, start of year	39	38	38

73.10 Total new obligations	217	227	238
73.20 Total outlays (gross)	-230	-227	-236
73.40 Adjustments in expired accounts (net)	-11		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-10		
74.10 Change in uncollected customer payments from Federal sources (expired)	33		
74.40 Obligated balance, end of year	38	38	40
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	216	212	221
86.93 Outlays from discretionary balances	14	11	11
86.97 Outlays from new mandatory authority		4	4
87.00 Total outlays (gross)	230	227	236
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-97	-76	-76
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-10		
88.96 Portion of offsetting collections (cash) credited to expired accounts	32		
Net budget authority and outlays:			
89.00 Budget authority	149	151	161
90.00 Outlays	133	151	160

FAS' mission is to serve U.S. agriculture's interests by expanding and maintaining international export opportunities for U.S. agricultural, fish, and forest products and supporting international economic development and trade capacity building and improving the Sanitary and Phytosanitary (SPS) system to facilitate agricultural trade. The outcomes envisioned are a more level playing field for U.S. agricultural producers and exporters in the global marketplace and an expanded ability to sustain economics growth and trade capacity in developing and transitioning countries.

FAS' core objective is to maintain and expand overseas market opportunities for U.S. agriculture. In addition to a highly specialized Washington-based staff, the agency maintains a targeted and highly efficient network of overseas offices that serve as first responders in cases of market disruption, provide critical market and policy intelligence to support our strategic goals, and represent U.S. agriculture in consultations with foreign governments.

Market Access, Intelligence, and Analysis.—As the global economy changes, expansion and creation of new foreign market opportunities is our most critical work. Incomes are growing around the world, creating a large number of potential new customers that previously had little ability to buy foreign goods. However, tariff and non-tariff barriers continue to restrict trade. Our primary tool to expand market access in this environment is the negotiation of new trade agreements that lower tariffs and address other trade distortions. FAS provides the critical analysis, policy advice and representation to ensure the U.S. government can push effectively to open these markets. Critical to this effort is FAS' detailed knowledge of foreign markets from both a country- and a commodity-based perspective.

Maintaining existing market access for agricultural products is also crucial. We analyze trade issues with the assistance of knowledgeable industry contacts and coordinate with other agencies to develop effective strategies to prevent or reverse unfair or trade-disruptive actions by our foreign trading partners. We monitor foreign compliance with our trade agreements and work with other U.S. government agencies to ensure those agreements are enforced, using formal dispute mechanisms when needed. We also use the extensive expertise within USDA and in other Departments to pursue solutions to difficult technical issues that restrict trade, such as those related to plant and animal health and food safety.

General and special funds—Continued**SALARIES AND EXPENSES—Continued**
(INCLUDING TRANSFERS OF FUNDS)—Continued

As tariffs come down globally, regulatory inconsistencies among trading partners will become even more apparent. FAS works bilaterally and with international organizations to encourage the development of transparent and science-based regulatory systems that minimize trade-restrictive measures. We ensure that trade interests are represented in the development of international standards, support developing country participation in standards-setting bodies, and help build modern regulatory frameworks and institutions overseas. We also provide training to help our trading partners comply with their obligations under the WTO, particularly the Sanitary and Phytosanitary Agreement.

Agricultural Development for National Security

The President's National Security Strategy cites economic development to be one of the top three priorities of U.S. foreign policy, on par with "diplomacy" and "defense." The Strategy recognizes that the root of the national security threat to the U.S. is the lack of economic development, which often results in economic and political instability. For most developing countries, a productive and sustainable agricultural sector is the engine for economic growth. Thus, improving agricultural productivity and markets for economic growth is a critical part of the President's National Security Strategy. FAS directs assistance to those select countries identified as strategic priorities for the U.S. government.

FAS focuses on three (3) main areas:

- (1) Increasing the integration of agricultural markets into the global economy through trade capacity building activities.
- (2) Reducing hunger and malnutrition through the adoption of sustainable, productivity-enhancing technologies and international food assistance activities.
- (3) Targeting immediate relief efforts to post-conflict or post-disaster states through agricultural reconstruction activities.

Trade Development

The FAS supports U.S. firms' and industry export efforts to build and maintain overseas markets for U.S. agricultural products through trade related programs. These include:

Financial Marketing Assistance.—FAS administers price/credit and risk-mitigation assistance programs designed to leverage overseas market expansion for U.S. exporters. These programs include the CCC Export Credit Guarantee Program, the Export Enhancement Program and the Dairy Export Incentive Program. These programs give U.S. exporters the ability to counter export subsidies of foreign competitors and allow U.S. exporters to compete with sales terms offered by foreign competitors.

Market Development Programs.—FAS administers the Foreign Market Development (Cooperator) Program, Market Access Program, Technical Assistance for Specialty Crops Program, Quality Samples Program, and Emerging Markets Program. These are carried out chiefly in cooperation with non-profit agricultural trade associations and private firms.

FAS also administers food assistance activities such as Public Law 480, Title I; Food for Progress; Section 416(b); and the McGovern-Dole International Food for Education and Child Nutrition Program.

At the request of the Agency for International Development, international organizations and foreign governments, technical assistance and training in agriculture and rural development are provided on a reimbursable or advance of funds basis.

As authorized by the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), as amended, USDA

uses foreign currencies to support research on problems of mutual interest to the United States and participating foreign countries.

Object Classification (in millions of dollars)

Identification code 12-2900-0-1-352	2005 actual	2006 est.	2007 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	62	64	65
11.3 Other than full-time permanent	4	4	4
11.5 Other personnel compensation	1	1	1
11.8 Special personal services payments	3	3	3
11.9 Total personnel compensation	70	72	73
12.1 Civilian personnel benefits	19	19	20
21.0 Travel and transportation of persons	4	4	4
22.0 Transportation of things	1	1	1
23.2 Rental payments to others	8	8	8
23.3 Communications, utilities, and miscellaneous charges	1	1	1
24.0 Printing and reproduction	1	1	1
25.2 Other services	33	41	50
25.8 Subsistence and support of persons	2	2	2
26.0 Supplies and materials	1	1	1
31.0 Equipment	1	1	1
99.0 Direct obligations	141	151	162
99.0 Reimbursable obligations	76	76	76
99.9 Total new obligations	217	227	238

Personnel Summary

Identification code 12-2900-0-1-352	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	777	763	763
Reimbursable:			
2001 Civilian full-time equivalent employment	211	211	211

TRADE ADJUSTMENT ASSISTANCE FOR FARMERS**Program and Financing** (in millions of dollars)

Identification code 12-1406-0-1-351	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Payment to Liquidating Account	7		
00.02 Direct Program Activity	20	90	90
10.00 Total new obligations (object class 25.2)	27	90	90
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	90	90	90
23.95 Total new obligations	-27	-90	-90
23.98 Unobligated balance expiring or withdrawn	-63		
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	90	90	90
Change in obligated balances:			
72.40 Obligated balance, start of year	35	38	38
73.10 Total new obligations	27	90	90
73.20 Total outlays (gross)	37	-90	-90
73.40 Adjustments in expired accounts (net)	-59		
74.40 Obligated balance, end of year	38	38	38
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	22	90	90
86.98 Outlays from mandatory balances	-59		
87.00 Total outlays (gross)	-37	90	90
Net budget authority and outlays:			
89.00 Budget authority	90	90	90
90.00 Outlays	-35	90	90

Trade Adjustment Assistance for farmers (TAA) is authorized by Title II of the Trade Act of 1974 as amended by Subtitle C of Title I of the Trade Act of 2002. The statute authorizes appropriations to the Department of Agriculture not to exceed \$90 million for each of the fiscal years 2003 through 2007 to carry out the program.

The statute requires the Secretary of Agriculture to provide funds to eligible agricultural producers when: (a) the current year's price of an agricultural commodity is less than 80 percent of the national average price for such commodity for the five marketing years preceding the most recent market year; and (b) increases in imports contributed importantly to the decline in the price, as determined by the Secretary.

TAA provides producers of raw commodities, who have been adversely affected by import competition, free technical assistance and cash benefits of up to \$10,000 per year.

TAA covers farmers, ranchers, fish farmers, and fishermen competing with imported aquaculture products. It does not cover the forest products industry.

FOREIGN ASSISTANCE PROGRAMS

USDA has multiple food aid programs that provide U.S. commodities, technical and financial assistance to address hunger and malnutrition needs worldwide. USDA, working with USAID, delivers food aid programs to meet emergency needs and fosters economic development activities to alleviate global food insecurity.

Included in this category are the following activities carried out under the Agricultural Trade Development and Assistance Act of 1954, Public Law 480, 83rd Congress, as amended (P.L. 480): Financing sales of agricultural commodities to developing countries for dollars on credit terms, or for local currencies (including for local currencies on credit terms) for use under sec. 104 (title I); for dispositions abroad (titles II and III); and for furnishing commodities to carry out the Food for Progress Act of 1985, as amended. Agreements may provide for commodities to be made available on a multi-year basis. During 2003, USDA began implementation of the McGovern-Dole International Food for Education and Child Nutrition Program authorized by the 2002 Farm Bill. USDA also has a commodity reserve in the Bill Emerson Humanitarian Trust for unanticipated, emergency food aid needs.

SUMMARY OF FOOD ASSISTANCE PROGRAMMING

(In millions of dollars)

	2005 actual	2006 est.	2007 est.
McGovern-Dole International Food for Education and Child Nutrition (budget authority)	87	99	99
Public Law 480			
Title I Credit (budget authority)	44	32	3
Title II Grants (budget authority)	1,413	1,138	1,218
Food for Progress			
CCC Funded	122	158	161
P.L. 480 Title I Funded (budget authority)	76	47	0
CCC Surplus Commodity Donations (416)	76	0	0
Bill Emerson Humanitarian Trust	377	*	*

*Up to 500,000 metric tons are available annually for unanticipated emergency food assistance.

Miscellaneous funds are received from other Federal agencies, international organizations, and developing countries, for USDA development assistance and international research projects (22 U.S.C. 2392).

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

For necessary expenses to carry out the provisions of section 3107 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736o-1), **[\$100,000,000]** \$99,000,000, to remain available until expended: *Provided*, That the Commodity Credit Corporation is authorized to provide the services, facilities, and authorities for the purpose

of implementing such section, subject to reimbursement from amounts provided herein. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-2903-0-1-151	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 McGovern-Dole International Food for Education & Child Nutrition Program	87	100	99
09.00 Reimbursable program		6	6
10.00 Total new obligations	87	106	105
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	
22.00 New budget authority (gross)	87	105	105
23.90 Total budgetary resources available for obligation	88	106	105
23.95 Total new obligations	-87	-106	-105
24.40 Unobligated balance carried forward, end of year	1		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	88	100	99
40.33 Appropriation permanently reduced (P.L. 109-148)		-1	
40.35 Appropriation permanently reduced	-1		
43.00 Appropriation (total discretionary)	87	99	99
Mandatory:			
69.00 Spending authority from offsetting collections: Offsetting collections (cash)		6	6
70.00 Total new budget authority (gross)	87	105	105
Change in obligated balances:			
72.40 Obligated balance, start of year		1	2
73.10 Total new obligations	87	106	105
73.20 Total outlays (gross)	-88	-105	-105
74.40 Obligated balance, end of year	1	2	2
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	87	99	99
86.97 Outlays from new mandatory authority		6	6
86.98 Outlays from mandatory balances	1		
87.00 Total outlays (gross)	88	105	105
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources		-6	-6
Net budget authority and outlays:			
89.00 Budget authority	87	99	99
90.00 Outlays	86	99	99

The Farm Security and Rural Investment Act of 2002 (Public Law 107-171) authorizes the McGovern-Dole International Food for Education and Child Nutrition Program. The program provides for the donation of U.S. agricultural commodities and associated technical and financial assistance to carry out preschool and school feeding programs in foreign countries in order to improve food security, reduce the incidence of hunger and malnutrition, and improve literacy and primary education. Maternal, infant, and child nutrition programs also are authorized.

Object Classification (in millions of dollars)

Identification code 12-2903-0-1-151	2005 actual	2006 est.	2007 est.
41.0 Direct obligations: Grants, subsidies, and contributions	87	100	99
99.0 Reimbursable obligations: Reimbursable obligations		6	6
99.9 Total new obligations	87	106	105

PUBLIC LAW 480 TITLE I OCEAN FREIGHT DIFFERENTIAL GRANTS
(INCLUDING TRANSFER OF FUNDS)

For ocean freight differential costs for the shipment of agricultural commodities under title I of the Agricultural Trade Development and Assistance Act of 1954 and under the Food for Progress Act of 1985, \$11,940,000, to remain available until expended: *Provided*, That funds made available for the cost of agreements under title I of the Agricultural Trade Development and Assistance Act of 1954 and for title I ocean freight differential may be used interchangeably between the two accounts with prior notice to the Committees on Appropriations of both Houses of Congress. (7 U.S.C. 1701b, 2209b.; *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

[(RESCISSION)]

Of the unobligated balances available under this heading, \$35,000,000 are rescinded. (*Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-2271-0-1-351	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 P.L. 480 grant—Title I: Ocean freight differential (OFD)	4	12	
10.00 Total new obligations (object class 41.0)	4	12	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	54	38	
22.00 New budget authority (gross)	28	-23	19
22.21 Unobligated balance transferred to other accounts	-40	-3	
23.90 Total budgetary resources available for obligation	42	12	19
23.95 Total new obligations	-4	-12	
24.40 Unobligated balance carried forward, end of year	38		19
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	23	12	
40.33 Appropriation permanently reduced (P.L. 109-148)		-35	
43.00 Appropriation (total discretionary)	23	-23	
Spending authority from offsetting collections:			
Mandatory:			
69.00 Offsetting collections (cash)	30	32	19
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-25		
69.61 Transferred to other accounts		-32	
69.90 Spending authority from offsetting collections (total mandatory)	5		19
70.00 Total new budget authority (gross)	28	-23	19
Change in obligated balances:			
72.40 Obligated balance, start of year	1	13	38
73.10 Total new obligations	4	12	
73.20 Total outlays (gross)	-17	13	-2
74.00 Change in uncollected customer payments from Federal sources (unexpired)	25		
74.40 Obligated balance, end of year	13	38	36
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	13	-13	
86.93 Outlays from discretionary balances	1		-9
86.97 Outlays from new mandatory authority	3		11
87.00 Total outlays (gross)	17	-13	2
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-30	-32	-19
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	25		
Net budget authority and outlays:			
89.00 Budget authority	23	-55	

90.00 Outlays	-14	-45	-17
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This account funds the title I ocean freight differential program. No funding is requested for FY 2007.

PUBLIC LAW 480 TITLE II GRANTS

For expenses during the current fiscal year, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, for commodities supplied in connection with dispositions abroad under title II of said Act, **[\$1,150,000,000]** \$1,218,500,000, to remain available until expended: *Provided*, That if the Administrator of the United States Agency for International Development determines it to be appropriate, up to 25 percent of the funds appropriated under this heading may be used, notwithstanding any other provision of law, for the local or regional purchase and distribution of food to assist people threatened by a food security crisis. (7 U.S.C. 1691, 1721-26a, 1727-27e, 1731-36g-3, 1737, 2209b; *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-2278-0-1-151	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.02 Title II	1,549	1,138	1,218
09.01 Reimbursable program	173	197	92
10.00 Total new obligations	1,722	1,335	1,310
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	305	52	32
22.00 New budget authority (gross)	1,376	1,335	1,310
22.10 Resources available from recoveries of prior year obligations	103		
22.21 Unobligated balance transferred to other accounts	-10	-20	-20
23.90 Total budgetary resources available for obligation	1,774	1,367	1,322
23.95 Total new obligations	-1,722	-1,335	-1,310
24.40 Unobligated balance carried forward, end of year	52	32	12
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,423	1,150	1,218
40.33 Appropriation permanently reduced (P.L. 109-148)		-12	
40.35 Appropriation permanently reduced	-9		
42.00 Transferred from other accounts	12		
43.00 Appropriation (total discretionary)	1,426	1,138	1,218
Spending authority from offsetting collections:			
Mandatory:			
69.00 Offsetting collections (cash)	151	197	92
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-201		
69.90 Spending authority from offsetting collections (total mandatory)	-50	197	92
70.00 Total new budget authority (gross)	1,376	1,335	1,310
Change in obligated balances:			
72.40 Obligated balance, start of year	711	1,041	911
73.10 Total new obligations	1,722	1,335	1,310
73.20 Total outlays (gross)	-1,490	-1,465	-1,223
73.45 Recoveries of prior year obligations	-103		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	201		
74.40 Obligated balance, end of year	1,041	911	998
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	669	597	639
86.93 Outlays from discretionary balances	871	728	464
86.97 Outlays from new mandatory authority	-50	79	79
86.98 Outlays from mandatory balances		61	41
87.00 Total outlays (gross)	1,490	1,465	1,223
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-151	-197	-92

Against gross budget authority only:			
88.95	Change in uncollected customer payments from Federal sources (unexpired)	201	
Net budget authority and outlays:			
89.00	Budget authority	1,426	1,138 1,218
90.00	Outlays	1,339	1,268 1,131

This account funds the non-credit components of Public Law 480. Under title II, agricultural commodities are furnished to meet famine or other emergency relief needs, combat malnutrition, carry out activities to alleviate the causes of hunger, mortality and morbidity, promote economic and community development, promote sound environmental practices, and carry out feeding programs. Agricultural commodities are provided through governments for emergencies only, and for non-emergencies through public and private agencies, including intergovernmental organizations.

The Corporation is authorized to pay the costs of acquisition, packaging, processing, enrichment, preservation, fortification, transportation, handling, and other incidental costs incurred up to the time of delivery at U.S. ports. The Corporation also pays ocean freight charges, and pays transportation costs to points of entry other than ports in the case of landlocked countries, where carriers to a specific country are not available, where ports cannot be used effectively, or where a substantial savings in costs or time can be effected, and pays general average contributions arising from ocean transport. In addition, transportation costs from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs may be paid for commodities made available under this title for non-emergency assistance for least-developed countries and for urgent and extraordinary relief.

The program is administered by the U.S. Agency for International Development.

In addition, the request includes authority to use up to twenty-five percent of the P.L. 480 Title II funds for the local or regional purchase and distribution of food to assist people threatened by a food security crisis. In particular, the language is intended to authorize the Administrator of USAID, when deemed appropriate, to procure food locally or regionally from developing countries (in accordance with the OECD Development Assistance Committee List of ODA Recipients) and to distribute such food in response to a food security crisis. This will permit USAID to provide food assistance in the most timely and efficient manner to the most critical emergency food crises. This authority will be used in those instances where the rapid use of cash assistance is critical to saving lives.

Object Classification (in millions of dollars)

Identification code 12-2278-0-1-151			
		2005 actual	2006 est. 2007 est.
41.0	Direct obligations: Grants, subsidies, and contributions	1,549	1,138 1,218
99.0	Reimbursable obligations: Reimbursable obligations ...	173	197 92
99.9	Total new obligations	1,722	1,335 1,310

Credit accounts:

PUBLIC LAW 480 TITLE I DIRECT CREDIT AND FOOD FOR PROGRESS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For [the cost, as defined in section 502 of the Congressional Budget Act of 1974, of agreements under the Agricultural Trade Development and Assistance Act of 1954, and the Food for Progress Act of 1985, including the cost of modifying credit arrangements under said Acts, \$65,040,000, to remain available until expended: *Provided*, That the Secretary of Agriculture may implement a commodity monetization program under existing provisions of the Food for Progress Act of

1985 to provide no less than \$5,000,000 in local-currency funding support for rural electrification development overseas.】

【In addition, for】 administrative expenses to carry out the credit program of title I, Public Law 83-480【, and the Food for Progress Act of 1985, to the extent funds appropriated for Public Law 83-480 are utilized, \$3,385,000, of which \$168,000 may be transferred to and merged with the appropriation for “Foreign Agricultural Service, Salaries and Expenses”, and of which \$3,217,000 may】 \$2,651,000, to be transferred to and merged with the appropriation for “Farm Service Agency, Salaries and Expenses”. (7 U.S.C. 1691, 1701-04, 1731-36g-3, 2209b.; *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-2277-0-1-351		2005 actual	2006 est.	2007 est.
Obligations by program activity:				
00.01	Direct credit subsidy	17	16	
00.05	Re-estimates of subsidy	4		
00.06	Interest on re-estimates	4		
00.09	Administrative expenses	4	3	3
00.10	Food for Progress Grants	55	158	
00.11	Other adjustments to prior years' obligations	21		10
10.00	Total new obligations	105	177	13
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	237	88	13
22.00	New budget authority (gross)	-74	99	3
22.21	Unobligated balance transferred to other accounts	-10		
22.22	Unobligated balance transferred from other accounts	40	3	
23.90	Total budgetary resources available for obligation	193	190	16
23.95	Total new obligations	-105	-177	-13
24.40	Unobligated balance carried forward, end of year	88	13	3
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	94	65	
40.00	Appropriation	4	3	3
40.35	Appropriation permanently reduced	-1	-1	
40.36	Unobligated balance permanently reduced	-191		
43.00	Appropriation (total discretionary)	-94	67	3
Mandatory:				
60.00	Appropriation	8		
Spending authority from offsetting collections:				
Discretionary:				
68.00	Offsetting collections (cash)	12		
Mandatory:				
69.62	Transferred from other accounts		32	
70.00	Total new budget authority (gross)	-74	99	3
Change in obligated balances:				
72.40	Obligated balance, start of year	125	76	147
73.10	Total new obligations	105	177	13
73.20	Total outlays (gross)	-154	-106	-81
74.40	Obligated balance, end of year	76	147	79
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	100	39	3
86.93	Outlays from discretionary balances	46	35	78
86.97	Outlays from new mandatory authority	8	32	
87.00	Total outlays (gross)	154	106	81
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-12		
Net budget authority and outlays:				
89.00	Budget authority	-86	99	3
90.00	Outlays	142	106	81

Credit accounts—Continued

PUBLIC LAW 480 TITLE I DIRECT CREDIT AND FOOD FOR PROGRESS PROGRAM ACCOUNT—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-2277-0-1-351	2005 actual	2006 est.	2007 est.
Direct loan levels supportable by subsidy budget authority:			
115001 P. L. 480 title I loans	30	30	
115901 Total direct loan levels	30	30	
Direct loan subsidy (in percent):			
132001 P. L. 480 title I loans	57.55	54.14	0.00
132901 Weighted average subsidy rate	57.55	54.14	0.00
Direct loan subsidy budget authority:			
133001 P. L. 480 title I loans	17	16	
133901 Total subsidy budget authority	17	16	
Direct loan subsidy outlays:			
134001 P. L. 480 title I loans	26	26	6
134901 Total subsidy outlays	26	26	6
Direct loan upward reestimate subsidy budget authority:			
135001 P. L. 480 title I loans	8		
135901 Total upward reestimate budget authority	8		
Direct loan downward reestimate subsidy budget authority:			
137001 P. L. 480 title I loans	-69		
137901 Total downward reestimate budget authority	-69		
Administrative expense data:			
351001 Budget authority	4	3	3
359001 Outlays from new authority	4	3	3

As required by the Federal Credit Reform Act of 1990, this account records, for the P.L. 480 Program, the subsidy costs associated with the direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligation in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses and grants are estimated on a cash basis. The current balance of Title I debt owed to USDA is \$8.6 billion. No additional funding is requested for new Title I loans in FY 2007. Food for Progress grants will continue to be funded from the Commodity Credit Corporation.

Object Classification (in millions of dollars)

Identification code 12-2277-0-1-351	2005 actual	2006 est.	2007 est.
25.3 Other purchases of goods and services from Government accounts	4	3	3
41.0 Grants, subsidies, and contributions	101	174	10
99.9 Total new obligations	105	177	13

P.L. 480 DIRECT CREDIT FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4049-0-3-351	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct loans	30	30	
00.02 Interest on Treasury borrowing	106	171	182
00.03 Other adjustments to prior years' obligations	-26		
00.91 Direct Program by Activities—Subtotal (1 level)	110	201	182
08.02 Payment of downward reestimate to receipt account	47	239	
08.04 Payment of interest on downward reestimate to receipt account	22	176	
08.91 Direct Program by Activities—Subtotal (1 level)	69	415	

10.00 Total new obligations	179	616	182
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1,316	1,458	
22.00 New financing authority (gross)	482	870	432
22.60 Portion applied to repay debt	-161	-1,712	-250
23.90 Total new obligations	1,637	616	182
23.95 Total new obligations	-179	-616	-182
24.40 Unobligated balance carried forward, end of year	1,458		

New financing authority (gross), detail:

Mandatory:			
67.10 Authority to borrow	92	600	182
Mandatory:			
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	390	270	250
70.00 Total new financing authority (gross)	482	870	432

Change in obligated balances:

72.40 Obligated balance, start of year	5	-41	13
73.10 Total new obligations	179	616	182
73.20 Total financing disbursements (gross)	-225	-562	-193
74.40 Obligated balance, end of year	-41	13	2
87.00 Total financing disbursements (gross)	225	562	193

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payments from program account	-50	-26	-6
88.25 Interest on uninvested funds	-48	-66	-69
88.40 Interest received on loans	-92	-45	-40
88.40 Principal received on loans	-200	-133	-135
88.90 Total, offsetting collections (cash)	-390	-270	-250

Net financing authority and financing disbursements:

89.00 Financing authority	92	600	182
90.00 Financing disbursements	-164	292	-57

Status of Direct Loans (in millions of dollars)

Identification code 12-4049-0-3-351	2005 actual	2006 est.	2007 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	30	30	
1150 Total direct loan obligations	30	30	
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	2,483	2,273	2,189
1231 Disbursements: Direct loan disbursements	46	49	11
Repayments:			
1251 Repayments and prepayments	-200	-133	-135
1251 Loans transferred to debt reduction financing fund	-16		
1263 Write-offs for default: Direct loans	-40		
1290 Outstanding, end of year	2,273	2,189	2,065

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4049-0-3-351	2004 actual	2005 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	770	865
Investments in US securities:		
1106 Receivables, net	50	43
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	2,483	2,273

1402	Interest receivable	109	78
1405	Allowance for subsidy cost (-)	-1,422	-1,028
1499	Net present value of assets related to direct loans	1,170	1,323
1999	Total assets	1,990	2,231
LIABILITIES:			
Federal liabilities:			
2101	Accounts payable	63	413
2102	Interest payable	79	43
2103	Debt	46	42
2104	Resources payable to Treasury	1,802	1,733
2999	Total liabilities	1,990	2,231
4999	Total liabilities and net position	1,990	2,231

1233	Disbursements: Purchase of loans assets from a liquidating account	10	189	
1251	Repayments: Repayments and prepayments	-11	-10	-10
1261	Adjustments: Capitalized interest	1		
1263	Write-offs for default: Direct loans	-4		
1290	Outstanding, end of year	521	700	690

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4143-0-3-351	2004 actual	2005 actual
ASSETS:		
Federal assets:		
1101	Fund balances with Treasury	34
	Investments in US securities:	
1106	Receivables, net	46
	Net value of assets related to post-1991 direct loans receivable:	
1401	Direct loans receivable, gross	525
1402	Interest receivable	18
1405	Allowance for subsidy cost (-)	-399
1499	Net present value of assets related to direct loans	144
1999	Total assets	190
LIABILITIES:		
Federal liabilities:		
2101	Accounts payable	96
2102	Interest payable	19
2104	Resources payable to Treasury	246
2105	Other	94
2999	Total liabilities	190
4999	Total liabilities and net position	190

DEBT REDUCTION—FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4143-0-3-351	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.02	Interest to Treasury	13	17
08.02	Payment of downward reestimate to receipt account	107	16
08.03	Payments to financing and liquidating accounts for debt reduction	355	189
08.04	Payment of interest on downward reestimate to receipt account	14	1
08.91	Direct Program by Activities—Subtotal (1 level)	476	206
10.00	Total new obligations	489	223
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	21	55
22.00	New financing authority (gross)	537	168
22.60	Portion applied to repay debt	-14	
23.90	Total budgetary resources available for obligation	544	223
23.95	Total new obligations	-489	-223
24.40	Unobligated balance carried forward, end of year	55	
New financing authority (gross), detail:			
Mandatory:			
67.10	Authority to borrow	165	200
Spending authority from offsetting collections:			
Mandatory:			
69.00	Offsetting collections (cash)	372	128
69.47	Portion applied to repay debt		-160
69.90	Spending authority from offsetting collections (total mandatory)	372	-32
70.00	Total new financing authority (gross)	537	168
Change in obligated balances:			
73.10	Total new obligations	489	223
73.20	Total financing disbursements (gross)	-489	-223
87.00	Total financing disbursements (gross)	489	223
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00	Federal sources—Subsidy from Debt account	-350	-111
88.25	Interest on uninvested funds	-6	-2
88.40	Loan Repayments—Principal	-11	-10
88.40	Loan Repayments—Interest	-5	-5
88.90	Total, offsetting collections (cash)	-372	-128
Net financing authority and financing disbursements:			
89.00	Financing authority	165	40
90.00	Financing disbursements	117	95

Status of Direct Loans (in millions of dollars)

Identification code 12-4143-0-3-351	2005 actual	2006 est.	2007 est.
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	525	521
			700

EXPENSES, PUBLIC LAW 480, FOREIGN ASSISTANCE PROGRAMS, AGRICULTURE LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-2274-0-1-151	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01	Direct program activity	23	
10.00	Total new obligations (object class 41.0)	23	
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	60	43
22.00	New budget authority (gross)	65	
22.40	Capital transfer to general fund	-59	-43
23.90	Total budgetary resources available for obligation	66	
23.95	Total new obligations	-23	
24.40	Unobligated balance carried forward, end of year	43	
New budget authority (gross), detail:			
Spending authority from offsetting collections:			
Mandatory:			
69.00	Offsetting collections (cash) (Principal and interest)	462	432
69.00	Offsetting collections (Debt Reduction)	3	189
69.00	Offsetting collections (cash)	28	
69.27	Capital transfer to general fund	-428	-621
69.90	Spending authority from offsetting collections (total mandatory)	65	
Change in obligated balances:			
73.10	Total new obligations	23	
73.20	Total outlays (gross)	-23	

Credit accounts—Continued**EXPENSES, PUBLIC LAW 480, FOREIGN ASSISTANCE PROGRAMS,
AGRICULTURE LIQUIDATING ACCOUNT—Continued****Program and Financing (in millions of dollars)—Continued**

Identification code 12–2274–0–1–151	2005 actual	2006 est.	2007 est.
74.40 Obligated balance, end of year			
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	23		
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources—debt reduction	–3	–189	
88.40 Principal Collections	–321	–296	–280
88.40 Interest Collections	–141	–136	–116
88.40 Interest Collections	–28		
88.90 Total, offsetting collections (cash)	–493	–621	–396
Net budget authority and outlays:			
89.00 Budget authority	–428	–621	–396
90.00 Outlays	–471	–621	–396

Status of Direct Loans (in millions of dollars)

Identification code 12–2274–0–1–151	2005 actual	2006 est.	2007 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	6,244	5,909	5,424
1251 Repayments: Repayments and prepayments	–321	–296	–136
1261 Adjustments: Capitalized interest	7		
1263 Write-offs for default: Direct loans	–21	–189	
1290 Outstanding, end of year	5,909	5,424	5,288

Financing sales of agricultural commodities to developing countries for dollars on credit terms, or for local currencies (including for local currencies on credit terms) for use under sec. 104; and for furnishing commodities to carry out the Food for Progress Act of 1985, as amended (title I).—Funds appropriated for P.L. 480 are used to finance all sales made pursuant to agreements concluded under the authority of Title I. No FY 2007 funding is requested for new direct credit under Title I; however, funding for administrative expenses associated with managing the existing loan portfolio is requested. No funding is requested for Title I ocean freight differential for FY 2007.

Financing sales of agricultural commodities for dollars on credit terms (title I).—Sales are made to developing countries as defined in section 402(4) of P.L. 480 and must not displace expected commercial sales (secs. 403(e) and (h)). Agreements are made with developing countries for delivery in accordance with the terms of the agreement.

Payment by developing countries or private entities may be made over a period of not more than 30 years with a deferral of principal payments for up to 5 years. Interest accrues at a concessional rate as determined appropriate.

Section 411 of P.L. 480 authorizes the President to waive payments of principal and interest under dollar credit sales agreements for countries that meet certain enumerated requirements. Such debt relief may be provided only if the President notifies Congress and may not exceed the amount approved for such purpose in an Act appropriating funds to carry out P.L. 480.

Financing sales of agricultural commodities for local currency, including for local currency on credit terms.—Payment by a recipient country may be made in local currencies for use in carrying out activities under section 104 of P.L. 480.

Foreign currency received in payment for credit extended may be used for payment of U.S. obligations abroad, subject to the appropriation process. The P.L. 480 program is reimbursed for the dollar value of currencies so used.

The financing of sales of agricultural commodities for local currencies on credit terms is subject to the same terms that are applicable to dollar credit financing.

Furnishing commodities to carry out the Food for Progress Act of 1985, as amended (title I).—Funds appropriated to carry out title I may be used to furnish commodities to carry out the Food for Progress Act of 1985. Such commodities may be furnished on credit terms or on a grant basis in order to assist developing countries and countries that are emerging democracies that have made a commitment to introduce and expand free enterprise elements in their agricultural economies.

Commodities supplied in connection with dispositions abroad (title II).—Under title II, agricultural commodities are furnished to meet famine or other emergency relief needs, combat malnutrition, carry out activities to alleviate the causes of hunger, mortality and morbidity, promote economic and community development, promote sound environmental practices, and carry out feeding programs. Agricultural commodities are provided through governments for emergencies only, and for non-emergencies through public and private agencies, including intergovernmental organizations.

The Corporation is authorized to pay the costs of acquisition, packaging, processing, enrichment, preservation, fortification, transportation, handling, and other incidental costs incurred up to the time of delivery at U.S. ports. The Corporation also pays ocean freight charges, and pays transportation costs to points of entry other than ports in the case of landlocked countries, where carriers to a specific country are not available, where ports cannot be used effectively, or where a substantial savings in costs or time can be effected, and pays general average contributions arising from ocean transport. In addition, transportation costs from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs may be paid for commodities made available to meet urgent and extraordinary relief requirements. P.L. 480 funds reimburse the Corporation for all of the cost items authorized above.

Balance Sheet (in millions of dollars)

Identification code 12–2274–0–1–151	2004 actual	2005 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	60	43
Net value of assets related to pre-1992		
direct loans receivable and acquired defaulted guaranteed loans		
receivable:		
1601 Direct loans, gross	6,244	5,909
1602 Interest receivable	661	715
1603 Allowance for estimated uncollectible loans and interest (–)	–2,890	–2,588
1699 Value of assets related to direct loans	4,015	4,036
1999 Total assets	4,075	4,079
LIABILITIES:		
2104 Federal liabilities: Resources payable to Treasury	3,444	3,387
2207 Non-Federal liabilities: Other	631	692
2999 Total liabilities	4,075	4,079
4999 Total liabilities and net position	4,075	4,079

FOOD AND NUTRITION SERVICE**Federal Funds****General and special funds:****NUTRITION PROGRAMS ADMINISTRATION**

For necessary administrative expenses of the domestic nutrition assistance programs funded under this Act, **[\$140,761,000]** \$160,429,000. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.)

Program and Financing (in millions of dollars)

Identification code 12-3508-0-1-605	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
Direct program:			
00.01 Nutrition programs administration	139	140	160
00.03 Congressional hunger center fellowships	2	2	
09.01 Reimbursable administrative services provided to Federal agencies	1	1	1
10.00 Total new obligations	142	143	161
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	142	143	161
23.95 Total new obligations	-142	-143	-161
24.40 Unobligated balance carried forward, end of year			
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	142	143	160
40.33 Appropriation permanently reduced (P.L. 109-148)		-1	
40.35 Appropriation permanently reduced	-1		
43.00 Appropriation (total discretionary)	141	142	160
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	1	1	1
70.00 Total new budget authority (gross)	142	143	161
Change in obligated balances:			
72.40 Obligated balance, start of year	28	29	23
73.10 Total new obligations	142	143	161
73.20 Total outlays (gross)	-141	-149	-158
74.40 Obligated balance, end of year	29	23	26
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	120	120	135
86.93 Outlays from discretionary balances	21	29	23
87.00 Total outlays (gross)	141	149	158
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-1	-1	-1
Net budget authority and outlays:			
89.00 Budget authority	141	142	160
90.00 Outlays	140	148	157

This account funds the majority of the Federal operating expenses of the Food and Nutrition Service and the Center for Nutrition Policy and Promotion.

Object Classification (in millions of dollars)

Identification code 12-3508-0-1-605	2005 actual	2006 est.	2007 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	91	92	97
11.3 Other than full-time permanent	1	1	1
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	93	94	99
12.1 Civilian personnel benefits	21	22	23
21.0 Travel and transportation of persons	2	2	2
23.3 Communications, utilities, and miscellaneous charges	2	2	2
25.2 Other services	19	19	33
26.0 Supplies and materials	2	1	1
41.0 Grants, subsidies, and contributions	2	2	
99.0 Direct obligations	141	142	160
99.0 Reimbursable obligations	1	1	1
99.9 Total new obligations	142	143	161

Personnel Summary

Identification code 12-3508-0-1-605	2005 actual	2006 est.	2007 est.
1001 Civilian full-time equivalent employment	1,230	1,198	1,242

FOOD STAMP PROGRAM

For necessary expenses to carry out the Food Stamp Act (7 U.S.C. 2011 et seq.), **[\$40,711,395,000]** \$37,935,231,000, of which \$3,000,000,000 to remain available through September 30, **[2007]** 2008, shall be placed in reserve for use only in such amounts and at such times as may become necessary to carry out program operations: *Provided*, **[That none of the funds made available under this heading shall be used for studies and evaluations: *Provided further*, That of the funds made available under this heading and not already appropriated to the Food Distribution Program on Indian Reservations (FDPIR) established under section 4(b) of the Food Stamp Act of 1977 (7 U.S.C. 2013(b)), not less than \$3,000,000 shall be used to purchase bison meat for the FDPIR from Native American bison producers as well as from producer-owned cooperatives of bison ranchers: *Provided further*,] That funds provided herein shall be expended in accordance with section 16 of the Food Stamp Act: *Provided further*, That this appropriation shall be subject to any work registration or workfare requirements as may be required by law: *Provided further*, That funds made available for Employment and Training under this heading shall remain available until expended, as authorized by section 16(h)(1) of the Food Stamp Act: *Provided further*, That notwithstanding section 5(d) of the Food Stamp Act of 1977, any additional payment received under chapter 5 of title 37, United States Code, by a member of the United States Armed Forces deployed to a designated combat zone shall be excluded from household income for the duration of the member's deployment if the additional pay is the result of deployment to or while serving in a combat zone, and it was not received immediately prior to serving in the combat zone: *Provided further*, That immediately upon termination of the Commodity Supplemental Food Program (CSFP), notwithstanding section 5 of the Food Stamp Act, CSFP participants who are 60 years of age or older and not already receiving food stamp benefits, shall be eligible to receive food stamp benefits equaling \$20 per month either for six months or until they are determined eligible under section 5 of the Act and begin to participate in the Food Stamp Program, whichever occurs first.**

For making after May 31 of the current fiscal year, benefit payments to individuals and payments to States or other non-Federal entities for the necessary current year expenses of carrying out the Food Stamp Act above the anticipated level, such sums as may be necessary. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.)

[(RESCISSION)]

[Of unobligated balances available under this heading of funds provided pursuant to section 16(h)(1)(A) of the Food Stamp Act of 1977, \$11,200,000 are rescinded.] (Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006.)

Program and Financing (in millions of dollars)

Identification code 12-3505-0-1-605	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
Direct program:			
00.01 Benefits issued	28,510	30,293	30,108
00.02 State administration	2,388	2,510	2,608
00.03 Employment and training program	307	331	341
00.04 Other program costs	53	59	63
00.05 Puerto Rico	1,495	1,518	1,559
00.06 Food distribution program on Indian reservations (Commodities in lieu of food stamps)	54	55	51
00.07 Food distribution program on Indian reservations (Cooperator administrative expense)	24	25	27
00.08 The emergency food assistance program (commodities)	140	140	140
00.09 Modified food stamp program in American Samoa	6	6	6
00.10 Community food project	5	5	5
00.11 Commonwealth of the Northern Mariana Islands	8	8	8
00.13 Program access	5	5	5
00.14 Disregard special military pays for deployed	1	1	1
00.15 CSFP transitional benefit			18

General and special funds—Continued

FOOD STAMP PROGRAM—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-3505-0-1-605	2005 actual	2006 est.	2007 est.
09.01 Reimbursable program	25	35	35
10.00 Total new obligations	33,021	34,991	34,975
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	41	2,042	3,038
22.00 New budget authority (gross)	35,060	40,746	37,970
22.10 Resources available from recoveries of prior year obligations	9		
23.90 Total budgetary resources available for obligation	35,110	42,788	41,008
23.95 Total new obligations	-33,021	-34,991	-34,975
23.98 Unobligated balance expiring or withdrawn	-47	-4,748	-3,000
23.98 Unobligated balance rescinded pursuant to P.L. 109-148		-11	
24.40 Unobligated balance carried forward, end of year	2,042	3,038	3,033
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	17	17	39
Mandatory:			
60.00 Appropriation	35,138	40,694	37,896
61.00 Transferred to other accounts	-120		
62.50 Appropriation (total mandatory)	35,018	40,694	37,896
Mandatory:			
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	25	35	35
70.00 Total new budget authority (gross)	35,060	40,746	37,970
Change in obligated balances:			
72.40 Obligated balance, start of year	1,254	1,629	1,362
73.10 Total new obligations	33,021	34,991	34,975
73.20 Total outlays (gross)	-32,654	-35,258	-34,986
73.40 Adjustments in expired accounts (net)	17		
73.45 Recoveries of prior year obligations	-9		
74.40 Obligated balance, end of year	1,629	1,362	1,351
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	7	8	29
86.93 Outlays from discretionary balances	9	10	9
86.97 Outlays from new mandatory authority	31,392	33,621	33,559
86.98 Outlays from mandatory balances	1,246	1,619	1,389
87.00 Total outlays (gross)	32,654	35,258	34,986
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-10		
88.40 Non-Federal sources	-30	-35	-35
88.90 Total, offsetting collections (cash)	-40	-35	-35
Against gross budget authority only:			
88.96 Portion of offsetting collections (cash) credited to expired accounts	15		
Net budget authority and outlays:			
89.00 Budget authority	35,035	40,711	37,935
90.00 Outlays	32,613	35,223	34,951

Summary of Budget Authority and Outlays

(in millions of dollars)

	2005 actual	2006 est.	2007 est.
Enacted/requested:			
Budget Authority	35,035	40,711	37,935
Outlays	32,614	35,223	34,951
Legislative proposal, subject to PAYGO:			
Budget Authority			-23
Outlays			-23
Total:			
Budget Authority	35,035	40,711	37,912
Outlays	32,614	35,223	34,928

The Food Stamp Program is the primary source of nutrition assistance for low-income Americans.

Some of these funds provide a grant to Puerto Rico in lieu of the Food Stamp Program which gives the Commonwealth flexibility to administer a nutrition assistance program tailored to the needs of its low-income households.

Funds in this account are also used to carry out the Emergency Food Assistance Act of 1983 and for food distribution and administrative expenses for Native Americans under section 4(b) of the Food Stamp Act.

Food Stamp Program costs are not fully predictable. In the event that actual program needs exceed budget estimates, the Budget provides a \$3 billion contingency reserve. The Budget also proposes indefinite funding authority which would make funds available in the last four months of the fiscal year if program needs exceed the anticipated level.

The Budget also provides temporary transitional benefits to help elderly households transition from the Commodity Supplemental Food Program to the Food Stamp Program.

Object Classification (in millions of dollars)

Identification code 12-3505-0-1-605	2005 actual	2006 est.	2007 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	6	6	6
12.1 Civilian personnel benefits	1	1	1
21.0 Travel and transportation of persons	2	2	2
23.3 Communications, utilities, and miscellaneous charges	3	3	3
24.0 Printing and reproduction	2	2	2
25.2 Other services	43	45	46
26.0 Supplies and materials	186	185	181
41.0 Grants, subsidies, and contributions	32,753	34,712	34,699
99.0 Direct obligations	32,996	34,956	34,940
99.0 Reimbursable obligations	25	35	35
99.9 Total new obligations	33,021	34,991	34,975

Personnel Summary

Identification code 12-3505-0-1-605	2005 actual	2006 est.	2007 est.
1001 Civilian full-time equivalent employment	65	68	68

FOOD STAMP PROGRAM

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12-3505-4-1-605	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
Direct program:			
00.01 Benefits issued			-23
10.00 Total new obligations (object class 41.0)			-23
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			-23
23.95 Total new obligations			23
24.40 Unobligated balance carried forward, end of year			
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation			-23
Change in obligated balances:			
73.10 Total new obligations			-23
73.20 Total outlays (gross)			23
74.40 Obligated balance, end of year			
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority			-23
Net budget authority and outlays:			
89.00 Budget authority			-23

90.00 Outlays -23

This schedule shows the net effects of three legislative proposals. The Budget proposes to exclude all retirement accounts when determining if a household is eligible for food stamp benefits. It also proposes to limit Food Stamp categorical eligibility status to households which receive Supplemental Security Income or Temporary Assistance for Needy Families cash assistance. Finally, the Budget proposes to allow States to use the National Directory of New Hires to verify Food Stamp participants' employment and wage information.

CHILD NUTRITION PROGRAMS
(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the National School Lunch Act (42 U.S.C. 1751 et seq.), except section 21, and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), except sections 17 and 21; **[\$12,660,829,000] \$13,645,487,000**, to remain available through September 30, **[2007] 2008**, of which **[\$7,473,208,000] \$8,063,200,000** is hereby appropriated and **[\$5,187,621,000] \$5,582,287,000** shall be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c): *Provided*, **[That none of the funds made available under this heading shall be used for studies and evaluations] That of the funds made available under this heading, \$300,000,000 shall be placed in reserve and used only in such amounts and at such times as may become necessary to carry out program operations: Provided further, That up to [\$5,235,000] \$5,335,000 shall be available for independent verification of school food service claims. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.)**

Program and Financing (in millions of dollars)

Identification code 12-3539-0-1-605	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Above 185 of poverty	440	460	483
00.02 130-185 of poverty	896	935	983
00.03 Below 130 of poverty	5,591	6,062	6,366
00.91 Subtotal, school lunch program	6,927	7,457	7,832
01.01 Above 185 of poverty	68	72	77
01.02 130-185 of poverty	169	178	193
01.03 Below 130 of poverty	1,740	1,833	1,981
01.91 Subtotal, school breakfast program	1,977	2,083	2,251
02.01 Above 185 of poverty	199	192	202
02.02 130-185 of poverty	122	120	126
02.03 Below 130 of poverty	1,838	1,823	1,921
02.04 Audits	19	22	23
02.91 Subtotal, child and adult care feeding program	2,178	2,157	2,272
03.01 Summer food service program	279	290	306
03.02 Special milk program	17	15	14
03.03 State administrative expenses	146	156	166
03.04 Commodity procurement	532	513	550
03.91 Subtotal, Other mandatory activities	974	974	1,036
04.01 Team Nutrition	10	10	10
04.02 Coordinated review and CN pay costs	6	6	6
04.03 Computer support and processing	9	9	9
04.05 Food safety education	1	1	1
04.91 Subtotal, discretionary activities	26	26	26
05.01 Food service management institute and information clearinghouse and Reauthorization Activities	21	44	20
06.01 Change in accounting estimate	212		
10.00 Total new obligations	12,315	12,741	13,437

Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	128	52	83
22.00 New budget authority (gross)	11,935	12,706	13,666
22.10 Resources available from recoveries of prior year obligations	104	66	
22.35 Change in accounting estimate	212		
23.90 Total budgetary resources available for obligation	12,379	12,824	13,749

23.95 Total new obligations	-12,315	-12,741	-13,437
23.98 Unobligated balance expiring or withdrawn	13		
24.40 Unobligated balance carried forward, end of year	52	83	312

New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	7	7	7
Mandatory:			
60.00 Appropriation	6,622	7,467	8,056
60.00 Appropriation- Permanent Appropriation	21	44	21
62.00 Transferred from other accounts	5,273	5,188	5,582
62.50 Appropriation (total mandatory)	11,916	12,699	13,659
Mandatory:			
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	12		
70.00 Total new budget authority (gross)	11,935	12,706	13,666

Change in obligated balances:			
72.40 Obligated balance, start of year	1,450	1,739	1,523
73.10 Total new obligations	12,315	12,741	13,437
73.20 Total outlays (gross)	-11,925	-12,891	-13,336
73.40 Adjustments in expired accounts (net)	3		
73.45 Recoveries of prior year obligations	-104	-66	
74.40 Obligated balance, end of year	1,739	1,523	1,624

Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	5	4	4
86.93 Outlays from discretionary balances		3	3
86.97 Outlays from new mandatory authority	11,895	10,957	11,552
86.98 Outlays from mandatory balances	25	1,927	1,777
87.00 Total outlays (gross)	11,925	12,891	13,336

Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-10		
88.40 Non-Federal sources	-16		
88.90 Total, offsetting collections (cash)	-26		
Against gross budget authority only:			
88.96 Portion of offsetting collections (cash) credited to expired accounts	14		

Net budget authority and outlays:			
89.00 Budget authority	11,923	12,706	13,666
90.00 Outlays	11,899	12,891	13,336

Summary of Budget Authority and Outlays

(in millions of dollars)				
Enacted/requested:	2005 actual	2006 est.	2007 est.	
Budget Authority	11,923	12,706	13,666	
Outlays	11,899	12,891	13,336	
Legislative proposal, subject to PAYGO:				
Budget Authority				-6
Outlays				-6
Total:				
Budget Authority	11,923	12,706	13,660	
Outlays	11,899	12,891	13,330	

Payments are made for cash and commodity meal subsidies through the School Lunch, School Breakfast, Special Milk, Summer Food Service, and Child and Adult Care Food programs. Child Nutrition Program costs are not fully predictable. In the event that actual program needs exceed budget estimates, the budget provides a \$300 million contingency reserve.

Object Classification (in millions of dollars)

Identification code 12-3539-0-1-605	2005 actual	2006 est.	2007 est.
11.1 Personnel compensation: Full-time permanent	9	9	9
12.1 Civilian personnel benefits	3	3	3
21.0 Travel and transportation of persons	1	1	1
24.0 Printing and reproduction	3	3	3
25.2 Other services	13	13	13
26.0 Supplies and materials (Commodities)	747	733	733

General and special funds—Continued

CHILD NUTRITION PROGRAMS—Continued
(INCLUDING TRANSFERS OF FUNDS)—Continued

Object Classification (in millions of dollars)—Continued

Identification code 12-3539-0-1-605	2005 actual	2006 est.	2007 est.
41.0 Grants, subsidies, and contributions	11,327	11,979	12,675
92.0 Undistributed	212		
99.9 Total new obligations	12,315	12,741	13,437

Personnel Summary

Identification code 12-3539-0-1-605	2005 actual	2006 est.	2007 est.
1001 Civilian full-time equivalent employment	156	164	155

CHILD NUTRITION PROGRAMS
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12-3539-4-1-605	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.03 School Lunch			-4
01.03 School Breakfast			-2
10.00 Total new obligations (object class 41.0)			-6
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			-6
23.95 Total new obligations			6
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation			-6
Change in obligated balances:			
73.10 Total new obligations			-6
73.20 Total outlays (gross)			6
74.40 Obligated balance, end of year			
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority			-6
Net budget authority and outlays:			
89.00 Budget authority			-6
90.00 Outlays			-6

This schedule shows the interactive effects of a legislative proposal to limit Food Stamp Program categorical eligibility to households which receive Supplemental Security Income or Temporary Assistance for Needy Families cash assistance.

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

For necessary expenses to carry out the special supplemental nutrition program as authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), **[\$5,257,000,000] \$5,200,000,000**, to remain available through September 30, **[2007] 2008**, of which such sums as are necessary to restore the contingency reserve to \$125,000,000 shall be placed in reserve, to remain available until expended, to be allocated as the Secretary deems necessary, notwithstanding section 17(i) of such Act, to support participation should cost or participation exceed budget estimates: *Provided*, That of the total amount available, the Secretary shall obligate not less than \$15,000,000 for a breastfeeding support initiative in addition to the activities specified in section 17(h)(3)(A): *Provided further*, That notwithstanding section 17(h)(10)(A) of such Act, only the provisions of section 17(h)(10)(B)(i) [and section 17(h)(10)(B)(ii)] shall be effective in **[2006] 2007**; including \$14,000,000 for the purposes specified in

section 17(h)(10)(B)(i) [and \$20,000,000 for the purposes specified in section 17(h)(10)(B)(ii): *Provided further*, That funds made available for the purposes specified in section 17(h)(10)(B)(ii) shall only be made available upon a determination by the Secretary that funds are available to meet caseload requirements without the use of the contingency reserve funds: *Provided further*, That none of the funds made available under this heading shall be used for studies and evaluations]: *Provided further*, That none of the funds in this Act shall be available to pay administrative expenses of WIC clinics except those that have an announced policy of prohibiting smoking within the space used to carry out the program: *Provided further*, That none of the funds provided in this account shall be available for the purchase of infant formula except in accordance with the cost containment and competitive bidding requirements specified in section 17 of such Act: *Provided further*, That of the total amount allocated as grants to States, nutrition services and administration funding shall be capped at 25 percent of the total amount provided, with individual State agency allocations to be made in accordance with a methodology developed by the Secretary: *Provided further*, That none of the funds made available under this heading may be used to provide WIC benefits to an individual who receives medical assistance under title XIX of the Social Security Act, or is a member of a family in which a pregnant woman or an infant receives assistance unless such individual's family income is below 250 percent of the applicable nonfarm income poverty limits: *Provided further*, That none of the funds provided shall be available for activities that are not fully reimbursed by other Federal Government departments or agencies unless authorized by section 17 of such Act. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-3510-0-1-605	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Base grants	5,158	5,399	5,361
00.02 Contingency Fund	43		
00.03 Change in accounting estimate	142		
10.00 Total new obligations	5,343	5,399	5,361
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	5	159	128
22.00 New budget authority (gross)	5,239	5,173	5,200
22.10 Resources available from recoveries of prior year obligations	118	195	160
22.35 Change in accounting estimate	142		
23.90 Total budgetary resources available for obligation	5,504	5,527	5,488
23.95 Total new obligations	-5,343	-5,399	-5,361
23.98 Unobligated balance expiring or withdrawn	-2		
24.40 Unobligated balance carried forward, end of year	159	128	127
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	5,277	5,257	5,200
40.33 Appropriation permanently reduced (P.L. 109-148)		-52	
40.35 Appropriation permanently reduced	-42		
40.36 Unobligated balance permanently reduced		-32	
43.00 Appropriation (total discretionary)	5,235	5,173	5,200
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	4		
70.00 Total new budget authority (gross)	5,239	5,173	5,200
Change in obligated balances:			
72.40 Obligated balance, start of year	291	519	525
73.10 Total new obligations	5,343	5,399	5,361
73.20 Total outlays (gross)	-4,992	-5,198	-5,200
73.40 Adjustments in expired accounts (net)	-6		
73.45 Recoveries of prior year obligations	-118	-195	-160
74.10 Change in uncollected customer payments from Federal sources (expired)	1		
74.40 Obligated balance, end of year	519	525	526
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	4,655	4,789	4,784
86.93 Outlays from discretionary balances	337	409	416

87.00	Total outlays (gross)	4,992	5,198	5,200
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources—recoveries	-2		
88.40	Non-Federal sources	-5		
88.90	Total, offsetting collections (cash)	-7		
Against gross budget authority only:				
88.96	Portion of offsetting collections (cash) credited to expired accounts	3		
Net budget authority and outlays:				
89.00	Budget authority	5,235	5,173	5,200
90.00	Outlays	4,985	5,198	5,200

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) provides low-income at-risk pregnant and post-partum women, infants, and children with vouchers for nutritious supplemental food packages, nutrition education and counseling, and health and immunization referrals. This request caps funding for nutrition services and administration funding at 25 percent of total program funding.

Object Classification (in millions of dollars)

Identification code 12-3510-0-1-605		2005 actual	2006 est.	2007 est.
41.0	Grants, subsidies, and contributions	5,201	5,399	5,361
92.0	Undistributed	142		
99.9	Total new obligations	5,343	5,399	5,361

COMMODITY ASSISTANCE PROGRAM

For necessary expenses to carry out disaster assistance [and the commodity supplemental food program], as authorized by section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note); the Emergency Food Assistance Act of 1983; special assistance [(in a form determined by the Secretary of Agriculture)] for the nuclear affected islands, as authorized by section 103(f)(2) of the Compact of Free Association Amendments Act of 2003 (Public Law 108-188); and the Farmers' Market Nutrition Program, as authorized by section 17(m) of the Child Nutrition Act of 1966, [\$179,366,000] \$70,370,000, to remain available through September 30, [2007] 2008: *Provided*, That none of these funds shall be available to reimburse the Commodity Credit Corporation for commodities donated to the program: *Provided further*, That notwithstanding any other provision of law, effective with funds made available in fiscal year [2006] 2007 to support the Seniors Farmers' Market Nutrition Program (SFMNP), as authorized by section 4402 of Public Law 107-171, such funds shall remain available through September 30, [2007] 2008: *Provided further*, That no funds available for SFMNP in fiscal year 2007 shall be used to pay State or local sales taxes on food purchased with SFMNP coupons or checks: *Provided further*, That the value of assistance provided by the SFMNP shall not be considered income or resources for any purposes under any Federal, State or local laws related to taxation, welfare and public assistance programs: *Provided further*, That of the funds made available under section 27(a) of the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), the Secretary may use up to \$10,000,000 for costs associated with the distribution of commodities. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006*.)

[For an additional amount for "Commodity Assistance Program" for necessary expenses related to the consequences of Hurricane Katrina, \$10,000,000, to remain available until expended, of which \$6,000,000 shall be for The Emergency Food Assistance Program and \$4,000,000 shall be for the Commodity Supplemental Food Program: *Provided*, That notwithstanding any other provisions of the Emergency Food Assistance Act of 1983 (the "Act"), the Secretary may allocate additional foods and funds for administrative expenses from resources specifically appropriated, transferred, or reprogrammed to restore to states resources used to assist families and individuals displaced by the hurricanes of calendar year 2005 among the states without regard to sections 204 and 214 of the Act: *Provided*

further, That such programs may operate in any area where emergency feeding organizations develop a program to provide temporary emergency non-profit food service to families and individuals displaced by the hurricanes of calendar year 2005: *Provided further*, That the amounts provided under this heading are designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.] (*Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006*.)

Program and Financing (in millions of dollars)

Identification code 12-3507-0-1-605		2005 actual	2006 est.	2007 est.
Obligations by program activity:				
00.01	Commodity procurement	84	83	
00.02	Administrative costs	29	28	
00.91	Subtotal, commodity supplemental food program	113	111	
02.01	Administrative costs	50	56	50
03.01	Senior farmers' market	15	15	15
04.01	Farmers' Market Nutrition Program	20	20	20
05.01	Pacific Island and Disaster Assistance	1	1	1
09.01	Reimbursable program (NSIP)	2	3	3
10.00	Total new obligations	198	206	89
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	3	1	
22.00	New budget authority (gross)	198	205	89
22.10	Resources available from recoveries of prior year obligations	1		
23.90	Total budgetary resources available for obligation	202	206	89
23.95	Total new obligations	-198	-206	-89
24.40	Unobligated balance carried forward, end of year	1		
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	179	189	71
40.33	Appropriation permanently reduced (P.L. 109-148)	-2		
40.35	Appropriation permanently reduced	-1		
43.00	Appropriation (total discretionary)	178	187	71
Mandatory:				
62.00	Transferred from other accounts	15	15	15
Discretionary:				
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	5	3	3
70.00	Total new budget authority (gross)	198	205	89
Change in obligated balances:				
72.40	Obligated balance, start of year	32	33	39
73.10	Total new obligations	198	206	89
73.20	Total outlays (gross)	-196	-200	-98
73.45	Recoveries of prior year obligations	-1		
74.40	Obligated balance, end of year	33	39	30
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	158	158	51
86.93	Outlays from discretionary balances	23	27	32
86.97	Outlays from new mandatory authority	8	8	8
86.98	Outlays from mandatory balances	7	7	7
87.00	Total outlays (gross)	196	200	98
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-6	-3	-3
Against gross budget authority only:				
88.96	Portion of offsetting collections (cash) credited to expired accounts	1		
Net budget authority and outlays:				
89.00	Budget authority	193	202	86
90.00	Outlays	192	197	95

This account funds the Commodity Supplemental Food Program (CSFP), the Emergency Food Assistance Program (TEFAP), farmers' market nutrition programs, assistance for the nuclear affected islands, and disaster relief.

General and special funds—Continued

COMMODITY ASSISTANCE PROGRAM—Continued

The Budget eliminates funding for CSFP which is duplicative of the Food Stamp and WIC programs. Resources are provided, within the Food Stamp and WIC accounts, to help transition CSFP participants to those programs.

The account also funds two farmers' market programs which provide low-income participants vouchers for produce at farmers' markets. The Senior Farmers' Market Nutrition Program (SFMNP) is funded by transfer from the Commodity Credit Corporation. The WIC Farmers' Market Program is funded by discretionary appropriation.

The Budget proposes to prohibit farmers from charging sales tax on food purchased with SFMNP benefits and to ensure that SFMNP benefits are not considered as income for tax purposes or for determining eligibility for any public assistance benefit. These proposals are consistent with the treatment of benefits in other Federal nutrition programs.

Object Classification (in millions of dollars)

Identification code 12-3507-0-1-605	2005 actual	2006 est.	2007 est.
Direct obligations:			
26.0 Supplies and materials (commodities)	84	83	.....
41.0 Grants, subsidies, and contributions	111	120	86
99.0 Direct obligations	195	203	86
99.0 Reimbursable obligations	3	3	3
99.9 Total new obligations	198	206	89

FOOD DONATIONS PROGRAMS

Program and Financing (in millions of dollars)

Identification code 12-3503-0-1-605	2005 actual	2006 est.	2007 est.
Change in obligated balances:			
72.40 Obligated balance, start of year	1	1	.....
73.20 Total outlays (gross) .....	.....	-1	.....
74.40 Obligated balance, end of year	1	.....	.....
Outlays (gross), detail:			
86.93 Outlays from discretionary balances .....	.....	1	.....
Net budget authority and outlays:			
89.00 Budget authority .....	.....	.....	.....
90.00 Outlays .....	.....	1	.....

This account includes prior year amounts for the Nutrition Services Incentive Program (NSIP). NSIP was transferred to the Department of Health and Human Services in fiscal year 2003. NSIP grantees have the option to receive all or a portion of their grant in the form of commodities. USDA continues to provide these commodities, the cost of which is reimbursed by HHS. These reimbursements are reflected in the Commodity Assistance Programs account.

FOREST SERVICE

Federal Funds

General and special funds:

NATIONAL FOREST SYSTEM

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Forest Service, not otherwise provided for, for management, protection, improvement, and utilization of the National Forest System, **[\$1,424,348,000] \$1,398,066,000**, to remain available until expended, which shall include 50 percent of all moneys received during prior fiscal years as fees collected under

the Land and Water Conservation Fund Act of 1965, as amended, in accordance with section 4 of the Act (16 U.S.C. 4601-6a(i)): *Provided*, That unobligated balances under this heading available at the start of fiscal year 2006 shall be displayed by budget line item in the fiscal year 2007 budget justification: *Provided further*, That of the funds provided under this heading for Forest Products, \$5,000,000 shall be allocated to the Alaska Region, in addition to its normal allocation for the purposes of preparing additional timber for sale, to establish a 3-year timber supply and such funds may be transferred to other appropriations accounts as necessary to maximize accomplishment: *Provided further*, That within funds available for the purpose of implementing the Valles Caldera Preservation Act, notwithstanding the limitations of section 107(e)(2) of the Valles Caldera Preservation Act (Public Law 106-248), for fiscal year 2006, the Chair of the Board of Trustees of the Valles Caldera Trust may receive, upon request, compensation for each day (including travel time) that the Chair is engaged in the performance of the functions of the Board, except that compensation shall not exceed the daily equivalent of the annual rate in effect for members of the Senior Executive Service at the ES-1 level, and shall be in addition to any reimbursement for travel, subsistence and other necessary expenses incurred by the Chair in the performance of the Chair's duties. (Department of the Interior, Environment, and Related Agencies Appropriations Act, 2006.)

[For an additional amount for "National Forest System", \$20,000,000, to remain available until expended, for necessary expenses, including hazardous fuels reduction, related to the consequences of hurricanes in the Gulf of Mexico in calendar year 2005: *Provided*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.] (Emergency Supplemental Appropriations Act to Address Hurricanes in The Gulf of Mexico and Pandemic Influenza, 2006.)

Program and Financing (in millions of dollars)

Identification code 12-1106-0-1-302	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 National forest system	1,448	1,517	1,400
09.01 Reimbursable program	68	86	86
10.00 Total new obligations	1,516	1,603	1,486
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	98	88	.....
22.00 New budget authority (gross)	1,528	1,515	1,486
22.10 Resources available from recoveries of prior year obligations	58	.....	.....
22.21 Unobligated balance transferred to other accounts	-80	.....	.....
23.90 Total budgetary resources available for obligation	1,604	1,603	1,486
23.95 Total new obligations	-1,516	-1,603	-1,486
24.40 Unobligated balance carried forward, end of year	88	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,412	1,444	1,398
40.33 Appropriation permanently reduced (P.L. 109-148) .....	.....	-14	.....
40.35 Appropriation permanently reduced	-19	-7	.....
42.00 Transferred from other accounts	13	6	2
43.00 Appropriation (total discretionary)	1,406	1,429	1,400
Mandatory:			
60.20 Appropriation (special fund)	80	.....	.....
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	86	86	86
68.10 Change in uncollected customer payments from Federal sources (unexpired)	-44	.....	.....
68.90 Spending authority from offsetting collections (total discretionary)	42	86	86
70.00 Total new budget authority (gross)	1,528	1,515	1,486
Change in obligated balances:			
72.40 Obligated balance, start of year	175	192	330
73.10 Total new obligations	1,516	1,603	1,486
73.20 Total outlays (gross)	-1,485	-1,465	-1,490
73.45 Recoveries of prior year obligations	-58	.....	.....

74.00	Change in uncollected customer payments from Federal sources (unexpired)	44		
74.40	Obligated balance, end of year	192	330	326
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	1,271	1,288	1,263
86.93	Outlays from discretionary balances	214	177	227
87.00	Total outlays (gross)	1,485	1,465	1,490
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-59	-59	-59
88.40	Non-Federal sources	-28	-27	-27
88.90	Total, offsetting collections (cash)	-87	-86	-86
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	44		
88.96	Portion of offsetting collections (cash) credited to expired accounts	1		
Net budget authority and outlays:				
89.00	Budget authority	1,486	1,429	1,400
90.00	Outlays	1,398	1,379	1,404

The 155 National Forests, 20 National Grasslands, and six land utilization projects located in 44 States, Puerto Rico, and the Virgin Islands are managed under multiple-use and sustained-yield principles. The natural resources of timber, minerals, range, wildlife, outdoor recreation, watershed, and soil are used in a planned combination that will best meet the needs of the Nation without impairing productivity of the land or damaging the environment. These management and utilization principles are recognized in the Multiple-Use, Sustained-Yield Act of 1960 (16 U.S.C. 528–531) and use an ecological approach to managing the National Forest System.

National Forest System (NFS) operations and maintenance provide for the planning, assessment, and conservation of ecosystems while delivering multiple public services and uses. These are delivered through the principal NFS programs of land management planning; inventory and monitoring; recreation, heritage, and wilderness; wildlife and fisheries habitat management; grazing management; forest products; vegetation and watershed management; minerals and geology management; landownership management; and law enforcement operations. These programs maintain the capability to manage natural resources in a manner consistent with ecological principles and responsibilities.

The Budget provides full funding for the Forest Service component of the Northwest Forest Plan to ensure scientifically sound, ecologically credible, and legally responsible strategies and implementation that produces a predictable and sustainable level of timber sales and non-timber resources. The Budget also reflects greater use of streamlined forest planning and authorities included in the President's Healthy Forests Initiative and the Healthy Forests Restoration Act, particularly stewardship contracting. Continued priority monitoring related vegetative treatments as provided for in the Budget will protect the long-term health of forests, wildlife, and waterways in the Pacific Northwest.

The Budget reflects a continuing emphasis on Forest Service performance and accountability by including two new performance measures for the National Forest System, including the use of volume sold as an annual output measure for Forest Products and an annual efficiency measure consisting of the ratio of total receipts for each activity that generates receipts to the obligations for each such respective activity necessary to generate those receipts. These reforms will foster a greater focus on results; lead to improved decisions based on performance; and enhance accountability through the use of more readily available and better quality performance information.

In addition to improving the effectiveness of the Forest Service, the Budget emphasizes efficient management. The Budget continues a significant reform of the Forest Service that streamlines its organization, improves accountability, and focuses on measurable results in the management of our national forests. Specifically, the Budget will reduce overhead, business management, and other indirect costs by one-third to improve efficiency and program delivery. Results will improve in two ways. First, national forest operations will be transformed by making additional "on-the-ground" resources available for resource management projects that meet the objectives of the President's Healthy Forests Initiative by reducing indirect costs to \$461 million, improving procurement practices, and expanding use of competitive sourcing. Secondly, the administration and execution of programs will be enhanced through improvements in management accountability, reporting relationships, and oversight.

Object Classification (in millions of dollars)

Identification code 12–1106–0–1–302	2005 actual	2006 est.	2007 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	685	700	756
11.3	Other than full-time permanent	44	45	49
11.5	Other personnel compensation	42	42	46
11.9	Total personnel compensation	771	787	851
12.1	Civilian personnel benefits	220	225	219
13.0	Benefits for former personnel	10	10	10
21.0	Travel and transportation of persons	54	55	54
22.0	Transportation of things	11	11	11
23.1	Rental payments to GSA	20	20	20
23.2	Rental payments to others	23	23	22
23.3	Communications, utilities, and miscellaneous charges	35	36	35
24.0	Printing and reproduction	6	6	6
25.1	Advisory and assistance services	2	2	2
25.2	Other services	148	176	84
25.3	Other purchases of goods and services from Government accounts	61	67	33
25.7	Operation and maintenance of equipment	4	4	4
26.0	Supplies and materials	14	15	7
31.0	Equipment	46	50	25
32.0	Land and structures	1	1	1
41.0	Grants, subsidies, and contributions	20	25	12
42.0	Insurance claims and indemnities	3	3	3
43.0	Interest and dividends	1	1	1
99.0	Direct obligations	1,448	1,517	1,400
99.0	Reimbursable obligations	68	86	86
99.9	Total new obligations	1,516	1,603	1,486

Personnel Summary

Identification code 12–1106–0–1–302	2005 actual	2006 est.	2007 est.	
Direct:				
1001	Civilian full-time equivalent employment	13,183	13,162	13,183
Reimbursable:				
2001	Civilian full-time equivalent employment	490	490	490
Allocation account:				
3001	Civilian full-time equivalent employment	824	824	824

CAPITAL IMPROVEMENT AND MAINTENANCE

For necessary expenses of the Forest Service, not otherwise provided for, **[\$441,178,000]** \$382,601,000, to remain available until expended for construction, reconstruction, and maintenance; and *decommissioning of recreation developed sites, capital improvement and acquisition of recreation developed sites, buildings and other facilities, and for construction, [reconstruction, repair,] decommissioning, and maintenance of forest roads and trails by the Forest Service as authorized by 16 U.S.C. 532–538 and 23 U.S.C. 101 and 205: Provided, That up to \$15,000,000 of the funds provided herein for road maintenance shall be available for the decommissioning of roads, including unauthorized roads not part of the transportation system, which are no longer needed: Provided further, That no funds shall be expended*

General and special funds—Continued

CAPITAL IMPROVEMENT AND MAINTENANCE—Continued

to decommission any system road until notice and an opportunity for public comment has been provided on each decommissioning project: *Provided further*, That of funds provided, \$3,000,000 is provided for needed rehabilitation and restoration work at Jarbidge Canyon, Nevada: *Provided further*, That the Secretary of Agriculture may authorize the transfer of up to \$1,350,000 as necessary to the Department of the Interior, Bureau of Land Management and Fish and Wildlife Service when such transfers would facilitate and expedite needed rehabilitation work on Bureau of Land Management lands, and for the Fish and Wildlife Service to implement terms and conditions identified in the Biological Opinion. (Department of the Interior, Environment, and Related Agencies Appropriations Act, 2006.)

【For an additional amount for “Capital Improvement and Maintenance”, \$7,000,000, to remain available until expended, for necessary expenses related to the consequences of hurricanes in the Gulf of Mexico in calendar year 2005: *Provided*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.】 (Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006.)

Program and Financing (in millions of dollars)

Identification code 12–1103–0–1–302	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Capital improvement and maintenance	602	541	400
09.01 Reimbursable program	16	8	8
10.00 Total new obligations	618	549	408
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	108	99	.....
22.00 New budget authority (gross)	596	450	408
22.10 Resources available from recoveries of prior year obligations	13	.....	.....
23.90 Total budgetary resources available for obligation	717	549	408
23.95 Total new obligations	–618	–549	–408
24.40 Unobligated balance carried forward, end of year	99	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	597	448	383
40.33 Appropriation permanently reduced (P.L. 109–148) .....	.....	–4	.....
40.35 Appropriation permanently reduced	–7	–2	.....
41.00 Transferred to other accounts	–2	.....	.....
42.00 Transferred from other accounts	10	.....	.....
43.00 Appropriation (total discretionary)	598	442	383
Mandatory:			
62.00 Transferred from other accounts .....	.....	.....	17
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	8	.....	.....
68.00 Offsetting collections (cash) .....	.....	8	8
68.10 Change in uncollected customer payments from Federal sources (unexpired)	–10	.....	.....
68.90 Spending authority from offsetting collections (total discretionary)	–2	8	8
70.00 Total new budget authority (gross)	596	450	408
Change in obligated balances:			
72.40 Obligated balance, start of year	247	289	283
73.10 Total new obligations	618	549	408
73.20 Total outlays (gross)	–573	–555	–419
73.45 Recoveries of prior year obligations	–13	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired)	10	.....	.....
74.40 Obligated balance, end of year	289	283	272
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	378	337	293
86.93 Outlays from discretionary balances	195	218	113
86.97 Outlays from new mandatory authority .....	.....	.....	13

87.00	Total outlays (gross)	573	555	419
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	–3	–3	–3
88.40	Non-Federal sources	–6	–5	–5
88.90	Total, offsetting collections (cash)	–9	–8	–8
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	10	.....	.....
88.96	Portion of offsetting collections (cash) credited to expired accounts	1	.....	.....
Net budget authority and outlays:				
89.00	Budget authority	598	442	400
90.00	Outlays	564	547	411

Funding provides for capital improvement and maintenance of facilities, roads, and trails. The program emphasizes: better resource management decisions based on the best scientific information and knowledge; an efficient and effective infrastructure that supports public and administrative uses; and quality recreation experiences with minimal impact to ecosystem stability and conditions.

Facilities.—Provides for capital improvement and maintenance of research, fire, administrative, and other (FA&O), and recreation facilities, including site components such as roads and trails and the acquisition of buildings and other facilities necessary to carry out the mission of the Forest Service. Capital Improvement includes: new construction of a facility; alteration of an existing facility to change the function; and expansion of a facility to change the capacity or to serve needs that are different from what was originally intended. Maintenance is divided into four primary areas: annual maintenance, deferred maintenance, decommissioning, and operations. Deferred maintenance work includes the repair, rehabilitation, or replacement of the facility or components of the facility.

Roads.—Provides for capital improvement and maintenance of roads. The program also focuses on decommissioning unneeded roads and/or roads that are degrading the ecosystem. Capital improvement includes: new road construction; alteration of an existing road to change the function; and expansion of the road to change the capacity or to serve needs that are different from what was originally intended. The agency will continue to address the growing road system maintenance backlog. Funding priorities are health and safety, resource protection, and mission critical needs. Maintenance is divided into four primary areas: annual road maintenance, deferred road maintenance, road operations, and decommissioning.

Trails.—Provides for capital improvement and maintenance of trails. Capital improvement includes: new trail construction; alteration of an existing trail to change the function; and expansion of the trail to change the capacity or to serve needs that are different from what was originally intended. Maintenance funding is used to protect capital investments by keeping trails open for access and protecting vegetation, soil, and water quality. Work includes clearing the pathway of encroaching vegetation and fallen trees, and repairing or improving trail signs, treadways, drainage facilities, and bridges. Maintenance is divided into four primary areas: annual trail maintenance, deferred trail maintenance, trail operations, and trail decommissioning.

Infrastructure Improvement.—Ameliorates the backlog in deferred maintenance of National Forest System roads and trails as well as Forest Service fire, administrative, and recreation facilities. The funds focus on critical maintenance backlogs; i.e., these funds are for repair and rehabilitation of existing facilities and roads; funds may not be used for new and expanded facilities or roads. The Budget reflects Forest Serv-

ice improvements in addressing the deferred maintenance backlog based upon agency implementation of PART recommendations.

The Budget reflects Forest Service utilization of new authorities that permit the use of proceeds from the sales of excess facilities to replace other deficient facilities or perform needed rehabilitation work on existing facilities. The Forest Service will continue with a facility assessment for the purpose of performing facility maintenance and reducing the deferred maintenance backlog, and to use assessments that include incentives to optimize utilization, reduce costs, and improve facility conditions by reducing facility deferred maintenance at least 25% by 2010. The Budget reflects a base rate for buildings plus a graduated rate that recognizes different facility types, which together are limited to 4% of the facility replacement value and not to exceed \$7 per square foot.

Object Classification (in millions of dollars)

Identification code 12-1103-0-1-302	2005 actual	2006 est.	2007 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	168	147	134
11.3 Other than full-time permanent	15	13	12
11.5 Other personnel compensation	9	8	8
11.9 Total personnel compensation	192	168	154
12.1 Civilian personnel benefits	55	48	44
13.0 Benefits for former personnel	4	4	4
21.0 Travel and transportation of persons	12	11	10
22.0 Transportation of things	3	3	2
23.1 Rental payments to GSA	5	4	4
23.2 Rental payments to others	6	5	5
23.3 Communications, utilities, and miscellaneous charges	8	7	6
24.0 Printing and reproduction	1	1	1
25.2 Other services	187	172	90
25.3 Other purchases of goods and services from Government accounts	32	29	15
25.4 Operation and maintenance of facilities	3	3	2
25.7 Operation and maintenance of equipment	2	2	2
26.0 Supplies and materials	29	28	15
31.0 Equipment	9	9	5
32.0 Land and structures	48	42	38
41.0 Grants, subsidies, and contributions	5	4	2
42.0 Insurance claims and indemnities	1	1	1
99.0 Direct obligations	602	541	400
99.0 Reimbursable obligations	16	8	8
99.9 Total new obligations	618	549	408

Personnel Summary

Identification code 12-1103-0-1-302	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	3,589	3,069	2,733
Reimbursable:			
2001 Civilian full-time equivalent employment	81	81	81
Allocation account:			
3001 Civilian full-time equivalent employment	41	41	41

FOREST AND RANGELAND RESEARCH

For necessary expenses of forest and rangeland research as authorized by law, **[\$283,094,000] \$267,791,000**, to remain available until expended: *Provided*, That of the funds provided, \$60,267,000 is for the forest inventory and analysis program].

GIFTS, DONATIONS AND BEQUESTS FOR FOREST AND RANGELAND RESEARCH

For expenses authorized by 16 U.S.C. 1643(b), **[\$64,000] \$63,000**, to remain available until expended, to be derived from the fund established pursuant to the above Act. (*Department of the Interior, Environment, and Related Agencies Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-1104-0-1-302	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.06 Forest and rangeland research	305	344	288
09.01 Reimbursable program	32	24	24
10.00 Total new obligations	337	368	312
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	29	42	.....
22.00 New budget authority (gross)	339	326	312
22.10 Resources available from recoveries of prior year obligations	11	.....	.....
23.90 Total budgetary resources available for obligation	379	368	312
23.95 Total new obligations	-337	-368	-312
24.40 Unobligated balance carried forward, end of year	42	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	280	283	268
40.33 Appropriation permanently reduced (P.L. 109-148)	-	3	.....
40.35 Appropriation permanently reduced	-4	-1	.....
42.00 Transferred from other accounts	22	23	20
43.00 Appropriation (total discretionary)	298	302	288
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	24	24	24
68.10 Change in uncollected customer payments from Federal sources (unexpired)	17	.....	.....
68.90 Spending authority from offsetting collections (total discretionary)	41	24	24
70.00 Total new budget authority (gross)	339	326	312
Change in obligated balances:			
72.40 Obligated balance, start of year	86	70	129
73.10 Total new obligations	337	368	312
73.20 Total outlays (gross)	-325	-309	-317
73.45 Recoveries of prior year obligations	-11	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-17	.....	.....
74.40 Obligated balance, end of year	70	129	124
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	258	228	219
86.93 Outlays from discretionary balances	67	81	98
87.00 Total outlays (gross)	325	309	317
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-21	-21	-21
88.40 Non-Federal sources	-3	-3	-3
88.90 Total, offsetting collections (cash)	-24	-24	-24
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-17	.....	.....
Net budget authority and outlays:			
89.00 Budget authority	298	302	288
90.00 Outlays	302	285	293

Forest Service Research & Development (FS R&D) is one of the world's leading forestry research organizations. It conducts ecological and social science research to understand ecosystems, how humans influence those ecosystems, and how forests can be managed sustainably to enable both environmental conservation and economic expansion. Research is conducted at six Research Stations, the Forest Products Laboratory, and the International Institute of Tropical Forestry located in Puerto Rico.

In 2007, the body of knowledge and technologies will be expanded to improve forest and rangeland managers' abilities to reintroduce fire to its natural role and keep losses from

General and special funds—Continued

GIFTS, DONATIONS AND BEQUESTS FOR FOREST AND RANGELAND RESEARCH—Continued

native insects and pathogens to an acceptable level. FS R&D researchers will be answering land managers' scientific questions about fire behavior, risk assessment and mitigation for multiple hazards, and utilization opportunities for the biomass that contributes to overcrowded, unhealthy forests. Increased funding will be provided for invasive species to accelerate research vital to a rapid management response; and watershed research to provide improved tools for land managers to restore native vegetation on sites disturbed by fire, and address other issues such as climate change.

The Forest Inventory and Analysis program will continue to provide up-to-date information on status and trends in America's forest resources including the distribution and type of forest; growth, harvest, and mortality; forest structure and composition; soils; vegetative diversity; and fuel loads.

Efficient delivery of science is essential to successful implementation of the President's Healthy Forests Initiative. The Budget continues efforts that optimize the delivery of research findings by improving Forest Service management of investments in research, development, and applications. Funds will be targeted to leading-edge technical assistance on a competitive basis. The Budget also emphasizes increasing the amount of research conducted on an extramural basis from 13 percent of the R&D budget currently to 20 percent over the next five years.

Object Classification (in millions of dollars)

Identification code 12-1104-0-1-302	2005 actual	2006 est.	2007 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	141	136	140
11.3 Other than full-time permanent	8	8	8
11.5 Other personnel compensation	4	4	4
11.8 Special personal services payments			1
11.9 Total personnel compensation	153	148	153
12.1 Civilian personnel benefits	41	40	41
13.0 Benefits for former personnel	1	1	1
21.0 Travel and transportation of persons	12	12	10
22.0 Transportation of things	2	2	2
23.1 Rental payments to GSA	4	4	4
23.2 Rental payments to others	3	3	3
23.3 Communications, utilities, and miscellaneous charges	6	6	5
24.0 Printing and reproduction	1	1	1
25.2 Other services	16	18	11
25.3 Other purchases of goods and services from Government accounts	11	15	9
25.4 Operation and maintenance of facilities	28	57	23
25.7 Operation and maintenance of equipment	1	1	1
26.0 Supplies and materials	10	14	9
31.0 Equipment	5	7	5
41.0 Grants, subsidies, and contributions	11	15	10
99.0 Direct obligations	305	344	288
99.0 Reimbursable obligations	32	24	24
99.9 Total new obligations	337	368	312

Personnel Summary

Identification code 12-1104-0-1-302	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	2,539	2,386	2,411
Reimbursable:			
2001 Civilian full-time equivalent employment	160	160	160

STATE AND PRIVATE FORESTRY

For necessary expenses of cooperating with and providing technical and financial assistance to States, territories, possessions, and others, and for forest health management, including treatments of pests,

pathogens, and invasive or noxious plants and for restoring and rehabilitating forests damaged by pests or invasive plants, cooperative forestry, and education and land conservation activities and conducting an international program as authorized, **[\$283,577,000] \$244,410,000**, to remain available until expended, as authorized by law of which **[\$57,380,000] \$61,515,000** is to be derived from the Land and Water Conservation Fund: *Provided*, That none of the funds provided under this heading for the acquisition of lands or interests in lands shall be available until the Forest Service notifies the House Committee on Appropriations and the Senate Committee on Appropriations, in writing, of specific contractual and grant details including the non-Federal cost share: *Provided further*, That of the funds provided herein, \$1,000,000 shall be provided to Custer County, Idaho, for economic development in accordance with the Central Idaho Economic Development and Recreation Act, subject to authorization: *Provided further*, That notwithstanding any other provision of law, of the funds provided under this heading, an advance lump sum payment of \$1,000,000 shall be made available to Madison County, North Carolina, for a forest recreation center, and a similar \$500,000 payment shall be made available to Folkmoot USA in Haywood County, North Carolina, for Appalachian folk programs including forest crafts]. (*Department of the Interior, Environment, and Related Agencies Appropriations Act, 2006.*)

[For an additional amount for "State and Private Forestry", \$30,000,000, to remain available until expended, for necessary expenses related to the consequences of hurricanes in the Gulf of Mexico in calendar year 2005: *Provided*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.] (*Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-1105-0-1-302	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 State and private forestry	469	450	292
09.01 Reimbursable program	29	16	16
10.00 Total new obligations	498	466	308
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	80	57	
22.00 New budget authority (gross)	438	409	308
22.10 Resources available from recoveries of prior year obligations	32		
22.22 Unobligated balance transferred from other accounts	5		
23.90 Total budgetary resources available for obligation	555	466	308
23.95 Total new obligations	-498	-466	-308
24.40 Unobligated balance carried forward, end of year	57		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	288	256	182
40.20 Appropriation (LWCF)	58	57	62
40.33 Appropriation permanently reduced (P.L. 109-148)		-3	
40.35 Appropriation permanently reduced	-4	-1	
42.00 Transferred from other accounts	84	79	48
43.00 Appropriation (total discretionary)	426	388	292
Mandatory:			
62.00 Transferred from other accounts	5	5	
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	14	16	16
68.10 Change in uncollected customer payments from Federal sources (unexpired)	-7		
68.90 Spending authority from offsetting collections (total discretionary)	7	16	16
70.00 Total new budget authority (gross)	438	409	308
Change in obligated balances:			
72.40 Obligated balance, start of year	524	587	584
73.10 Total new obligations	498	466	308
73.20 Total outlays (gross)	-410	-469	-435
73.45 Recoveries of prior year obligations	-32		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	7		

74.40	Obligated balance, end of year	587	584	457
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	153	304	232
86.93	Outlays from discretionary balances	250	156	202
86.97	Outlays from new mandatory authority	4		
86.98	Outlays from mandatory balances	7	5	1
87.00	Total outlays (gross)	410	469	435
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-13	-16	-16
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	7		
88.96	Portion of offsetting collections (cash) credited to expired accounts	-1		
Net budget authority and outlays:				
89.00	Budget authority	431	393	292
90.00	Outlays	396	453	419

State and private forestry programs provide assistance to manage, use, and protect forest resources on State, urban, and private lands to meet domestic and international demands for goods and services. Assistance is provided to a wide range of customers including all States, Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and the Trust Territory of the Pacific.

Forest Health Management.—Includes Federal lands and cooperative lands.

Cooperative Fire Protection.—Includes funding to enhance the capacity of States to provide coordinated fire suppression response, reduce hazardous fuels in and adjacent to communities, and to promote safe and effective initial fire attack in wildland/urban interface areas by volunteer fire departments.

Cooperative Forestry.—Includes forest stewardship, the forest legacy program, urban and community forestry and forest resources and information analysis. This budget maintains the integrity of our country's valuable forest lands through the Forest Legacy program, a Federal program that partners with States to protect environmentally sensitive forest lands and the Forest Stewardship program, which will bring professional assistance to non-industrial private forest (NIPF) landowners to encourage sound environmental management of forests and to assist the social, economic, and environmental benefits of these lands.

International Programs.—The programs will emphasize habitat protection for migratory birds along the length of flyways, preventing the introduction of new invasive species, and sustainable forestry techniques development for other timber exporting nations.

Object Classification (in millions of dollars)

Identification code 12-1105-0-1-302	2005 actual	2006 est.	2007 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	56	57	55
11.3	Other than full-time permanent	4	4	4
11.5	Other personnel compensation	2	2	2
11.9	Total personnel compensation	62	63	61
12.1	Civilian personnel benefits	16	16	15
21.0	Travel and transportation of persons	8	8	8
22.0	Transportation of things	1	1	1
23.1	Rental payments to GSA	2	2	2
23.2	Rental payments to others	1	1	1
23.3	Communications, utilities, and miscellaneous charges	2	2	2
24.0	Printing and reproduction	1	1	1
25.3	Other purchases of goods and services from Government accounts	2	1	1
25.4	Operation and maintenance of facilities	3	2	1
26.0	Supplies and materials	4	4	2
31.0	Equipment	2	2	1

41.0	Grants, subsidies, and contributions	365	347	196
99.0	Direct obligations	469	450	292
99.0	Reimbursable obligations	29	16	16
99.9	Total new obligations	498	466	308

Personnel Summary

Identification code 12-1105-0-1-302	2005 actual	2006 est.	2007 est.	
Direct:				
1001	Civilian full-time equivalent employment	922	914	860
Reimbursable:				
2001	Civilian full-time equivalent employment	46	46	46

MANAGEMENT OF NATIONAL FOREST LANDS FOR SUBSISTENCE USES

For necessary expenses of the Forest Service to manage Federal lands in Alaska for subsistence uses under title VIII of the Alaska National Interest Lands Conservation Act (Public Law 96-487), **[\$5,067,000] \$5,311,000**, to remain available until expended. (*Department of the Interior, Environment, and Related Agencies Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 12-1119-0-1-302	2005 actual	2006 est.	2007 est.	
Obligations by program activity:				
00.01	Direct program activity	6	6	5
10.00	Total new obligations	6	6	5
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	1	1	
22.00	New budget authority (gross)	6	5	5
23.90	Total budgetary resources available for obligation	7	6	5
23.95	Total new obligations	-6	-6	-5
24.40	Unobligated balance carried forward, end of year	1		
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	6	5	5
Change in obligated balances:				
72.40	Obligated balance, start of year	2	2	3
73.10	Total new obligations	6	6	5
73.20	Total outlays (gross)	-6	-5	-5
74.40	Obligated balance, end of year	2	3	3
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	6	5	5
Net budget authority and outlays:				
89.00	Budget authority	6	5	5
90.00	Outlays	5	5	5

Funding under this program primarily supports fisheries and wildlife habitat management activities in the areas of population assessment, forecasting, harvest regulations, and law enforcement to ensure that the subsistence needs of qualified rural Alaskans are met under the Alaska National Interest Lands Conservation Act (Public Law 96-487).

Object Classification (in millions of dollars)

Identification code 12-1119-0-1-302	2005 actual	2006 est.	2007 est.	
11.1	Personnel compensation: Full-time permanent	1	1	1
12.1	Civilian personnel benefits	1	1	1
25.2	Other services	4	4	3
99.9	Total new obligations	6	6	5

General and special funds—Continued

**MANAGEMENT OF NATIONAL FOREST LANDS FOR SUBSISTENCE
USES—Continued**

Personnel Summary

Identification code 12-1119-0-1-302	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	26	24	26

**WILDLAND FIRE MANAGEMENT
(INCLUDING TRANSFERS OF FUNDS)**

For necessary expenses for forest fire presuppression activities on National Forest System lands, for emergency fire suppression on or adjacent to such lands or other lands under fire protection agreement, hazardous fuels reduction on or adjacent to such lands, and for emergency rehabilitation of burned-over National Forest System lands and water, **[\$1,779,395,000] \$1,768,195,000**, to remain available until expended: *Provided*, That such funds including unobligated balances under this heading, are available for repayment of advances from other appropriations accounts previously transferred for such purposes: *Provided further*, That such funds shall be available to reimburse State and other cooperating entities for services provided in response to wildfire and other emergencies or disasters to the extent such reimbursements by the Forest Service for non-fire emergencies are fully repaid by the responsible emergency management agency: *Provided further*, That not less than 50 percent of any unobligated balances remaining (exclusive of amounts for hazardous fuels reduction) at the end of fiscal year 2005 shall be transferred to the fund established pursuant to section 3 of Public Law 71-319 (16 U.S.C. 576 et seq.) if necessary to reimburse the fund for unpaid past advances: *Provided further*, That, notwithstanding any other provision of law, \$8,000,000 of funds appropriated under this appropriation shall be used for Fire Science Research in support of the Joint Fire Science Program: *Provided further*, That all authorities for the use of funds, including the use of contracts, grants, and cooperative agreements, available to execute the Forest and Rangeland Research appropriation, are also available in the utilization of these funds for Fire Science Research: *Provided further*, That funds provided shall be available for emergency rehabilitation and restoration, hazardous fuels reduction activities in the urban-wildland interface, support to Federal emergency response, and wildfire suppression activities of the Forest Service: *Provided further*, That [of the funds provided, \$286,000,000 is for hazardous fuels reduction activities, \$6,281,000 is for rehabilitation and restoration, \$23,219,000 is for research activities and to make competitive research grants pursuant to the Forest and Rangeland Renewable Resources Research Act, as amended (16 U.S.C. 1641 et seq.), \$46,500,000 is for State fire assistance, \$7,889,000 is for volunteer fire assistance, \$15,000,000 is for forest health activities on Federal lands and \$10,000,000 is for forest health activities on State and private lands: *Provided further*, That] amounts in this paragraph may be transferred to the “State and Private Forestry”, “National Forest System”, and “Forest and Rangeland Research” accounts to fund State fire assistance, volunteer fire assistance, forest health management, forest and rangeland research, vegetation and watershed management, heritage site rehabilitation, and wildlife and fish habitat management and restoration: *Provided further*, That [transfers of any amounts in excess of those authorized in this paragraph, shall require approval of the House and Senate Committees on Appropriations in compliance with reprogramming procedures contained in the report accompanying this Act: *Provided further*, That] funds provided under this heading for hazardous fuels treatments may be transferred to and made a part of the “National Forest System” account [at the sole discretion of the Chief of the Forest Service] thirty days after notifying the House and the Senate Committees on Appropriations: *Provided further*, That the costs of implementing any cooperative agreement between the Federal Government and any non-Federal entity may be shared, as mutually agreed on by the affected parties: *Provided further*, That [in addition to funds provided for State Fire Assistance programs, and subject to all authorities available to the Forest Service under the State and Private Forestry Appropriation, up to \$15,000,000 may be used on adjacent non-Federal lands for the purpose of protecting communities when hazard reduction activities are planned on national forest lands that have the potential to place such communities at risk:

Provided further, That included in funding for hazardous fuel reduction is \$5,000,000 for implementing the Community Forest Restoration Act, Public Law 106-393, title VI, and any portion of such funds shall be available for use on non-Federal lands in accordance with authorities available to the Forest Service under the State and Private Forestry Appropriation: *Provided further*, That] the Secretary of the Interior and the Secretary of Agriculture may authorize the transfer of funds appropriated for wildland fire management, in an aggregate amount not to exceed \$9,000,000, between the Departments when such transfers would facilitate and expedite jointly funded wildland fire management programs and projects: *Provided further*, That of the funds provided for hazardous fuels reduction, not to exceed \$5,000,000, may be used to make grants, using any authorities available to the Forest Service under the State and Private Forestry appropriation, for the purpose of creating incentives for increased use of biomass from national forest lands: *Provided further*, That funds designated for wildfire suppression shall be assessed for indirect costs on the same basis as such assessments are calculated against other agency programs] *Provided further*, That the Secretary of Agriculture may use the amounts appropriated under this heading for rehabilitation and restoration and other activities authorized under this heading on lands administered by the Forest Service or on adjacent non-Federal land for activities that benefit resources on lands administered by the Forest Service. (Department of the Interior, Environment, and Related Agencies Appropriations Act, 2006.)

Program and Financing (in millions of dollars)

Identification code 12-1115-0-1-302	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Wildland fire management	1,705	1,661	1,698
09.01 Reimbursable program	152	108	108
10.00 Total new obligations	1,857	1,769	1,806
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	313	768	753
22.00 New budget authority (gross)	2,246	1,754	1,806
22.10 Resources available from recoveries of prior year obligations	71		
22.21 Unobligated balance transferred to other accounts	-5		
23.90 Total budgetary resources available for obligation	2,625	2,522	2,559
23.95 Total new obligations	-1,857	-1,769	-1,806
24.40 Unobligated balance carried forward, end of year	768	753	753
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	2,128	1,779	1,768
40.33 Appropriation permanently reduced (P.L. 109-148)		-17	
40.35 Appropriation permanently reduced	-30	-8	
41.00 Transferred to other accounts	-107	-108	-70
42.00 Transferred from other accounts	30		
43.00 Appropriation (total discretionary)	2,021	1,646	1,698
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	108	108	108
68.10 Change in uncollected customer payments from Federal sources (unexpired)	117		
68.90 Spending authority from offsetting collections (total discretionary)	225	108	108
70.00 Total new budget authority (gross)	2,246	1,754	1,806
Change in obligated balances:			
72.40 Obligated balance, start of year	330	302	138
73.10 Total new obligations	1,857	1,769	1,806
73.20 Total outlays (gross)	-1,697	-1,933	-1,801
73.45 Recoveries of prior year obligations	-71		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-117		
74.40 Obligated balance, end of year	302	138	143
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1,431	1,578	1,625
86.93 Outlays from discretionary balances	266	355	176
87.00 Total outlays (gross)	1,697	1,933	1,801

Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-24	-23	-23
88.40	Non-Federal sources	-85	-85	-85
88.90	Total, offsetting collections (cash)	-109	-108	-108
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-117		
88.96	Portion of offsetting collections (cash) credited to expired accounts	1		
Net budget authority and outlays:				
89.00	Budget authority	2,021	1,646	1,698
90.00	Outlays	1,588	1,825	1,693

Wildland Fire Management.—This appropriation provides funding for Forest Service fire management, presuppression, and suppression on National Forest System lands, adjacent State and private lands, and other lands under fire protection agreement.

Preparedness.—To protect National Forest System (NFS) lands from damage by wildfires commensurate with the threat to life, values at risk, public values, and management objectives.

Preparedness provides the basic fire organization and capability to prevent forest fires and to take prompt, effective initial attack suppression operations action on wildfires. This funding covers expenses associated with planning, prevention, detection, information, and education; pre-incident training; equipment and supply purchase and replacement; and other preparedness activities, including the base salary and travel of the regular Forest Service firefighting organization. Through this program the Forest Service also assists other Federal agencies and States with training programs, planning assistance, sharing joint equipment use contracts, and inter-agency fire coordination centers.

Within Preparedness, the Budget includes funding for 10,480 firefighters and also includes indirect costs. Readiness levels reflect improvements in efficiencies, including those gained through a centralized aviation services office similar to that of the Department of the Interior (DOI). The Budget improves the transparency, accountability, and alignment of Forest Service budget execution with priorities. It also reflects deployment of a system that allocates fire preparedness resources (e.g., firefighters and equipment) effectively across geographic areas.

Fire Operations.—To appropriately suppress wildland fires on or threatening NFS lands or other lands under fire protection agreement. The Budget provides full funding of the ten-year average of suppression costs, adjusted for inflation. The Budget re-establishes a long standing policy that provides for suppression funding in a manner that does not include the compulsory assessment of indirect costs. This requirement, enacted over the Administration's objections, would effectively result in under-funding fire suppression and in turn increase the need to borrow from other programs.

Specifically, the Administration continues its direction that the Forest Service:

- Implement cost containment performance measures and clearer rules concerning the use of suppression resources, including incentives for rapid demobilization.
- Implement key recommendations of the PART review on the fire program to improve accountability for fire costs and improves performance measurement.
- Provide for greater program accountability at national headquarters, particularly in the area of clear guidance to the field regarding the use of appropriate suppression management strategies.
- Implement the agency's stratified suppression cost model.
- Allocate not less than 50% of suppression funds to Forest Service regions and permit regions to retain the majority

of unobligated funds for use in hazardous fuels reduction activities in subsequent fiscal years.

Additionally, Fire Operations funds are used to immediately and efficiently rehabilitate severely burned NFS lands to prevent further destruction of natural resources and property, including soil loss and flooding. Funds are used to provide an appropriate level of fire preparedness when predicted or actual burning conditions exceed normal levels and are also used to support the joint fire sciences program.

Funding for hazardous fuels supports the President's Healthy Forests Initiative (HFI) and reflects anticipated increases in fuels treatments through increased efficiencies resulting from the use of the stewardship contract authority and other productivity improvements associated with the HFI. The Budget reflects as greater use of receipts from the sale of treatment by-products to fund additional treatments, and implements PART recommendations, improved performance measures, and, in conjunction with the Department of the Interior (DOI), utilization of statistically significant and scientifically valid monitoring of hazardous fuels treatments. Performance will improve through improved performance measures of risk reduction and strengthened project criteria to ensure that hazardous fuels reduction funds are targeted as effectively as possible to reduce risks to communities in the wildland-urban interface.

Funds are provided to enhance State and private programs that will contribute to cooperative fire assistance, increased fire department readiness, and forest health programs to reduce fire risk. Funds would also be available to facilitate and expedite USDA and Department of the Interior jointly funded wildland fire management programs and projects.

Object Classification (in millions of dollars)

Identification code 12-1115-0-1-302	2005 actual	2006 est.	2007 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	413	426	451
11.3	Other than full-time permanent	58	70	63
11.5	Other personnel compensation	170	173	185
11.8	Special personal services payments	25	43	27
11.9	Total personnel compensation	666	712	726
12.1	Civilian personnel benefits	176	190	192
13.0	Benefits for former personnel	19	19	19
21.0	Travel and transportation of persons	55	67	60
22.0	Transportation of things	6	6	7
23.1	Rental payments to GSA	11	10	11
23.2	Rental payments to others	20	18	21
23.3	Communications, utilities, and miscellaneous charges	23	21	25
24.0	Printing and reproduction	1	1	1
25.1	Advisory and assistance services	1	1	1
25.2	Other services	430	370	386
25.3	Other purchases of goods and services from Government accounts	70	72	72
25.4	Operation and maintenance of facilities	3	2	3
25.7	Operation and maintenance of equipment	3	3	3
26.0	Supplies and materials	51	34	40
31.0	Equipment	22	23	25
41.0	Grants, subsidies, and contributions	142	106	100
42.0	Insurance claims and indemnities	6	6	6
99.0	Direct obligations	1,705	1,661	1,698
99.0	Reimbursable obligations	152	108	108
99.9	Total new obligations	1,857	1,769	1,806

Personnel Summary

Identification code 12-1115-0-1-302	2005 actual	2006 est.	2007 est.	
Direct:				
1001	Civilian full-time equivalent employment	11,102	11,412	11,567
Reimbursable:				
2001	Civilian full-time equivalent employment	33	33	33

General and special funds—Continued

RANGE BETTERMENT FUND

For necessary expenses of range rehabilitation, protection, and improvement, 50 percent of all moneys received during the prior fiscal year, as fees for grazing domestic livestock on lands in National Forests in the 16 Western States, pursuant to section 401(b)(1) of Public Law 94-579, as amended, to remain available until expended, of which not to exceed 6 percent shall be available for administrative expenses associated with on-the-ground range rehabilitation, protection, and improvements. (*Department of the Interior, Environment, and Related Agencies Appropriations Act, 2006.*)

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-5207-0-2-302	2005 actual	2006 est.	2007 est.
01.00 Balance, start of year	4	5	5
01.99 Balance, start of year	4	5	5
Receipts:			
02.20 Receipts, Cooperative range improvements	3	3	3
04.00 Total: Balances and collections	7	8	8
Appropriations:			
05.00 Range betterment fund	-2	-3	-4
07.99 Balance, end of year	5	5	4

Program and Financing (in millions of dollars)

Identification code 12-5207-0-2-302	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Range betterment fund	2	4	4
10.00 Total new obligations	2	4	4
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	
22.00 New budget authority (gross)	2	3	4
23.90 Total budgetary resources available for obligation	3	4	4
23.95 Total new obligations	-2	-4	-4
24.40 Unobligated balance carried forward, end of year	1		
New budget authority (gross), detail:			
Discretionary:			
40.20 Appropriation (special fund)	2	3	4
Change in obligated balances:			
72.40 Obligated balance, start of year	1	1	3
73.10 Total new obligations	2	4	4
73.20 Total outlays (gross)	-3	-2	-4
74.40 Obligated balance, end of year	1	3	3
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	2	2	3
86.93 Outlays from discretionary balances	1		1
87.00 Total outlays (gross)	3	2	4
Net budget authority and outlays:			
89.00 Budget authority	2	3	4
90.00 Outlays	2	2	4

Fifty percent of grazing fees from National Forests in the 16 western States, once appropriated, are used to protect and improve rangeland productivity primarily through revegetation, construction and reconstruction, and maintenance of improvements under authority of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1751), as amended.

Object Classification (in millions of dollars)

Identification code 12-5207-0-2-302	2005 actual	2006 est.	2007 est.
11.1 Personnel compensation: Full-time permanent	1	1	1
26.0 Supplies and materials	1	3	3
99.9 Total new obligations	2	4	4

Personnel Summary

Identification code 12-5207-0-2-302	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	16	19	19

STEWARDSHIP CONTRACTING PRODUCT SALES

Program and Financing (in millions of dollars)

Identification code 12-5540-0-2-302	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Stewardship Contracting		2	4
10.00 Total new obligations (object class 25.2)		2	4
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year			4
22.00 New budget authority (gross)		6	5
23.90 Total budgetary resources available for obligation		6	9
23.95 Total new obligations		-2	-4
24.40 Unobligated balance carried forward, end of year		4	5
New budget authority (gross), detail:			
Mandatory:			
60.20 Appropriation (special fund)		6	5
Change in obligated balances:			
72.40 Obligated balance, start of year			-3
73.10 Total new obligations		2	4
73.20 Total outlays (gross)		-5	-5
74.40 Obligated balance, end of year		-3	-4
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority		5	4
86.98 Outlays from mandatory balances			1
87.00 Total outlays (gross)		5	5
Net budget authority and outlays:			
89.00 Budget authority		6	5
90.00 Outlays		5	5

LAND ACQUISITION

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601-4 through 11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the Forest Service, **[\$42,500,000]** \$25,075,000, to be derived from the Land and Water Conservation Fund and to remain available until expended: *Provided further*, That, subject to valid existing rights, all land and interests in land acquired in the Thunder Mountain area of the Payette National Forest (including patented claims and land that are encumbered by unpatented claims or previously appropriated funds under this section, or otherwise relinquished by a private party) are withdrawn from mineral entry or appropriation under Federal mining laws, and from leasing claims under Federal mineral and geothermal leasing laws].

ACQUISITION OF LANDS FOR NATIONAL FORESTS SPECIAL ACTS

For acquisition of lands within the exterior boundaries of the Cache, Uinta, and Wasatch National Forests, Utah; the Toiyabe National Forest, Nevada; and the Angeles, San Bernardino, Sequoia, and Cleveland National Forests, California, as authorized by law, **[\$1,069,000]** \$1,053,000, to be derived from forest receipts.

ACQUISITION OF LANDS TO COMPLETE LAND EXCHANGES

For acquisition of lands, such sums, to be derived from funds deposited by State, county, or municipal governments, public school districts, or other public school authorities, and for authorized expenditures from funds deposited by non-Federal parties pursuant to Land

Sale and Exchange Acts, pursuant to the Act of December 4, 1967, as amended (16 U.S.C. 484a), to remain available until expended. (16 U.S.C. 4601-516-617a, 555a; P.L. 96-586; P.L. 76-589, 76-591; and 78-310; Department of the Interior, Environment, and Related Agencies Appropriations Act, 2006.)

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-9923-0-2-302	2005 actual	2006 est.	2007 est.
01.00 Balance, start of year	4	11	11
01.99 Balance, start of year	4	11	11
Receipts:			
02.20 Deposits, Acquisitions of lands for national forests, special acts	1	1	1
02.21 Deposits, Acquisition of lands to complete land exchanges	6	37	48
02.99 Total receipts and collections	7	38	49
04.00 Total: Balances and collections	11	49	60
Appropriations:			
05.00 Land acquisition		-1	-1
05.01 Land acquisition		-37	-48
05.99 Total appropriations		-38	-49
07.99 Balance, end of year	11	11	11

Program and Financing (in millions of dollars)

Identification code 12-9923-0-2-302	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Land acquisition	76	126	26
00.02 Conveyance Authority		22	38
09.01 Reimbursable program	20		
10.00 Total new obligations	96	148	64
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	93	82	15
22.00 New budget authority (gross)	85	81	74
23.90 Total budgetary resources available for obligation	178	163	89
23.95 Total new obligations	-96	-148	-64
24.40 Unobligated balance carried forward, end of year	82	15	25
New budget authority (gross), detail:			
Discretionary:			
40.20 Appropriation (LWCF)	64	43	25
40.20 Appropriation (special act)		1	1
40.37 Appropriation temporarily reduced	-1		
43.00 Appropriation (total discretionary)	63	44	26
Mandatory:			
60.20 Appropriation (Site Conveyances)		37	48
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)		22	
68.10 Change in uncollected customer payments from Federal sources (unexpired)	22	-22	
68.90 Spending authority from offsetting collections (total discretionary)	22		
70.00 Total new budget authority (gross)	85	81	74
Change in obligated balances:			
72.40 Obligated balance, start of year	19	-7	87
73.10 Total new obligations	96	148	64
73.20 Total outlays (gross)	-100	-76	-77
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-22	22	
74.40 Obligated balance, end of year	-7	87	74
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	62	29	17
86.93 Outlays from discretionary balances	38	23	15
86.97 Outlays from new mandatory authority		24	32
86.98 Outlays from mandatory balances			13
87.00 Total outlays (gross)	100	76	77

Offsets:

Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources	-22	
Against gross budget authority only:			
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-22	22

Net budget authority and outlays:

89.00	Budget authority	63	81	74
90.00	Outlays	100	54	77

This appropriation consolidates land acquisition authorities for acquisition of lands, waters, or interest therein, as authorized by law.

Land and Water Conservation Fund.—Recreation lands and interests are acquired within areas of the National Forest System, wilderness, wildlife and fisheries habitat management areas, and endangered species and other areas for public outdoor recreation purposes.

Acquisition of Lands of National Forests, Special Acts.—To acquire lands within critical watersheds to provide soil stabilization and restoration of vegetation. Public Laws 76-589, 76-591 and 78-310 (54 Stat. 297, 298, 299, and 402; and 58 Stat. 227-228) authorize appropriations for the purchase of lands to minimize erosion and flood damage to critical watersheds within the following National Forests: the Cache, Uinta, and Wasatch, Utah; the Toiyabe, Nevada; and the Angeles, Cleveland, San Bernardino, and Sequoia, California. Appropriations are made from receipts on these National Forests.

Acquisition of Lands to Complete Land Exchanges.—Deposits made by State, county, or municipal governments, public school districts, or other public school authorities for cash equalization of certain land exchanges are used to acquire similar lands suitable for National Forest System purposes in the same State as the National Forest lands conveyed in the land exchange or from non-Federal parties for authorized expenditures.

Object Classification (in millions of dollars)

Identification code 12-9923-0-2-302	2005 actual	2006 est.	2007 est.	
Direct obligations:				
11.1	Personnel compensation: Full-time permanent	7	12	8
12.1	Civilian personnel benefits	2	2	1
21.0	Travel and transportation of persons	1	1	1
25.2	Other services	2	3	2
25.3	Other purchases of goods and services from Government accounts	1	1	1
32.0	Land and structures	63	129	51
99.0	Direct obligations	76	148	64
99.0	Reimbursable obligations	20		
99.9	Total new obligations	96	148	64

Personnel Summary

Identification code 12-9923-0-2-302	2005 actual	2006 est.	2007 est.	
Direct:				
1001	Civilian full-time equivalent employment	122	167	183

FOREST SERVICE PERMANENT APPROPRIATIONS

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-9921-0-2-999	2005 actual	2006 est.	2007 est.	
01.00	Balance, start of year	232	294	358
01.99	Balance, start of year	232	294	358
Receipts:				
02.20	National forests fund	1	1	1
02.21	National forests fund, Payments to States	119	118	163
02.22	Timber roads, Purchaser elections	7	7	4
02.23	National forests fund, Roads and trails for States	16	19	19

General and special funds—Continued

FOREST SERVICE PERMANENT APPROPRIATIONS—Continued

Special and Trust Fund Receipts (in millions of dollars)—Continued

Identification code 12-9921-0-2-999	2005 actual	2006 est.	2007 est.
02.24 Timber salvage sales	71	60	58
02.25 Deposits, Brush disposal	13	13	13
02.26 Rents and charges for quarters, Forest Service	7	8	8
02.27 Timber sales pipeline restoration fund	5	6	6
02.28 Recreational fee demonstration program, Forest Service	50	53	55
02.29 Midewin national tallgrass prairie rental fees		1	1
02.30 Charges, user fees, and natural resource utilization, Land between the lakes, Forest Service	4	4	4
02.31 Administration of rights-of-way and other land uses		1	4
02.32 Miscellaneous collections, Valles Caldera fund			1
02.33 Funds retained, stewardship contracting product sales		6	5
02.34 National grasslands	49	49	49
02.36 Miscellaneous special funds, Forest Service	8	3	3
02.37 National forest fund	24	24	22
02.38 Proceeds from sales, forest county safety net payments—legislative proposal subject to PAYGO			78
02.99 Total receipts and collections	374	373	494
04.00 Total: Balances and collections	606	667	852
Appropriations:			
05.00 Stewardship contracting product sales		-6	-5
05.01 Forest Service permanent appropriations	-312	-303	-349
05.02 Forest Service permanent appropriations—legislative proposal subject to PAYGO			-78
05.99 Total appropriations	-312	-309	-432
07.99 Balance, end of year	294	358	420

Program and Financing (in millions of dollars)

Identification code 12-9921-0-2-999	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Brush Disposal	12	17	13
00.02 Restoration of Forest Lands and Improvements		2	2
00.04 Recreation Fee Demonstration / Enhancement Programs	46	61	50
00.06 Timber Roads—Purchaser Election Program	1	7	4
00.07 Timber Salvage Sale Program	69	78	70
00.08 Timber Pipeline Restoration Fund (includes Forest Botanical Products)	2	6	6
00.09 Roads and Trails (10% Fund)	14	14	15
00.10 Midewin Tallgrass Prairie Funds		1	1
00.11 Operation and Maintenance of Quarters	8	9	8
00.12 Land Between the Lakes Management Fund	3	4	4
00.13 Valles Caldera Fund		1	1
00.15 Payment to States—Transfers from Treasury	309	296	242
00.16 Payment to States—National Forest Fund	89	116	161
00.17 Payments to Minnesota	2	2	2
00.18 Payments to Counties—National Grasslands	7	7	8
00.19 Administration of Rights-of-Way and Other Land Uses		1	3
09.01 Reimbursable program—Restoration of Forest Lands and Improvements	1		
10.00 Total new obligations	563	622	590
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	433	567	544
22.00 New budget authority (gross)	616	599	591
22.10 Resources available from recoveries of prior year obligations	1		
22.22 Unobligated balance transferred from other accounts	80		
23.90 Total budgetary resources available for obligation	1,130	1,166	1,135
23.95 Total new obligations	-563	-622	-590
24.40 Unobligated balance carried forward, end of year	567	544	545
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	310	296	242
60.20 Appropriation (special fund)	312	303	349
62.50 Appropriation (total mandatory)	622	599	591

Mandatory:			
69.10 Spending authority from offsetting collections: Change in uncollected customer payments from Federal sources (unexpired)	-6		
70.00 Total new budget authority (gross)	616	599	591

Change in obligated balances:

72.40 Obligated balance, start of year	36	49	12
73.10 Total new obligations	563	622	590
73.20 Total outlays (gross)	-555	-659	-591
73.45 Recoveries of prior year obligations	-1		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	6		
74.40 Obligated balance, end of year	49	12	11

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	520	563	555
86.98 Outlays from mandatory balances	35	96	36
87.00 Total outlays (gross)	555	659	591

Offsets:

Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	6		

Net budget authority and outlays:

89.00 Budget authority	622	599	591
90.00 Outlays	556	659	591

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	2005 actual	2006 est.	2007 est.
Budget Authority	622	599	591
Outlays	555	659	591
Legislative proposal, subject to PAYGO:			
Budget Authority			78
Outlays			78
Total:			
Budget Authority	622	599	669
Outlays	555	659	669

Operation and Maintenance of Quarters.—Quarters rental deductions are collected from employees occupying Forest Service facilities. Amounts are deposited into a special fund and are available for the maintenance and operation of employee-occupied quarters. (5 U.S.C. 5911)

Resource Management, Timber Receipts.—Funds in this special account are available for trail maintenance, reconstruction, and construction; wildlife and fisheries habitat management; soil, water, and air management; cultural/heritage resource management; wilderness management; reforestation; and timber sale administration and management.

Recreation Fee Program.—Pursuant to Sec. 8 of Division J—Consolidated Appropriations Act, 2005, Title VII—Federal Lands Recreation Enhancement Act, 2005, Public Law 108-447 of December 8, 2004, the Secretary may establish, modify, charge, and collect recreation fees at Federal recreational lands and waters, including specific recreation sites or areas, for expanded recreation amenities, and special recreation permits. Amounts collected shall be used for repair, maintenance, interpretation, visitor information, limited habitat restoration, and direct operating or capital costs and other identified appropriate expenses.

Midewin National Tallgrass Prairie Rental Fees.—Monies received under a special use authorization (issued under subsection (b) of Public Law 104-106, Title XXIX, Subtitle A, Section 2915, after distribution to the State of Illinois and affected counties pursuant to the Act of May 23, 1908) are available to cover the cost to the United States of prairie improvement work at the Midewin National Tallgrass Prairie.

Midewin National Tallgrass Prairie Restoration Fund.—Monies received from user fees and the salvage value proceeds from sale of any facilities and improvements pursuant to Sec-

tion 2915(d) and (e) of Public Law 104–106, as amended by Public Law 105–83, are available to cover the costs of restoration and administrative activities.

Payment to Minnesota.—At the close of each fiscal year, the State of Minnesota is paid 0.75 percent of the appraised value of certain Superior National Forest lands in the counties of Cook Lake and St. Louis for distribution to these counties (16 U.S.C. 577g).

Payments to Counties, National Grasslands.—This program provides an annual payment to counties in which Title III—Bankhead-Jones Acquired Lands are located for funding public schools and roads. Of the net revenues for use of Title III—Bankhead-Jones Farm Tenant Act lands, 25 percent is paid to the counties in which such lands are located for public school and road purposes (7 U.S.C. 1012).

Payments to States.—The Secure Rural Schools and Community Self-Determination Act of 2000 (P.L. 106–393 dated October 30, 2000) provides stabilized education and road maintenance funding through predictable payments to counties, job creation in those counties and other opportunities associated with the restoration, maintenance and stewardship of Federal lands. Under P.L. 106–393, counties may elect one of two methods to calculate Payments to States funding they receive. Counties can either choose to continue receiving funds established by the 25 percent fund or they can receive their share of the State’s “full payment amount.” Full payment amount is the average of the highest three years of payments to the State under the 25 percent fund through the years 1986–1999. A county’s share of that amount is generally determined by the State in cooperation with the affected counties.

Expenses, Brush Disposal.—Funds from payments by purchasers of National Forest timber to dispose of or treat slash and other debris that result from cutting operations (16 U.S.C. 490).

Licensee programs, Forest Service.—Funds from fees for the use of characters by private enterprises are collected under regulations promulgated by the Secretary as follows:

Smokey Bear.—For furthering the nationwide forest fire prevention campaign (16 U.S.C. 580(2)).

Woodsy Owl.—For promoting wise use of the environment and programs which foster maintenance and improvement of environmental quality (16 U.S.C. 580(1)).

Restoration of forestlands and improvements.—Funds from claim settlements involving damage to lands or improvements and from forfeiture of deposits and bonds by permittees and timber purchasers are used for the restoration made necessary by the action which led to the settlement of forfeiture (16 U.S.C. 579c).

Timber Purchaser Roads Constructed by Forest Service.—Funds from timber receipts for Government constructed permanent roads for purchasers of timber who qualify as small businesses and elect to have the Forest Service construct the roads designated under the timber sale contract where costs exceed \$20,000 (16 U.S.C. 472a(i)).

Tongass Timber Supply Fund.—Funds from sales of Alaska timber to maintain the timber supply from the Tongass National Forest at a specified level (16 U.S.C. 539d).

Timber Salvage Sales.—Funds are used for salvage of insect-infested, dead, damaged, or down timber, and to remove associated trees for stand improvement (16 U.S.C. 472a(h)).

Timber Sales Pipeline Restoration Fund.—As authorized under Section 327 of the Omnibus Consolidated Recissions and Appropriations Act of 1996, funds from revenues received from timber sales released under Section 2001(k) of the 1995 Supplemental Appropriations for Disaster Assistance and Recissions Act for the purpose of restoring the timber pipeline and funding the backlog of recreation projects on National Forest System lands.

Valles Caldera Fund established under the Valles Caldera Preservation Act (Public Law 106–248) provides funds, which shall be available without further appropriation for any purpose consistent with the purposes of the Act. Notwithstanding sections 1341 and 3302 of title 31 of the United States Code, all monies received from donations under subsection (g) or from the management of the Preserve shall be retained and shall be available, without further appropriation, for the administration, preservation, restoration, operation and maintenance, improvement, repair, and related expenses incurred with respect to properties under its management jurisdiction.

Forest Botanical Products.—This pilot program established by Section 339 of the Consolidated Appropriations Act of FY 2000 (P.L. 106–113) provides for the recovery of fair market value for the sale of forest botanical products; the collection of fees to cover the costs of analyzing, granting, modifying, and monitoring the harvest of these products; the determination of sustainable harvest levels; and the establishment of personal use levels for which fees would not be collected.

Administration of Rights-of-Way and Other Land Uses.—Fees collected from applicants and holders of special use authorizations are available to recover costs for processing applications and monitoring compliance with special use authorizations (31 U.S.C. 9701; 43 U.S.C. 1764(g); 30 U.S.C. 815(1)).

Since 1908, 25 percent of Forest Service revenues, such as those from timber sales, mineral resources and grazing fees, have been returned to states in which national forest lands are located. The Budget ensures Knutsen-Vandenberg (KV) or Salvage Sales Fund (SSF) collections reflect plans that are funded with due regard for these shared receipts. Reestablishment of this policy will increase receipts into the National Forest fund and in turn reduce the outlays required from the Treasury.

Object Classification (in millions of dollars)

Identification code 12–9921–0–2–999	2005 actual	2006 est.	2007 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	60	67	68
11.3 Other than full-time permanent	13	14	15
11.5 Other personnel compensation	5	5	6
11.9 Total personnel compensation	78	86	89
12.1 Civilian personnel benefits	21	23	23
13.0 Benefits for former personnel	1	1	1
21.0 Travel and transportation of persons	3	3	3
22.0 Transportation of things	1	1	1
23.1 Rental payments to GSA	1	1	1
23.2 Rental payments to others	1	1	2
23.3 Communications, utilities, and miscellaneous charges	4	6	4
24.0 Printing and reproduction	1	1	1
25.2 Other services	43	73	52
25.3 Other purchases of goods and services from Government accounts	6	15	14
26.0 Supplies and materials	8	14	13
31.0 Equipment	2	11	10
32.0 Land and structures	2	5	5
41.0 Grants, subsidies, and contributions	390	381	371
99.0 Direct obligations	562	622	590
99.0 Reimbursable obligations	1		
99.9 Total new obligations	563	622	590

Personnel Summary

Identification code 12–9921–0–2–999	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	1,735	1,836	1,834

General and special funds—Continued

FOREST SERVICE PERMANENT APPROPRIATIONS

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12-9921-4-2-999	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.20 Forest county safety net payments			78
10.00 Total new obligations (object class 41.0)			78
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			78
23.95 Total new obligations			-78
24.40 Unobligated balance carried forward, end of year			
New budget authority (gross), detail:			
Mandatory:			
60.20 Appropriation (special fund)			78
Change in obligated balances:			
73.10 Total new obligations			78
73.20 Total outlays (gross)			-78
74.40 Obligated balance, end of year			
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority			78
Net budget authority and outlays:			
89.00 Budget authority			78
90.00 Outlays			78

The Budget includes a legislative proposal that provides \$800 million above the current baseline for a five-year extension of forest county safety net payments. These payments will be targeted to the most affected areas, capped, adjusted downward each year, and eventually phased out. To provide a funding basis to offset these payments, the Secretary of Agriculture would be authorized to dispose of certain lands identified in National Forest plans as suitable for exchange since they are isolated or inefficient to manage. The Budget's legislative proposal applies to both USDA and Department of the Interior lands. For administrative convenience, however, the payments will be made by USDA on behalf of both agencies.

Intragovernmental funds:

WORKING CAPITAL FUND

Program and Financing (in millions of dollars)

Identification code 12-4605-0-4-302	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
09.01 Working Capital fund	188	181	171
10.00 Total new obligations	188	181	171
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	110	103	103
22.00 New budget authority (gross)	179	181	171
22.10 Resources available from recoveries of prior year obligations	2		
23.90 Total budgetary resources available for obligation	291	284	274
23.95 Total new obligations	-188	-181	-171
24.40 Unobligated balance carried forward, end of year	103	103	103
New budget authority (gross), detail:			
Spending authority from offsetting collections:			
Mandatory:			
69.00 Offsetting collections (cash)	181	181	171
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-2		

69.90	Spending authority from offsetting collections (total mandatory)	179	181	171
Change in obligated balances:				
72.40	Obligated balance, start of year	29	25	24
73.10	Total new obligations	188	181	171
73.20	Total outlays (gross)	-192	-182	-172
73.45	Recoveries of prior year obligations	-2		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	2		
74.40	Obligated balance, end of year	25	24	23
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	160	163	154
86.98	Outlays from mandatory balances	32	19	18
87.00	Total outlays (gross)	192	182	172
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-163	-163	-153
88.40	Non-Federal sources	-18	-18	-18
88.90	Total, offsetting collections (cash)	-181	-181	-171
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	2		
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	11	1	1

The Working Capital Fund is a self-sustaining revolving fund that provides services to National Forests, to Research Experiment Stations, to other Federal agencies when necessary, to State and private agencies as provided by law, and to persons who cooperate with the Forest Service in fire control and other authorized programs.

Forestry-related supply and support services include:

Equipment Services.—The fund owns, operates, maintains, replaces, and repairs common-use, motor-driven, and similar equipment. This equipment is rented to administrative units, that is, National Forests, Research Experiment Stations, and other units, and, in some cases, to other agencies, at rates which recover the cost of operation, repair and maintenance, management, and depreciation. The rates also include an increment which provides additional cash which, when added to depreciation earnings and the residual value of equipment, provides sufficient funds to replace the equipment.

Aircraft Services.—The fund operates, maintains, and repairs Forest Service owned aircraft used in fire surveillance and suppression and in other Forest Service programs. The aircraft are rented to National Forests, Research Experiment Stations, and in some cases to other agencies, at rates which recover the cost of depreciation, operation, maintenance, repair, and improvements in the airworthiness of the aircraft. Aircraft replacement costs are financed from either appropriated funds or the Forest Service Working Capital Fund, or a combination of both.

Supply Services.—The fund operates the following common services, and provides for cost-recovery of Working Capital Fund Program Management:

Photo reproduction laboratories that store, reproduce, and supply aerial photographs, aerial maps, and other photographs of National Forest lands. Photographic reproductions are sold to National Forests, Experiment Stations, and others at cost.

Sign shops that manufacture and supply special signs for the National Forests for use in regulating traffic and as information to the public and other users of the National Forests. Signs are sold to National Forests and Experiment Stations at cost.

Seed supply services that provide tree seed for direct seeding or sowing in nurseries for the production of trees. Includes

purchase or collection of cones, extraction of seeds, cleaning and testing, and storage and delivery. Operates in conjunction with tree nurseries; that is, forest tree nurseries and cold storage facilities for storage of tree seedlings. Tree seedlings are sold to National Forests, State foresters, and other co-operators at cost.

The Budget includes Forest Service Establishment, in conjunction with the General Services Administration of a vehicle allocation methodology that analyzes fleet vehicle effectiveness, cost-to-serve, life cycle costs, vehicle pooling, procurement practices and reduction of operating costs.

Object Classification (in millions of dollars)				
Identification code 12-4605-0-4-302	2005 actual	2006 est.	2007 est.	
Personnel compensation:				
11.1 Full-time permanent	29	30	31	
11.3 Other than full-time permanent	2	2	2	
11.5 Other personnel compensation	3	3	3	
11.9 Total personnel compensation	34	35	36	
12.1 Civilian personnel benefits	9	10	10	
13.0 Benefits for former personnel	1	1	1	
21.0 Travel and transportation of persons	3	4	4	
22.0 Transportation of things	1	1	1	
23.2 Rental payments to others	1	1	1	
23.3 Communications, utilities, and miscellaneous charges	4	4	4	
24.0 Printing and reproduction	1	1	1	
25.2 Other services	9	7	7	
25.3 Other purchases of goods and services from Government accounts	9	8	8	
25.7 Operation and maintenance of equipment	21	21	18	
26.0 Supplies and materials	37	34	31	
31.0 Equipment	58	54	48	
41.0 Grants, subsidies, and contributions	1	1	1	
99.9 Total new obligations	188	181	171	

Note.—Personnel totals are included with personnel totals of all other Forest Service programs.

Personnel Summary

Identification code 12-4605-0-4-302	2005 actual	2006 est.	2007 est.
Reimbursable:			
2001 Civilian full-time equivalent employment	627	627	627

Trust Funds

FOREST SERVICE TRUST FUNDS

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-9974-0-7-302	2005 actual	2006 est.	2007 est.
01.00 Balance, start of year	154	156	168
01.99 Balance, start of year	154	156	168
Receipts:			
02.00 General fund payment from Wildland fire management, Forest Service cooperative fund	167		
02.20 Forest Service cooperative fund	69	80	80
02.60 Transfers from general fund of amounts equal to certain customs duties, Reforestation trust fund	30	30	30
02.99 Total receipts and collections	266	110	110
04.00 Total: Balances and collections	420	266	278
Appropriations:			
05.00 Forest Service trust funds	-264	-98	-98
07.99 Balance, end of year	156	168	180

Program and Financing (in millions of dollars)

Identification code 12-9974-0-7-302	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Cooperative Work Trust Fund	85	205	143
00.02 Land Between the Lakes Trust Fund			1
00.03 Reforestation Trust Fund	31	30	30
09.01 Reimbursable program-Coop Work Other	29	30	30

10.00 Total new obligations	145	265	204
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	460	609	472
22.00 New budget authority (gross)	293	128	128
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	754	737	600
23.95 Total new obligations	-145	-265	-204
24.40 Unobligated balance carried forward, end of year	609	472	396
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)	264	98	98
Mandatory:			
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	29	30	30
70.00 Total new budget authority (gross)	293	128	128
Change in obligated balances:			
72.40 Obligated balance, start of year	43	42	107
73.10 Total new obligations	145	265	204
73.20 Total outlays (gross)	-145	-200	-172
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	42	107	139
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	111	102	102
86.98 Outlays from mandatory balances	34	98	70
87.00 Total outlays (gross)	145	200	172
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	1		
88.40 Non-Federal sources	-30	-30	-30
88.90 Total, offsetting collections (cash)	-29	-30	-30
Net budget authority and outlays:			
89.00 Budget authority	264	98	98
90.00 Outlays	115	170	142
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities: Par value	4	5	6
92.02 Total investments, end of year: Federal securities: Par value	5	6	7

Reforestation trust fund.—Amounts from this account are used for reforestation as authorized by 16 U.S.C. 1606a (d) and (e).

Cooperative work trust fund.—Funds, including deposits from purchasers of timber, are received and used for specified work in forest investigations, protection, and improvement of the National Forest System, including protection, reforestation, and administration of private lands adjacent to National Forests (7 U.S.C. 2269; 16 U.S.C. 498, 535, 565a, 572, 572a, 576b, 1643; and 31 U.S.C. 1321).

Object Classification (in millions of dollars)

Identification code 12-9974-0-7-302	2005 actual	2006 est.	2007 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	44	78	63
11.3 Other than full-time permanent	6	11	9
11.5 Other personnel compensation	3	6	5
11.9 Total personnel compensation	53	95	77
12.1 Civilian personnel benefits	14	26	21
13.0 Benefits for former personnel	1	1	1
21.0 Travel and transportation of persons	2	4	3
22.0 Transportation of things	1	1	1
23.1 Rental payments to GSA	1	2	1
23.2 Rental payments to others	1	2	2
23.3 Communications, utilities, and miscellaneous charges	2	3	3

FOREST SERVICE TRUST FUNDS—Continued

Object Classification (in millions of dollars)—Continued

Identification code 12-9974-0-7-302	2005 actual	2006 est.	2007 est.
25.2 Other services	18	56	30
25.3 Other purchases of goods and services from Government accounts	6	10	8
26.0 Supplies and materials	11	16	13
31.0 Equipment	2	12	8
32.0 Land and structures	2	4	3
41.0 Grants, subsidies, and contributions	3	3	3
99.0 Direct obligations	116	235	174
99.0 Reimbursable obligations	29	30	30
99.9 Total new obligations	145	265	204

Personnel Summary

Identification code 12-9974-0-7-302	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	1,095	1,194	1,293

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations or allotments from other accounts are included in the schedule of the parent appropriations, as follows:

- Agriculture:
 - Agricultural Research Service.
 - Animal and Plant Health Inspection Service.
 - Natural Resources Conservation Service.
 - Watershed and flood prevention operations.
 - Resource conservation and development.
 - Conservation Reserve Program.
 - Department Administration:
 - Hazardous materials management.
 - Rural Housing; Rural community fire protection grants.
 - Transportation: Federal Highway Administration, Highway Trust Fund.
 - Labor: Employment and Training Administration, Training and employment services.

ADMINISTRATIVE PROVISIONS, FOREST SERVICE

Appropriations to the Forest Service for the current fiscal year shall be available for: (1) purchase of passenger motor vehicles; acquisition of passenger motor vehicles from excess sources, and hire of such vehicles; purchase, lease, operation, maintenance, and acquisition of aircraft from excess sources to maintain the operable fleet for use in Forest Service wildland fire programs and other Forest Service programs; notwithstanding other provisions of law, existing aircraft being replaced may be sold, with proceeds derived or trade-in value used to offset the purchase price for the replacement aircraft; (2) services pursuant to 7 U.S.C. 2225, and not to exceed \$100,000 for employment under 5 U.S.C. 3109; (3) purchase, erection, and alteration of buildings and other public improvements (7 U.S.C. 2250); (4) acquisition of land, waters, and interests therein pursuant to 7 U.S.C. 428a; (5) for expenses pursuant to the Volunteers in the National Forest Act of 1972 (16 U.S.C. 558a, 558d, and 558a note); (6) the cost of uniforms as authorized by 5 U.S.C. 5901-5902; and (7) for debt collection contracts in accordance with 31 U.S.C. 3718(c).

None of the funds made available under this Act shall be obligated or expended to abolish any region, to move or close any regional office for National Forest System administration of the Forest Service, Department of Agriculture without the consent of the House and Senate Committees on Appropriations.

Any appropriations or funds available to the Forest Service may be transferred to the Wildland Fire Management appropriation for forest firefighting, emergency rehabilitation of burned-over or damaged lands or waters under its jurisdiction, and fire preparedness due to severe burning conditions upon notification of the House and Senate Committees on Appropriations and if and only if all previously appropriated emergency contingent funds under the heading "Wildland Fire Management" have been released by the President and apportioned and all wildfire suppression funds under the heading "Wildland Fire Management" are obligated.

The first transfer of funds into the Wildland Fire Management account shall include unobligated funds, if available, from the Land Acquisition account and the Forest Legacy program within the State and Private Forestry account.

Funds appropriated to the Forest Service shall be available for assistance to or through the Agency for International Development and the Foreign Agricultural Service in connection with forest and rangeland research, technical information, and assistance in foreign countries, and shall be available to support forestry and related natural resource activities outside the United States and its territories and possessions, including technical assistance, education and training, and cooperation with United States and international organizations.

None of the funds made available to the Forest Service under this Act shall be subject to transfer under the provisions of section 702(b) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 2257) or 7 U.S.C. 147b, except that in fiscal year 2006 the Forest Service may transfer funds to the "National Forest System" account from other agency accounts to enable the agency's law enforcement program to pay full operating costs including overhead.

None of the funds available to the Forest Service may be reprogrammed without the advance approval of the House and Senate Committees on Appropriations in accordance with the reprogramming procedures contained in the report accompanying this Act.

Not more than \$72,646,000 of funds available to the Forest Service shall be transferred to the Working Capital Fund of the Department of Agriculture. Nothing in this paragraph shall prohibit or limit the use of reimbursable agreements requested by the Forest Service in order to obtain services from the Department of Agriculture's National Information Technology Center.

Funds available to the Forest Service shall be available to conduct a program of not less than up to \$2,500,000 for high priority projects within the scope of the approved budget which shall be carried out by the Youth Conservation Corps.

Of the funds available to the Forest Service, \$4,000 is available to the Chief of the Forest Service for official reception and representation expenses.

Pursuant to sections 405(b) and 410(b) of Public Law 101-593, of the funds available to the Forest Service, \$3,000,000 up to \$2,500,000 may be advanced in a lump sum to the National Forest Foundation to aid conservation partnership projects in support of the Forest Service mission, without regard to when the Foundation incurs expenses, for administrative expenses or projects on or benefiting National Forest System lands or related to Forest Service programs: Provided, That of the Federal funds made available to the Foundation, no more than \$300,000 shall be available for administrative expenses: Provided further, That the Foundation shall obtain, by the end of the period of Federal financial assistance, private contributions to match on at least one-for-one basis funds made available by the Forest Service: Provided further, That the Foundation may transfer Federal funds to a non-Federal recipient for a project at the same rate that the recipient has obtained the non-Federal matching funds: Provided further, That authorized investments of Federal funds held by the Foundation may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.

Pursuant to section 2(b)(2) of Public Law 98-244, up to \$2,650,000 of the funds available to the Forest Service shall be advanced to the National Fish and Wildlife Foundation in a lump sum to aid cost-share conservation projects, without regard to when expenses are incurred, on or benefitting National Forest System lands or related to Forest Service programs: Provided, That such funds shall be matched on at least a one-for-one basis by the Foundation or its subrecipients.

Funds appropriated to the Forest Service shall be available for interactions with and providing technical assistance to rural communities and natural resource based businesses for sustainable rural development purposes: Provided, That no more than 2 percent of any unit's budget may be used for such purposes: Provided further, That no more than 5 percent of the funds in any budget line item may be used for such purposes.

Funds appropriated to the Forest Service shall be available for payments to counties within the Columbia River Gorge National Scenic Area, pursuant to sections 14(c)(1) and (2), and section 16(a)(2) of Public Law 99-663.

Notwithstanding any other provision of law, any appropriations or funds available to the Forest Service not to exceed \$500,000 may be used to reimburse the Office of the General Counsel (OGC), De-

partment of Agriculture, for travel and related expenses incurred as a result of OGC assistance or participation requested by the Forest Service at meetings, training sessions, management reviews, land purchase negotiations and similar non-litigation related matters. Future budget justifications for both the Forest Service and the Department of Agriculture should clearly display the sums previously transferred and the requested funding transfers.

Any appropriations or funds available to the Forest Service may be used for necessary expenses in the event of law enforcement emergencies as necessary to protect natural resources and public or employee safety: *Provided*, That such amounts shall not exceed \$500,000.

An eligible individual who is employed in any project funded under title V of the Older American Act of 1965 (42 U.S.C. 3056 et seq.) and administered by the Forest Service shall be considered to be a Federal employee for purposes of chapter 171 of title 28, United States Code.

Any funds appropriated to the Forest Service may be used to meet the non-Federal share requirement in section 502(c) of the Older American Act of 1965 (42 U.S.C. 3056(c)(2)).

[For each fiscal year through 2009, funds available to the Forest Service in this Act may be used for the purpose of expenses associated with primary and secondary schooling for dependents of agency personnel stationed in Puerto Rico prior to the date of enactment of this Act, who are subject to transfer and reassignment to other locations in the United States, at a cost not in excess of those authorized for the Department of Defense for the same area, when it is determined by the Chief of the Forest Service that public schools available in the locality are unable to provide adequately for the education of such dependents.]

Funds available to the Forest Service[, not to exceed \$35,000,000,] shall be assessed for the purpose of performing facilities maintenance. Such assessments shall occur using a square foot rate charged on the same basis the agency uses to assess programs for payment of rent, utilities, and other support services.

[In support of management of the National Wildlife Refuge System, Lot 6C of United States Survey 2538-A, containing 2.39 acres and the residential triplex situated thereon, located in Kodiak, Alaska, is hereby transferred from the USDA Forest Service to the U.S. Fish and Wildlife Service.] (*Department of the Interior, Environment, and Related Agencies Appropriations Act, 2006.*)

TITLE VII—GENERAL PROVISIONS

(INCLUDING RESCISSIONS AND TRANSFERS OF FUNDS)

SEC. 701. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department of Agriculture for the current fiscal year under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed [320] 292 passenger motor vehicles, of which [320] 290 shall be for replacement only, and for the hire of such vehicles.

[SEC. 702. Hereafter, funds appropriated by this or any other Appropriations Act to the Department of Agriculture (excluding the Forest Service) shall be available for uniforms or allowances as authorized by law (5 U.S.C. 5901–5902).]

[SEC. 703. Hereafter, funds appropriated by this or any other Appropriations Act to the Department of Agriculture (excluding the Forest Service) shall be available for employment pursuant to the second sentence of section 706(a) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 2225) and 5 U.S.C. 3109.]

SEC. [704] 702. New obligational authority provided for the following appropriation items in this Act shall remain available until expended: Animal and Plant Health Inspection Service, the contingency fund to meet emergency conditions, information technology infrastructure, fruit fly program, emerging plant pests, boll weevil program, low pathogen avian influenza program, *high pathogen avian influenza program*, up to [33,340,000] \$33,107,000 in animal health monitoring and surveillance for the animal identification system, up to \$1,500,000 in the scrapie program for indemnities, up to [3,000,000] \$8,139,000 in the emergency management systems program for the vaccine bank, up to \$1,000,000 for wildlife services methods development, up to \$1,000,000 of the wildlife services operations program for aviation safety, and up to 25 percent of the screwworm program; Food Safety and Inspection Service, field automation and information management project; Cooperative State Research, Education, and Extension Service, funds for competitive research grants (7 U.S.C. 450i(b)), [funds for the Research, Education, and Economics Information System,] and funds for the Native Amer-

ican Institutions Endowment Fund; Farm Service Agency, salaries and expenses funds made available to county committees; Foreign Agricultural Service, middle-income country training program, and up to \$2,000,000 of the Foreign Agricultural Service appropriation solely for the purpose of offsetting fluctuations in international currency exchange rates, subject to documentation by the Foreign Agricultural Service.

SEC. [705] 703. The Secretary of Agriculture may transfer unobligated balances of discretionary funds appropriated by this Act or other available unobligated discretionary balances of the Department of Agriculture to the Working Capital Fund for the acquisition of plant and capital equipment necessary for the delivery of financial, administrative, and information technology services of primary benefit to the agencies of the Department of Agriculture: *Provided*, That none of the funds made available by this Act or any other Act shall be transferred to the Working Capital Fund without the prior [approval] notification of the agency administrator: *Provided further*, That none of the funds transferred to the Working Capital Fund pursuant to this section shall be available for obligation without the prior [approval] notification of the Committees on Appropriations of both Houses of Congress.

SEC. [706] 704. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

[SEC. 707. Hereafter, not to exceed \$50,000 in each fiscal year of the funds appropriated by this or any other Appropriations Act to the Department of Agriculture (excluding the Forest Service) shall be available to provide appropriate orientation and language training pursuant to section 606C of the Act of August 28, 1954 (7 U.S.C. 1766b).]

SEC. [708] 705. No funds appropriated by this Act may be used to pay negotiated indirect cost rates on cooperative agreements or similar arrangements between the United States Department of Agriculture and nonprofit institutions in excess of 10 percent of the total direct cost of the agreement when the purpose of such cooperative arrangements is to carry out programs of mutual interest between the two parties. This does not preclude appropriate payment of indirect costs on grants and contracts with such institutions when such indirect costs are computed on a similar basis for all agencies for which appropriations are provided in this Act.

[SEC. 709. None of the funds in this Act shall be available to pay indirect costs charged against competitive agricultural research, education, or extension grant awards issued by the Cooperative State Research, Education, and Extension Service that exceed 20 percent of total Federal funds provided under each award: *Provided*, That notwithstanding section 1462 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3310), funds provided by this Act for grants awarded competitively by the Cooperative State Research, Education, and Extension Service shall be available to pay full allowable indirect costs for each grant awarded under section 9 of the Small Business Act (15 U.S.C. 638).]

[SEC. 710. Hereafter, loan levels provided in this or any other Appropriations Act to the Department of Agriculture shall be considered estimates, not limitations.]

SEC. [711] 706. Appropriations to the Department of Agriculture for the cost of direct and guaranteed loans made available in the current fiscal year shall remain available until expended to [cover] disburse obligations made in the current fiscal year for the following accounts: the Rural Development Loan Fund program account, the Rural Electrification and Telecommunication Loans program account, and the Rural Housing Insurance Fund program account.

[SEC. 712. Of the funds made available by this Act, not more than \$1,800,000 shall be used to cover necessary expenses of activities related to all advisory committees, panels, commissions, and task forces of the Department of Agriculture, except for panels used to comply with negotiated rule makings and panels used to evaluate competitively awarded grants.]

SEC. [713] 707. None of the funds appropriated by this Act may be used to carry out section 410 of the Federal Meat Inspection Act (21 U.S.C. 679a) or section 30 of the Poultry Products Inspection Act (21 U.S.C. 471).

[SEC. 714. No employee of the Department of Agriculture may be detailed or assigned from an agency or office funded by this Act to any other agency or office of the Department for more than 30 days unless the individual's employing agency or office is fully reimbursed by the receiving agency or office for the salary and expenses of the employee for the period of assignment.]

[SEC. 715. None of the funds appropriated or otherwise made available to the Department of Agriculture or the Food and Drug Administration shall be used to transmit or otherwise make available to any non-Department of Agriculture or non-Department of Health and Human Services employee questions or responses to questions that are a result of information requested for the appropriations hearing process.]

SEC. [716] 708. None of the funds made available to the Department of Agriculture by this Act may be used to acquire new information technology systems or significant upgrades, as determined by the Office of the Chief Information Officer, without the [approval] notification of the Chief Information Officer and the concurrence of the Executive Information Technology Investment Review Board: *Provided*, That notwithstanding any other provision of law, none of the funds appropriated or otherwise made available by this Act may be transferred to the Office of the Chief Information Officer [without the] unless prior [approval of the] notification has been transmitted to the Committees on Appropriations of both Houses of Congress: *Provided further*, That none of the funds available to the Department of Agriculture for information technology shall be obligated for projects over \$25,000 prior to receipt of written approval by the Chief Information Officer.]

[SEC. 717. (a) None of the funds provided by this Act, or provided by previous Appropriations Acts to the agencies funded by this Act that remain available for obligation or expenditure in the current fiscal year, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure through a reprogramming of funds which—

- (1) creates new programs;
- (2) eliminates a program, project, or activity;
- (3) increases funds or personnel by any means for any project or activity for which funds have been denied or restricted;
- (4) relocates an office or employees;
- (5) reorganizes offices, programs, or activities; or
- (6) contracts out or privatizes any functions or activities presently performed by Federal employees; unless the Committees on Appropriations of both Houses of Congress are notified 15 days in advance of such reprogramming of funds.

(b) None of the funds provided by this Act, or provided by previous Appropriations Acts to the agencies funded by this Act that remain available for obligation or expenditure in the current fiscal year, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure for activities, programs, or projects through a reprogramming of funds in excess of \$500,000 or 10 percent, whichever is less, that: (1) augments existing programs, projects, or activities; (2) reduces by 10 percent funding for any existing program, project, or activity, or numbers of personnel by 10 percent as approved by Congress; or (3) results from any general savings from a reduction in personnel which would result in a change in existing programs, activities, or projects as approved by Congress; unless the Committees on Appropriations of both Houses of Congress are notified 15 days in advance of such reprogramming of funds.

(c) The Secretary of Agriculture, the Secretary of Health and Human Services, or the Chairman of the Commodity Futures Trading Commission shall notify the Committees on Appropriations of both Houses of Congress before implementing a program or activity not carried out during the previous fiscal year unless the program or activity is funded by this Act or specifically funded by any other Act.]

[SEC. 718. With the exception of funds needed to administer and conduct oversight of grants awarded and obligations incurred in prior fiscal years, none of the funds appropriated or otherwise made available by this or any other Act may be used to pay the salaries and expenses of personnel to carry out the provisions of section 401 of Public Law 105–185, the Initiative for Future Agriculture and Food Systems (7 U.S.C. 7621).]

[SEC. 719. None of the funds appropriated by this or any other Act shall be used to pay the salaries and expenses of personnel who prepare or submit appropriations language as part of the President's Budget submission to the Congress of the United States for programs under the jurisdiction of the Appropriations Subcommittees on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies that assumes revenues or reflects a reduction from the previous year due to user fees proposals that have not been enacted into law prior to the submission of the Budget unless

such Budget submission identifies which additional spending reductions should occur in the event the user fees proposals are not enacted prior to the date of the convening of a committee of conference for the fiscal year 2007 Appropriations Act.]

[SEC. 720. None of the funds made available by this or any other Act may be used to close or relocate a State Rural Development office unless or until cost effectiveness and enhancement of program delivery have been determined.]

[SEC. 721. In addition to amounts otherwise appropriated or made available by this Act, \$2,500,000 is appropriated for the purpose of providing Bill Emerson and Mickey Leland Hunger Fellowships, through the Congressional Hunger Center.]

[SEC. 722. Hereafter, notwithstanding section 412 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736f), any balances available to carry out title III of such Act as of the date of enactment of this Act, and any recoveries and reimbursements that become available to carry out title III of such Act, may be used to carry out title II of such Act.]

[SEC. 723. There is hereby appropriated \$1,250,000 for a grant to the National Sheep Industry Improvement Center, to remain available until expended.]

[SEC. 724. The Secretary of Agriculture shall—

- (1) as soon as practicable after the date of enactment of this Act, conduct an evaluation of any impacts of the court decision in *Harvey v. Veneman*, 396 F.3d 28 (1st Cir. Me. 2005); and
- (2) not later than 90 days after the date of enactment of this Act, submit to Congress a report that—

(A) describes the results of the evaluation conducted under paragraph (1);

(B) includes a determination by the Secretary on whether restoring the National Organic Program, as in effect on the day before the date of the court decision described in paragraph (1), would adversely affect organic farmers, organic food processors, and consumers;

(C) analyzes issues regarding the use of synthetic ingredients in processing and handling;

(D) analyzes the utility of expedited petitions for commercially unavailable agricultural commodities and products; and

(E) considers the use of crops and forage from land included in the organic system plan of dairy farms that are in the third year of organic management.]

[SEC. 725. Hereafter, of any shipments of commodities made pursuant to section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)), the Secretary of Agriculture shall, to the extent practicable, direct that tonnage equal in value to not more than \$25,000,000 shall be made available to foreign countries to assist in mitigating the effects of the Human Immunodeficiency Virus and Acquired Immune Deficiency Syndrome on communities, including the provision of—

(1) agricultural commodities to—

(A) individuals with Human Immunodeficiency Virus or Acquired Immune Deficiency Syndrome in the communities; and

(B) households in the communities, particularly individuals caring for orphaned children; and

(2) agricultural commodities monetized to provide other assistance (including assistance under microcredit and microenterprise programs) to create or restore sustainable livelihoods among individuals in the communities, particularly individuals caring for orphaned children.]

[SEC. 726. Notwithstanding any other provision of law, the Natural Resources Conservation Service shall provide financial and technical assistance—

(1) from funds available for the Watershed and Flood Prevention Operations program—

(A) to the Kane County, Illinois, Indian Creek Watershed Flood Prevention Project, in an amount not to exceed \$1,000,000;

(B) for the Muskingum River Watershed, Mohican River, Jerome and Muddy Fork, Ohio, obstruction removal projects, in an amount not to exceed \$1,800,000;

(C) to the Hickory Creek Special Drainage District, Bureau County, Illinois, in an amount not to exceed \$50,000; and

(D) to the Little Red River Irrigation project, Arkansas, in an amount not to exceed \$210,000;

(2) through the Watershed and Flood Prevention Operations program for—

- (A) the Matanuska River erosion control project in Alaska;
- (B) the Little Otter Creek project in Missouri;

- (C) the Manoa Watershed project in Hawaii;
- (D) the West Tarkio project in Iowa;
- (E) the Steeple Run and West Branch DuPage River Watershed projects in DuPage County, Illinois; and
- (F) the Coal Creek project in Utah;

(3) through the Watershed and Flood Prevention Operations program to carry out the East Locust Creek Watershed Plan Revision in Missouri, including up to 100 percent of the engineering assistance and 75 percent cost share for construction cost of site RW1; and

(4) through funds of the Conservation Operations program provided for the Utah Conservation Initiative for completion of the American Fork water quality and habitat restoration project in Utah.]

[SEC. 727. Hereafter, none of the funds made available in this Act may be transferred to any department, agency, or instrumentality of the United States Government, except pursuant to a transfer made by, or transfer authority provided in, this or any other Appropriation Act.]

SEC. [728] 709. Notwithstanding any other provision of law, of the funds made available in this Act for competitive research grants (7 U.S.C. 450i(b)), the Secretary may use up to [22] 30 percent of the amount provided to carry out a competitive grants program under the same terms and conditions as those provided in section 401 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621).

[SEC. 729. None of the funds appropriated or made available by this or any other Act may be used to pay the salaries and expenses of personnel to carry out section 14(h)(1) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012(h)(1)).]

[SEC. 730. None of the funds made available to the Food and Drug Administration by this Act shall be used to close or relocate, or to plan to close or relocate, the Food and Drug Administration Division of Pharmaceutical Analysis in St. Louis, Missouri, outside the city or county limits of St. Louis, Missouri.]

[SEC. 731. None of the funds appropriated or made available by this or any other Act may be used to pay the salaries and expenses of personnel to carry out subtitle I of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009dd through dd-7).]

[SEC. 732. Hereafter, agencies and offices of the Department of Agriculture may utilize any unobligated salaries and expenses funds to reimburse the Office of the General Counsel for salaries and expenses of personnel, and for other related expenses, incurred in representing such agencies and offices in the resolution of complaints by employees or applicants for employment, and in cases and other matters pending before the Equal Employment Opportunity Commission, the Federal Labor Relations Authority, or the Merit Systems Protection Board with the prior approval of the Committees on Appropriations of both Houses of Congress.]

[SEC. 733. None of the funds appropriated or made available by this or any other Act may be used to pay the salaries and expenses of personnel to carry out section 6405 of Public Law 107-171 (7 U.S.C. 2655).]

[SEC. 734. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to enroll in excess of 150,000 acres in the calendar year 2006 wetlands reserve program as authorized by 16 U.S.C. 3837.]

[SEC. 735. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel who carry out an environmental quality incentives program authorized by chapter 4 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839aa et seq.) in excess of \$1,017,000,000.]

[SEC. 736. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to expend the \$23,000,000 made available by section 9006(f) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8106(f)).]

[SEC. 737. None of the funds appropriated or otherwise made available under this or any other Act shall be used to pay the salaries and expenses of personnel to expend the \$80,000,000 made available by section 601(j)(1) of the Rural Electrification Act of 1936 (7 U.S.C. 950bb(j)(1)).]

[SEC. 738. None of the funds made available in fiscal year 2006 or preceding fiscal years for programs authorized under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) in excess of \$20,000,000 shall be used to reimburse the

Commodity Credit Corporation for the release of eligible commodities under section 302(f)(2)(A) of the Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f-1): *Provided*, That any such funds made available to reimburse the Commodity Credit Corporation shall only be used pursuant to section 302(b)(2)(B)(i) of the Bill Emerson Humanitarian Trust Act.]

[SEC. 739. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to expend the \$120,000,000 made available by section 6401(a) of Public Law 107-171.]

[SEC. 740. Notwithstanding subsections (c) and (e)(2) of section 313A of the Rural Electrification Act (7 U.S.C. 940c(c) and (e)(2)) in implementing section 313A of that Act, the Secretary shall, with the consent of the lender, structure the schedule for payment of the annual fee, not to exceed an average of 30 basis points per year for the term of the loan, to ensure that sufficient funds are available to pay the subsidy costs for note guarantees under that section.]

[SEC. 741. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to carry out a Conservation Security Program authorized by 16 U.S.C. 3838 et seq., in excess of \$259,000,000.]

[SEC. 742. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to carry out section 2502 of Public Law 107-171 in excess of \$43,000,000.]

[SEC. 743. Of the unobligated balances available in the Special Supplemental Nutrition Program for Women, Infants, and Children reserve account, \$32,000,000 is hereby rescinded.]

[SEC. 744. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to carry out section 2503 of Public Law 107-171 in excess of \$73,500,000.]

[SEC. 745. With the exception of funds provided in fiscal year 2005, none of the funds appropriated or otherwise made available by this or any other Act shall be used to carry out section 6029 of Public Law 107-171.]

[SEC. 746. Hereafter, none of the funds appropriated or otherwise made available in this Act shall be expended to violate Public Law 105-264.]

[SEC. 747. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to carry out a ground and surface water conservation program authorized by section 2301 of Public Law 107-171 in excess of \$51,000,000.]

[SEC. 748. None of the funds made available by this Act may be used to issue a final rule in furtherance of, or otherwise implement, the proposed rule on cost-sharing for animal and plant health emergency programs of the Animal and Plant Health Inspection Service published on July 8, 2003 (Docket No. 02-062-1; 68 Fed. Reg. 40541).]

[SEC. 749. Hereafter, notwithstanding any other provision of law, the Secretary of Agriculture may use appropriations available to the Secretary for activities authorized under sections 426-426c of title 7, United States Code, under this or any other Act, to enter into cooperative agreements, with a State, political subdivision, or agency thereof, a public or private agency, organization, or any other person, to lease aircraft if the Secretary determines that the objectives of the agreement will: (1) serve a mutual interest of the parties to the agreement in carrying out the programs administered by the Animal and Plant Health Inspection Service, Wildlife Services; and (2) all parties will contribute resources to the accomplishment of these objectives; award of a cooperative agreement authorized by the Secretary may be made for an initial term not to exceed 5 years.]

[SEC. 750. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to carry out section 9010 of Public Law 107-171 in excess of \$60,000,000.]

[SEC. 751. Hereafter, agencies and offices of the Department of Agriculture may utilize any available discretionary funds to cover the costs of preparing, or contracting for the preparation of, final agency decisions regarding complaints of discrimination in employment or program activities arising within such agencies and offices.]

SEC. [752] 710. Funds made available under section 1240I and section 1241(a) of the Food Security Act of 1985 in the current fiscal year shall remain available until expended to [cover] *disburse* obligations made in the current fiscal year, and are not available for new

obligations. *Funds made available under section 524(b) of the Federal Crop Insurance Act, 7 U.S.C. 1524(b), in fiscal years 2004, 2005, and 2006 shall remain available until expended to disburse obligations made in fiscal years 2004, 2005, and 2006, respectively, and are not available for new obligations.*

【SEC. 753. There is hereby appropriated \$750,000, to remain available until expended, for the Denali Commission to address deficiencies in solid waste disposal sites which threaten to contaminate rural drinking water supplies.】

【SEC. 754. Notwithstanding any other provision of law—

(1) the City of Palmer, Alaska shall be eligible to receive a water and waste disposal grant under section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) in an amount that is equal to not more than 75 percent of the total cost of providing water and sewer service to the proposed hospital in the Matanuska-Susitna Borough, Alaska;

(2) or any percentage of cost limitation in current law or regulations, the construction projects known as the Tri-Valley Community Center addition in Healy, Alaska; the Cold Climate Housing Research Center in Fairbanks, Alaska; and the University of Alaska-Fairbanks Allied Health Learning Center skill labs/classrooms shall be eligible to receive Community Facilities grants in amounts that are equal to not more than 75 percent of the total facility costs: *Provided*, That for the purposes of this paragraph, the Cold Climate Housing Research Center is designated an “essential community facility” for rural Alaska;

(3) for any fiscal year and hereafter, in the case of a high cost isolated rural area in Alaska that is not connected to a road system, the maximum level for the single family housing assistance shall be 150 percent of the median household income level in the non-metropolitan areas of the State and 115 percent of all other eligible areas of the State; and

(4) any former RUS borrower that has repaid or prepaid an insured, direct or guaranteed loan under the Rural Electrification Act, or any not-for-profit utility that is eligible to receive an insured or direct loan under such Act, shall be eligible for assistance under Section 313(b)(2)(B) of such Act in the same manner as a borrower under such Act.】

【SEC. 755. There is hereby appropriated \$1,000,000, to remain available until expended, for a grant to the Ohio Livestock Expo Center in Springfield, Ohio.】

【SEC. 756. Hereafter, notwithstanding the provisions of the Consolidated Farm and Rural Development Act (including the associated regulations) governing the Community Facilities Program, the Secretary may allow all Community Facility Program facility borrowers and grantees to enter into contracts with not-for-profit third parties for services consistent with the requirements of the Program, grant, and/or loan: *Provided*, That the contracts protect the interests of the Government regarding cost, liability, maintenance, and administrative fees.】

【SEC. 757. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to carry out an Agricultural Management Assistance Program as authorized by section 524 of the Federal Crop Insurance Act in excess of \$6,000,000 (7 U.S.C. 1524).】

【SEC. 758. Notwithstanding any other provision of law, the Secretary of Agriculture is authorized to make funding and other assistance available through the emergency watershed protection program under section 403 of the Agricultural Credit Act of 1978 (16 U.S.C. 2203) to repair and prevent damage to non-Federal land in watersheds that have been impaired by fires initiated by the Federal Government and shall waive cost sharing requirements for the funding and assistance.】

【SEC. 759. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to carry out a Biomass Research and Development Program in excess of \$12,000,000, as authorized by Public Law 106-224 (7 U.S.C. 7624 note).】

【SEC. 760. None of the funds provided in this Act may be used for salaries and expenses to carry out any regulation or rule insofar as it would make ineligible for enrollment in the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) land that is planted to hardwood trees as of the date of enactment of this Act and was enrolled in the conservation reserve program under a contract that expired prior to calendar year 2002.】

【SEC. 761. Notwithstanding 40 U.S.C. 524, 571, and 572, the Secretary of Agriculture may sell the US Water Conservation Laboratory,

Phoenix, Arizona, and credit the net proceeds of such sale as offsetting collections to its Agricultural Research Service Buildings and Facilities account. Such funds shall be available until September 30, 2007 to be used to replace these facilities and to improve other USDA-owned facilities.】

【SEC. 762. None of the funds provided in this Act may be used for salaries and expenses to draft or implement any regulation or rule insofar as it would require recertification of rural status for each electric and telecommunications borrower for the Rural Electrification and Telecommunication Loans program.】

【SEC. 763. The Secretary of Agriculture may use any unobligated carryover funds made available for any program administered by the Rural Utilities Service (not including funds made available under the heading “Rural Community Advancement Program” in any Act of appropriation) to carry out section 315 of the Rural Electrification Act of 1936 (7 U.S.C. 940e).】

【SEC. 764. There is hereby appropriated \$650,000, to remain available until expended, to carry out provisions of section 751 of division A of Public Law 108-7.】

【SEC. 765. (a) Notwithstanding any other provision of law, and until the receipt of the decennial Census in the year 2010, the Secretary of Agriculture shall consider—

(1) the City of Bridgeton, New Jersey, the City of Kinston, North Carolina, and the City of Portsmouth, Ohio as rural areas for the purposes of Rural Housing Service Community Facilities Program loans and grants;

(2) the Township of Bloomington, Illinois (including individuals and entities with projects within Township) shall be eligible for Rural Housing Service Community Facilities Programs loans and grants;

(3) the City of Lone Grove, Oklahoma (including individuals and entities with projects within the city) shall be eligible for Rural Housing Service Community Facilities Program loans and grants;

(4) the City of Butte/Silverbow, Montana, rural areas for purposes of eligibility for Rural Utilities Service water and waste water loans and grants and Rural Housing Service Community Facilities Program loans and grants;

(5) Cleburne County, Arkansas, rural areas for purposes of eligibility of Rural Utilities Service water and waste water loans and grants;

(6) the designated Census track areas for the Upper Kanawha Valley Enterprise Community, West Virginia, rural areas for purposes of eligibility for rural empowerment zones and enterprise community programs in the rural development mission area;

(7) the Municipality of Carolina, Puerto Rico, as meeting the eligibility requirements for Rural Utilities Service water and waste water loans and grants;

(8) the Municipalities of Vega Baja, Manati, Guayama, Fajardo, Humacao, and Naguabo, Puerto Rico, (including individuals and entities with projects within the Municipalities) shall be eligible for Rural Community Advancement Program loans and grants and intermediate relending programs;

(9) the City of Hidalgo, Texas as a rural area for the purpose of the Rural Business-Cooperative Service Rural Business Enterprise Grant Program;

(10) the City of Elgin, Oklahoma (including individuals and entities with projects within the city) shall be eligible for Rural Utilities Service water and waste water loans and grants; and

(11) the City of Lodi, California, the City of Atchison, Kansas, and the City of Belle Glade, Florida as rural areas for the purposes of the Rural Utilities Service water and waste water loans and grants.】

【SEC. 766. There is hereby appropriated \$200,000 for a grant to Alaska Village Initiatives for the purpose of administering a private lands wildlife management program in Alaska.】

【SEC. 767. There is hereby appropriated \$2,250,000, to remain available until expended, for a grant to the Wisconsin Federation of Cooperatives for pilot Wisconsin-Minnesota health care cooperative purchasing alliances.】

【SEC. 768. The counties of Burlington and Camden, New Jersey (including individuals and entities with projects within these counties) shall be eligible for loans and grants under the Rural Community Advancement Program for fiscal year 2006 to the same extent they were eligible for such assistance during the fiscal year 2005 under section 106 of Chapter 1 of Division B of Public Law 108-324 (188 Stat. 1236).】

【SEC. 769. Hereafter, notwithstanding any other provision of law, funds made available to States administering the Child and Adult

Care Food Program, for the purpose of conducting audits of participating institutions, funds identified by the Secretary as having been unused during the initial fiscal year of availability may be recovered and reallocated by the Secretary: *Provided*, That States may use the reallocated funds until expended for the purpose of conducting audits of participating institutions.】

【SEC. 770. The Secretary of Agriculture is authorized and directed to quitclaim to the City of Elkhart, Kansas, all rights, title and interests of the United States in that tract of land comprising 151.7 acres, more or less, located in Morton County, Kansas, and more specifically described in a deed dated March 11, 1958, from the United States of America to the City of Elkhart, State of Kansas, and filed of record April 4, 1958 at Book 34 at Page 520 in the office of the Register of Deeds of Morton County, Kansas.】

【SEC. 771. There is hereby appropriated \$2,500,000 to carry out the Healthy Forests Reserve Program authorized under Title V of Public Law 108–148 (16 U.S.C. 6571–6578).】

【SEC. 772. Unless otherwise authorized by existing law, none of the funds provided in this Act, may be used by an executive branch agency to produce any prepackaged news story intended for broadcast or distribution in the United States unless the story includes a clear notification within the text or audio of the prepackaged news story that the prepackaged news story was prepared or funded by that executive branch agency.】

【SEC. 773. In addition to other amounts appropriated or otherwise made available by this Act, there is hereby appropriated to the Secretary of Agriculture \$7,000,000, of which not to exceed 5 percent may be available for administrative expenses, to remain available until expended, to make specialty crop block grants under section 101 of the Specialty Crops Competitiveness Act of 2004 (Public Law 108–465; 7 U.S.C. 1621 note).】

【SEC. 774. The Rural Electrification Act of 1936 is amended by inserting after section 315 (7 U.S.C. 940e) the following:

“SEC. 316. EXTENSION OF PERIOD OF EXISTING GUARANTEE. (a) IN GENERAL.—Subject to the limitations in this section and the provisions of the Federal Credit Reform Act of 1990, as amended, a borrower of a loan made by the Federal Financing Bank and guaranteed under this Act may request an extension of the final maturity of the outstanding principal balance of such loan or any loan advance thereunder. If the Secretary and the Federal Financing Bank approve such an extension, then the period of the existing guarantee shall also be considered extended.

“(b) LIMITATIONS.—

“(1) FEASIBILITY AND SECURITY.—Extensions under this section shall not be made unless the Secretary first finds and certifies that, after giving effect to the extension, in his judgment the security for all loans to the borrower made or guaranteed under this Act is reasonably adequate and that all such loans will be repaid within the time agreed.

“(2) EXTENSION OF USEFUL LIFE OR COLLATERAL.—Extensions under this section shall not be granted unless the borrower first submits with its request either—

“(A) evidence satisfactory to the Secretary that a Federal or State agency with jurisdiction and expertise has made an official determination, such as through a licensing proceeding, extending the useful life of a generating plant or transmission line pledged as collateral to or beyond the new final maturity date being requested by the borrower, or

“(B) a certificate from an independent licensed engineer concluding, on the basis of a thorough engineering analysis satisfactory to the Secretary, that the useful life of the generating plant or transmission line pledged as collateral extends to or beyond the new final maturity date being requested by the borrower.

“(3) AMOUNT ELIGIBLE FOR EXTENSION.—Extensions under this section shall not be granted if the principal balance extended exceeds the appraised value of the generating plant or transmission line referred to in subsection paragraph (2).

“(4) PERIOD OF EXTENSION.—Extensions under this section shall in no case result in a final maturity greater than 55 years from the time of original disbursement and shall in no case result in a final maturity greater than the useful life of the plant.

“(5) NUMBER OF EXTENSIONS.—Extensions under this section shall not be granted more than once per loan advance.

“(c) FEES.—

“(1) IN GENERAL.—A borrower that receives an extension under this section shall pay a fee to the Secretary which shall be credited to the Rural Electrification and Telecommunications Loans Pro-

gram account. Such fees shall remain available without fiscal year limitation to pay the modification costs for extensions.

“(2) AMOUNT.—The amount of the fee paid shall be equal to the modification cost, calculated in accordance with section 502 of the Federal Credit Reform Act of 1990, as amended, of such extension.

“(3) PAYMENT.—The borrower shall pay the fee required under this section at the time the existing guarantee is extended by making a payment in the amount of the required fee.”.】

【SEC. 775. (a) IN GENERAL.—The Secretary of Health and Human Services, on behalf of the United States may, whenever the Secretary deems desirable, relinquish to the State of Arkansas all or part of the jurisdiction of the United States over the lands and properties encompassing the Jefferson Labs campus in the State of Arkansas that are under the supervision or control of the Secretary.

(b) TERMS.—Relinquishment of jurisdiction under this section may be accomplished, under terms and conditions that the Secretary deems advisable,

(1) by filing with the Governor of the State of Arkansas a notice of relinquishment to take effect upon acceptance thereof; or

(2) as the laws of such State may otherwise provide.

(c) DEFINITION.—In this section, the term “Jefferson Labs campus” means the lands and properties of the National Center for Toxicological Research and the Arkansas Regional Laboratory.】

【SEC. 776. Section 204(b)(3)(A) of the Child Nutrition and WIC Reauthorization Act of 2004 (118 Stat. 781; 42 U.S.C. 1751 note) is amended by striking “July 1, 2006” and inserting “October 1, 2005”.】

【SEC. 777. (a) Section 18(f)(1)(B) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769(f)(1)(B)) is amended—

(1) by striking “April 2004” and inserting “June 2005”; and

(2) in clause (ii), by striking “66.67” and inserting “75”.

(b) The amendments made by subsection (a) take effect on January 1, 2006.】

【SEC. 778. None of the funds in this Act may be used to retire more than 5 percent of the Class A stock of the Rural Telephone Bank, except in the event of liquidation or dissolution of the telephone bank during fiscal year 2006, pursuant to section 411 of the Rural Electrification Act of 1936, as amended, or to maintain any account or subaccount within the accounting records of the Rural Telephone Bank the creation of which has not specifically been authorized by statute: *Provided*, That notwithstanding any other provision of law, none of the funds appropriated or otherwise made available in this Act may be used to transfer to the Treasury or to the Federal Financing Bank any unobligated balance of the Rural Telephone Bank telephone liquidating account which is in excess of current requirements and such balance shall receive interest as set forth for financial accounts in section 505(c) of the Federal Credit Reform Act of 1990.】

【SEC. 779. There is hereby appropriated \$6,000,000 to carry out Section 120 of Public Law 108–265 in Utah, Wisconsin, New Mexico, Texas, Connecticut, and Idaho.】

【SEC. 780. Section 508(a)(4)(B) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)(4)(B)) is amended by inserting “or similar commodities” after “the commodity”.】

【SEC. 781. (a) Notwithstanding subtitles B and C of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4501 et seq.), during fiscal year 2006, the National Dairy Promotion and Research Board may obligate and expend funds for any activity to improve the environment and public health.

(b) The Secretary of Agriculture shall review the impact of any expenditures under subsection (a) and include the review in the 2007 report of the Secretary to Congress on the dairy promotion program established under subtitle B of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4501 et seq.).】

【SEC. 782. The Federal facility located at the South Mississippi Branch Experiment Station in Poplarville, Mississippi, and known as the “Southern Horticultural Laboratory”, shall be known and designated as the “Thad Cochran Southern Horticultural Laboratory”: *Provided*, That any reference in law, map, regulation, document, paper, or other record of the United States to such Federal facility shall be deemed to be a reference to the “Thad Cochran Southern Horticultural Laboratory”.】

【SEC. 783. As soon as practicable after the Agricultural Research Service operations at the Western Cotton Research Laboratory located at 4135 East Broadway Road in Phoenix, Arizona, have ceased, the Secretary of Agriculture shall convey, without consideration, to the Arizona Cotton Growers Association and Supima all right, title, and

interest of the United States in and to the real property at that location, including improvements.】

【SEC. 784. (a) IN GENERAL.—In carrying out a livestock assistance, compensation, or feed program, the Secretary of Agriculture shall include horses and deer within the definition of “livestock” covered by the program.

(b) CONFORMING AMENDMENTS.—

(1) Section 602(2) of the Agricultural Act of 1949 (7 U.S.C. 1471(2)) is amended—

(A) by inserting “horses, deer,” after “bison,”; and

(B) by striking “equine animals used for food or in the production of food,”.

(2) Section 806 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 106–387; 114 Stat. 1549A–51) is amended by inserting “(including losses to elk, reindeer, bison, horses, and deer)” after “livestock losses”.

(3) Section 10104(a) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1472(a)) is amended by striking “and bison” and inserting “bison, horses, and deer”.

(4) Section 203(d)(2) of the Agricultural Assistance Act of 2003 (Public Law 108–7; 117 Stat. 541) is amended by striking “and bison” and inserting “bison, horses, and deer”.

(c) APPLICABILITY.—

(1) IN GENERAL.—This section and the amendments made by this section apply to losses resulting from a disaster that occurs on or after July 28, 2005.

(2) PRIOR LOSSES.—This section and the amendments made by this section do not apply to losses resulting from a disaster that occurred before July 28, 2005.】

【SEC. 785. Amounts made available for the Plant Materials Center in Fallon, Nevada, under the heading “Conservation Operations” under the heading “Natural Resources Conservation Service” of title II of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005 (Public Law 108–447; 118 Stat. 2823) shall remain available until expended.】

【SEC. 786. None of the funds made available in this Act may be used to study, complete a study of, or enter into a contract with a private party to carry out, without specific authorization in a subsequent Act of Congress, a competitive sourcing activity of the Secretary of Agriculture, including support personnel of the Department of Agriculture, relating to rural development or farm loan programs.】

SEC. [787] 711. None of the funds made available under this Act shall be available to pay the administrative expenses of a State agency that, after the date of enactment of this Act and prior to receiving certification in accordance with the provisions set forth in section 17(h)(11)(E) of the Child Nutrition Act of 1966, authorizes any new for-profit vendor(s) to transact food instruments under the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) if it is expected that more than 50 percent of the annual revenue of the vendor from the sale of food items will be derived from the sale of supplemental foods that are obtained with WIC food instruments, except that the Secretary may approve the authorization of such a vendor if the approval is necessary to assure participant access to program benefits.

【SEC. 788. Of the unobligated balances under section 32 of the Act of August 24, 1935, \$37,601,000 are hereby rescinded.】

【SEC. 789. None of the funds provided in this Act may be obligated or expended for any activity the purpose of which is to require a recipient of any grant that was funded in Public Law 102–368 and Public Law 103–50 for “Rural Housing for Domestic Farm Labor” in response to Hurricane Andrew to pay the United States any portion of any interest earned with respect to such grants: *Provided*, That such funds are expended by the grantee within 18 months of the date of enactment of this section for the purposes of providing farm labor housing consistent with the purpose authorized in title V of the Housing Act of 1949, as determined by the Secretary.】

【SEC. 790. There is hereby appropriated \$140,000 to remain available until expended, for a grant to the University of Nevada at Reno; \$400,000 to remain available until expended for a grant to the Ohio Center for Farmland Policy Innovation at Ohio State University, Columbus, Ohio; \$200,000 to remain available until expended, for a grant to Utah State University for a farming and dairy training initiative; \$500,000, to remain available until expended, for a grant to the Nueces County, Texas Regional Fairground; and \$350,000 to provide administrative support for a world hunger organization: *Provided*, That none of the funds may be used for a monetary award to an individual.】

【SEC. 791. There is hereby appropriated \$1,000,000 to establish a demonstration intermediate relending program for the construction and rehabilitation of housing for the Mississippi Band of Choctaw Indians: *Provided*, That the interest rate for direct loans shall be 1 percent: *Provided further*, That no later than 1 year after the establishment of this program the Secretary shall provide the Committees on Appropriations with a report providing information on the program structure, management, and general demographic information on the loan recipients.】

【SEC. 792. Section 285 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1638d) is amended by striking “2006” and inserting “2008”.】

【SEC. 793. None of the funds appropriated or otherwise made available by this Act shall be used to pay salaries and expenses of personnel who implement or administer section 508(e)(3) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)(3)) or any regulation, bulletin, policy or agency guidance issued pursuant to section 508(e)(3) of such Act for the 2007 reinsurance year.】

【SEC. 794. Effective 120 days after the date of enactment of this Act, none of the funds made available in this Act may be used to pay the salaries or expenses of personnel to inspect horses under section 3 of the Federal Meat Inspection Act (21 U.S.C. 603) or under the guidelines issued under section 903 the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 1901 note; Public Law 104–127).】

【SEC. 795. (a) Subject to subsection (b), none of the funds made available in this Act may be used to—

(1) grant a waiver of a financial conflict of interest requirement pursuant to section 505(n)(4) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(n)(4)) for any voting member of an advisory committee or panel of the Food and Drug Administration; or

(2) make a certification under section 208(b)(3) of title 18, United States Code, for any such voting member.

(b) Subsection (a) shall not apply to a waiver or certification if—

(1) not later than 15 days prior to a meeting of an advisory committee or panel to which such waiver or certification applies, the Secretary of Health and Human Services discloses on the Internet website of the Food and Drug Administration—

(A) the nature of the conflict of interest at issue; and

(B) the nature and basis of such waiver or certification (other than information exempted from disclosure under section 552 of title 5, United States Code (popularly known as the Freedom of Information Act)); or

(2) in the case of a conflict of interest that becomes known to the Secretary less than 15 days prior to a meeting to which such waiver or certification applies, the Secretary shall make such public disclosure as soon as possible thereafter, but in no event later than the date of such meeting.

(c) None of the funds made available in this Act may be used to make a new appointment to an advisory committee or panel of the Food and Drug Administration unless the Commissioner of Food and Drugs submits a quarterly report to the Inspector General of the Department of Health and Human Services and the Committees on Appropriations of the House and Senate on the efforts made to identify qualified persons for such appointment with minimal or no potential conflicts of interest.】

【SEC. 796. Section 274(a)(1) of the Immigration and Nationality Act (8 U.S.C. 1324(a)(1)) is amended by adding at the end the following:

“(C) It is not a violation of clauses (ii) or (iii) of subparagraph (A), or of clause (iv) of subparagraph (A) except where a person encourages or induces an alien to come to or enter the United States, for a religious denomination having a bona fide non-profit, religious organization in the United States, or the agents or officers of such denomination or organization, to encourage, invite, call, allow, or enable an alien who is present in the United States to perform the vocation of a minister or missionary for the denomination or organization in the United States as a volunteer who is not compensated as an employee, notwithstanding the provision of room, board, travel, medical assistance, and other basic living expenses, provided the minister or missionary has been a member of the denomination for at least one year.”.】

【SEC. 797. (a) Section 2111(a)(1) of the Organic Foods Production Act of 1990 (7 U.S.C. 6510(a)(1)) is amended by inserting “not appearing on the National List” after “ingredient”.

(b) Section 2118 of the Organic Foods Production Act of 1990 (7 U.S.C. 6517) is amended—

(1) in subsection (c)(1)—

(A) in the paragraph heading, by inserting “IN ORGANIC PRODUCTION AND HANDLING OPERATIONS” after “SUBSTANCES”;

(B) in subparagraph (B)—

(i) in clause (i), by inserting “or” at the end; and

(ii) in clause (ii), by striking “or” at the end and inserting “and”; and

(C) by striking clause (iii); and

(2) in subsection (d), by adding at the end the following:

“(6) EXPEDITED PETITIONS FOR COMMERCIALLY UNAVAILABLE ORGANIC AGRICULTURAL PRODUCTS CONSTITUTING LESS THAN 5 PERCENT OF AN ORGANIC PROCESSED PRODUCT.—The Secretary may develop emergency procedures for designating agricultural products that are commercially unavailable in organic form for placement on the National List for a period of time not to exceed 12 months.”.

(c) Section 2110(e)(2) of the Organic Foods Production Act of 1990 (7 U.S.C. 6509(e)(2)) is amended—

(1) by striking “A dairy” and inserting the following:

“(A) IN GENERAL.—Except as provided in subparagraph (B), a dairy”; and

(2) by adding at the end the following:

“(B) TRANSITION GUIDELINE.—Crops and forage from land included in the organic system plan of a dairy farm that is in the third year of organic management may be consumed by the dairy animals of the farm during the 12-month period immediately prior to the sale of organic milk and milk products.”.]

【SEC. 798. AMENABLE SPECIES.—The Federal Meat Inspection Act (21 U.S.C. 601 et seq.) is amended—

(1) by striking “cattle, sheep, swine, goats, horses, mules, and other equines” each place it appears and inserting “amenable species”;

(2) in section 1, by adding at the end the following new subsection:

“(w) The term ‘amenable species’ means—

“(1) those species subject to the provisions of this Act on the day before the date of the enactment of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006; and

“(2) any additional species of livestock that the Secretary considers appropriate.”; and

(3) in section 19—

(A) by striking “horses, mules, or other equines” and inserting “species designated by regulations in effect on the day before the date of the enactment of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006”; and

(B) by striking “cattle, sheep, swine, or goats” and inserting “other amenable species”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the day after the effective date of section 794 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.】

【SEC. 799. Public Law 109–54, the Department of the Interior, Environment, and Related Agencies Appropriations Act, 2006, is amended as follows:

(1) Under the heading “National Park Service, Construction”—

(A) by striking “of which” after “\$301,291,000, to remain available until expended,” and inserting “and”;

(B) in the sixth proviso, by striking “hereinafter” and inserting “hereafter” and, after “Annex”, inserting the following: “and the Blue Ridge Parkway Regional Destination Visitor Center”; and

(C) in the seventh proviso, by striking “solicitation and contract” and inserting “solicitations and contracts”.

(2) Under the heading “National Park Service, Land Acquisition and State Assistance” by striking “\$74,824,000” and inserting “\$64,909,000”.

(3) Under the heading “Departmental Management, Salaries and Expenses” by striking “\$127,183,000” and inserting “\$117,183,000”.

(4) In title II, under the heading “Environmental Protection Agency, State and Tribal Assistance Grants”—

(A) before the period at the end of the first paragraph, insert “: Provided further, That of the funds made available under this heading in division I of Public Law 108–447, \$300,000 is for the Haleyville, Alabama, North Industrial Area Water Storage Tank project: Provided further, That the referenced statement of the managers under the heading “Environmental

Protection Agency, State and Tribal Assistance Grants” in Public Law 107–73, in reference to item 184, is deemed to be amended by striking “\$2,000,000” and inserting “\$29,945” and by inserting after “improvements” the following: “, \$500,000 to the City of Sheridan for water system improvements, \$500,000 to Meagher County/Martinsdale Water and Sewer District for Martinsdale Water System Improvements, and \$970,055 to the City of Bozeman for Hyalite Waterline and Intake”; and

(B) in the second paragraph strike “original”.

(5) Under the heading “Forest Service, Land Acquisition” by striking “land that are encumbered” and all that follows through “under this section,” and inserting the following: “lands that are encumbered by unpatented claims acquired under this section, or with previously appropriated funds,”.

(6) At the end of title IV—General Provisions, insert the following:

“SEC. 440. REDESIGNATION OF WILDERNESS.

“(a) REDESIGNATION.—Section 140(c)(4) of division E of Public Law 108–447 is amended by striking ‘National’.

“(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the ‘Gaylord A. Nelson National Wilderness’ shall be deemed to be a reference to the ‘Gaylord A. Nelson Wilderness.’”.] (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006.*)

SEC. 712. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to carry out the following:

(a) an Environmental Quality Incentives Program authorized by 16 U.S.C. 3839aa, et seq., in excess of \$1,000,000,000. Funds exceeding this amount for fiscal year 2007 are hereby permanently cancelled;

(b) a Wildlife Habitat Incentives Program authorized by 16 U.S.C. 3839bb, et seq., in excess of \$55,000,000. Funds exceeding this amount for fiscal year 2007 are hereby permanently cancelled;

(c) a small Watershed Rehabilitation Program authorized by 16 U.S.C. 1012(h)(1). \$65,000,000 of the funds available under such section for fiscal year 2007 are hereby permanently cancelled;

(d) a Broadband Program authorized by 7 U.S.C. 950bb. Under this section, of the funds made available under subsection j(1)(A) and funds for fiscal year 2007 under subsection j(1)(B), \$10,000,000 are hereby permanently cancelled;

(e) a Value-added Grant Program authorized by 7 U.S.C. 1621 note. \$40,000,000 of the funds available under such section for fiscal year 2007 are hereby permanently cancelled;

(f) a Market-access Program authorized by 7 U.S.C. 5641(c), in excess of \$100,000,000. Funds exceeding this amount for fiscal year 2007 are hereby permanently cancelled;

(g) a Farm and Ranch Lands Protection Program authorized by 16 U.S.C. 3838h, in excess of \$50,000,000. Funds exceeding this amount for fiscal year 2007 are hereby permanently cancelled;

(h) an Agricultural Management Assistance Program for the Natural Resources Conservation Service as authorized by section 524 of the Federal Crop Insurance Act (7 U.S.C. 1524). \$14,000,000 of the funds available for fiscal year 2007 are hereby permanently cancelled;

(i) a Biomass Research and Development Program authorized by Public Law 106–224 (7 U.S.C. 7624 note) in excess of \$12,000,000. Funds exceeding this amount for fiscal year 2007 are hereby permanently cancelled;

(j) a Renewable Energy Systems and Energy Efficiency Improvements Program authorized by section 9006 of Public Law 107–171. \$3,000,000 of the funds available under such section for fiscal year 2007 are hereby permanently cancelled; and

(k) a Ground and Surface Water Conservation Program authorized by 16 U.S.C. 3839aa–9, in excess of \$51,000,000. Funds exceeding this amount for fiscal year 2007 are hereby permanently cancelled.

SEC. 713. Section 502(h)(2) of the Housing Act of 1949 is amended to add the following sentence to the end of the paragraph:

“In addition the lender shall certify that—

“(A) the lender would not otherwise provide a loan to the borrower absent the guarantee, and

“(B) the lender either—

“(i) does not provide loans under any other federal housing program, or

“(ii) has determined that the borrower does not qualify for any other federal housing program that the lender offers that would serve the borrower’s housing needs.”.

“SEC. 440. REDESIGNATION OF WILDERNESS.—Continued

SEC. 714. Section 442 of Public Law 106–224 is amended by adding the following new subsections at the end:

“(c) **PRECONDITIONS FOR A TRANSFER AVAILABILITY.**—Funds may be transferred to combat emergencies.

“(d) **DEFINITIONS.**—For purposes of this subsection, an ‘emergency’ is an unanticipated event that requires a necessary expenditure that is sudden, urgent and unforeseen.”

SEC. 715. Section 10417 of Public Law 107–171 is amended by adding the following new subsections at the end:

“(d) **PRECONDITIONS FOR A TRANSFER AVAILABILITY.**—Funds may be transferred to combat emergencies.

“(e) **DEFINITIONS.**—For purposes of this subsection, an ‘emergency’ is an unanticipated event that requires a necessary expenditure that is sudden, urgent and unforeseen.”

SEC. 716. In fiscal year 2007 and thereafter, the Commodity Futures Trading Commission is authorized to collect transaction fees that are designed to recover the costs to the Government of the supervision and regulation of commodity futures and options markets and to credit these fees to the Commodity Futures Trading Commission account as offsetting collections.

SEC. 717. Section 739 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriation Act, 2001 (H.R. 5426 as enacted by Public Law 106–387, 115 Stat. 1549A–34) is amended by striking “2 percent” and inserting “3 percent”.

SEC. 718. Of the unobligated balances available in the High Energy Cost Grants account, \$25,265,000 is hereby cancelled.

[GENERAL PROVISIONS—THIS CHAPTER]

[SEC. 101. **EMERGENCY CONSERVATION PROGRAM.** (a) **IN GENERAL.**—There is hereby appropriated \$199,800,000, to remain available until expended, to provide assistance under the emergency conservation program established under title IV of the Agricultural Credit Act of 1978 (16 U.S.C. 2201 et seq.) for expenses resulting from hurricanes that occurred during the 2005 calendar year.

(b) **ASSISTANCE TO NURSERY, OYSTER, AND POULTRY PRODUCERS.**—In carrying out this section, the Secretary shall make payments to nursery, oyster, and poultry producers to pay for up to 90 percent of the cost of emergency measures to rehabilitate public and private oyster reefs or farmland damaged by hurricanes that occurred during the 2005 calendar year, including the cost of—

- (1) cleaning up structures, such as barns and poultry houses;
- (2) providing water to livestock;
- (3) in the case of nursery producers, removing debris, such as nursery structures, shade-houses, and above-ground irrigation facilities;
- (4) in the case of oyster producers, refurbishing oyster beds; and
- (5) in the case of poultry producers, removing poultry house debris, including carcasses.

(c) **POULTRY RECOVERY ASSISTANCE.**—

(1) **IN GENERAL.**—The Secretary shall not use more than \$20,000,000 of the funds made available under this section to provide assistance to poultry growers who suffered uninsured losses to poultry houses in counties affected by hurricanes that occurred during the 2005 calendar year.

(2) **LIMITATIONS.**—The amount of assistance provided to a poultry grower under this subsection may not exceed the lesser of—

- (A) 50 percent of the total costs associated with the reconstruction or repair of a poultry house; or
- (B) \$50,000 for each poultry house.

(3) **LIMIT ON AMOUNT OF ASSISTANCE.**—The total amount of assistance provided under this subsection, and any indemnities for losses to a poultry house paid to a poultry grower, may not exceed 90 percent of the total costs associated with the reconstruction or repair of a poultry house.

(d) **ASSISTANCE TO PRIVATE NONINDUSTRIAL FOREST LANDOWNERS.**—

(1) **ELIGIBILITY.**—To be eligible to receive a payment under this section, a private nonindustrial forest landowner shall (as determined by the Secretary)—

- (A) have suffered a loss of, or damage to, at least 35 percent of forest acres on commercial forest land of the forest landowner in a county affected by hurricanes that occurred during the 2005 calendar year, or a related condition; and
- (B) during the 5-year period beginning on the date of the loss—

(i) reforest the lost forest acres, in accordance with a plan approved by the Secretary that is appropriate for the forest type;

(ii) use best management practices on the forest land of the landowner, in accordance with the best management practices of the Secretary for the applicable State; and

(iii) exercise good stewardship on the forest land of the landowner, while maintaining the land in a forested state.

(2) **PROGRAM.**—The Secretary shall make payments under this subsection to private nonindustrial forest landowners to pay for up to 75 percent of the cost of reforestation, rehabilitation, and related measures, except that the amount of assistance provided under this subsection shall not exceed \$150 per acre.

(e) **ELIGIBILITY.**—Failure to comply with subtitle C of title XII of the Food Security Act of 1985 (16 U.S.C. 3821 et seq.) shall not prevent an agricultural producer from receiving assistance under this section.

(f) **EMERGENCY DESIGNATION.**—The amount provided under this section is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.

SEC. 102. **EMERGENCY WATERSHED PROTECTION PROGRAM.** (a) **IN GENERAL.**—There is hereby appropriated \$300,000,000, to remain available until expended, to provide assistance under the emergency watershed protection program established under section 403 of the Agricultural Credit Act of 1978 (16 U.S.C. 2203) to repair damages resulting from hurricanes that occurred during the 2005 calendar year.

(b) **ASSISTANCE.**—In carrying out this section, the Secretary shall make payments to landowners and land users to pay for up to 75 percent of the cost resulting from damage caused by hurricanes that occurred during the 2005 calendar year, or a related condition, including the cost of—

- (1) cleaning up structures on private land; and
- (2) reimbursing private nonindustrial forest landowners for costs associated with downed timber removal, except that the amount of assistance provided under this paragraph shall not exceed \$150 per acre.

(c) Notwithstanding any other provision of law, the Secretary, acting through the Natural Resources Conservation Service, using funds made available under this section may provide financial and technical assistance to remove and dispose of debris and animal carcasses that could adversely affect health and safety on non-Federal land in a hurricane-related county.

(d) **EMERGENCY DESIGNATION.**—The amount provided under this section is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.

SEC. 103. Notwithstanding any other provision of law, funds appropriated under this Act to the Secretary of Agriculture may be used to reimburse accounts of the Secretary that have been used to pay costs incurred to respond to damage caused by hurricanes that occurred during the 2005 calendar year if those costs could have been paid with such appropriated funds if such costs had arisen after the date of enactment of this Act.

SEC. 104. Funds provided for hurricanes that occurred during the 2005 calendar year under the headings, “Rural Housing Insurance Fund” and “Rural Housing Assistance Grants”, may be transferred between such accounts at the Secretary’s discretion.

SEC. 105. (a) Notwithstanding any other provision of this title, with respect to the counties affected by hurricanes in the 2005 calendar year and for any individuals who resided in such counties at the time of the disaster the Secretary of Agriculture may, for a 6-month period that begins upon the date of the enactment of this Act—

(1) convert rental assistance under section 521 of the Housing Act of 1949 (42 U.S.C. 1490a) allocated for a property that is not decent, safe, and sanitary because of the disaster into rural housing vouchers authorized under title V of the Housing Act of 1949;

(2) guarantee loans under section 502(h) of the Housing Act of 1949 (42 U.S.C. 1472(h)) to—

- (A) repair and rehabilitate single-family residences; and
- (B) refinance any loan made to a single-family resident used to acquire or construct the single-family residence if such residence meets the requirements of subparagraphs (A), (B), and (C) of section 502(h)(4) of the Housing Act of 1949 (42 U.S.C. 1472(h)(4));

(3) waive the application or the rural area or similar limitations under any program funded through an appropriations act and administered by the Rural Development Mission Area;

(4) issue housing vouchers under section 542 of the Housing Act of 1949 (42 U.S.C. 1490r), except that—

(A) notwithstanding the first sentence of subsection (a) of section 542 of such Act, the Secretary may assist low-income families and persons whose residence has become uninhabitable or inaccessible as a result of a 2005 hurricane; and

(B) subsection (b) of such section 542 of such Act shall not apply;

(5) provide loans, loan guarantees and grants from the Renewable Energy System and Energy Efficiency Improvements Program authorized in section 9006 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8106) to any rural business—

(A) with a cost share requirement not to exceed 50 percent;

(B) without regard to any limitation of the grant amount; and

(C) which may include businesses processing unsegregated solid waste and paper, as determined by the Secretary;

(6) provide grants under the Value-added Agricultural Product Market Development Grant Program and Rural Cooperative Development Grant Program without regard to any grant amount limitations or matching requirements; and

(7) provide grants under the Community Facilities Grant Program without regard to any graduated funding requirements, grant amount limitations or matching requirements.

(b) The funds made available under this section are designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.

SEC. 106. Section 759 of the Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act, 2006 (Public Law 109–97) is amended to read as follows:

“SEC. 759. None of the funds appropriated or otherwise made available under this or any other Act shall be used to pay the salaries and expenses of personnel to expend more than \$12,000,000 of the funds initially made available for fiscal year 2006 by section 310(a)(2) of the Biomass Research and Development Act of 2000 (7 U.S.C. 7624 note).”

SEC. 107. EMERGENCY FORESTRY CONSERVATION RESERVE PROGRAM.

(a) Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended by adding at the end the following:

“(k) EMERGENCY FORESTRY CONSERVATION RESERVE PROGRAM.—

“(1) DEFINITIONS.—In this subsection:

“(A) MERCHANTABLE TIMBER.—The term ‘merchantable timber’ means timber on private nonindustrial forest land on which the average tree has a trunk diameter of at least 6 inches measured at a point no less than 4.5 feet above the ground.

“(B) PRIVATE NONINDUSTRIAL FOREST LAND.—The term ‘private nonindustrial forest land’ includes State school trust land.

“(2) PROGRAM.—During calendar year 2006, the Secretary shall carry out an emergency pilot program in States that the Secretary determines have suffered damage to merchantable timber in counties affected by hurricanes during the 2005 calendar year.

“(3) ELIGIBLE ACREAGE.—

“(A) IN GENERAL.—Subject to subparagraph (B) and the availability of funds under subparagraph (G), an owner or operator may enroll private nonindustrial forest land in the conservation reserve under this subsection.

“(B) DETERMINATION OF DAMAGES.—Eligibility for enrollment shall be limited to owners and operators of private nonindustrial forest land that have experienced a loss of 35 percent or more of merchantable timber in a county affected by hurricanes during the 2005 calendar year.

“(C) EXEMPTIONS.—Acreage enrolled in the conservation reserve under this subsection shall not count toward—

“(i) county acreage limitations described in section 1243(b);

or

“(ii) the maximum enrollment described in subsection (d).

“(D) DUTIES OF OWNERS AND OPERATORS.—As a condition of entering into a contract under this subsection, during the term of the contract, the owner or operator of private nonindustrial forest land shall agree—

“(i) to restore the land, through site preparation and planting of similar species as existing prior to hurricane damages or to the maximum extent practicable with other native species, as determined by the Secretary; and

“(ii) to establish temporary vegetative cover the purpose of which is to prevent soil erosion on the eligible acreage, as determined by the Secretary.

“(E) DUTIES OF THE SECRETARY.—

“(i) IN GENERAL.—In return for a contract entered into by an owner or operator of private nonindustrial forest land under this subsection, the Secretary shall provide, at the option of the landowner—

“(I) notwithstanding the limitation in section 1234(f)(1), a lump sum payment; or

“(II) annual rental payments.

“(ii) CALCULATION OF LUMP SUM PAYMENT.—The lump sum payment described in clause (i)(I) shall be calculated using a net present value formula, as determined by the Secretary, based on the total amount a producer would receive over the duration of the contract.

“(iii) CALCULATION OF ANNUAL RENTAL PAYMENTS.—The annual rental payment described in clause (i)(II) shall be equal to the average rental rate for conservation reserve contracts in the county in which the land is located.

“(iv) ROLLING SIGNUP.—The Secretary shall offer a rolling signup for contracts under this subsection.

“(v) DURATION OF CONTRACTS.—A contract entered into under this subsection shall have a term of 10 years.

“(F) BALANCE OF NATURAL RESOURCES.—In determining the acceptability of contract offers under this subsection, the Secretary shall consider an equitable balance among the purposes of soil erosion prevention, water quality improvement, wildlife habitat restoration, and mitigation of economic loss.

“(G) FUNDING.—The Secretary shall use \$404,100,000, to remain available until expended, of funds of the Commodity Credit Corporation to carry out this subsection.

“(H) DETERMINATIONS BY SECRETARY.—A determination made by the Secretary under this subsection shall be final and conclusive.

“(I) REGULATIONS.—

“(i) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the Secretary shall promulgate such regulations as are necessary to implement this subsection.

“(ii) PROCEDURE.—The promulgation of regulations and administration of this subsection shall be made without regard to—

“(I) the notice and comment provisions of section 553 of title 5, United States Code;

“(II) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and

“(III) chapter 35 of title 44, United States Code (commonly known as the ‘Paperwork Reduction Act’).

“(iii) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out this subsection, the Secretary shall use the authority provided under section 808 of title 5, United States Code.”

(b) EMERGENCY DESIGNATION.—The amount provided under this section is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006. [Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006.]