

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, and not to exceed \$75,000 for employment under 5 U.S.C. 3109, **[\$2,992,000] \$36,741,000**, of which \$28,250,000, to remain available until expended, is for building security and other terrorism protection costs; and of which \$5,000,000, to remain available until September 30, 2005, is for funding workforce and organizational streamlining and restructuring activities: *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: *Provided further*, That none of the funds appropriated or otherwise made available by this Act may be used to pay the salaries and expenses of personnel of the Department of Agriculture to carry out section 793(c)(1)(C) of Public Law 104-127: *Provided further*, That none of the funds made available by this Act may be used to enforce section 793(d) of Public Law 104-127.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

For necessary salaries and expenses of the Office of the Assistant Secretary for Administration to carry out the programs funded by this Act, **[\$647,000] \$797,000**.

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, **[\$3,718,000] \$4,222,000**: *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 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, **[\$573,000] \$797,000**.

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; **[\$654,000] \$797,000**.

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, **[\$476,000] \$797,000**.

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, **[\$606,000] \$923,000**.

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, **[\$730,000] \$923,000**.

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 of the Department of Agriculture, **[\$623,000] \$923,000**.

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, **[\$587,000] \$797,000**. (7 U.S.C. 2201-2202; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002; additional authorizing legislation required.)

[OFFICE OF THE SECRETARY]

[For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for "Office of the Secretary" \$80,919,000, to remain available until expended, to be obligated from amounts made available in Public Law 107-38.] (Emergency Supplemental Act, 2002.)

| Program and Financing (in millions of dollars) | | | |
|--|-------------|-----------|-----------|
| Identification code 12-9913-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
| Obligations by program activity: | | | |
| 00.01 Office of the Secretary | 3 | 3 | 36 |
| 00.02 Under/Assistant Secretaries | 5 | 9 | 9 |
| 00.03 Infoshare program | 3 | | |
| 00.04 Terrorist response | | 81 | |
| 10.00 Total new obligations | 11 | 93 | 45 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 14 | 14 | 12 |
| 22.00 New budget authority (gross) | 12 | 91 | 45 |
| 23.90 Total budgetary resources available for obligation | 26 | 105 | 57 |
| 23.95 Total new obligations | -11 | -93 | -45 |
| 23.98 Unobligated balance expiring or withdrawn | -1 | | |
| 24.40 Unobligated balance carried forward, end of year | 14 | 12 | 12 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 44 | 93 | 47 |
| 41.00 Transferred to other accounts | -32 | -2 | -2 |
| 43.00 Appropriation (total discretionary) | 12 | 91 | 45 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 16 | 11 | 26 |
| 73.10 Total new obligations | 11 | 93 | 45 |
| 73.20 Total outlays (gross) | -16 | -77 | -69 |
| 74.40 Obligated balance, end of year | 11 | 26 | 2 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 11 | 65 | 35 |
| 86.93 Outlays from discretionary balances | 5 | 12 | 34 |
| 87.00 Total outlays (gross) | 16 | 77 | 69 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 12 | 91 | 45 |
| 90.00 Outlays | 17 | 77 | 69 |

General and special funds—Continued

[OFFICE OF THE SECRETARY]—Continued

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.

The budget includes continued funding for several security related items funded by the Emergency response fund in response to September 11, 2001. Funding in Office of the Secretary totals \$28 million, of which \$18 million is for Departmental administration for building security in the Washington, D.C., area and other terrorism protection costs, \$5 million is for APHIS and \$5 million is for ARS.

The budget proposes to provide \$5 million in funding for the Department of Agriculture's workforce and organizational streamlining and restructuring efforts. Department of Agriculture agencies requesting use of the funds will provide an approved streamlining or restructuring plan and a cost benefit analysis to the Secretary of Agriculture. The Secretary of Agriculture, in coordination with the Chief Financial Officer, will approve funding. The Secretary of Agriculture, in coordination with the Chief Financial Officer, will be responsible for providing the funding and analyzing the results of streamlining and restructuring efforts. This is in direct support of the President's Management Agenda item on strategic management of human capital.

Funds are available for any of an array of activities that support streamlining and restructuring, such as county office cross-training, collocation expenses, workplace restructuring, development of satellite offices, centralized servicing of payments or loans, etc. In subsequent years, success of implementing streamlining and restructuring plans will be considered in funding new efforts.

Object Classification (in millions of dollars)

| Identification code 12-9913-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| 11.1 Personnel compensation: Full-time permanent | 6 | 8 | 8 |
| 12.1 Civilian personnel benefits | 3 | 2 | 2 |
| 25.2 Other services | 2 | 83 | 35 |
| 99.9 Total new obligations | 11 | 93 | 45 |

Personnel Summary

| Identification code 12-9913-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 1001 Total compensable workyears: Full-time equivalent employment | 53 | 82 | 82 |

FUND FOR RURAL AMERICA

Program and Financing (in millions of dollars)

| Identification code 12-0012-0-1-999 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Rural development activities | 20 | | |
| 00.02 Research, extension and education grants | 10 | | |
| 10.00 Total new obligations (object class 41.0) | 30 | | |

Budgetary resources available for obligation:

| | | | |
|--|-----|-----|-----|
| 21.40 Unobligated balance carried forward, start of year | 60 | 60 | 100 |
| 22.00 New budget authority (gross) | 30 | 90 | 60 |
| 23.90 Total budgetary resources available for obligation | 90 | 150 | 160 |
| 23.95 Total new obligations | -30 | | |

| | | | |
|--|----|-----|-----|
| 23.98 Unobligated balance expiring or withdrawn | | -50 | -20 |
| 24.40 Unobligated balance carried forward, end of year | 60 | 100 | 140 |

New budget authority (gross), detail:

| | | | |
|---|-----|------|------|
| Discretionary: | | | |
| 40.00 Appropriation | | | |
| 40.35 Appropriation deferred | | | -160 |
| 43.00 Appropriation (total discretionary) | | | -160 |
| Mandatory: | | | |
| 60.00 Appropriation | 120 | 150 | 160 |
| 60.35 Appropriation deferred | -90 | -150 | |
| 62.50 Appropriation (total mandatory) | 30 | | 160 |
| 70.00 Total new budget authority (gross) | 30 | | |

Change in obligated balances:

| | | | |
|---|-----|----|-----|
| 72.40 Obligated balance, start of year | 35 | 34 | 26 |
| 73.10 Total new obligations | 30 | | |
| 73.20 Total outlays (gross) | -30 | -8 | -11 |
| 73.40 Adjustments in expired accounts (net) | -1 | | |
| 74.40 Obligated balance, end of year | 34 | 26 | 15 |

Outlays (gross), detail:

| | | | |
|--|----|---|------|
| 86.90 Outlays from new discretionary authority | | | -103 |
| 86.97 Outlays from new mandatory authority | 17 | | 103 |
| 86.98 Outlays from mandatory balances | 13 | 8 | 11 |
| 87.00 Total outlays (gross) | 30 | 8 | 11 |

Net budget authority and outlays:

| | | | |
|------------------------------|----|----|----|
| 89.00 Budget authority | 30 | 90 | 60 |
| 90.00 Outlays | 30 | 8 | 11 |

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 1996 Farm Bill authorized \$100 million for the Fund in each of 1997, 1999, and 2000.

The Agricultural Research, Extension, and Education Reform Act of 1998, P.L. 105-185 extended authorization for the Fund for Rural America through October 1, 2002, but reduced the amount to be available annually for the Fund to \$60 million beginning in 1999.

For 2001, the first year availability of the 2001 appropriation for the Fund for Rural America was blocked. Further, of the \$60 million in 2000 carryover funds, the Secretary was allowed by Congress to spend only \$30 million in 2001. Congress prohibited spending funds in 2002 with the exception of administration and oversight of grants awarded prior to enactment of the 2002 Agriculture Appropriations Act. In 2001, the Secretary allocated \$20 million of the available \$30 million in funding to support rural business grants, outreach for socially disadvantaged producers, farm labor loans and other ongoing rural development activities. Another \$10 million was used to support research, education, and extension proposals.

The 2003 budget proposes blocking the \$100 million in 2001 and 2002 funds available in 2003. The 2003 budget also proposes blocking the availability of the \$60 million in 2003 funding. The specific appropriations language for these funding changes is included as part of the General Provisions.

Personnel Summary

| Identification code 12-0012-0-1-999 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 1001 Total compensable workyears: Full-time equivalent employment | 6 | | |

Trust Funds
GIFTS AND BEQUESTS

Unavailable Collections (in millions of dollars)

| Identification code 12-8203-0-7-352 | 2001 actual | 2002 est. | 2003 est. |
|-------------------------------------|-------------|-----------|-----------|
| 01.99 Balance, start of year | | | |
| Receipts: | | | |
| 02.00 Gifts and bequests | 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 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 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 | 2 | 2 | 2 |
| 22.00 New budget authority (gross) | 1 | 1 | 1 |
| 23.90 Total budgetary resources available for obligation | 3 | 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 |

| 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), and including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$5,000 is for employment under 5 U.S.C. 3109, **[\$7,704,000]** \$12,508,000.

NATIONAL APPEALS DIVISION

For necessary expenses of the National Appeals Division, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$25,000 is for employment under 5 U.S.C. 3109, **[\$12,869,000]** \$15,262,000.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

For necessary expenses of the Office of Budget and Program Analysis, including employment pursuant to the second sentence of section

706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$5,000 is for employment under 5 U.S.C. 3109, **[\$7,041,000]** 7,888,000. (7 U.S.C. 2201, 2202; 42 U.S.C. 2000d; *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002; additional authorizing legislation required.*)

Program and Financing (in millions of dollars)

| Identification code 12-0705-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Chief Economist | 7 | 8 | 12 |
| 00.03 National Appeals Division | 13 | 14 | 15 |
| 00.04 Budget and program analysis | 8 | 8 | 8 |
| 09.01 Reimbursable program | 1 | 1 | 1 |
| 10.00 Total new obligations | 29 | 31 | 36 |

| Budgetary resources available for obligation: | | | |
|--|-----|-----|-----|
| 22.00 New budget authority (gross) | 29 | 31 | 37 |
| 23.95 Total new obligations | -29 | -31 | -36 |

| New budget authority (gross), detail: | | | |
|---|----|----|----|
| Discretionary: | | | |
| 40.00 Appropriation | 28 | 30 | 36 |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | 1 | 1 | 1 |
| 70.00 Total new budget authority (gross) | 29 | 31 | 37 |

| Change in obligated balances: | | | |
|---|-----|-----|-----|
| 72.40 Obligated balance, start of year | 4 | 5 | 5 |
| 73.10 Total new obligations | 29 | 31 | 36 |
| 73.20 Total outlays (gross) | -29 | -31 | -37 |
| 73.40 Adjustments in expired accounts (net) | 1 | | |
| 74.40 Obligated balance, end of year | 5 | 5 | 5 |

| Outlays (gross), detail: | | | |
|--|----|----|----|
| 86.90 Outlays from new discretionary authority | 25 | 28 | 33 |
| 86.93 Outlays from discretionary balances | 4 | 3 | 4 |
| 87.00 Total outlays (gross) | 29 | 31 | 37 |

| 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 | 28 | 30 | 36 |
| 90.00 Outlays | 29 | 30 | 36 |

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 26 | 28 | 34 |
| 90.00 Outlays | 27 | 28 | 34 |

Executive Operations provides support for USDA policy officials and selected Departmentwide 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

| | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| World Agricultural Supply and Demand Estimates Reports issued | 12 | 12 | 12 |
| Weekly Weather and Crop Bulletin issued | 52 | 52 | 52 |

General and special funds—Continued

OFFICE OF BUDGET AND PROGRAM ANALYSIS—Continued

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.

WORKLOAD INDICATORS

| | 2001 actual | 2002 est. | 2003 est. |
|-------------------------------------|-------------|-----------|-----------|
| Regional or National Training | | 1 | 1 |

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.

Object Classification (in millions of dollars)

| Identification code 12-0705-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| 11.1 Personnel compensation: Full-time permanent | 18 | 21 | 22 |
| 12.1 Civilian personnel benefits | 5 | 6 | 6 |
| 21.0 Travel and transportation of persons | 1 | 1 | 1 |
| 23.3 Communications, utilities, and miscellaneous charges | 1 | 1 | 1 |
| 25.2 Other services | 3 | 1 | 4 |
| 31.0 Equipment | | | 1 |
| 99.0 Direct obligations | 28 | 30 | 35 |
| 99.0 Reimbursable obligations | 1 | 1 | 1 |
| 99.9 Total new obligations | 29 | 31 | 36 |

Personnel Summary

| Identification code 12-0705-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Full-time equivalent employment | 230 | 261 | 275 |
| Reimbursable: | | | |
| 2001 Total compensable workyears: Full-time equivalent employment | 4 | 4 | 4 |

OFFICE OF THE CHIEF FINANCIAL OFFICER

For necessary expenses of the Office of the Chief Financial Officer, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$10,000 is for employment under 5 U.S.C. 3109, **[\$5,384,000] \$8,399,000: Provided,** That the Chief Financial Officer shall actively market and expand cross-servicing activities of the National Finance Center. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002; additional authorizing legislation required.*)

Program and Financing (in millions of dollars)

| Identification code 12-0014-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct program | 5 | 5 | 8 |
| 09.01 Reimbursable program | 2 | 2 | 2 |
| 10.00 Total new obligations | 7 | 7 | 10 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 7 | 7 | 10 |
| 23.95 Total new obligations | -7 | -7 | -10 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 5 | 5 | 8 |

| | | | |
|--|---|---|----|
| Spending authority from offsetting collections: | | | |
| 68.00 Offsetting collections (cash) | 1 | 2 | 2 |
| 68.10 Change in uncollected customer payments from Federal sources (unexpired) | 1 | | |
| 68.90 Spending authority from offsetting collections (total discretionary) | 2 | 2 | 2 |
| 70.00 Total new budget authority (gross) | 7 | 7 | 10 |

Change in obligated balances:

| | | | |
|--|----|----|-----|
| 72.40 Obligated balance, start of year | 1 | 1 | 1 |
| 73.10 Total new obligations | 7 | 7 | 10 |
| 73.20 Total outlays (gross) | -7 | -7 | -10 |
| 73.40 Adjustments in expired accounts (net) | 1 | | |
| 74.00 Change in uncollected customer payments from Federal sources (unexpired) | -1 | | |
| 74.40 Obligated balance, end of year | 1 | 1 | 1 |

Outlays (gross), detail:

| | | | |
|--|---|---|----|
| 86.90 Outlays from new discretionary authority | 7 | 7 | 10 |
|--|---|---|----|

Offsets:

| | | | |
|--|----|----|----|
| Against gross budget authority and outlays: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources | -1 | -2 | -2 |
| 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 | 5 | 5 | 8 |
| 90.00 Outlays | 5 | 5 | 8 |

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

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-------------|-------------|
| Achieve an unqualified opinion on the USDA financial statements | TBD | Unqualified | Unqualified |
| Implement the Foundation financial information system USDA-wide: USDA employees served | 78% | 98% | 100% |

Object Classification (in millions of dollars)

| Identification code 12-0014-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Direct obligations: | | | |
| 11.1 Personnel compensation: Full-time permanent | 3 | 4 | 6 |
| 12.1 Civilian personnel benefits | 1 | 1 | 1 |
| 25.2 Other services | 1 | | 1 |
| 99.0 Direct obligations | 5 | 5 | 8 |
| 99.0 Reimbursable obligations | 2 | 2 | 2 |
| 99.9 Total new obligations | 7 | 7 | 10 |

Personnel Summary

| Identification code 12-0014-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Full-time equivalent employment | 44 | 61 | 78 |
| Reimbursable: | | | |
| 2001 Total compensable workyears: Full-time equivalent employment | 20 | 14 | 14 |

OFFICE OF THE CHIEF INFORMATION OFFICER

For necessary expenses of the Office of the Chief Information Officer, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$10,000 is for employment under 5 U.S.C. 3109, **[\$10,029,000]** \$31,732,000. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002; additional authorizing legislation required.)

Program and Financing (in millions of dollars)

| Identification code 12-0013-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Direct program: | | | |
| 00.01 Office of the Chief Information Officer | 10 | 10 | 32 |
| 00.02 Year 2000 remediation | 5 | | |
| 09.01 Reimbursable program | 7 | 8 | 2 |
| 10.00 Total new obligations | 22 | 18 | 34 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 3 | -1 | |
| 22.00 New budget authority (gross) | 17 | 18 | 34 |
| 22.10 Resources available from recoveries of prior year obligations | 1 | 1 | |
| 23.90 Total budgetary resources available for obligation | 21 | 18 | 34 |
| 23.95 Total new obligations | -22 | -18 | -34 |
| 24.40 Unobligated balance carried forward, end of year | -1 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 10 | 10 | 31 |
| Spending authority from offsetting collections: | | | |
| 68.00 Offsetting collections (cash) | 2 | 8 | 2 |
| 68.10 Change in uncollected customer payments from Federal sources (unexpired) | 5 | | |
| 68.90 Spending authority from offsetting collections (total discretionary) | 7 | 8 | 2 |
| 70.00 Total new budget authority (gross) | 17 | 18 | 33 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 3 | -2 | |
| 73.10 Total new obligations | 22 | 18 | 34 |
| 73.20 Total outlays (gross) | -25 | -18 | -34 |
| 73.40 Adjustments in expired accounts (net) | 5 | | |
| 73.45 Recoveries of prior year obligations | -1 | -1 | |
| 74.00 Change in uncollected customer payments from Federal sources (unexpired) | -5 | | |
| 74.10 Change in uncollected customer payments from Federal sources (expired) | | 3 | |
| 74.40 Obligated balance, end of year | -2 | | |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 12 | 18 | 33 |
| 86.93 Outlays from discretionary balances | 13 | | |
| 87.00 Total outlays (gross) | 25 | 18 | 34 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources | -10 | -8 | -2 |
| 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 | 8 | | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 10 | 10 | 32 |
| 90.00 Outlays | 14 | 10 | 32 |

The Clinger-Cohen Act of 1996 required the establishment of a Chief Information Officer (CIO) for major Federal agencies. 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). OCIO provides Departmentwide policy guidance, leadership, coordination and direction to the Department's information

management and information technology investment activities in support of USDA program delivery. The Office provides planning guidance and technical assistance for cyber security, implements measures to ensure that technology investments are economical and effective, and implements standards and oversight to promote secure information exchange and technical interoperability.

This office also provides telecommunications and ADP services to USDA agencies through the National Information Technology Center with locations in Ft. Collins, Colorado, and Kansas City, Missouri. Direct ADP operational services are also provided to the Office of the Secretary, Office of the General Counsel, Office of Communications, Office of the Chief Financial Officer, and Executive Operations. OCIO also has direct management responsibility for the information technology component of the Service Center Modernization Initiative (SCMI). This includes the implementation of a common technology infrastructure to replace the outdated and stove-piped systems currently supporting the Farm Service Agency, the Natural Resources Conservation Service, and Rural Development.

Performance Measures

| | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Ensure all USDA agency critical information systems are Year 2000 compliant and operational (%) | 100% | NA | NA |
| Percent of critical information systems evaluated for vulnerabilities | 55% | 100% | NA |

Object Classification (in millions of dollars)

| Identification code 12-0013-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| 11.1 Personnel compensation: Full-time permanent | 4 | 6 | 7 |
| 12.1 Civilian personnel benefits | 1 | 1 | 2 |
| 25.2 Other services | 3 | 2 | 23 |
| 25.3 Other purchases of goods and services from Government accounts | 2 | 1 | 1 |
| 31.0 Equipment | 2 | | |
| 99.0 Direct obligations | 12 | 10 | 33 |
| 99.0 Reimbursable obligations | 7 | 8 | 1 |
| 99.5 Below reporting threshold | 3 | | |
| 99.9 Total new obligations | 22 | 18 | 34 |

Personnel Summary

| Identification code 12-0013-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Full-time equivalent employment | 58 | 70 | 88 |
| Reimbursable: | | | |
| 2001 Total compensable workyears: Full-time equivalent employment | 5 | 5 | 3 |

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, **[\$59,369,000]** \$133,155,000, 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. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002.)

General and special funds—Continued

COMMON COMPUTING ENVIRONMENT—Continued

Program and Financing (in millions of dollars)

| Identification code 12-0113-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 10.00 Total new obligations | 47 | 72 | 133 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | | 13 | |
| 22.00 New budget authority (gross) | 59 | 59 | 133 |
| 23.90 Total budgetary resources available for obligation | 59 | 72 | 133 |
| 23.95 Total new obligations | -47 | -72 | -133 |
| 24.40 Unobligated balance carried forward, end of year | 13 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 59 | 59 | 133 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | | 34 | 9 |
| 73.10 Total new obligations | 47 | 72 | 133 |
| 73.20 Total outlays (gross) | -13 | -97 | -130 |
| 74.40 Obligated balance, end of year | 34 | 9 | 12 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 13 | 50 | 112 |
| 86.93 Outlays from discretionary balances | | 47 | 18 |
| 87.00 Total outlays (gross) | 13 | 97 | 130 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 59 | 59 | 133 |
| 90.00 Outlays | 13 | 97 | 130 |

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. In addition, the Clinger Cohen Act of 1996 requires USDA to maximize the value of information technology acquisitions to improve the efficiency and effectiveness of USDA programs. Congress passed new legislation in 2000, "The Freedom to E-File Act," that requires agencies to make more services available to the public electronically. 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. The increase of \$70 million is to fund increased costs for information technology investments by the three Service Center agencies (Farm Service Agency, Natural Resources and Conservation Service, and Rural Development). An additional \$4 million is requested to fund ongoing projects necessary to implement the e-gov initiative. In lieu of providing the funding to each individual agency, funding is being provided through the CCE account to encourage increased oversight on expenditures. This change only applies to increased requests for funding. Funding already built into agency budgets to support the CCE remain within each agency's budget. Additional funds in the individual agency budgets will support some CCE investments,

the reengineering of business processes and data acquisition needed to maximize the benefits of this technology.

Performance Measure

| | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Operational SCMI common computing environment | No | No | Yes |
| Object Classification (in millions of dollars) | | | |
| Identification code 12-0113-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
| Direct obligations: | | | |
| 25.2 Other services | 4 | 15 | 77 |
| 26.0 Supplies and materials | 12 | | |
| 31.0 Equipment | 30 | 57 | 56 |
| 99.0 Direct obligations | 46 | 72 | 133 |
| 99.5 Below reporting threshold | 1 | | |
| 99.9 Total new obligations | 47 | 72 | 133 |

Intragovernmental funds:

WORKING CAPITAL FUND

For the acquisition of plant and capital equipment necessary for financial, administrative, and information technology services of primary benefit to the agencies of the Department of Agriculture, \$21,000,000, to remain available until expended.

Program and Financing (in millions of dollars)

| Identification code 12-4609-0-4-352 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Operating expenses: | | | |
| 09.01 Administration | 24 | 24 | 25 |
| 09.02 Communications | 6 | 5 | 5 |
| 09.03 Finance and management | 165 | 175 | 180 |
| 09.04 Information technology | 67 | 73 | 74 |
| 09.05 Executive secretariat | 1 | 2 | 2 |
| 09.06 Corporate systems | 34 | 37 | 42 |
| 09.09 Subtotal, operating expenses | 297 | 316 | 328 |
| Purchase of equipment: | | | |
| 09.12 Finance and management | 4 | 4 | 9 |
| 09.13 Information technology | 5 | 4 | 9 |
| 09.15 Corporate systems | 4 | 10 | 21 |
| 09.19 Subtotal, purchase of equipment | 13 | 18 | 39 |
| 10.00 Total new obligations | 310 | 334 | 367 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 14 | 25 | 25 |
| 22.00 New budget authority (gross) | 299 | 334 | 367 |
| 22.10 Resources available from recoveries of prior year obligations | 22 | | |
| 23.90 Total budgetary resources available for obligation | 335 | 359 | 392 |
| 23.95 Total new obligations | -310 | -334 | -367 |
| 24.40 Unobligated balance carried forward, end of year | 25 | 25 | 25 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | | | 21 |
| Spending authority from offsetting collections: | | | |
| 68.00 Offsetting collections (cash) | 272 | 334 | 346 |
| 68.10 Change in uncollected customer payments from Federal sources (unexpired) | 27 | | |
| 68.90 Spending authority from offsetting collections (total discretionary) | 299 | 334 | 346 |
| 70.00 Total new budget authority (gross) | 299 | 334 | 367 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 27 | -10 | -8 |
| 73.10 Total new obligations | 310 | 334 | 367 |
| 73.20 Total outlays (gross) | -298 | -332 | -366 |
| 73.45 Recoveries of prior year obligations | -22 | | |
| 74.00 Change in uncollected customer payments from Federal sources (unexpired) | -27 | | |
| 74.40 Obligated balance, end of year | -10 | -8 | -7 |

| Outlays (gross), detail: | | | | |
|---|--|------|------|------|
| 86.90 | Outlays from new discretionary authority | 298 | 290 | 322 |
| 86.93 | Outlays from discretionary balances | | 42 | 44 |
| 87.00 | Total outlays (gross) | 298 | 332 | 366 |
| Offsets: | | | | |
| Against gross budget authority and outlays: | | | | |
| 88.00 | Offsetting collections (cash) from: Federal sources | -272 | -334 | -346 |
| Against gross budget authority only: | | | | |
| 88.95 | Change in uncollected customer payments from Federal sources (unexpired) | -27 | | |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | | | 21 |
| 90.00 | Outlays | 27 | -2 | 20 |

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 ADP 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 \$32 million as of September 30, 2001. 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.

Twenty-one million dollars is requested to provide for investments in such corporate, financial, information technology, or other systems of general benefit to the Department and its agencies, and 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.

Object Classification (in millions of dollars)

| Identification code 12-4609-0-4-352 | | | | |
|-------------------------------------|--|-----------|-----------|-----|
| | 2001 actual | 2002 est. | 2003 est. | |
| Personnel compensation: | | | | |
| 11.1 | Full-time permanent | 96 | 107 | 110 |
| 11.3 | Other than full-time permanent | 2 | 2 | 2 |
| 11.5 | Other personnel compensation | 5 | 3 | 4 |
| 11.9 | Total personnel compensation | 103 | 112 | 116 |
| 12.1 | Civilian personnel benefits | 30 | 32 | 33 |
| 21.0 | Travel and transportation of persons | 2 | 2 | 2 |
| 22.0 | Transportation of things | 1 | 1 | 1 |
| 23.1 | Rental payments to GSA | 3 | 5 | 5 |
| 23.2 | Rental payments to others | 2 | 2 | 2 |
| 23.3 | Communications, utilities, and miscellaneous charges | 34 | 38 | 38 |
| 24.0 | Printing and reproduction | 1 | 2 | 2 |
| 25.2 | Other services | 107 | 112 | 119 |
| 26.0 | Supplies and materials | 8 | 8 | 8 |
| 31.0 | Equipment | 19 | 20 | 41 |
| 99.9 | Total new obligations | 310 | 334 | 367 |

Personnel Summary

| Identification code 12-4609-0-4-352 | | | | |
|-------------------------------------|--|-----------|-----------|-------|
| | 2001 actual | 2002 est. | 2003 est. | |
| 2001 | Total compensable workyears: Full-time equivalent employment | 2,006 | 2,100 | 2,100 |

DEPARTMENTAL ADMINISTRATION

Federal Funds

General and special funds:

DEPARTMENTAL ADMINISTRATION
(INCLUDING TRANSFERS OF FUNDS)

For Departmental Administration, **[\$37,079,000]** \$48,542,000, to provide for necessary expenses for management support services to

offices of the Department and for general administration and disaster management of the Department, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$10,000 is for employment under 5 U.S.C. 3109: *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, 2002; additional authorizing legislation required.*)

Program and Financing (in millions of dollars)

| Identification code 12-0120-0-1-352 | | 2001 actual | 2002 est. | 2003 est. |
|--|--|-------------|-----------|-----------|
| Obligations by program activity: | | | | |
| 00.08 | Direct program | 38 | 39 | 48 |
| 09.01 | Reimbursable program | 15 | 16 | 16 |
| 10.00 | Total new obligations | 53 | 55 | 64 |
| Budgetary resources available for obligation: | | | | |
| 22.00 | New budget authority (gross) | 53 | 55 | 64 |
| 23.95 | Total new obligations | -53 | -55 | -64 |
| New budget authority (gross), detail: | | | | |
| Discretionary: | | | | |
| 40.00 | Appropriation | 38 | 39 | 48 |
| Spending authority from offsetting collections: | | | | |
| 68.00 | Offsetting collections (cash) | 8 | 16 | 16 |
| 68.10 | Change in uncollected customer payments from Federal sources (unexpired) | 7 | | |
| 68.90 | Spending authority from offsetting collections (total discretionary) | 15 | 16 | 16 |
| 70.00 | Total new budget authority (gross) | 53 | 55 | 64 |
| Change in obligated balances: | | | | |
| 72.40 | Obligated balance, start of year | -13 | -2 | |
| 73.10 | Total new obligations | 53 | 55 | 64 |
| 73.20 | Total outlays (gross) | -55 | -53 | -62 |
| 74.00 | Change in uncollected customer payments from Federal sources (unexpired) | -7 | | |
| 74.10 | Change in uncollected customer payments from Federal sources (expired) | 20 | | |
| 74.40 | Obligated balance, end of year | -2 | | |
| Outlays (gross), detail: | | | | |
| 86.90 | Outlays from new discretionary authority | 44 | 53 | 59 |
| 86.93 | Outlays from discretionary balances | 11 | | 2 |
| 87.00 | Total outlays (gross) | 55 | 53 | 62 |
| Offsets: | | | | |
| Against gross budget authority and outlays: | | | | |
| 88.00 | Offsetting collections (cash) from: Federal sources | -18 | -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 | 10 | | |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | 38 | 39 | 48 |
| 90.00 | Outlays | 37 | 38 | 45 |

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. | |
|--|------------------------|-----------|-----------|----|
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | 36 | 37 | 46 |
| 90.00 | Outlays | 35 | 36 | 43 |

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 resource man-

General and special funds—Continued

DEPARTMENTAL ADMINISTRATION—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

agement, ethics, occupational safety and health management, real and personal property management, procurement, contracting, motor vehicle and aircraft management, supply management, civil rights and equal opportunity, participation of small and disadvantaged businesses, and socially disadvantaged farmers and ranchers in the Department's program activities, emergency preparedness, 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 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| 11.1 Personnel compensation: Full-time permanent | 21 | 27 | 30 |
| 12.1 Civilian personnel benefits | 6 | 7 | 8 |
| 21.0 Travel and transportation of persons | 1 | | |
| 23.1 Rental payments to GSA | | | 4 |
| 23.3 Communications, utilities, and miscellaneous charges | 1 | | |
| 25.2 Other services | 3 | 2 | 3 |
| 25.3 Other purchases of goods and services from Government accounts | 3 | 2 | 2 |
| 26.0 Supplies and materials | 1 | | |
| 31.0 Equipment | 1 | | |
| 99.0 Direct obligations | 37 | 38 | 47 |
| 99.0 Reimbursable obligations | 15 | 15 | 15 |
| 99.5 Below reporting threshold | 1 | 2 | 2 |
| 99.9 Total new obligations | 53 | 55 | 64 |

Personnel Summary

| Identification code 12-0120-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Full-time equivalent employment | 312 | 376 | 398 |
| Reimbursable: | | | |
| 2001 Total compensable workyears: Full-time equivalent employment | 60 | 30 | 57 |

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., **[\$15,665,000] \$15,744,000**, 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, 2002.)

Program and Financing (in millions of dollars)

| Identification code 12-0500-0-1-304 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct program | 18 | 16 | 16 |
| 10.00 Total new obligations | 18 | 16 | 16 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 1 | 1 | 1 |
| 22.00 New budget authority (gross) | 16 | 16 | 16 |
| 22.10 Resources available from recoveries of prior year obligations | 3 | | |
| 23.90 Total budgetary resources available for obligation | 20 | 17 | 17 |
| 23.95 Total new obligations | -18 | -16 | -16 |
| 24.40 Unobligated balance carried forward, end of year | 1 | 1 | 1 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 16 | 16 | 16 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 22 | 18 | 17 |
| 73.10 Total new obligations | 18 | 16 | 16 |
| 73.20 Total outlays (gross) | -19 | -18 | -18 |
| 73.45 Recoveries of prior year obligations | -3 | | |
| 74.40 Obligated balance, end of year | 18 | 17 | 15 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 15 | 14 | 14 |
| 86.93 Outlays from discretionary balances | 4 | 4 | 3 |
| 87.00 Total outlays (gross) | 19 | 18 | 18 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 16 | 16 | 16 |
| 90.00 Outlays | 19 | 18 | 18 |

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 storage and disposition of hazardous wastes as private businesses. Since the Department has 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.

PERFORMANCE INDICATORS

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Number of sites assessed/characterized on need for cleanup | 153 | 109 | 68 |
| Number of cleanup plans | 65 | 64 | 59 |
| Number of non-mine CERCLA cleanups | 32 | 7 | 23 |
| Number of mine CERCLA cleanups | 15 | 10 | 25 |
| Number of UST and other RCRA cleanups | 70 | 15 | 6 |
| Number of agreements reached with potentially responsible parties (PRPs) | 19 | 10 | 10 |
| Estimated value of cleanup/restoration work performed by PRP's (\$ millions) | 12 | 10 | 5 |

Object Classification (in millions of dollars)

| Identification code 12-0500-0-1-304 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| 25.1 Advisory and assistance services | 1 | | |
| 25.2 Other services | 16 | 15 | 15 |
| 99.0 Direct obligations | 17 | 15 | 15 |
| 99.5 Below reporting threshold | 1 | 1 | 1 |
| 99.9 Total new obligations | 18 | 16 | 16 |

Personnel Summary

| Identification code 12-0500-0-1-304 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 1001 Total compensable workyears: Full-time equivalent employment | 6 | 6 | 6 |

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] For the operation, maintenance, improvement, and repair of Agriculture buildings and facilities, and for related costs, [\$187,647,000] \$70,992,000, to remain available until expended[: Provided, That the Secretary of Agriculture may transfer a share of that agency's appropriation made available by this Act to this appropriation, or may transfer a share of this appropriation to that agency's appropriation to cover the costs of new or replacement space for such agency, but such transfers shall not exceed 5 percent of the funds made available for space rental and related costs to or from this account]. (7 U.S.C. 2201, 2202, 2208; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002; additional authorizing legislation required.)

Program and Financing (in millions of dollars)

| Identification code 12-0117-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Direct program: | | | |
| 00.01 Rental payments to GSA: Non-recurring repairs | 120 | 130 | ..... |
| 00.02 Building operations and maintenance | 30 | 31 | 37 |
| 00.04 Strategic space plan | 24 | 26 | 34 |
| 09.02 Reimbursable program | -1 | 1 | 1 |
| 10.00 Total new obligations | 173 | 188 | 72 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 16 | 25 | 25 |
| 22.00 New budget authority (gross) | 183 | 189 | 72 |
| 22.10 Resources available from recoveries of prior year obligations | 1 | ..... | ..... |
| 23.90 Total budgetary resources available for obligation | 200 | 214 | 97 |
| 23.95 Total new obligations | -173 | -188 | -72 |
| 24.40 Unobligated balance carried forward, end of year | 25 | 25 | 25 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 183 | 188 | 70 |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | -1 | 1 | 1 |
| 70.00 Total new budget authority (gross) | 182 | 189 | 71 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 17 | 46 | ..... |
| 73.10 Total new obligations | 173 | 188 | 72 |
| 73.20 Total outlays (gross) | -142 | -235 | -72 |
| 73.45 Recoveries of prior year obligations | -1 | ..... | ..... |
| 74.40 Obligated balance, end of year | 46 | ..... | ..... |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 125 | 187 | 70 |
| 86.93 Outlays from discretionary balances | 17 | 47 | 2 |
| 87.00 Total outlays (gross) | 142 | 235 | 72 |
| 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 | 184 | 188 | 71 |
| 90.00 Outlays | 144 | 234 | 71 |

This account finances expenses associated with the operation, maintenance, repair and improvement of buildings and facilities in the Headquarters area and related costs such as rental of space to house functions displaced during modernization of these facilities.

Beginning in 2003, GSA rental payments and related costs will be funded in the budgets of the respective agencies instead of a central account.

WORKLOAD INDICATORS

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Maintenance and Repairs: | | | |
| Minor repairs (number) | 402 | 400 | 400 |
| Maintenance (thousands of hours) | 19,570 | 19,500 | 19,500 |
| Service calls (thousands) | 11,060 | 11,000 | 11,000 |

Object Classification (in millions of dollars)

| Identification code 12-0117-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| 11.1 Personnel compensation: Full-time permanent | 5 | 6 | 6 |
| 12.1 Civilian personnel benefits | 1 | 1 | 2 |
| 23.1 Rental payments to GSA | 121 | 130 | 3 |
| 23.3 Communications, utilities, and miscellaneous charges | 4 | 5 | 5 |
| 25.2 Other services | 43 | 45 | 55 |
| 99.0 Direct obligations | 174 | 187 | 71 |
| 99.0 Reimbursable obligations | -1 | 1 | 1 |
| 99.9 Total new obligations | 173 | 188 | 72 |

Personnel Summary

| Identification code 12-0117-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 1001 Total compensable workyears: Full-time equivalent employment | 79 | 88 | 94 |

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), \$3,243,000, to remain available until expended. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002.)

Program and Financing (in millions of dollars)

| Identification code 12-0601-0-1-351 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct program | 3 | 3 | 3 |
| 10.00 Total new obligations (object class 41.0) | 3 | 3 | 3 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 3 | 3 | 3 |
| 23.95 Total new obligations | -3 | -3 | -3 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 3 | 3 | 3 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 1 | 2 | 2 |
| 73.10 Total new obligations | 3 | 3 | 3 |
| 73.20 Total outlays (gross) | -2 | -3 | -3 |
| 74.40 Obligated balance, end of year | 2 | 2 | 2 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority ..... | ..... | 3 | 3 |
| 86.93 Outlays from discretionary balances | 2 | ..... | ..... |
| 87.00 Total outlays (gross) | 2 | 3 | 3 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 3 | 3 | 3 |
| 90.00 Outlays | 2 | 3 | 3 |

Outreach for Socially Disadvantaged Farmers Grants.—This program is authorized under section 2501 of Title XXV of the Food, Agriculture, Conservation, and Trade Act of 1990. Section 2501 requires the Secretary of Agriculture to provide outreach and technical assistance to encourage and assist

General and special funds—Continued

OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS—Continued

socially disadvantaged farmers and ranchers to own and operate farms and ranches and to participate in agricultural programs.

The Secretary may make grants to and enter into contracts and other agreements with eligible community-based organizations, 1890/1862/1994 Land-Grant Institutions, Tuskegee University, Native American Community Colleges and Hispanic Servicing Institutions with demonstrated experience in providing education or other agriculture-related services to socially disadvantaged farmers and ranchers.

The USDA will provide outreach, training, and technical assistance on sound farm management and production, crop diversification, marketing practices, farm accounting, and recordkeeping. The overall objective of the program is to enhance the ability of socially disadvantaged producers to operate a farming or ranching enterprise independently and produce income to service an adequate standard of living. Services are provided by non-federal employees who are employed by the entities.

WORKLOAD INDICATOR

| | 2001 actual | 2002 est. | 2003 est. |
|------------------------|-------------|-----------|-----------|
| Number of grants | 28 | 30 | 30 |

OFFICE OF COMMUNICATIONS

Federal Funds

General and special funds:

OFFICE OF COMMUNICATIONS

For necessary expenses to carry on 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, **[\$8,894,000]** \$10,153,000, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$10,000 shall be available for employment under 5 U.S.C. 3109, and not to exceed \$2,000,000 may be used for farmers' bulletins. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002; additional authorizing legislation required.*)

Program and Financing (in millions of dollars)

| Identification code 12-0150-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Public affairs | 10 | 10 | 11 |
| 09.01 Reimbursable program | | | 1 |
| 10.00 Total new obligations | 10 | 10 | 12 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 11 | 11 | 12 |
| 23.95 Total new obligations | -10 | -10 | -12 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 10 | 10 | 11 |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | 1 | 1 | 1 |
| 70.00 Total new budget authority (gross) | 10 | 11 | 12 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | -1 | -2 | |
| 73.10 Total new obligations | 10 | 10 | 12 |
| 73.20 Total outlays (gross) | -10 | -10 | -10 |
| 74.40 Obligated balance, end of year | -2 | | |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 10 | 10 | 11 |
| 86.93 Outlays from discretionary balances | 1 | 1 | 1 |

| | | | |
|---|----|----|----|
| 87.00 Total outlays (gross) | 10 | 10 | 10 |
| 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 | 10 | 10 | 11 |
| 90.00 Outlays | 10 | 9 | 9 |

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 9 | 9 | 10 |
| 90.00 Outlays | 9 | 8 | 8 |

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.

PERFORMANCE MEASURES

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Random surveys of selected communications initiatives reveal that intended audience received the material or information distributed | 95% | 95% | 95% |

Object Classification (in millions of dollars)

| Identification code 12-0150-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Direct obligations: | | | |
| 11.1 Personnel compensation: Full-time permanent | 7 | 6 | 7 |
| 12.1 Civilian personnel benefits | 2 | 2 | 2 |
| 25.2 Other services | 1 | 1 | 2 |
| 99.0 Direct obligations | 10 | 9 | 11 |
| 99.0 Reimbursable obligations | | 1 | 1 |
| 99.9 Total new obligations | 10 | 10 | 12 |

Personnel Summary

| Identification code 12-0150-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 1001 Total compensable workyears: Full-time equivalent employment | 78 | 90 | 90 |

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 second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and the Inspector General Act of 1978, **[\$70,839,000]** \$87,109,000, 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, including not to exceed \$50,000 for employment under 5 U.S.C. 3109; 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, 2002; additional authorizing legislation required.*)

Program and Financing (in millions of dollars)

| Identification code 12-0900-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct program | 73 | 76 | 87 |
| 09.01 Reimbursable program | 2 | 2 | 2 |
| 10.00 Total new obligations | 75 | 78 | 89 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 2 | 1 | |
| 22.00 New budget authority (gross) | 76 | 78 | 89 |
| 23.90 Total budgetary resources available for obligation | 78 | 79 | 89 |
| 23.95 Total new obligations | -75 | -78 | -89 |
| 23.98 Unobligated balance expiring or withdrawn | -1 | | |
| 24.40 Unobligated balance carried forward, end of year | 1 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 74 | 76 | 87 |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | 2 | 2 | 2 |
| 70.00 Total new budget authority (gross) | 76 | 78 | 89 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 5 | 5 | 6 |
| 73.10 Total new obligations | 75 | 78 | 89 |
| 73.20 Total outlays (gross) | -80 | -77 | -94 |
| 73.40 Adjustments in expired accounts (net) | 4 | | |
| 74.10 Change in uncollected customer payments from Federal sources (expired) | 1 | | |
| 74.40 Obligated balance, end of year | 5 | 6 | |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 76 | 71 | 81 |
| 86.93 Outlays from discretionary balances | 6 | 6 | 13 |
| 87.00 Total outlays (gross) | 80 | 77 | 94 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources | -2 | -2 | -2 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 76 | 76 | 87 |
| 90.00 Outlays | 78 | 75 | 92 |

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 71 | 71 | 82 |
| 90.00 Outlays | 73 | 70 | 87 |

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 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 42 | 43 | 45 |
| 11.5 Other personnel compensation | 4 | 4 | 4 |
| 11.9 Total personnel compensation | 46 | 47 | 49 |
| 12.1 Civilian personnel benefits | 17 | 18 | 19 |
| 21.0 Travel and transportation of persons | 5 | 5 | 6 |
| 23.1 Rental payments to GSA | | | 4 |
| 23.3 Communications, utilities, and miscellaneous charges | 1 | 1 | 1 |
| 25.2 Other services | 2 | 2 | 5 |
| 25.3 Other purchases of goods and services from Government accounts | 1 | 1 | 1 |
| 99.0 Direct obligations | 67 | 74 | 85 |
| 99.0 Reimbursable obligations | 2 | 2 | 2 |
| 99.5 Below reporting threshold | 1 | 2 | 2 |
| 99.9 Total new obligations | 75 | 78 | 89 |

Personnel Summary

| Identification code 12-0900-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 1001 Total compensable workyears: Full-time equivalent employment | 650 | 723 | 723 |

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, **[\$32,627,000] \$39,841,000.** (7 U.S.C. 2201; 2202, 2214a; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002; additional authorizing legislation required.)

Program and Financing (in millions of dollars)

| Identification code 12-2300-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct program | 34 | 35 | 40 |
| 09.00 Reimbursable program | 1 | 1 | 1 |
| 10.00 Total new obligations | 35 | 36 | 41 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 35 | 36 | 41 |
| 23.95 Total new obligations | -35 | -36 | -41 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 34 | 35 | 40 |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | 1 | 1 | 1 |
| 70.00 Total new budget authority (gross) | 35 | 36 | 41 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 2 | 2 | 2 |
| 73.10 Total new obligations | 35 | 36 | 41 |
| 73.20 Total outlays (gross) | -33 | -36 | -41 |
| 74.40 Obligated balance, end of year | 2 | 2 | 2 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 33 | 34 | 39 |
| 86.93 Outlays from discretionary balances | | 2 | 2 |
| 87.00 Total outlays (gross) | 33 | 36 | 41 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources | -1 | -1 | -1 |

General and special funds—Continued

OFFICE OF THE GENERAL COUNSEL—Continued

Program and Financing (in millions of dollars)—Continued

| Identification code 12-2300-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 34 | 35 | 40 |
| 90.00 Outlays | 32 | 35 | 40 |
| Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars) | | | |
| | 2001 actual | 2002 est. | 2003 est. |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 32 | 33 | 37 |
| 90.00 Outlays | 30 | 33 | 37 |

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, Interstate Commerce Commission, Federal Maritime Administration and International Trade Commission; 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.

Object Classification (in millions of dollars)

| Identification code 12-2300-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| 11.1 Personnel compensation: Full-time permanent | 24 | 25 | 27 |
| 12.1 Civilian personnel benefits | 7 | 8 | 9 |
| 23.1 Rental payments to GSA | | | 1 |
| 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 | 34 | 35 | 40 |
| 99.0 Reimbursable obligations | 1 | 1 | 1 |
| 99.9 Total new obligations | 35 | 36 | 41 |

Personnel Summary

| Identification code 12-2300-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Full-time equivalent employment | 312 | 338 | 352 |
| Reimbursable: | | | |
| 2001 Total compensable workyears: Full-time equivalent employment | 7 | 7 | 7 |

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, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, **[\$67,200,000] \$82,032,000: Provided,** That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225). (7 U.S.C. 292, 411, 427, 1441a, 1704, 1761-68, 2201, 2202, 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, 2002; additional authorizing legislation required.)

Program and Financing (in millions of dollars)

| Identification code 12-1701-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct program | 69 | 70 | 82 |
| 09.00 Reimbursable program | 2 | 3 | 3 |
| 10.00 Total new obligations | 71 | 73 | 85 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 71 | 73 | 85 |
| 23.95 Total new obligations | -71 | -73 | -85 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 70 | 70 | 82 |
| 41.00 Transferred to other accounts | -1 | | |
| 43.00 Appropriation (total discretionary) | 69 | 70 | 82 |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | 2 | 3 | 3 |
| 70.00 Total new budget authority (gross) | 71 | 73 | 85 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 28 | 26 | 26 |
| 73.10 Total new obligations | 71 | 73 | 85 |
| 73.20 Total outlays (gross) | -71 | -73 | -85 |
| 74.40 Obligated balance, end of year | 26 | 26 | 26 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 55 | 64 | 75 |
| 86.93 Outlays from discretionary balances | 16 | 9 | 9 |
| 87.00 Total outlays (gross) | 71 | 73 | 85 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources | -2 | -3 | -3 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 69 | 70 | 82 |
| 90.00 Outlays | 69 | 70 | 82 |
| Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars) | | | |
| | 2001 actual | 2002 est. | 2003 est. |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 66 | 67 | 79 |
| 90.00 Outlays | 66 | 67 | 79 |

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 2003 request includes funding for costs associated with the Economic Research Service's share of reengineering the Agricultural Resource Management Survey and for an initiative on the effects of invasive pests and diseases on the global competitiveness of U.S. agriculture.

Object Classification (in millions of dollars)

| Identification code 12-1701-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 35 | 37 | 38 |
| 11.3 Other than full-time permanent | 1 | 1 | 1 |
| 11.9 Total personnel compensation | 36 | 38 | 39 |
| 12.1 Civilian personnel benefits | 10 | 10 | 10 |

| | | | | |
|------|--|----|----|----|
| 21.0 | Travel and transportation of persons | 1 | 1 | 1 |
| 23.1 | Rental payments to GSA | | | 6 |
| 23.3 | Communications, utilities, and miscellaneous charges | 1 | 1 | 1 |
| 25.2 | Other services | 2 | 3 | 4 |
| 25.3 | Other purchases of goods and services from Government accounts | 7 | 5 | 8 |
| 25.5 | Research and development contracts | 8 | 8 | 9 |
| 26.0 | Supplies and materials | 1 | 1 | 1 |
| 31.0 | Equipment | 1 | 1 | 1 |
| 41.0 | Grants, subsidies, and contributions | 2 | 2 | 2 |
| 99.0 | Direct obligations | 69 | 70 | 82 |
| 99.0 | Reimbursable obligations | 1 | 2 | 2 |
| 99.5 | Below reporting threshold | 1 | 1 | 1 |
| 99.9 | Total new obligations | 71 | 73 | 85 |

Personnel Summary

| Identification code 12-1701-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Full-time equivalent employment | 489 | 519 | 523 |
| Reimbursable: | | | |
| 2001 Total compensable workyears: Full-time equivalent employment | 2 | 3 | 3 |

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, including crop and livestock estimates, statistical coordination and improvements, marketing surveys, and the Census of Agriculture, as authorized by 7 U.S.C. 1621-1627, Public Law 105-113, and other laws, **[\$113,786,000] \$149,069,000**, of which up to **[\$25,350,000] \$42,291,000** shall be available until expended for the Census of Agriculture: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$40,000 shall be available for employment under 5 U.S.C. 3109. (7 U.S.C. 411, 411a, 411b, 427, 471, 475, 476, 501, 951, 953, 955-57, 1621-27, 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, 2002; additional authorizing legislation required.)

Program and Financing (in millions of dollars)

| Identification code 12-1801-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Direct program: | | | |
| 00.01 Agricultural estimates | 85 | 88 | 101 |
| 00.02 Statistical research and service | 4 | 4 | 5 |
| 00.03 Census of Agriculture | 16 | 27 | 43 |
| 09.01 Reimbursable program | 11 | 11 | 11 |
| 10.00 Total new obligations | 116 | 130 | 160 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | | 1 | |
| 22.00 New budget authority (gross) | 117 | 131 | 160 |
| 23.90 Total budgetary resources available for obligation | 117 | 132 | 160 |
| 23.95 Total new obligations | -116 | -130 | -160 |
| 24.40 Unobligated balance carried forward, end of year | 1 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 106 | 119 | 149 |
| Mandatory: | | | |
| 60.26 Appropriation (trust fund) | 1 | 1 | 1 |

| | | | | |
|--------------------------------------|---|------|------|------|
| Discretionary: | | | | |
| 68.00 | Spending authority from offsetting collections: Offsetting collections (cash) | 11 | 11 | 11 |
| 70.00 | Total new budget authority (gross) | 118 | 131 | 161 |
| Change in obligated balances: | | | | |
| 72.40 | Obligated balance, start of year | 10 | 9 | 11 |
| 73.10 | Total new obligations | 116 | 130 | 160 |
| 73.20 | Total outlays (gross) | -120 | -129 | -156 |
| 73.40 | Adjustments in expired accounts (net) | 2 | | |
| 74.40 | Obligated balance, end of year | 9 | 11 | 16 |

| | | | | |
|---------------------------------|--|-----|-----|-----|
| Outlays (gross), detail: | | | | |
| 86.90 | Outlays from new discretionary authority | 113 | 117 | 144 |
| 86.93 | Outlays from discretionary balances | 6 | 11 | 11 |
| 86.97 | Outlays from new mandatory authority | | 1 | 1 |
| 87.00 | Total outlays (gross) | 120 | 129 | 156 |

| | | | | |
|---|--|-----|-----|-----|
| Offsets: | | | | |
| Against gross budget authority and outlays: | | | | |
| Offsetting collections (cash) from: | | | | |
| 88.00 | Federal sources | -8 | -8 | -8 |
| 88.40 | Non-Federal sources | -3 | -3 | -3 |
| 88.90 | Total, offsetting collections (cash) | -11 | -11 | -11 |

| | | | | |
|--|------------------------|-----|-----|-----|
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | 107 | 120 | 149 |
| 90.00 | Outlays | 109 | 118 | 145 |

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. | |
|--|------------------------|-----------|-----------|-----|
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | 102 | 115 | 144 |
| 90.00 | Outlays | 104 | 113 | 140 |

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 nearly 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 2003 program includes a reengineered Agricultural Resource Management Survey, the development of a locality based agricultural county estimates/small area estimation program, e-government data dissemination and electronic data reporting and enhancements for improvements to the computer security architecture.

Statistical research and service.—This activity is designed to improve the statistical methods and related technologies by improving sample survey designs and procedures and by testing new forecasting and estimating techniques, such as the use of remote sensing and geographic information systems.

Census of Agriculture.—The Census of Agriculture is conducted every five years. A proposed increase of \$16 million reflects funding of cyclical activities associated with labeling, mailing, processing and analysis for the 2002 Census of Agriculture.

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).

General and special funds—Continued

NATIONAL AGRICULTURAL STATISTICS SERVICE—Continued

Object Classification (in millions of dollars)

| Identification code 12-1801-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 54 | 59 | 74 |
| 11.5 Other personnel compensation | 1 | 1 | 2 |
| 11.9 Total personnel compensation | 55 | 60 | 76 |
| 12.1 Civilian personnel benefits | 18 | 20 | 23 |
| 21.0 Travel and transportation of persons | 2 | 2 | 2 |
| 23.1 Rental payments to GSA | | | 3 |
| 23.3 Communications, utilities, and miscellaneous charges | 4 | 3 | 6 |
| 24.0 Printing and reproduction | | 4 | |
| 25.2 Other services | 17 | 17 | 17 |
| 25.3 Other purchases of goods and services from Government accounts | 5 | 6 | 13 |
| 25.7 Operation and maintenance of equipment | 1 | 1 | 1 |
| 26.0 Supplies and materials | 1 | 1 | 2 |
| 31.0 Equipment | 1 | 4 | 4 |
| 99.0 Direct obligations | 104 | 118 | 147 |
| 99.0 Reimbursable obligations | 10 | 10 | 10 |
| 99.5 Below reporting threshold | 2 | 2 | 3 |
| 99.9 Total new obligations | 116 | 130 | 160 |

Personnel Summary

| Identification code 12-1801-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Full-time equivalent employment | 1,009 | 1,082 | 1,252 |
| Reimbursable: | | | |
| 2001 Total compensable workyears: Full-time equivalent employment | 104 | 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, **[\$979,464,000] \$1,014,086,000: Provided,** That appropriations hereunder shall be available for temporary employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$115,000 shall be available for employment under 5 U.S.C. 3109: *Provided further,* 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 greenhouses 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,

including an easement to the University of Maryland to construct the Transgenic Animal Facility which upon completion shall be accepted by the Secretary as a gift: *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 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.

None of the funds in the foregoing paragraph shall be available to carry out research related to the production, processing or marketing of tobacco or tobacco products.

In fiscal year **[2002] 2003,** the agency is authorized to charge fees, commensurate with the fair market value, for any permit, easement, lease, or other special use authorization for the occupancy or use of land and facilities (including land and facilities at the Beltsville Agricultural Research Center) issued by the agency, as authorized by law, and such fees shall be credited to this account, and shall remain available until expended for authorized purposes. (7 U.S.C. 328, 427, 427i, 1281 note, 1621, 2201, 2204, 2225, 2250, 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. 113a, 114c, 114e-131; 42 U.S.C. 1476(e), 1483; *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002; additional authorizing legislation required.*)

[For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for "Salaries and Expenses", \$40,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107-38.] (Emergency Supplemental Act, 2002.)

Unavailable Collections (in millions of dollars)

| Identification code 12-1400-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|-------------------------------------|-------------|-----------|-----------|
| 01.99 Balance, start of year | 5 | 5 | 5 |
| 07.99 Balance, end of year | 5 | 5 | 5 |

Program and Financing (in millions of dollars)

| Identification code 12-1400-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Direct program: | | | |
| 00.01 Research on soil, water and air science | 102 | 143 | 107 |
| 00.02 Research on plant science | 337 | 356 | 365 |
| 00.03 Research on animal science | 153 | 221 | 196 |
| 00.04 Research on commodity conversion and delivery | 201 | 182 | 187 |
| 00.05 Human nutrition research | 78 | 77 | 78 |
| 00.06 Integration of agricultural systems | 35 | 39 | 40 |
| 00.07 Repair and maintenance of facilities | 18 | 18 | 18 |
| 00.09 Collaborative research program | 11 | 3 | |
| 00.10 Agricultural information and library science | 22 | 21 | 23 |
| 09.00 Reimbursable program | 45 | 60 | 60 |
| 10.00 Total new obligations | 1,002 | 1,120 | 1,074 |

Budgetary resources available for obligation:

| | | | |
|---|--------|--------|--------|
| 21.40 Unobligated balance carried forward, start of year | 6 | 3 | |
| 22.00 New budget authority (gross) | 999 | 1,117 | 1,074 |
| 22.22 Unobligated balance transferred from other accounts | 2 | | |
| 23.90 Total budgetary resources available for obligation | 1,007 | 1,120 | 1,074 |
| 23.95 Total new obligations | -1,002 | -1,120 | -1,074 |
| 23.98 Unobligated balance expiring or withdrawn | -3 | | |
| 24.40 Unobligated balance carried forward, end of year | 3 | | |

New budget authority (gross), detail:

| | | | |
|---|-----|-------|-------|
| Discretionary: | | | |
| 40.00 Appropriation | 932 | 1,057 | 1,014 |
| 40.77 Reduction pursuant to P.L. 106-554 (0.22 percent) | -2 | | |
| 42.00 Transferred from other accounts | 6 | | |
| 43.00 Appropriation (total discretionary) | 936 | 1,057 | 1,014 |
| Mandatory: | | | |
| 60.00 Appropriation | 18 | | |
| Discretionary: | | | |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | 45 | 60 | 60 |
| 70.00 Total new budget authority (gross) | 999 | 1,117 | 1,074 |

| Change in obligated balances: | | | | |
|---|--|-------|--------|--------|
| 72.40 | Obligated balance, start of year | 245 | 277 | 314 |
| 73.10 | Total new obligations | 1,002 | 1,120 | 1,074 |
| 73.20 | Total outlays (gross) | -974 | -1,083 | -1,050 |
| 73.40 | Adjustments in expired accounts (net) | 4 | | |
| 74.40 | Obligated balance, end of year | 277 | 314 | 338 |
| Outlays (gross), detail: | | | | |
| 86.90 | Outlays from new discretionary authority | 768 | 913 | 880 |
| 86.93 | Outlays from discretionary balances | 188 | 170 | 170 |
| 86.97 | Outlays from new mandatory authority | 18 | | |
| 87.00 | Total outlays (gross) | 974 | 1,083 | 1,050 |
| Offsets: | | | | |
| Against gross budget authority and outlays: | | | | |
| Offsetting collections (cash) from: | | | | |
| 88.00 | Federal sources | -40 | -54 | -54 |
| 88.40 | Non-Federal sources | -5 | -6 | -6 |
| 88.90 | Total, offsetting collections (cash) | -45 | -60 | -60 |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | 954 | 1,057 | 1,014 |
| 90.00 | Outlays | 929 | 1,023 | 990 |

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. | |
|-----------------------------------|------------------------|-----------|-----------|-----|
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | 920 | 1,019 | 971 |
| 90.00 | Outlays | 895 | 985 | 947 |

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 2003, the Service proposes increased emphases for critical research needs in agriculture, such as: Counter-terrorism; Emerging, reemerging, and exotic diseases of plants and animals; Agricultural genomes; Biotechnology risk assessment; Control of invasive species; Agricultural genetic resources; Enhancing air and water quality; Biobased products/bioenergy from agricultural commodities; Global climate change, and Agricultural information services. The 2003 budget also proposes to eliminate funding for unrequested Congressional earmarks added in 2001 and 2002, as well as some less critical base programs. In 2001, the Service submitted 64 new patent applications, participated in 46 new Cooperative research and development agreements (CRADAs), licensed 31 new products, and developed 63 new plant varieties to release to industry for further development and marketing.

Research on soil, water, and air sciences.—Research is conducted to improve soil and water management, irrigation, and conservation practices; to protect natural resources from harmful effects of soil, air, and water pollutants and to minimize certain agricultural pollution problems; and to determine the relation of soil types and water to plant, animal, and human nutrition.

Research on plant science.—Research is conducted to increase plant productivity by improving plant varieties, developing new crop resources, and improving crop production practices, including methods to control plant diseases, nematodes, insects, and weeds.

Research on animal science.—Research is conducted to increase livestock productivity (including poultry) through im-

proved breeding, feeding, and management practices, and to develop methods for controlling diseases, parasites, and insect pests affecting these animals.

Research on commodity conversion and delivery.—Research is conducted to develop new and improved foods, feeds, products, and processes for agricultural commodities and to improve the processing, transportation, storage, wholesaling, and retailing of products. Research is also conducted on means to ensure the safety of food and feed supplies, control insect pests of man and his belongings, and reduce the hazards to human life resulting from pesticide residues and other causes.

Human nutrition research.—Research is conducted on subjects such as human nutritional requirements and the composition and nutritive value of foods, to promote optimum human health through improved nutrition.

Integration of agricultural systems.—Research is conducted to develop integrated systems for efficiently producing, processing, and marketing agricultural products, and to develop alternative agricultural systems that are less dependent upon nonrenewable resources and that are productive, efficient, and sustainable in the long term.

Agricultural information and library services.—The National Agricultural Library provides a variety of information products and services through: (1) the administration of a unique collection of books, journals, and other information materials about food and agriculture to ensure accessibility to their contents; (2) the development and maintenance of cooperative efforts in the library and related information areas, with other Federal agencies and with educational institutions in each State; and (3) an active program of information dissemination.

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 | 2001 actual | 2002 est. | 2003 est. | |
|-------------------------------------|--|-----------|-----------|-----|
| Direct obligations: | | | | |
| Personnel compensation: | | | | |
| 11.1 | Full-time permanent | 362 | 411 | 425 |
| 11.3 | Other than full-time permanent | 15 | 16 | 17 |
| 11.5 | Other personnel compensation | 20 | 20 | 20 |
| 11.9 | Total personnel compensation | 397 | 447 | 462 |
| 12.1 | Civilian personnel benefits | 131 | 145 | 154 |
| 21.0 | Travel and transportation of persons | 16 | 20 | 19 |
| 22.0 | Transportation of things | 1 | 1 | 1 |
| 23.1 | Rental payments to GSA | | | 3 |
| 23.2 | Rental payments to others | 1 | 2 | 1 |
| 23.3 | Communications, utilities, and miscellaneous charges | 36 | 39 | 36 |
| 24.0 | Printing and reproduction | 1 | 2 | 1 |
| 25.1 | Advisory and assistance services | 1 | 1 | 1 |
| 25.2 | Other services | 13 | 22 | 16 |
| 25.3 | Other purchases of goods and services from Government accounts | 3 | 5 | 3 |
| 25.4 | Operation and maintenance of facilities | 23 | 30 | 24 |
| 25.5 | Research and development contracts | 132 | 145 | 111 |
| 25.7 | Operation and maintenance of equipment | 7 | 7 | 7 |

General and special funds—Continued

SALARIES AND EXPENSES—Continued

Object Classification (in millions of dollars)—Continued

| Identification code 12-1400-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 25.8 Subsistence and support of persons | 1 | 1 | 1 |
| 26.0 Supplies and materials | 91 | 95 | 93 |
| 31.0 Equipment | 47 | 63 | 49 |
| 32.0 Land and structures | 8 | 8 | 8 |
| 41.0 Grants, subsidies, and contributions | 48 | 27 | 24 |
| 99.0 Direct obligations | 957 | 1,060 | 1,014 |
| 99.0 Reimbursable obligations | 45 | 60 | 60 |
| 99.9 Total new obligations | 1,002 | 1,120 | 1,074 |

Personnel Summary

| Identification code 12-1400-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Full-time equivalent employment | 7,424 | 8,008 | 7,960 |
| Reimbursable: | | | |
| 2001 Total compensable workyears: Full-time equivalent employment | 396 | 396 | 396 |

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, **[\$118,987,000]** \$16,580,000, to remain available until expended (7 U.S.C. 2209b): *Provided*, That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing any research facility of the Agricultural Research Service, as authorized by law. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002.*)

[For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for "Buildings and Facilities", \$73,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107-38.] (*Emergency Supplemental Act, 2002.*)

Program and Financing (in millions of dollars)

| Identification code 12-1401-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Building and facilities projects | 56 | 131 | 82 |
| 10.00 Total new obligations | 56 | 131 | 82 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 109 | 127 | 188 |
| 22.00 New budget authority (gross) | 74 | 192 | 17 |
| 23.90 Total budgetary resources available for obligation | 183 | 319 | 205 |
| 23.95 Total new obligations | -56 | -131 | -82 |
| 24.40 Unobligated balance carried forward, end of year | 127 | 188 | 123 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 74 | 192 | 17 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 51 | 52 | 102 |
| 73.10 Total new obligations | 56 | 131 | 82 |
| 73.20 Total outlays (gross) | -54 | -81 | -105 |
| 74.40 Obligated balance, end of year | 52 | 102 | 79 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 6 | 23 | 2 |
| 86.93 Outlays from discretionary balances | 48 | 58 | 103 |
| 87.00 Total outlays (gross) | 54 | 81 | 105 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 74 | 192 | 17 |

| | | | |
|---------------------|----|----|-----|
| 90.00 Outlays | 54 | 81 | 105 |
|---------------------|----|----|-----|

This account provides funds for acquisition of land, construction, repair, improvement, extension, alterations, and purchases of fixed equipment or facilities of or used by the Agricultural Research Service. The 2003 request provides the continuing modernization of the National Agricultural Library, Beltsville, MD; U.S. National Arboretum, Washington, DC; ongoing upgrades at Plum Island, and restoration of Beltsville, MD Agricultural Research Center facilities damaged by a tornado.

Object Classification (in millions of dollars)

| Identification code 12-1401-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|-------------------------------------|-------------|-----------|-----------|
| 25.2 Other services | 49 | 92 | 57 |
| 32.0 Land and structures | 7 | 39 | 25 |
| 99.9 Total new obligations | 56 | 131 | 82 |

Trust Funds

MISCELLANEOUS CONTRIBUTED FUNDS

Unavailable Collections (in millions of dollars)

| Identification code 12-8214-0-7-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 01.99 Balance, start of year | | | |
| Receipts: | | | |
| 02.20 Science and education contributed funds | 30 | 35 | 35 |
| Appropriations: | | | |
| 05.00 Miscellaneous contributed funds | -30 | -35 | -35 |
| 07.99 Balance, end of year | | | |

Program and Financing (in millions of dollars)

| Identification code 12-8214-0-7-352 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Miscellaneous contributed funds | 24 | 28 | 32 |
| 10.00 Total new obligations | 24 | 28 | 32 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 14 | 19 | 26 |
| 22.00 New budget authority (gross) | 30 | 35 | 35 |
| 23.90 Total budgetary resources available for obligation | 44 | 54 | 61 |
| 23.95 Total new obligations | -24 | -28 | -32 |
| 24.40 Unobligated balance carried forward, end of year | 19 | 26 | 29 |
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| 60.26 Appropriation (trust fund) | 30 | 35 | 35 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 8 | 12 | 17 |
| 73.10 Total new obligations | 24 | 28 | 32 |
| 73.20 Total outlays (gross) | -20 | -23 | -29 |
| 74.40 Obligated balance, end of year | 12 | 17 | 20 |
| Outlays (gross), detail: | | | |
| 86.97 Outlays from new mandatory authority | 7 | 11 | 4 |
| 86.98 Outlays from mandatory balances | 13 | 12 | 25 |
| 87.00 Total outlays (gross) | 20 | 23 | 29 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 30 | 35 | 35 |
| 90.00 Outlays | 20 | 23 | 29 |

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 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| 11.1 Personnel compensation: Full-time permanent | 6 | 8 | 8 |
| 12.1 Civilian personnel benefits | 1 | 2 | 2 |
| 25.2 Other services | 11 | 9 | 10 |
| 26.0 Supplies and materials | 4 | 6 | 7 |
| 31.0 Equipment | 1 | 2 | 3 |
| 41.0 Grants, subsidies, and contributions | 1 | 1 | 2 |
| 99.9 Total new obligations | 24 | 28 | 32 |

Personnel Summary

| Identification code 12-8214-0-7-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 1001 Total compensable workyears: Full-time equivalent employment | 114 | 114 | 114 |

**COOPERATIVE STATE RESEARCH,
EDUCATION, AND EXTENSION SERVICE**

Federal Funds

General and special funds:

INTEGRATED ACTIVITIES

For the integrated research, education, and extension competitive grants programs, including necessary administrative expenses, as authorized under section 406 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626), **[\$42,853,000]** \$44,865,000, as follows: payments for the water quality program, \$12,971,000; payments for the food safety program, \$14,967,000; payments for the [national agriculture pesticide impact assessment] regional pest management centers program, \$4,531,000; payments for the Food Quality Protection Act risk mitigation program for major food crop systems, \$4,889,000; payments for the crops affected by Food Quality Protection Act implementation, \$1,497,000; payments for the methyl bromide transition program, \$2,498,000; [and] payments for the organic transition program, **[\$1,500,000]** \$499,000; payments for the international science and education grants program under 7 U.S.C. 3291, to remain available until expended, \$1,000,000; payments for the critical issues program under 7 U.S.C. 450i(c), \$500,000; and payments for the regional rural development centers program under 7 U.S.C. 450i(c), \$1,513,000. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002.)

Program and Financing (in millions of dollars)

| Identification code 12-1502-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Direct program: | | | |
| 00.20 Water quality | 13 | 13 | 13 |
| 00.30 Food safety | 15 | 15 | 15 |
| 00.40 Regional pest management centers | 5 | 5 | 5 |
| 00.50 Crops at risk from Food Quality Protection Act implementation | 1 | 1 | 1 |
| 00.60 Food Quality Protection Act risk mitigation program | 5 | 5 | 5 |
| 00.70 Methyl bromide transition program | 2 | 2 | 2 |
| 00.86 International science and education grants | | | 1 |
| 00.87 Rural development centers | | | 1 |
| 00.88 Organic transition | 1 | 2 | 1 |
| 00.89 Critical issues—plant and animal diseases | | | 1 |
| 10.00 Total new obligations | 42 | 43 | 45 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 42 | 43 | 45 |
| 23.95 Total new obligations | -42 | -43 | -45 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 42 | 43 | 45 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 38 | 73 | 85 |
| 73.10 Total new obligations | 42 | 43 | 45 |
| 73.20 Total outlays (gross) | -7 | -31 | -41 |

| | | | |
|--|----|----|----|
| 74.40 Obligated balance, end of year | 73 | 85 | 89 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 2 | 2 | 2 |
| 86.93 Outlays from discretionary balances | 5 | 29 | 39 |
| 87.00 Total outlays (gross) | 7 | 31 | 41 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 42 | 43 | 45 |
| 90.00 Outlays | 7 | 31 | 41 |

Note.—2003 estimates include critical issues previously financed from the USDA Cooperative State Research, Education, and Extension Service (CSREES) Research and education activities account and Rural Development Centers previously financed from the USDA CSREES Research and education activities and Extension activities accounts.

Under the Integrated activities account, research, education and/or extension grants are awarded for competitive and non-competitive programs.

Water quality.—This funding will enable CSREES and the State Agricultural Experiment Stations and the Cooperative Extension system to become viable partners with other state and federal agencies in addressing water quality issues of national importance. Funds will be awarded based upon peer review of competitive proposals for projects that have components for research and extension.

Food safety.—Funding will support research, education and extension programs to improve safety of food products and create a more informed public about food safety issues.

Regional pest management centers.—Funding will provide management and coordination for USDA and State activities that support informed regulatory decisions concerning pesticides that significantly benefit U.S. food production without causing adverse effects on the environment.

Crops at risk from FQPA implementation.—Funding will support the development of multi-tactic IPM strategies. Grant opportunities will be available to colleges and universities.

FQPA Risk mitigation program for major food crop systems.—Funds are proposed to support a program to address risk mitigation that will have a food production system focus, integrating food safety and water quality considerations as impacted by FQPA. Emphasis will be placed on development and implementation of new innovative pest management systems designed to maintain crop productivity and profitability while meeting or exceeding environmental quality and human health standards.

Methyl bromide transition program.—This is a grant program designed to support the discovery and implementation of practical pest management alternatives for commodities affected by the methyl bromide phase-out in 2005.

Organic transition program.—This program supports the development and implementation of biologically based pest management practices that mitigate the ecological, agronomic, and economic risks associated with the transition from conventional to organic agricultural production systems.

International science and education grants program.—This program focuses on incorporating substantive international activities into programs related to food systems, agriculture and natural resources at U.S. land-grant colleges and universities.

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 will support 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.

Object Classification (in millions of dollars)

| Identification code 12-1502-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| 11.1 Personnel compensation: Full-time permanent | 1 | 1 | 1 |

General and special funds—Continued

INTEGRATED ACTIVITIES—Continued

Object Classification (in millions of dollars)—Continued

| Identification code 12-1502-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 41.0 Grants, subsidies, and contributions | 41 | 42 | 44 |
| 99.9 Total new obligations | 42 | 43 | 45 |

Personnel Summary

| Identification code 12-1502-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 1001 Total compensable workyears: Full-time equivalent employment | 8 | 7 | 8 |

INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS

Program and Financing (in millions of dollars)

| Identification code 12-1503-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 10.00 Total new obligations | 110 | | |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 120 | 120 | 120 |
| 22.00 New budget authority (gross) | 120 | 120 | 120 |
| 23.90 Total budgetary resources available for obligation | 240 | 240 | 240 |
| 23.95 Total new obligations | -110 | | |
| 23.98 Unobligated balance expiring or withdrawn | -10 | -120 | -120 |
| 24.40 Unobligated balance carried forward, end of year | 120 | 120 | 120 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | | | |
| 40.35 Appropriation deferred | | | -240 |
| 43.00 Appropriation (total discretionary) | | | -240 |
| Mandatory: | | | |
| 60.00 Appropriation | 240 | 240 | 240 |
| 60.35 Appropriation deferred | -120 | -240 | |
| 62.50 Appropriation (total mandatory) | 120 | | 240 |
| 70.00 Total new budget authority (gross) | 120 | | |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 120 | 201 | 189 |
| 73.10 Total new obligations | 110 | | |
| 73.20 Total outlays (gross) | -28 | -12 | -12 |
| 73.40 Adjustments in expired accounts (net) | -1 | | |
| 74.40 Obligated balance, end of year | 201 | 189 | 177 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | | | -12 |
| 86.97 Outlays from new mandatory authority | | | 12 |
| 86.98 Outlays from mandatory balances | 28 | 12 | 12 |
| 87.00 Total outlays (gross) | 28 | 12 | 12 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 120 | 120 | 120 |
| 90.00 Outlays | 28 | 12 | 12 |

1998 Research Act.—The Agricultural Research, Extension, and Education Reform Act of 1998 authorized the annual appropriation of \$120 million for high priority research, extension, and education. These funds are available for two years. The 2000 appropriations language blocked the use of 2000 funds in 2000. However, these funds were available in 2001. The 2002 appropriations language blocked the use of 2001 and 2002 funds in 2002. The 2003 budget includes language under General Provisions that would block implementation of the program during 2003.

Object Classification (in millions of dollars)

| Identification code 12-1503-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 11.3 Personnel compensation: Other than full-time permanent | 2 | | |
| 12.1 Civilian personnel benefits | 1 | | |
| 25.2 Other services | 2 | | |
| 41.0 Grants, subsidies, and contributions | 105 | | |
| 99.9 Total new obligations | 110 | | |

Personnel Summary

| Identification code 12-1503-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 1001 Total compensable workyears: Full-time equivalent employment | 26 | | |

RESEARCH AND EDUCATION ACTIVITIES

For payments to agricultural experiment stations, for cooperative forestry and other research, for facilities, and for other expenses, **[\$542,062,000] \$553,633,000**, as follows: to carry out the provisions of the Hatch Act (7 U.S.C. 361a-i), \$180,148,000; for grants for cooperative forestry research (16 U.S.C. 582a-a7), \$21,884,000; for payments to the 1890 land-grant colleges, including Tuskegee University (7 U.S.C. 3222), \$34,604,000, 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)), **[\$97,008,000] \$3,341,000**; for special grants for agricultural research on improved pest control (7 U.S.C. 450i(c)), **[\$15,206,000] \$15,006,000**; for competitive research grants (7 U.S.C. 450i(b)), **[\$120,452,000] \$240,000,000**; for the support of animal health and disease programs (7 U.S.C. 3195), \$5,098,000; **[for supplemental and alternative crops and products (7 U.S.C. 3319d), \$924,000; for grants for research pursuant to the Critical Agricultural Materials Act of 1984 (7 U.S.C. 178) and section 1472 of the Food and Agriculture Act of 1977 (7 U.S.C. 3318), \$720,000, to remain available until expended;] for the 1994 research program (7 U.S.C. 301 note), \$998,000, to remain available until expended; for higher education graduate fellowship grants (7 U.S.C. 3152(b)(6)), **[\$2,993,000] \$3,500,000**, to remain available until expended (7 U.S.C. 2209b); for higher education challenge grants (7 U.S.C. 3152(b)(1)), **[\$4,340,000] \$5,500,000**; for a higher education multicultural scholars program (7 U.S.C. 3152(b)(5)), \$998,000, to remain available until expended (7 U.S.C. 2209b); for an education grants program for Hispanic-serving Institutions (7 U.S.C. 3241), \$3,492,000; 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, \$2,997,000; for a secondary agriculture education program and 2-year post-secondary education (7 U.S.C. 3152(h)), \$1,000,000; for aquaculture grants (7 U.S.C. 3322), \$3,996,000; for sustainable agriculture research and education (7 U.S.C. 5811), **[\$12,500,000] \$9,230,000**; 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, \$9,479,000, 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, \$1,549,000; and for necessary expenses of Research and Education Activities, of which not to exceed \$100,000 shall be for employment under 5 U.S.C. 3109, **[\$21,676,000] \$10,813,000**.**

None of the funds in the foregoing paragraph shall be available to carry out research related to the production, processing or marketing of tobacco or tobacco products: *Provided*, That this paragraph shall not apply to research on the medical, biotechnological, food, and industrial uses of tobacco.

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND

For the Native American Institutions Endowment Fund authorized by Public Law 103-382 (7 U.S.C. 301 note), \$7,100,000. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002; additional authorizing legislation required.*)

Unavailable Collections (in millions of dollars)

| Identification code 12-1500-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| 01.99 Balance, start of year | 24 | 32 | 39 |
| Receipts: | | | |
| 02.40 Federal payment, Native American Institutions Endowment Fund | 10 | 7 | 7 |
| 02.41 Earnings on investments | -1 | 2 | 2 |
| 02.99 Total receipts and collections | 9 | 9 | 9 |
| 04.00 Total: Balances and collections | 33 | 41 | 48 |
| Appropriations: | | | |
| 05.00 Cooperative state research activities | -1 | -2 | -2 |
| 07.99 Balance, end of year | 32 | 39 | 46 |

Program and Financing (in millions of dollars)

| Identification code 12-1500-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Direct program: | | | |
| 00.01 Payments under the Hatch Act | 180 | 180 | 180 |
| 00.02 Cooperative forestry research | 22 | 22 | 22 |
| 00.03 Payments to 1890 colleges and Tuskegee University | 33 | 35 | 35 |
| 00.04 Special research grants | 115 | 131 | 32 |
| 00.05 National research initiative competitive grants | 77 | 160 | 240 |
| 00.06 Animal health and disease research | 5 | 5 | 5 |
| 00.07 Federal administration | 19 | 23 | 11 |
| 00.08 Higher education | 26 | 30 | 29 |
| 00.09 Native American Institutions Endowment Fund | 8 | 9 | 9 |
| 00.10 Agricultural risk grants | 28 | | |
| 09.00 Reimbursable program | 11 | 16 | 16 |
| 10.00 Total new obligations | 524 | 611 | 579 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 89 | 117 | 74 |
| 22.00 New budget authority (gross) | 553 | 568 | 579 |
| 23.90 Total budgetary resources available for obligation | 642 | 685 | 653 |
| 23.95 Total new obligations | -524 | -611 | -579 |
| 23.98 Unobligated balance expiring or withdrawn | -1 | | |
| 24.40 Unobligated balance carried forward, end of year | 117 | 74 | 74 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 514 | 550 | 561 |
| 40.20 Appropriation (special fund) | 1 | 2 | 2 |
| 40.77 Reduction pursuant to P.L. 106-554 (0.22 percent) | -1 | | |
| 43.00 Appropriation (total discretionary) | 514 | 552 | 563 |
| Mandatory: | | | |
| 60.00 Appropriation | 28 | | |
| Discretionary: | | | |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | 11 | 16 | 16 |
| 70.00 Total new budget authority (gross) | 553 | 568 | 579 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 454 | 463 | 521 |
| 73.10 Total new obligations | 524 | 611 | 579 |
| 73.20 Total outlays (gross) | -515 | -553 | -560 |
| 74.40 Obligated balance, end of year | 463 | 521 | 540 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 234 | 288 | 305 |
| 86.93 Outlays from discretionary balances | 267 | 258 | 250 |
| 86.97 Outlays from new mandatory authority | 14 | | |
| 86.98 Outlays from mandatory balances | | 7 | 5 |
| 87.00 Total outlays (gross) | 515 | 553 | 560 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources | -11 | -16 | -16 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 542 | 552 | 563 |
| 90.00 Outlays | 504 | 537 | 544 |
| Memorandum (non-add) entries: | | | |
| 92.01 Total investments, start of year: Federal securities: | | | |
| Par value | 22 | 28 | |

| | | | |
|---|----|--|--|
| 92.02 Total investments, end of year: Federal securities: | | | |
| Par value | 28 | | |

Note.—In 2003 funding for critical issues and rural development centers is included in the account for integrated activities.

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 541 | 551 | 562 |
| 90.00 Outlays | 503 | 536 | 543 |

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, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, Micronesia, and Northern Mariana Islands.

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.

Payments to 1890 colleges and Tuskegee University.—Funds allocated on a formula basis support agricultural research and broaden the curricula at the eighteen 1890 land-grant colleges, including Tuskegee 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 2003 budget eliminates funding for unrequested earmarks.

National research initiative competitive grants.—Increased 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 in-

General and special funds—Continued

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND—Continued

creased 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. The 2003 budget proposes an increase of \$120 million for the competitive peer-reviewed grant programs of the NRI, for a total request of \$240 million.

Animal health and disease research.—Funds, distributed by formula, support livestock and poultry disease research in sixty-seven colleges of veterinary medicine and in eligible agricultural experiment stations.

1994 Institutions Research.—Funding is proposed to continue the competitive research grants program to build the research capacity at the thirty 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, and Secondary Agriculture Education and 2-year Post-secondary programs. Proposed funding for these higher education programs would support approximately 180 grants. These programs will 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. Proposed funding would support approximately 43 teaching and research grants. The 2003 budget includes increases for Graduate fellowship grants and Institutional challenge grants.

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 (30 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 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| 11.1 Personnel compensation: Full-time permanent | 8 | 9 | 9 |
| 12.1 Civilian personnel benefits | 2 | 3 | 3 |
| 21.0 Travel and transportation of persons | 1 | 2 | 2 |
| 23.1 Rental payments to GSA | | | 2 |
| 25.1 Advisory and assistance services | 1 | 1 | 1 |
| 25.2 Other services | 3 | 5 | 5 |
| 25.3 Other purchases of goods and services from Government accounts | 3 | 4 | 4 |
| 26.0 Supplies and materials | 1 | 1 | 1 |
| 41.0 Grants, subsidies, and contributions | 494 | 570 | 536 |
| 99.0 Direct obligations | 513 | 595 | 563 |
| 99.0 Reimbursable obligations | 11 | 16 | 16 |
| 99.9 Total new obligations | 524 | 611 | 579 |

Personnel Summary

| Identification code 12-1500-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Full-time equivalent employment | 170 | 218 | 218 |
| Reimbursable: | | | |
| 2001 Total compensable workyears: Full-time equivalent employment | 9 | 9 | 9 |

BUILDINGS AND FACILITIES

Program and Financing (in millions of dollars)

| Identification code 12-1501-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 10.00 Total new obligations (object class 41.0) | 2 | 1 | |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 3 | 1 | |
| 23.95 Total new obligations | -2 | -1 | |
| 24.40 Unobligated balance carried forward, end of year | 1 | | |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 65 | 43 | 32 |
| 73.10 Total new obligations | 2 | 1 | |
| 73.20 Total outlays (gross) | -24 | -12 | -12 |
| 74.40 Obligated balance, end of year | 43 | 32 | 20 |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | 24 | 12 | 12 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | 24 | 12 | 12 |

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 2003.

Personnel Summary

| Identification code 12-1501-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 1001 Total compensable workyears: Full-time equivalent employment | 1 | | |

EXTENSION ACTIVITIES

For payments to States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, Micronesia, Northern Marianas, and American Samoa, **[\$439,473,000]** \$421,035,000, 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 and for costs of penalty mail for cooperative extension agents and State extension directors, \$275,940,000, of which \$3,600,000 may be used to carry out Public Law 107-19]; payments for extension work at the 1994 Institutions under the Smith-Lever Act (7 U.S.C. 343(b)(3)), \$3,273,000; payments for the nutrition and family education program for low-income areas under section 3(d) of the Act, \$58,566,000; payments for the pest management program under section 3(d) of the Act, \$10,759,000; [payments for the farm safety program under section 3(d) of the Act, \$5,250,000;] payments to upgrade research, extension, and teaching facilities at the 1890 land-grant colleges, including Tuskegee University, as authorized by section 1447 of Public Law 95-113 (7 U.S.C. 3222b), \$13,500,000, to remain available until expended; [payments for the rural development centers under section 3(d) of the Act, \$953,000;] payments for youth-at-risk programs under section 3(d) of the Act, \$8,481,000; for youth farm safety education and certification extension grants, to be awarded competitively under section 3(d) of the Act, \$499,000; payments for carrying out the provisions of the Renewable Resources Extension Act of 1978, \$4,093,000; payments for Indian reservation agents under section 3(d) of the Act, \$1,996,000; payments for sustainable agriculture programs under section 3(d) of the Act, [\$4,750,000; payments for rural health and safety education as authorized by section 2390 of Public Law 101-624 (7 U.S.C. 2661 note, 2662), \$2,622,000] \$3,792,000; 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, \$31,181,000, 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; and for Federal administration and coordination including administration of the Smith-Lever Act, and the Act of September 29, 1977 (7 U.S.C. 341-349), and section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301 note), and to coordinate and provide program leadership for the extension work of the Department and the several States and insular possessions, [\$17,610,000] \$8,955,000: *Provided*, That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, and section 506 of the Act of June 23, 1972, shall not be paid to any State, the District of Columbia, Puerto Rico, Guam, or the Virgin Islands, Micronesia, Northern Marianas, and American Samoa prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002; additional authorizing legislation required.*)

Program and Financing (in millions of dollars)

| Identification code 12-0502-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Direct program: | | | |
| 00.01 Smith-Lever Act, 3(b) and 3(c) | 276 | 276 | 276 |
| 00.02 Youth at risk | 8 | 8 | 9 |
| 00.04 Expanded food and nutrition education program (EFNEP) | 59 | 59 | 59 |
| 00.05 Pest management | 11 | 11 | 11 |
| 00.06 Farm safety | 4 | 5 | ..... |
| 00.09 Indian reservation extension agents | 2 | 2 | 2 |
| 00.12 Rural development | 1 | 1 | ..... |
| 00.13 Payments to 1890 colleges and Tuskegee University | 28 | 31 | 31 |
| 00.15 Renewable resources extension act | 3 | 4 | 4 |
| 00.16 Federal administration | 19 | 19 | 9 |
| 00.18 Rural health and safety education | 3 | 3 | ..... |
| 00.19 1890 facilities (section 1447) | 7 | 12 | 14 |
| 00.21 Sustainable agriculture | 4 | 5 | 4 |
| 00.22 1994 institutions activities | 3 | 3 | 3 |
| 00.23 Youth farm safety pilot program | 1 | 1 | 1 |
| 00.24 Agricultural risk grants | 5 | ..... | ..... |
| 09.00 Reimbursable program | 16 | 25 | 25 |
| 10.00 Total new obligations | 450 | 465 | 448 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 1 | 4 | 4 |
| 22.00 New budget authority (gross) | 454 | 465 | 445 |
| 23.90 Total budgetary resources available for obligation | 455 | 469 | 449 |
| 23.95 Total new obligations | -450 | -465 | -448 |
| 23.98 Unobligated balance expiring or withdrawn | -1 | ..... | ..... |
| 24.40 Unobligated balance carried forward, end of year | 4 | 4 | 1 |

| | | | |
|---|-------|-------|-------|
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 434 | 440 | 421 |
| 40.77 Reduction pursuant to P.L. 106-554 (0.22 percent) | -1 | ..... | ..... |
| 43.00 Appropriation (total discretionary) | 433 | 440 | 421 |
| Mandatory: | | | |
| 60.00 Appropriation | 5 | ..... | ..... |
| Discretionary: | | | |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | 16 | 25 | 25 |
| 70.00 Total new budget authority (gross) | 454 | 465 | 446 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 239 | 240 | 203 |
| 73.10 Total new obligations | 450 | 465 | 448 |
| 73.20 Total outlays (gross) | -449 | -502 | -455 |
| 74.40 Obligated balance, end of year | 240 | 203 | 196 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 270 | 289 | 278 |
| 86.93 Outlays from discretionary balances | 178 | 210 | 176 |
| 86.97 Outlays from new mandatory authority | 1 | ..... | ..... |
| 86.98 Outlays from mandatory balances ..... | ..... | 3 | 1 |
| 87.00 Total outlays (gross) | 449 | 502 | 455 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources | -16 | -25 | -25 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 438 | 440 | 421 |
| 90.00 Outlays | 433 | 477 | 430 |

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 437 | 439 | 420 |
| 90.00 Outlays | 432 | 476 | 429 |

Note.—In 2003 funding for rural development centers is included in the account for integrated activities.

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.

Base programs, funded by the 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. They are the ongoing priority efforts of the System, involving many discipline-based and multi-disciplinary programs. The System's base 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.

General and special funds—Continued

EXTENSION ACTIVITIES—Continued

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 provide funds to support the Extension 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.

National initiatives funded by legislative formulas, administratively determined distribution, Congressional and Executive intent, and competitively-awarded projects, are the System's commitment to respond to important problems of broad national concern with additional resources and significantly increased effort to achieve a major impact on national priorities. They are the most current significant and complex issues on which the Extension System has the potential to make a difference—usually in cooperation with other agencies, groups, and units of government. The goal is to inform and educate these extension agriculture professionals and volunteers who, in turn, educate the professional farmers and end-users regarding these critical initiatives and concerns.

In 2003 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, and 1994 (Native American) institutions.

| Object Classification (in millions of dollars) | | | |
|---|-------------|-----------|-----------|
| Identification code 12-0502-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
| Direct obligations: | | | |
| 11.1 Personnel compensation: Full-time permanent | 9 | 11 | 11 |
| 12.1 Civilian personnel benefits | 3 | 4 | 4 |
| 21.0 Travel and transportation of persons | 1 | 1 | 1 |
| 23.1 Rental payments to GSA | | | 1 |
| 25.2 Other services | 2 | 1 | 1 |
| 25.3 Other purchases of goods and services from Government accounts | 2 | 1 | 1 |
| 41.0 Grants, subsidies, and contributions | 417 | 422 | 404 |
| 99.0 Direct obligations | 434 | 440 | 423 |
| 99.0 Reimbursable obligations | 16 | 25 | 25 |
| 99.9 Total new obligations | 450 | 465 | 448 |

Personnel Summary

| Identification code 12-0502-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 1001 Total compensable workyears: Full-time equivalent employment | 164 | 217 | 216 |

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, including those pursuant to the Act of February 28, 1947 (21 U.S.C. 114b-c), necessary to prevent, control, and eradicate pests and plant and animal diseases; to carry out inspection, quarantine, and regulatory activities; to discharge the authorities of the Secretary of Agriculture under the Acts of March 2, 1931 (46 Stat. 1468) and December 22, 1987 (101 Stat. 1329-1331) (7 U.S.C. 426-426c); and to protect the environment, as authorized by law, **[\$620,490,000] \$782,227,000**, of which **[\$4,096,000] \$4,167,000** shall be available for the control of out-

breaks of insects, plant diseases, animal diseases and for control of pest animals and birds to the extent necessary to meet emergency conditions; of which \$77,355,000 shall be used for the boll weevil eradication program for cost share purposes or for debt retirement for active eradication zones]: *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 field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$40,000 shall be available for employment under 5 U.S.C. 3109: *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 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 the Act of February 28, 1947, and section 102 of the Act of September 21, 1944, 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 **[2002] 2003**, 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.

[Of the total amount available under this heading in fiscal year 2002, \$84,813,000 shall be derived from user fees deposited in the Agricultural Quarantine Inspection User Fee Account.] (10 U.S.C. 2306; 15 U.S.C. 69e, 1821-31; 16 U.S.C. 1531-43; 18 U.S.C. 1114; 19 U.S.C. 1306, 21 U.S.C. 101-105, 111-114, 114a-114c; 114d-1, 114e-131, 134-135b, 151-158; 26 U.S.C. 4491-94; 45 U.S.C. 71-74; 46 U.S.C. 466a-466(b); 49 U.S.C. 1471(a)-1509(d), 1741; 46 Stat. 67; 78 Stat. 939-940; 99 Stat. 1645-1650, 1654-1656, 1658-1659; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002; additional authorizing legislation required.)

[For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for "Salaries and Expenses", \$105,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107-38, of which \$50,000,000 may be transferred to and merged with the Agricultural Quarantine Inspection User Fee Account.] (Emergency Supplemental Act, 2002.)

Unavailable Collections (in millions of dollars)

| Identification code 12-1600-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 01.99 Balance, start of year | 130 | 170 | 135 |
| Receipts: | | | |
| 02.00 Agricultural quarantine inspection fees | 265 | 215 | 270 |
| 04.00 Total: Balances and collections | 395 | 385 | 405 |
| Appropriations: | | | |
| 05.00 Salaries and expenses | -225 | -250 | -341 |
| 05.99 Total appropriations | -225 | -250 | -341 |
| 07.99 Balance, end of year | 170 | 135 | 64 |

Program and Financing (in millions of dollars)

| Identification code 12-1600-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Direct program: | | | |
| 00.01 | 355 | 432 | 213 |
| 00.02 | 87 | 126 | 145 |
| 00.03 | 163 | 241 | 336 |
| 00.04 | 13 | 16 | 15 |
| 00.05 | 59 | 68 | 78 |
| 00.06 | 3 | 4 | 4 |
| 00.07 | 233 | 132 | 172 |
| 01.00 | 913 | 1,019 | 963 |
| 09.01 | 85 | 88 | 88 |
| 10.00 | 998 | 1,107 | 1,051 |
| Budgetary resources available for obligation: | | | |
| 21.40 | 74 | 164 | 109 |
| 22.00 | 1,114 | 1,052 | 1,159 |
| 23.90 | 1,188 | 1,216 | 1,268 |
| 23.95 | -998 | -1,107 | -1,051 |
| 23.98 | -26 | | |
| 24.40 | 164 | 109 | 217 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 | 475 | 605 | 782 |
| 40.20 | 85 | 135 | |
| 40.77 | -1 | | |
| 42.00 | 335 | 151 | |
| 43.00 | 894 | 891 | 782 |
| Mandatory: | | | |
| 60.00 | 31 | | |
| 60.20 | 150 | 125 | 341 |
| 62.50 | 181 | 125 | 341 |
| Discretionary: | | | |
| 68.00 | 39 | 36 | 36 |
| 70.00 | 1,114 | 1,052 | 1,159 |
| Change in obligated balances: | | | |
| 72.40 | 173 | 214 | 179 |
| 73.10 | 998 | 1,107 | 1,051 |
| 73.20 | -957 | -1,142 | -1,218 |
| 74.40 | 214 | 179 | 12 |

| | | | |
|---------------------------------|-----|-------|-------|
| Outlays (gross), detail: | | | |
| 86.90 | 759 | 743 | 703 |
| 86.93 | 41 | 248 | 185 |
| 86.97 | 156 | 119 | 324 |
| 86.98 | 1 | 32 | 6 |
| 87.00 | 957 | 1,142 | 1,218 |

| | | | |
|---|-----|-----|-----|
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 | -17 | -16 | -16 |
| 88.40 | -22 | -20 | -20 |
| 88.90 | -39 | -36 | -36 |

| | | | |
|--|-------|-------|-------|
| Net budget authority and outlays: | | | |
| 89.00 | 1,075 | 1,016 | 1,123 |
| 90.00 | 918 | 1,106 | 1,182 |

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Net budget authority and outlays: | | | |
| 89.00 | 1,051 | 991 | 1,098 |
| 90.00 | 894 | 1,081 | 1,157 |

Summary of Budget Authority and Outlays

| | (in millions of dollars) | | |
|---|--------------------------|-----------|-----------|
| | 2001 actual | 2002 est. | 2003 est. |
| Enacted/requested: | | | |
| Budget Authority | 1,075 | 1,016 | 1,123 |
| Outlays | 918 | 1,106 | 1,182 |
| Legislative proposal, not subject to PAYGO: | | | |
| Budget Authority | | | -5 |
| Outlays | | | -5 |
| Total: | | | |
| Budget Authority | 1,075 | 1,016 | 1,118 |
| Outlays | 918 | 1,106 | 1,177 |

The major objectives of the Animal and Plant Health Inspection Service (APHIS) are to protect the animal and plant resources of the Nation from destructive pests and diseases. This mission is carried out under the five major areas of activity, as follows:

Pest and disease exclusion.—The agency conducts inspection and quarantine activities at U.S. ports-of-entry to prevent the introduction of exotic animal and plant diseases and pests. 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. User fees have been implemented to recover the cost of certain agricultural quarantine inspection services. The 1996 Farm Bill provides that beginning in 2003, all AQI user fee collections will become available without the need for annual appropriations, and the program will operate like typical user fee programs, with spending determined by the demand for AQI services. The 2003 budget provides increases to enhance border inspections and international programs.

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 2003 budget includes significant increases to improve the monitoring of plants and animals for the rapid, detection of diseases such as foot and mouth disease.

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 2003 budget proposes a significant increase to fund the ongoing eradication costs of infestation; currently funded through transfers from the Commodity Credit Corporation (CCC), and to reduce Federal assistance for wildlife services operations since much of the program provides direct assistance to private landowners.

Animal care.—The Agency conducts regulatory activities which 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.

General and special funds—Continued

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

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 combatting disease are potent, safe, and pure. It also provides and directs technology development in coordination with other groups in APHIS and Plant Protection and Quarantine (PPQ) officials to support PPQ programs of the Agency and its cooperators at the State, national, and international levels.

Object Classification (in millions of dollars)

| Identification code 12-1600-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 340 | 351 | 333 |
| 11.3 Other than full-time permanent | 4 | 9 | 5 |
| 11.5 Other personnel compensation | 57 | 70 | 66 |
| 11.9 Total personnel compensation | 401 | 430 | 404 |
| 12.1 Civilian personnel benefits | 109 | 120 | 128 |
| 13.0 Benefits for former personnel | 1 | 1 | 1 |
| 21.0 Travel and transportation of persons | 29 | 40 | 34 |
| 22.0 Transportation of things | 8 | 9 | 9 |
| 23.1 Rental payments to GSA | | | 27 |
| 23.2 Rental payments to others | 4 | 20 | 18 |
| 23.3 Communications, utilities, and miscellaneous charges | 12 | 9 | 10 |
| 24.0 Printing and reproduction | 3 | 9 | 3 |
| 25.2 Other services | 200 | 241 | 178 |
| 26.0 Supplies and materials | 31 | 40 | 36 |
| 31.0 Equipment | 44 | 50 | 52 |
| Grants, subsidies, and contributions: | | | |
| United States-Colombia Commission to Prevent Foot-and-Mouth Disease | | | |
| 41.0 | 1 | | 2 |
| 41.0 Joint Screwworm eradication programs | 9 | | 12 |
| 41.0 Joint Commission on the Mediterranean Fruit Fly | 10 | | 14 |
| 41.0 Other grants, subsidies, and contributions | 30 | 41 | 34 |
| Insurance claims and indemnities: | | | |
| 42.0 Brucellosis | | | |
| 42.0 Pseudorabies | 20 | | |
| 42.0 Other insurance claims and indemnities | 1 | 9 | 1 |
| 99.0 Direct obligations | 913 | 1,019 | 963 |
| 99.0 Reimbursable obligations | 85 | 88 | 88 |
| 99.9 Total new obligations | 998 | 1,107 | 1,051 |

Personnel Summary

| Identification code 12-1600-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Full-time equivalent employment | 6,101 | 6,876 | 7,806 |
| Reimbursable: | | | |
| 2001 Total compensable workyears: Full-time equivalent employment | 750 | 748 | 748 |

SALARIES AND EXPENSES

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

| Identification code 12-1600-2-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Direct program: | | | |
| 00.04 Animal care | | | -5 |
| 09.01 Reimbursable program | | | 5 |

| | | | |
|---|--|--|----|
| 10.00 Total new obligations | | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | | | -5 |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | | | 5 |
| 70.00 Total new budget authority (gross) | | | |
| Change in obligated balances: | | | |
| 73.10 Total new obligations | | | |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.40 Offsetting collections (cash) from: Non-Federal sources | | | -5 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | -5 |
| 90.00 Outlays | | | -5 |

Legislation will be proposed to establish user fees for APHIS' costs for animal welfare inspections, such as for animal research centers, humane societies, and kennels.

This is one of the proposals in the budget to charge fees to users directly availing themselves of, or subject to, a government service, program, or activity, in order to cover the government's costs. Legislation will be proposed to authorize the fees.

Object Classification (in millions of dollars)

| Identification code 12-1600-2-1-352 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Direct obligations: | | | |
| 11.1 Personnel compensation: Full-time permanent | | | -3 |
| 12.1 Civilian personnel benefits | | | -1 |
| 25.2 Other services | | | -1 |
| 99.0 Direct obligations | | | -5 |
| 99.0 Reimbursable obligations | | | 5 |
| 99.9 Total new obligations | | | |

Personnel Summary

| Identification code 12-1600-2-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Full-time equivalent employment | | | -42 |
| Reimbursable: | | | |
| 2001 Total compensable workyears: Full-time equivalent employment | | | 42 |

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, **[\$7,189,000]** \$13,189,000, to remain available until expended. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002.*)

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for "Buildings and Facilities", \$14,081,000, to remain available until expended, to be obligated from amounts made available in Public Law 107-38. (*Emergency Supplemental Act, 2002.*)

Program and Financing (in millions of dollars)

| Identification code 12-1601-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 10.00 Total new obligations (object class 25.2) | 14 | 28 | 14 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 16 | 12 | 5 |
| 22.00 New budget authority (gross) | 10 | 21 | 13 |

| | | | | |
|--|--|-----|-----|-----|
| 23.90 | Total budgetary resources available for obligation | 26 | 33 | 18 |
| 23.95 | Total new obligations | -14 | -28 | -14 |
| 24.40 | Unobligated balance carried forward, end of year | 12 | 5 | 4 |
| New budget authority (gross), detail: | | | | |
| Discretionary: | | | | |
| 40.00 | Appropriation | 10 | 21 | 13 |
| Change in obligated balances: | | | | |
| 72.40 | Obligated balance, start of year | 6 | 12 | 27 |
| 73.10 | Total new obligations | 14 | 28 | 14 |
| 73.20 | Total outlays (gross) | -8 | -13 | -19 |
| 74.40 | Obligated balance, end of year | 12 | 27 | 22 |
| Outlays (gross), detail: | | | | |
| 86.90 | Outlays from new discretionary authority | 2 | 5 | 3 |
| 86.93 | Outlays from discretionary balances | 5 | 8 | 16 |
| 87.00 | Total outlays (gross) | 8 | 13 | 19 |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | 10 | 21 | 13 |
| 90.00 | Outlays | 9 | 13 | 19 |

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 2003 budget proposes \$13 million for this program, which consists of \$5 million for repairs, alterations, preventive maintenance, and renovations for currently owned APHIS facilities, \$3 million for the modernization of the Plum Island, New York, animal disease center, and \$5 million to assist with the construction of the Miami animal import center.

Trust Funds

MISCELLANEOUS TRUST FUNDS

Unavailable Collections (in millions of dollars)

| Identification code 12-9971-0-7-352 | 2001 actual | 2002 est. | 2003 est. |
|---------------------------------------|-------------|-----------|-----------|
| 01.99 Balance, start of year | | | |
| Receipts: | | | |
| 02.20 Miscellaneous contributed funds | 9 | 13 | 14 |
| Appropriations: | | | |
| 05.00 Miscellaneous trust funds | -9 | -13 | -14 |
| 07.99 Balance, end of year | | | |

Program and Financing (in millions of dollars)

| Identification code 12-9971-0-7-352 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 10.00 Total new obligations | 14 | 11 | 8 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 9 | 4 | 6 |
| 22.00 New budget authority (gross) | 9 | 13 | 14 |
| 23.90 Total budgetary resources available for obligation | 18 | 17 | 20 |
| 23.95 Total new obligations | -14 | -11 | -8 |
| 24.40 Unobligated balance carried forward, end of year | 4 | 6 | 11 |
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| 60.26 Appropriation (trust fund) | 9 | 13 | 14 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | -8 | 5 | 8 |
| 73.10 Total new obligations | 14 | 11 | 8 |
| 73.20 Total outlays (gross) | -1 | -8 | -14 |
| 74.40 Obligated balance, end of year | 5 | 8 | 2 |
| Outlays (gross), detail: | | | |
| 86.97 Outlays from new mandatory authority | | 7 | 8 |
| 86.98 Outlays from mandatory balances | 1 | 1 | 5 |

| | | | | |
|--|-----------------------|---|----|----|
| 87.00 | Total outlays (gross) | 1 | 8 | 14 |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | 9 | 13 | 14 |
| 90.00 | Outlays | 1 | 8 | 14 |

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. | |
|--|------------------|-----------|-----------|----|
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | 9 | 13 | 13 |
| 90.00 | Outlays | 1 | 8 | 13 |

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 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 4 | 3 | 2 |
| 11.3 Other than full-time permanent | 3 | 2 | 1 |
| 11.5 Other personnel compensation | 1 | 1 | 1 |
| 11.9 Total personnel compensation | 8 | 6 | 4 |
| 12.1 Civilian personnel benefits | 3 | 1 | 2 |
| 21.0 Travel and transportation of persons | 1 | 2 | |
| 25.2 Other services | 1 | 1 | 1 |
| 26.0 Supplies and materials | 1 | 1 | 1 |
| 99.9 Total new obligations | 14 | 11 | 8 |

Personnel Summary

| Identification code 12-9971-0-7-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 1001 Total compensable workyears: Full-time equivalent employment | 108 | 108 | 108 |

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), **[\$715,642,000] \$803,598,000**, of which no less than **[\$608,730,000] \$722,019,000** 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 1017 of Public Law 102-237: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$75,000 shall be available for employment under 5 U.S.C. 3109: *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, 2002; additional authorizing legislation required.)

General and special funds—Continued

SALARIES AND EXPENSES—Continued

[For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for “Food Safety and Inspection Service”, \$15,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107–38.] (Emergency Supplemental Act, 2002.)

Program and Financing (in millions of dollars)

| Identification code 12–3700–0–1–554 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct program | 732 | 791 | 804 |
| 09.01 Reimbursable program | 96 | 99 | 99 |
| 10.00 Total new obligations | 828 | 890 | 903 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 11 | 10 | 3 |
| 22.00 New budget authority (gross) | 841 | 883 | 903 |
| 23.90 Total budgetary resources available for obligation | 852 | 893 | 906 |
| 23.95 Total new obligations | –828 | –890 | –903 |
| 23.98 Unobligated balance expiring or withdrawn | –14 | | |
| 24.40 Unobligated balance carried forward, end of year | 10 | 3 | 3 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| Appropriation: | | | |
| 40.00 Appropriation | 747 | 769 | 804 |
| 40.00 Appropriation (terrorist response) | | 15 | |
| 40.35 Appropriation rescinded | –2 | | |
| 43.00 Appropriation (total discretionary) | 745 | 784 | 804 |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | 96 | 99 | 99 |
| 70.00 Total new budget authority (gross) | 841 | 883 | 903 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | | 66 | 75 |
| 73.10 Total new obligations | 828 | 890 | 903 |
| 73.20 Total outlays (gross) | –794 | –881 | –899 |
| 73.40 Adjustments in expired accounts (net) | 32 | | |
| 74.40 Obligated balance, end of year | 66 | 75 | 79 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 749 | 835 | 851 |
| 86.93 Outlays from discretionary balances | 45 | 47 | 48 |
| 87.00 Total outlays (gross) | 794 | 881 | 899 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.40 Offsetting collections (cash) from: Non-Federal sources | –96 | –99 | –99 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 745 | 784 | 804 |
| 90.00 Outlays | 698 | 782 | 800 |
| Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars) | | | |
| | 2001 actual | 2002 est. | 2003 est. |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 695 | 731 | 763 |
| 90.00 Outlays | 648 | 729 | 759 |

The primary objectives of the Food Safety and Inspection Service 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 2003 budget proposes an \$88 million increase for inspection of meat, poultry, shell egg and egg products, including

employee pension and annuitant health benefits. This increase will cover pay cost increases for Federal and State inspection programs, and initiatives for: continued improvements toward a science-driven, risk-based food safety program, and strengthening information technology and education.

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

The budget proposes to modify the existing overtime fee structure to more equitably distribute costs and to implement a new licensing fee, from which the receipts would be available without appropriation, to cover the cost of food safety-related activities and research. Both proposals are expected to be implemented in 2004.

FEDERALLY FUNDED INSPECTION ACTIVITIES

| | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Federally inspected establishments: | | | |
| Slaughter plants | 230 | 222 | 210 |
| Processing plants | 4,201 | 4,175 | 4,120 |
| Combination slaughter and processing plants | 933 | 912 | 890 |
| Talmadge-Aiken plants | 242 | 235 | 230 |
| Import establishments | 120 | 115 | 110 |
| Egg plants | 72 | 70 | 68 |
| Other plants | 478 | 459 | 423 |
| Federally inspected and passed production (millions of pounds): | | | |
| Meat slaughter | 47,397 | 47,900 | 48,400 |
| Poultry slaughter | 46,728 | 47,500 | 48,500 |
| Egg products | 3,134 | 3,150 | 3,200 |
| Import/export activity (millions of pounds): | | | |
| Meat and poultry imported | 3,775 | 3,800 | 3,850 |
| Meat and poultry exported | 11,113 | 11,200 | 11,250 |
| States and territories with cooperative programs:^a | | | |
| Intrastate inspection | 27 | 29 | 29 |
| Talmadge-Aiken inspection | 9 | 9 | 9 |
| Number of slaughter and/or processing plants (excludes exempt plants) | 2,054 | 2,110 | 2,150 |
| Pounds inspected slaughter (millions) | 546 | 547 | 547 |
| Compliance activities: | | | |
| Corrective action reviews | 32,224 | 32,000 | 32,000 |
| Corrective actions completed | 584 | 580 | 580 |
| Product Testing (samples analyzed): | | | |
| Food chemistry | 8,550 | 9,000 | 9,000 |
| Food microbiology | 83,674 | 84,000 | 84,000 |
| Chemical residues | 55,245 | 56,000 | 56,000 |
| Antibiotic residues | 252,046 | 252,000 | 252,000 |
| Pathology samples | 5,575 | 5,600 | 5,600 |
| Egg Products: | | | |
| Food microbiology | 1,840 | 1,900 | 1,900 |
| Chemical residues | 1,751 | 1,800 | 1,800 |
| Consumer Education and public outreach: | | | |
| Meat and poultry hotline calls received | 85,613 | 86,000 | 87,000 |
| Website visits | 50,000 | 55,000 | 60,000 |
| Electronic messages received | 5,340 | 6,000 | 7,000 |
| Publication subscriptions | 14,478 | 15,000 | 16,000 |
| Epidemiological Investigations: | | | |
| Cooperative efforts with State and public health offices | 26 | 26 | 26 |
| Illnesses reported and treated ^b | 508 | 500 | 500 |
| Field Automation and Information Management Project: | | | |
| Number of computers to be provided to federal field inspection staff | 1,177 | 850 | 700 |
| Number of computers to be provided to state field inspection staff | 76 | 80 | 178 |

^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 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 384 | 406 | 419 |
| 11.3 Other than full-time permanent | 15 | 15 | 16 |

| | | | | |
|------|--|-----|-----|-----|
| 11.5 | Other personnel compensation | 18 | 19 | 20 |
| 11.9 | Total personnel compensation | 417 | 440 | 455 |
| 12.1 | Civilian personnel benefits | 172 | 180 | 177 |
| 13.0 | Benefits for former personnel | 1 | 1 | 1 |
| 21.0 | Travel and transportation of persons | 26 | 29 | 26 |
| 22.0 | Transportation of things | 2 | 2 | 2 |
| 23.1 | Rental payments to GSA | 1 | 3 | 8 |
| 23.2 | Rental payments to others | 1 | 1 | 1 |
| 23.3 | Communications, utilities, and miscellaneous charges | 9 | 12 | 10 |
| 24.0 | Printing and reproduction | 2 | 2 | 2 |
| 25.1 | Advisory and assistance services | 8 | 13 | 11 |
| 25.2 | Other services | 5 | 4 | 4 |
| 25.3 | Other purchases of goods and services from Government accounts | 24 | 27 | 25 |
| 25.4 | Operation and maintenance of facilities | 1 | 2 | 2 |
| 25.8 | Subsistence and support of persons | 1 | 1 | 1 |
| 26.0 | Supplies and materials | 9 | 10 | 10 |
| 31.0 | Equipment | 10 | 19 | 25 |
| 41.0 | Grants, subsidies, and contributions | 42 | 43 | 43 |
| 99.0 | Direct obligations | 731 | 789 | 803 |
| 99.0 | Reimbursable obligations | 93 | 99 | 99 |
| 99.5 | Below reporting threshold | 4 | 2 | 1 |
| 99.9 | Total new obligations | 828 | 890 | 903 |

Personnel Summary

| Identification code 12-3700-0-1-554 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Full-time equivalent employment | 9,321 | 9,409 | 9,428 |
| Reimbursable: | | | |
| 2001 Total compensable workyears: Full-time equivalent employment | 216 | 216 | 216 |

Trust Funds

EXPENSES AND REFUNDS, INSPECTION AND GRADING OF FARM PRODUCTS

Unavailable Collections (in millions of dollars)

| Identification code 12-8137-0-7-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 01.99 Balance, start of year | | | |
| Receipts: | | | |
| 02.20 Fees for inspection and grading of farm products | 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 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 10.00 Total new obligations | 4 | 3 | 3 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 3 | 3 | 3 |
| 23.95 Total new obligations | -4 | -3 | -3 |
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| 60.26 Appropriation (trust fund) | 3 | 3 | 3 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | | 6 | 6 |
| 73.10 Total new obligations | 4 | 3 | 3 |
| 73.20 Total outlays (gross) | | -3 | -3 |
| 74.40 Obligated balance, end of year | 6 | 6 | 6 |
| Outlays (gross), detail: | | | |
| 86.97 Outlays from new mandatory authority | | 3 | 3 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 3 | 3 | 3 |

| | | | |
|-------|---------------|---|---|
| 90.00 | Outlays | 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 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 2 | 1 | 1 |
| 11.5 Other personnel compensation | | 1 | 1 |
| 11.9 Total personnel compensation | 2 | 2 | 2 |
| 12.1 Civilian personnel benefits | 1 | | |
| 99.0 Direct obligations | 3 | 2 | 2 |
| 99.5 Below reporting threshold | 1 | 1 | 1 |
| 99.9 Total new obligations | 4 | 3 | 3 |

Personnel Summary

| Identification code 12-8137-0-7-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 1001 Total compensable workyears: Full-time equivalent employment | 45 | 36 | 36 |

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, including field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$25,000 for employment under 5 U.S.C. 3109, **[\$33,117,000] \$42,908,000: 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, 2002; additional authorizing legislation required.*)

Program and Financing (in millions of dollars)

| Identification code 12-2400-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Standardization | 4 | 4 | 5 |
| 00.02 Compliance | 6 | 6 | 7 |
| 00.03 Methods development | 5 | 6 | 7 |
| 00.04 Packers and stockyards program | 18 | 19 | 24 |
| 10.00 Total new obligations | 33 | 35 | 43 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 34 | 35 | 43 |
| 23.95 Total new obligations | -33 | -35 | -43 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 34 | 35 | 43 |

General and special funds—Continued**SALARIES AND EXPENSES—Continued****Program and Financing (in millions of dollars)—Continued**

| Identification code 12-2400-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 6 | 4 | 4 |
| 73.10 Total new obligations | 33 | 35 | 43 |
| 73.20 Total outlays (gross) | -35 | -35 | -43 |
| 74.40 Obligated balance, end of year | 4 | 4 | 4 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 29 | 30 | 37 |
| 86.93 Outlays from discretionary balances | 5 | 5 | 5 |
| 87.00 Total outlays (gross) | 35 | 35 | 43 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 34 | 35 | 43 |
| 90.00 Outlays | 35 | 35 | 43 |
| Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars) | | | |
| | 2001 actual | 2002 est. | 2003 est. |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 32 | 33 | 41 |
| 90.00 Outlays | 33 | 33 | 41 |

Summary of Budget Authority and Outlays

(in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Enacted/requested: | | | |
| Budget Authority | 34 | 35 | 43 |
| Outlays | 34 | 35 | 42 |
| Legislative proposal, not subject to PAYGO: | | | |
| Budget Authority | | | -29 |
| Outlays | | | -29 |
| Total: | | | |
| Budget Authority | 34 | 35 | 14 |
| Outlays | 34 | 35 | 13 |

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.

For 2003, authorizing legislation will be submitted to permit, subject to appropriations, the collection and use of fees to cover the cost of standardization activities.

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.

Authorizing legislation will be submitted that would establish a license fee that, subject to appropriations, would allow the collection and expenditure of funds for all costs associated with administering the Packers and Stockyards Act.

MAIN WORKLOAD FACTORS

| | 2001 actual | 2002 est. | 2003 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 |
| Inspection techniques developed | 40 | 40 | 40 |
| On-site investigations | 4 | 10 | 10 |
| Designations renewed | 20 | 20 | 16 |
| Registration certificates issued | 75 | 75 | 75 |
| Investigations | 1,619 | 1,700 | 1,750 |
| Market agencies/dealers registered | 6,241 | 6,250 | 6,250 |
| Stockyards posted | 1,525 | 1,520 | 1,520 |
| 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 | 205 | 205 | 205 |

Object Classification (in millions of dollars)

| Identification code 12-2400-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 11.1 Personnel compensation: Full-time permanent | 19 | 20 | 22 |
| 12.1 Civilian personnel benefits | 7 | 7 | 8 |
| 21.0 Travel and transportation of persons | 1 | 1 | 2 |
| 23.1 Rental payments to GSA | | | 1 |
| 23.3 Communications, utilities, and miscellaneous charges | 1 | 1 | 2 |
| 25.2 Other services | 3 | 3 | 4 |
| 26.0 Supplies and materials | 1 | 1 | 1 |
| 31.0 Equipment | 1 | 2 | 3 |
| 99.9 Total new obligations | 33 | 35 | 43 |

Personnel Summary

| Identification code 12-2400-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 1001 Total compensable workyears: Full-time equivalent employment | 330 | 355 | 375 |

SALARIES AND EXPENSES
(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

| Identification code 12-2400-2-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Standardization | | | -6 |
| 00.04 Packers and stockyards program | | | -23 |
| 09.01 Reimbursable program | | | 29 |
| 10.00 Total new obligations | | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | | | -29 |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | | | 29 |
| 70.00 Total new budget authority (gross) | | | |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.40 Offsetting collections (cash) from: Non-Federal sources | | | -29 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | -29 |
| 90.00 Outlays | | | -29 |

Legislation will be proposed to establish a fee for the standardization activities of the Grain Inspection, Packers and Stockyards Administration, and a licensing fee to cover the costs of administering meat packers and stockyards activities.

This is one of the proposals in the budget to charge fees to users directly availing themselves of, or subject to, a government service, program, or activity, in order to cover the government's costs. Legislation will be proposed to authorize the fees.

Object Classification (in millions of dollars)

| Identification code 12-2400-2-1-352 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Direct obligations: | | | |
| 11.1 Personnel compensation: Full-time permanent | | | -16 |
| 12.1 Civilian personnel benefits | | | -5 |
| 21.0 Travel and transportation of persons | | | -1 |
| 23.1 Rental payments to GSA | | | -1 |
| 25.2 Other services | | | -3 |
| 26.0 Supplies and materials | | | -1 |
| 31.0 Equipment | | | -2 |
| 99.0 Direct obligations | | | -29 |
| 99.0 Reimbursable obligations | | | 29 |
| 99.9 Total new obligations | | | |

Personnel Summary

| Identification code 12-2400-2-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Full-time equivalent employment | | | -252 |
| Reimbursable: | | | |
| 2001 Total compensable workyears: Full-time equivalent employment | | | 252 |

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, 2002; additional authorizing legislation required.)

Program and Financing (in millions of dollars)

| Identification code 12-4050-0-3-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 10.00 Total new obligations | 36 | 44 | 44 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 6 | 5 | 5 |
| 22.00 New budget authority (gross) | 34 | 44 | 44 |
| 23.90 Total budgetary resources available for obligation | 40 | 49 | 49 |
| 23.95 Total new obligations | -36 | -44 | -44 |
| 24.40 Unobligated balance carried forward, end of year | 5 | 5 | 5 |
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| 69.00 Offsetting collections (cash) | 34 | 44 | 44 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | -3 | -3 | -3 |
| 73.10 Total new obligations | 36 | 44 | 44 |
| 73.20 Total outlays (gross) | -34 | -44 | -44 |
| 74.40 Obligated balance, end of year | -3 | -3 | -3 |
| Outlays (gross), detail: | | | |
| 86.97 Outlays from new mandatory authority | 34 | 44 | 44 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.40 Offsetting collections (cash) from: Non-Federal sources | -34 | -44 | -44 |
| Net budget authority and outlays: | | | |
| 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 2005.

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 8 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).

| | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Export grain inspected and/or weighed (million metric tons): | | | |
| By Federal personnel | 78.8 | 84.3 | 91.8 |
| By delegated States | 27.2 | 29.1 | 31.8 |
| Quantity of grain inspected (all official inspections) domestically million metric tons | 128.6 | 125.4 | 128.3 |
| Number of inspections and reinspections: | | | |
| By Federal personnel | 111,802 | 110,000 | 110,000 |
| By delegated state/official agency licenses | 1,798,948 | 1,790,000 | 1,790,000 |
| Number of appeals | 3,105 | 3,100 | 3,100 |
| Number of appeals carried to the Board of Appeals and Review | 431 | 400 | 400 |
| Quantity of rice inspected (million metric tons) | 3.1 | 3.4 | 3.2 |
| Quantity of rice exports (million metric tons) | 3.3 | 2.7 | 2.5 |

Public enterprise funds—Continued

LIMITATION ON INSPECTION AND WEIGHING SERVICES EXPENSES—Continued

Object Classification (in millions of dollars)

| Identification code 12-4050-0-3-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 18 | 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 | 24 | 29 | 29 |
| 12.1 Civilian personnel benefits | 7 | 8 | 8 |
| 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 | 2 | 2 |
| 26.0 Supplies and materials | 1 | 1 | 1 |
| 31.0 Equipment | 1 | 1 | 1 |
| 99.9 Total new obligations | 36 | 44 | 44 |

Personnel Summary

| Identification code 12-4050-0-3-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 2001 Total compensable workyears: Full-time equivalent employment | 420 | 455 | 455 |

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, including field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225) and not to exceed \$90,000 for employment under 5 U.S.C. 3109, **[\$71,430,000] \$77,689,000**, 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.)

LIMITATION ON ADMINISTRATIVE EXPENSES LEVEL

Not to exceed **[\$60,596,000] \$63,455,000** (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. (7 U.S.C. 15b, 51-65, 511-511q, 511r; *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002; additional authorizing legislation required.*)

Program and Financing (in millions of dollars)

| Identification code 12-2500-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Direct program: | | | |
| 00.01 Market news service | 29 | 30 | 31 |
| 00.02 Inspection and standardization | 6 | 6 | 6 |
| 00.03 Market protection and promotion | 28 | 31 | 34 |
| 00.04 Wholesale market development | 2 | 3 | 3 |

| | | | |
|-------------------------------------|-----|-----|-----|
| 00.05 Transportation services | 2 | 3 | 3 |
| 09.01 Reimbursable program | 74 | 65 | 67 |
| 10.00 Total new obligations | 141 | 138 | 144 |

Budgetary resources available for obligation:

| | | | |
|--|------|------|------|
| 21.40 Unobligated balance carried forward, start of year | 43 | 13 | 13 |
| 22.00 New budget authority (gross) | 111 | 138 | 144 |
| 23.90 Total budgetary resources available for obligation | 154 | 151 | 157 |
| 23.95 Total new obligations | -141 | -138 | -144 |
| 23.98 Unobligated balance expiring or withdrawn | -1 | | |
| 24.40 Unobligated balance carried forward, end of year | 13 | 13 | 13 |

New budget authority (gross), detail:

| | | | |
|---|-----|-----|-----|
| Discretionary: | | | |
| 40.00 Appropriation | 67 | 73 | 77 |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | 44 | 65 | 67 |
| 70.00 Total new budget authority (gross) | 111 | 138 | 144 |

Change in obligated balances:

| | | | |
|--|------|------|------|
| 72.40 Obligated balance, start of year | -20 | 21 | 30 |
| 73.10 Total new obligations | 141 | 138 | 144 |
| 73.20 Total outlays (gross) | -103 | -129 | -143 |
| 73.40 Adjustments in expired accounts (net) | -1 | | |
| 74.10 Change in uncollected customer payments from Federal sources (expired) | 4 | | |
| 74.40 Obligated balance, end of year | 21 | 30 | 31 |

Outlays (gross), detail:

| | | | |
|--|-----|-----|-----|
| 86.90 Outlays from new discretionary authority | 111 | 130 | 135 |
| 86.93 Outlays from discretionary balances | -8 | -1 | 8 |
| 87.00 Total outlays (gross) | 103 | 129 | 143 |

Offsets:

| | | | |
|---|-----|-----|-----|
| Against gross budget authority and outlays: | | | |
| 88.40 Offsetting collections (cash) from: Non-Federal sources | -44 | -65 | -67 |

Net budget authority and outlays:

| | | | |
|------------------------------|----|----|----|
| 89.00 Budget authority | 67 | 73 | 77 |
| 90.00 Outlays | 59 | 64 | 76 |

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 65 | 71 | 75 |
| 90.00 Outlays | 57 | 62 | 74 |

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.

In 2003, increases of \$1 million have been provided for international market news and for the Federal seed program.

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 established 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

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Percentage of reports released on time | 93% | 93% | 93% |

COTTON AND TOBACCO USER FEE PROGRAM

| | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Cotton classed (samples in millions) | 16 | 19.2 | 15.9 |
| Tobacco graded at auction markets (million pounds) | 942 | 382 | 382 |
| Imported tobacco inspected at markets and ports of entry (million pounds) | 300 | 186 | 186 |

FEDERALLY FUNDED INSPECTION AND PROCUREMENT ACTIVITIES

| | 2001 actual | 2002 est. | 2003 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

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| International and U.S. standards in effect, end of fiscal year | 242 | 242 | 242 |
| Number of commodities covered | 1,335 | 1,342 | 1,347 |

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, avocado, and peanut; (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

| | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Pesticide data program: | | | |
| Number of analyses performed | 65,000 | 67,000 | 68,000 |
| Percentage of sampling and analysis goal | 100% | 100% | 100% |
| Pesticide recordkeeping: | | | |
| Number of State/Federal Inspections conducted | 4,600 | 4,600 | 4,600 |
| Percentage of sampling goal attained | 98% | 98% | 98% |
| Seed Act: | | | |
| Interstate investigations: | | | |
| Completed | 484 | 560 | 700 |
| Pending | 672 | 600 | 500 |
| Seed samples tested | 1,509 | 1,700 | 2,600 |
| Percentage of cases submitted that are completed | 94% | 92% | 94% |
| Plant Variety Protection Act: | | | |
| Percentage of application processing goal completed | 100% | 100% | 100% |
| Number of applications received | 292 | 260 | 260 |
| Certificates of protection issued | 495 | 450 | 450 |
| Research and promotion collections (dollars in millions) | .676 | .673 | .687 |
| Percentage of board budgets and marketing plans approved within time frame goal | 85% | 91% | 91% |

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

| | 2001 actual | 2002 est. | 2003 est. |
|------------------------------------|-------------|-----------|-----------|
| Number of projects completed | 10 | 10 | 10 |

TRANSPORTATION SERVICES ACTIVITIES

| | 2001 actual | 2002 est. | 2003 est. |
|------------------------------------|-------------|-----------|-----------|
| Number of projects completed | 7 | 8 | 8 |

Object Classification (in millions of dollars)

| Identification code 12-2500-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 25 | 28 | 29 |
| 11.3 Other than full-time permanent | 1 | 1 | 1 |
| 11.9 Total personnel compensation | 26 | 29 | 30 |
| 12.1 Civilian personnel benefits | 8 | 9 | 10 |
| 21.0 Travel and transportation of persons | 2 | 3 | 3 |
| 23.1 Rental payments to GSA | | | 1 |
| 23.2 Rental payments to others | 1 | 1 | 1 |
| 23.3 Communications, utilities, and miscellaneous charges | 2 | 3 | 3 |
| 25.2 Other services | 17 | 19 | 19 |
| 25.3 Other purchases of goods and services from Government accounts | 3 | 4 | 4 |
| 25.7 Operation and maintenance of equipment | 2 | 2 | 2 |
| 26.0 Supplies and materials | 1 | 1 | 1 |
| 31.0 Equipment | 5 | 2 | 3 |
| 99.0 Direct obligations | 67 | 73 | 77 |
| 99.0 Reimbursable obligations | 74 | 65 | 67 |
| 99.9 Total new obligations | 141 | 138 | 144 |

Personnel Summary

| Identification code 12-2500-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Full-time equivalent employment | 520 | 552 | 566 |
| Reimbursable: | | | |
| 2001 Total compensable workyears: Full-time equivalent employment | 634 | 649 | 649 |

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)), \$1,347,000. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002.*)

Program and Financing (in millions of dollars)

| Identification code 12-2501-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 10.00 Total new obligations (object class 41.0) | 1 | 1 | 1 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 1 | 1 | 1 |
| 23.95 Total new obligations | -1 | -1 | -1 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 1 | 1 | 1 |

General and special funds—Continued

PAYMENTS TO STATES AND POSSESSIONS—Continued

Program and Financing (in millions of dollars)—Continued

| Identification code 12-2501-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 2 | 2 | 1 |
| 73.10 Total new obligations | 1 | 1 | 1 |
| 73.20 Total outlays (gross) | -1 | -1 | -1 |
| 74.40 Obligated balance, end of year | 2 | 1 | 1 |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | 1 | 1 | 1 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 1 | 1 | 1 |
| 90.00 Outlays | 1 | 1 | 1 |

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

Unavailable Collections (in millions of dollars)

| Identification code 12-5070-0-2-352 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| 01.99 Balance, start of year | | | |
| Receipts: | | | |
| 02.00 Deposits of Perishable Agricultural Commodities Act fees | 38 | 7 | 8 |
| Appropriations: | | | |
| 05.00 Perishable Agricultural Commodities Act fund | -38 | -7 | -8 |
| 07.99 Balance, end of year | | | |

Program and Financing (in millions of dollars)

| Identification code 12-5070-0-2-352 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 10.00 Total new obligations | 71 | 8 | 10 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 4 | 1 | 1 |
| 22.00 New budget authority (gross) | 68 | 7 | 8 |
| 23.90 Total budgetary resources available for obligation | 72 | 8 | 9 |
| 23.95 Total new obligations | -71 | -8 | -10 |
| 24.40 Unobligated balance carried forward, end of year | 1 | 1 | 1 |
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| 60.00 Appropriation | 30 | | |
| 60.20 Appropriation (special fund) | 38 | 7 | 8 |
| 62.50 Appropriation (total mandatory) | 68 | 7 | 8 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | -3 | 1 | 1 |
| 73.10 Total new obligations | 71 | 8 | 10 |
| 73.20 Total outlays (gross) | -67 | -8 | -10 |
| 74.40 Obligated balance, end of year | 1 | 1 | 1 |
| Outlays (gross), detail: | | | |
| 86.97 Outlays from new mandatory authority | 67 | 7 | 8 |
| 86.98 Outlays from mandatory balances | 1 | 2 | 2 |
| 87.00 Total outlays (gross) | 67 | 8 | 10 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 68 | 7 | 8 |
| 90.00 Outlays | 67 | 8 | 10 |

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 68 | 7 | 7 |
| 90.00 Outlays | 67 | 8 | 9 |

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) increase the license fee and phase out fees for wholesale grocers and retailers by 1999; (2) provide permanent authority to the Secretary of Agriculture to set license and reparation complaint filing fees; and repeal 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.

The Agricultural Risk Protection Act of 2000 provided \$30 million for replenishment of the Perishable Agricultural Commodities Act Fund.

PERISHABLE AGRICULTURAL COMMODITIES ACT ACTIVITIES

| | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Percentage of informal reparation complaints completed within time frame goal | 85% | 85% | 85% |

Object Classification (in millions of dollars)

| Identification code 12-5070-0-2-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 11.1 Personnel compensation: Full-time permanent | 6 | 4 | 4 |
| 12.1 Civilian personnel benefits | 1 | 1 | 2 |
| 21.0 Travel and transportation of persons | 1 | 1 | 1 |
| 23.3 Communications, utilities, and miscellaneous charges | 1 | 1 | 1 |
| 25.2 Other services | 1 | 1 | 1 |
| 25.3 Other purchases of goods and services from Government accounts | 1 | | 1 |
| 33.0 Investments and loans | 60 | | |
| 99.9 Total new obligations | 71 | 8 | 10 |

Personnel Summary

| Identification code 12-5070-0-2-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 1001 Total compensable workyears: Full-time equivalent employment | 90 | 95 | 95 |

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, 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 **[\$13,995,000]** \$15,485,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937 and the Agricultural Act of 1961. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002; additional authorizing legislation required.*)

Unavailable Collections (in millions of dollars)

| Identification code 12-5209-0-2-605 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| 01.99 Balance, start of year | 10,251 | 10,436 | 10,097 |
| Receipts: | | | |
| 02.00 30 percent of customs duties, Funds for strengthening markets, income and supply | 5,923 | 5,800 | 6,200 |
| 02.40 General fund payment. Funds for strengthening markets, income and supply | | 1 | 1 |
| 02.80 Funds for strengthening markets, income, and supply, offsetting collections | 1 | 1 | 1 |
| 02.99 Total receipts and collections | 5,924 | 5,802 | 6,202 |
| 04.00 Total: Balances and collections | 16,175 | 16,238 | 16,299 |
| Appropriations: | | | |
| 05.00 Funds for strengthening markets, income, and supply (section 32) | -5,739 | -6,141 | -5,915 |
| 05.99 Total appropriations | -5,739 | -6,141 | -5,915 |
| 07.99 Balance, end of year | 10,436 | 10,097 | 10,384 |

Program and Financing (in millions of dollars)

| Identification code 12-5209-0-2-605 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Direct program: | | | |
| Commodity program payments: | | | |
| 00.01 Child nutrition program purchases | 400 | 400 | 400 |
| 00.02 Emergency surplus removal | 200 | 246 | 215 |
| 00.03 Direct payment program | 40 | 18 | |
| 00.04 Diversion payment program | 12 | | |
| 00.05 Lamb grading and certification support | 1 | 2 | |
| 00.06 Specialty crop purchases | 200 | | |
| 00.07 State option contract | | 5 | |
| 00.08 Removal of defective commodities | | 1 | |
| 00.91 Subtotal, Commodity program payments | 853 | 672 | 615 |
| 01.01 Administrative expenses | 23 | 25 | 26 |
| 01.92 Total direct program | 876 | 697 | 641 |
| 09.11 Reimbursable program | 1 | 1 | 1 |
| 10.00 Total new obligations | 877 | 698 | 642 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 241 | 108 | 300 |
| 22.00 New budget authority (gross) | 739 | 891 | 641 |
| 22.10 Resources available from recoveries of prior year obligations | 3 | | |
| 23.90 Total budgetary resources available for obligation | 983 | 999 | 941 |
| 23.95 Total new obligations | -877 | -698 | -642 |
| 24.40 Unobligated balance carried forward, end of year | 108 | 300 | 300 |
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| 60.00 Appropriation | 200 | | |
| 60.20 Appropriation (special fund) | 5,739 | 6,141 | 5,914 |
| 61.00 Transferred to other accounts | -5,201 | -5,251 | -5,273 |
| 62.50 Appropriation (total mandatory) | 739 | 890 | 641 |
| 69.00 Offsetting collections (cash) | 1 | 1 | 1 |
| 70.00 Total new budget authority (gross) | 739 | 891 | 640 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 74 | 148 | 148 |
| 73.10 Total new obligations | 877 | 698 | 642 |
| 73.20 Total outlays (gross) | -799 | -697 | -641 |
| 73.45 Recoveries of prior year obligations | -3 | | |
| 74.40 Obligated balance, end of year | 148 | 148 | 148 |
| Outlays (gross), detail: | | | |
| 86.97 Outlays from new mandatory authority | 484 | 442 | 405 |

| | | | | |
|-------|---------------------------------------|-----|-----|-----|
| 86.98 | Outlays from mandatory balances | 315 | 255 | 236 |
| 87.00 | Total outlays (gross) | 799 | 697 | 641 |

Offsets:

| | | | | |
|---|---|----|----|----|
| Against gross budget authority and outlays: | | | | |
| 88.40 | Offsetting collections (cash) from: Non-Federal sources | -1 | -1 | -1 |

Net budget authority and outlays:

| | | | | |
|-------|------------------------|-----|-----|-----|
| 89.00 | Budget authority | 739 | 890 | 641 |
| 90.00 | Outlays | 799 | 697 | 641 |

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. | |
|--|------------------------|-----------|-----------|-----|
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | 738 | 889 | 640 |
| 90.00 | Outlays | 798 | 696 | 640 |

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 nonbasic commodities. An amount equal to 30 percent of receipts collected on fishery products is transferred to the Department of Commerce. Most of the funds are 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 should develop, unobligated reserve balances are available for surplus removal.

Object Classification (in millions of dollars)

| Identification code 12-5209-0-2-605 | 2001 actual | 2002 est. | 2003 est. | |
|-------------------------------------|--|-----------|-----------|-----|
| Direct obligations: | | | | |
| 11.1 | Personnel compensation: Full-time permanent | 10 | 12 | 13 |
| 12.1 | Civilian personnel benefits | 3 | 4 | 4 |
| 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 | 1 | 1 | 1 |
| 25.2 | Other services | 6 | 6 | 4 |
| 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 | 850 | 668 | 613 |
| 31.0 | Equipment | 1 | 1 | 1 |
| 99.0 | Direct obligations | 876 | 697 | 641 |
| 99.0 | Reimbursable obligations | 1 | 1 | 1 |
| 99.9 | Total new obligations | 877 | 698 | 642 |

Personnel Summary

| Identification code 12-5209-0-2-605 | 2001 actual | 2002 est. | 2003 est. | |
|-------------------------------------|--|-----------|-----------|-----|
| Direct: | | | | |
| 1001 | Total compensable workyears: Full-time equivalent employment | 152 | 168 | 177 |
| Reimbursable: | | | | |
| 2001 | Total compensable workyears: Full-time equivalent employment | 13 | 13 | 13 |

Trust Funds**EXPENSES AND REFUNDS, INSPECTION AND GRADING OF FARM PRODUCTS****Unavailable Collections** (in millions of dollars)

| Identification code 12-8015-0-7-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 01.99 Balance, start of year | | 2 | 2 |
| Receipts: | | | |
| 02.20 Deposits of fees from inspection and grading of farm products | 162 | 118 | 124 |
| 02.41 Payments from general fund, Wool research, development, and promotion | 2 | 2 | 2 |
| 02.99 Total receipts and collections | 164 | 120 | 126 |
| 04.00 Total: Balances and collections | 164 | 122 | 128 |
| Appropriations: | | | |
| 05.00 Expenses and refunds, inspection and grading of farm products | -162 | -120 | -126 |
| 07.99 Balance, end of year | 2 | 2 | 2 |

Program and Financing (in millions of dollars)

| Identification code 12-8015-0-7-352 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Dairy products | 8 | 7 | 7 |
| 00.02 Fruits and vegetables | 105 | 58 | 58 |
| 00.03 Meat grading | 27 | 25 | 25 |
| 00.04 Poultry products | 39 | 26 | 26 |
| 00.05 Miscellaneous agricultural commodities | 10 | 10 | 10 |
| 10.00 Total new obligations | 189 | 126 | 126 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 28 | 7 | 7 |
| 22.00 New budget authority (gross) | 168 | 126 | 126 |
| 23.90 Total budgetary resources available for obligation | 196 | 133 | 133 |
| 23.95 Total new obligations | -189 | -126 | -126 |
| 24.40 Unobligated balance carried forward, end of year | 7 | 7 | 7 |
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| 60.26 Appropriation (trust fund) | 168 | 126 | 126 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | -15 | -24 | -19 |
| 73.10 Total new obligations | 189 | 126 | 126 |
| 73.20 Total outlays (gross) | -198 | -121 | -126 |
| 74.40 Obligated balance, end of year | -24 | -19 | -19 |

Outlays (gross), detail:

| | | | |
|--|-----|-----|-----|
| 86.97 Outlays from new mandatory authority | 153 | 121 | 121 |
| 86.98 Outlays from mandatory balances | 45 | | 5 |
| 87.00 Total outlays (gross) | 198 | 121 | 126 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 168 | 126 | 126 |
| 90.00 Outlays | 198 | 121 | 126 |

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 162 | 120 | 120 |
| 90.00 Outlays | 192 | 115 | 120 |

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 pro-

grams 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.

The Agricultural Risk Protection Act of 2000 provided \$29 million for replenishment of the trust fund account; and \$12 million to improve the infrastructure and system used for inspecting fruits and vegetables, including improved inspector training and technical resources for inspectors.

WORKLOAD INDICATORS

| | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Weighted average cost per cwt. (1990 index) | .08¢ | .08¢ | .08¢ |

Object Classification (in millions of dollars)

| Identification code 12-8015-0-7-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 58 | 60 | 60 |
| 11.3 Other than full-time permanent | 5 | 5 | 5 |
| 11.5 Other personnel compensation | 9 | 9 | 9 |
| 11.9 Total personnel compensation | 72 | 74 | 74 |
| 12.1 Civilian personnel benefits | 24 | 24 | 24 |
| 13.0 Benefits for former personnel | 1 | 1 | 1 |
| 21.0 Travel and transportation of persons | 6 | 7 | 7 |
| 23.2 Rental payments to others | 3 | 2 | 2 |
| 23.3 Communications, utilities, and miscellaneous charges | 2 | 2 | 2 |
| 24.0 Printing and reproduction | | 1 | 1 |
| 25.2 Other services | 8 | 9 | 9 |
| 25.3 Other purchases of goods and services from Government accounts | 2 | 2 | 2 |
| 26.0 Supplies and materials | 2 | 2 | 2 |
| 31.0 Equipment | 2 | 2 | 2 |
| 33.0 Investments and loans | 67 | | |
| 99.9 Total new obligations | 189 | 126 | 126 |

Personnel Summary

| Identification code 12-8015-0-7-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 1001 Total compensable workyears: Full-time equivalent employment | 1,500 | 1,507 | 1,507 |

MILK MARKET ORDERS ASSESSMENT FUND**Unavailable Collections** (in millions of dollars)

| Identification code 12-8412-0-8-351 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| 01.99 Balance, start of year | | | |
| Receipts: | | | |
| 02.80 Milk market orders assessment fund, offsetting collections | 45 | 44 | 44 |
| Appropriations: | | | |
| 05.00 Milk market orders assessment fund | -45 | -44 | -44 |
| 07.99 Balance, end of year | | | |

Program and Financing (in millions of dollars)

| Identification code 12-8412-0-8-351 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 09.01 Administration | 35 | 41 | 41 |
| 09.02 Marketing service | 3 | 3 | 3 |
| 10.00 Total new obligations | 38 | 44 | 44 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 30 | 37 | 37 |
| 22.00 New budget authority (gross) | 45 | 44 | 44 |
| 23.90 Total budgetary resources available for obligation | 75 | 81 | 81 |
| 23.95 Total new obligations | -38 | -44 | -44 |
| 24.40 Unobligated balance carried forward, end of year | 37 | 37 | 37 |

| New budget authority (gross), detail: | | | | |
|---|---|-----|-----|-----|
| Mandatory: | | | | |
| 69.00 | Offsetting collections (cash) | 45 | 44 | 44 |
| Change in obligated balances: | | | | |
| 72.40 | Obligated balance, start of year | -3 | -3 | -3 |
| 73.10 | Total new obligations | 38 | 44 | 44 |
| 73.20 | Total outlays (gross) | -38 | -44 | -44 |
| 74.40 | Obligated balance, end of year | -3 | -3 | -3 |
| Outlays (gross), detail: | | | | |
| 86.97 | Outlays from new mandatory authority | 38 | 44 | 44 |
| Offsets: | | | | |
| Against gross budget authority and outlays: | | | | |
| 88.40 | Offsetting collections (cash) from: Non-Federal sources | -45 | -44 | -44 |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | | | |
| 90.00 | Outlays | -7 | | |

Note.—The administration fund totals are comprised of 31 separate independent order accounts in 1998.

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 11, 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 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.

WORKLOAD INDICATORS

| | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Percentage of formal and informal rulemaking completed within internal timeframes | 96% | 85% | 85% |

Object Classification (in millions of dollars)

| Identification code 12-8412-0-8-351 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 11.1 Personnel compensation: Full-time permanent | 25 | 27 | 27 |
| 12.1 Civilian personnel benefits | 5 | 6 | 6 |
| 21.0 Travel and transportation of persons | 2 | 3 | 3 |
| 23.2 Rental payments to others | 2 | 3 | 3 |
| 23.3 Communications, utilities, and miscellaneous charges | 1 | 1 | 1 |
| 25.2 Other services | 1 | 1 | 1 |
| 26.0 Supplies and materials | 1 | 2 | 2 |
| 31.0 Equipment | 1 | 1 | 1 |
| 99.9 Total new obligations | 38 | 44 | 44 |

Personnel Summary

| Identification code 12-8412-0-8-351 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 2001 Total compensable workyears: Full-time equivalent employment | 429 | 441 | 441 |

RISK MANAGEMENT AGENCY

Federal Funds

General and special funds:

ADMINISTRATIVE AND OPERATING EXPENSES

For administrative and operating expenses, as authorized by the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 6933), **[\$74,752,000] \$76,062,000: Provided,** That not to exceed \$700 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, 2002; additional authorizing legislation required.*)

Program and Financing (in millions of dollars)

| Identification code 12-2707-0-1-351 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 10.00 Total new obligations | 68 | 78 | 76 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 69 | 78 | 76 |
| 23.95 Total new obligations | -68 | -78 | -76 |
| 23.98 Unobligated balance expiring or withdrawn | -1 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 69 | 78 | 76 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 41 | 39 | 22 |
| 73.10 Total new obligations | 68 | 78 | 76 |
| 73.20 Total outlays (gross) | -85 | -95 | -77 |
| 73.40 Adjustments in expired accounts (net) | 15 | | |
| 74.40 Obligated balance, end of year | 39 | 22 | 21 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 48 | 56 | 54 |
| 86.93 Outlays from discretionary balances | 37 | 39 | 23 |
| 87.00 Total outlays (gross) | 85 | 95 | 77 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 69 | 78 | 76 |
| 90.00 Outlays | 85 | 95 | 77 |

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 66 | 75 | 73 |
| 90.00 Outlays | 82 | 92 | 74 |

This appropriation finances the administrative and operating expenses of the Risk Management Agency (RMA), which provides crop insurance to farmers.

The Federal government reimburses private insurance companies for certain administrative expenses incurred while delivering the crop insurance program.

Current law provides this through mandatory funding. The 2003 budget includes a proposal that would cap the underwriting gains at 12.5 percent of all the companies' combined retained premium for the year. This proposal would maintain the incentives companies have to participate in the crop insurance program, but provide some constraints on windfall profits.

General and special funds—Continued

ADMINISTRATIVE AND OPERATING EXPENSES—Continued

Object Classification (in millions of dollars)

| Identification code 12-2707-0-1-351 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 31 | 35 | 37 |
| 11.3 Other than full-time permanent | 1 | 1 | 1 |
| 11.9 Total personnel compensation | 32 | 36 | 38 |
| 12.1 Civilian personnel benefits | 10 | 10 | 10 |
| 21.0 Travel and transportation of persons | 2 | 3 | 3 |
| 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 | 1 | 1 | 1 |
| 25.2 Other services | 18 | 23 | 19 |
| 26.0 Supplies and materials | 2 | 2 | 2 |
| 31.0 Equipment | 2 | 2 | 2 |
| 99.9 Total new obligations | 68 | 78 | 76 |

Personnel Summary

| Identification code 12-2707-0-1-351 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 1001 Total compensable workyears: Full-time equivalent employment | 499 | 568 | 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, 2002.*)

Public enterprise funds:

FEDERAL CROP INSURANCE CORPORATION FUND

For payments as authorized by section 516 of the Federal Crop Insurance Act, such sums as may be necessary, to remain available until expended (7 U.S.C. 2209b). (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002.*)

Program and Financing (in millions of dollars)

| Identification code 12-4085-0-3-351 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.02 Delivery and other expenses | 697 | 698 | 707 |
| 00.03 Change in delivery and other expenses | | | -115 |
| 01.01 Indemnities | 3,279 | 3,023 | 2,988 |
| 10.00 Total new obligations | 3,976 | 3,721 | 3,580 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 284 | 623 | 623 |
| 22.00 New budget authority (gross) | 4,315 | 3,721 | 3,580 |
| 23.90 Total budgetary resources available for obligation | 4,599 | 4,344 | 4,203 |
| 23.95 Total new obligations | -3,976 | -3,721 | -3,580 |
| 24.40 Unobligated balance carried forward, end of year | 623 | 623 | 623 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | | | |
| 40.35 Appropriation rescinded | | | -115 |
| 43.00 Appropriation (total discretionary) | | | -115 |
| Mandatory: | | | |
| 60.00 Appropriation | 3,401 | 2,900 | 2,886 |
| 69.00 Offsetting collections (cash) | 914 | 821 | 809 |

| | | | |
|---|--------|--------|--------|
| 70.00 Total new budget authority (gross) | 4,315 | 3,721 | 3,580 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 1,227 | 1,827 | 1,844 |
| 73.10 Total new obligations | 3,976 | 3,721 | 3,580 |
| 73.20 Total outlays (gross) | -3,377 | -3,704 | -3,594 |
| 74.40 Obligated balance, end of year | 1,827 | 1,844 | 1,830 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | | | -115 |
| 86.97 Outlays from new mandatory authority | 2,072 | 2,185 | 2,173 |
| 86.98 Outlays from mandatory balances | 1,305 | 1,519 | 1,536 |
| 87.00 Total outlays (gross) | 3,377 | 3,704 | 3,594 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.40 Offsetting collections (cash) from: Non-Federal sources | -914 | -821 | -809 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 3,401 | 2,900 | 2,771 |
| 90.00 Outlays | 2,463 | 2,883 | 2,785 |

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. With the reduced price support activities promulgated by the 1996 Act, 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.

Under the 1996 Act, farmers are no longer required to obtain Catastrophic Crop insurance (CAT), as previously mandated by the Reform Act. Producers can instead agree in writing to waive eligibility for emergency crop loss assistance in connection with the crop. However, the 2000 Appropriation Act required uninsured producers who elected to receive the emergency crop loss payments provided by the Act to enroll in crop insurance for the subsequent two crop years. For producers who continue to obtain 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, 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. Commercial insurance companies deliver the product to the producer in all states.

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 coverage 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 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.

As mandated by the 1996 Act, revenue insurance programs are available under which producers of wheat, certain feed grains, soybeans, rice, and cotton are protected against loss of revenue stemming from low prices, poor yields, or a combination of both. Two of the revenue insurance plans were privately developed and submitted to FCIC: Crop Revenue Coverage (CRC) and Revenue Assurance (RA). The Income Protection (IP) plan was developed by FCIC. These three plans have many similar features and some very distinctive

features. All provide a guaranteed revenue by combining coverage on both yield and price variability. CRC and RA also provide protection against price increases at the time of harvest from an initial price guarantee established near the time of planting. Indemnities are due when any combination of yield and price result in revenue that is less than the revenue guarantee. Revenue protection for all products is provided by extending traditional multi-peril crop insurance protection, based on actual production history, to include price variability. The price component common to CRC, RA, and IP uses the commodity futures market for price discovery. These programs all seek to help ensure a certain level of annual income and are offered through private insurance companies. For 1999, a Group Risk Income Protection plan was developed by the private sector to provide protection against decline in county revenue, based on futures market prices and NASS county average yields, as adjusted by FCIC. FCIC is also piloting an Adjusted Gross Revenue (AGR) program, which is designed to insure a portion of a producers gross revenue based on their Schedule F Farm and Income Tax reports.

A legislative proposal amending the Federal Crop Insurance Act is included in the 2003 Budget. It is designed to improve the risk sharing arrangements between the government and the private insurance companies.

The dollar volume of total reimbursements went from \$495 million to \$691 million (a 40 percent increase) between 1999 and 2001, reflecting the benefits of ARPA to the insurance companies. While the companies should have an incentive to participate in the crop insurance program, there should be some constraints on windfall profits. With that in mind, the Budget includes a proposal that would cap the underwriting gains at 12.5 percent of all the companies' combined retained premium for the year. This is expected to save \$115 million in 2003.

RMA plans to roll out Round IV of the Dairy Options Pilot Program (DOPP) during 2002, which includes reaching producers in a total of 300 counties in 40 states. RMA's partners in the program are registered commodities brokers who are authorized by the Commodity Futures Trading Commission to buy put options on behalf of DOPP participants on the Chicago Mercantile Exchange.

On June 20, 2000, based on the Agricultural Risk Protection Act of 2000 (ARPA), the Risk Management Agency (RMA) began improving basic products by implementing higher premium subsidies to make additional coverage more affordable to producers, making adjustments in actual production history guarantees to address multiple year disasters, and revising administrative fees for CAT and additional coverage. On September 17, 2001, RMA published an interim rule in the Federal Register in accordance with ARPA, that allows RMA to reimburse developers of private crop insurance products for their research and development costs and maintenance costs once the FCIC's Board of Directors (Board) approves the products. During 2001, RMA awarded over \$18 million in projects, as authorized by ARPA, to accomplish many of the research and development mandates required by ARPA. These projects were awarded to public and private entities, including a pool of contractors in a base research and development contract that was initiated with a period of performance through September 30, 2001. On November 15, 2001, the Board approved two livestock pilot programs—Livestock gross margin and Livestock risk protection—as allowed by ARPA. The pilot livestock programs will cover swine in the State of Iowa and will be made available beginning in 2002.

RMA continues to improve and update the terms and conditions of all crop insurance policies, which better clarifies and defines the insurance protection provided by the insurance policies and the duties and responsibilities of the policyholder and insurance provided.

In crop year 2001, 207.6 million acres were insured, with an estimated \$2,884 million in total premium income, including \$1,723 million in premium subsidy.

The Corporation's budget is presented in accordance with generally accepted accounting principles, the Financial Accounting Standards Board (FASB) Statement No. 60, "Accounting and Reporting by Insurance Enterprises," and Statement No. 5, "Accounting for Contingencies."

The following table compares the scope of the insurance operations planned for 2003. Amounts in the 2001 column are as of September 30, 2001, and pertain to the 2001 crop year.

| | 2001 crop year estimate | 2002 crop year estimate | 2003 crop year estimate |
|--|-------------------------------|-------------------------------|-------------------------------|
| Number of States | 50 | 50 | 50 |
| Number of counties | 3,022 | 3,022 | 3,022 |
| Insurance in force (millions) | 35,833 | 34,948 | 34,382 |
| Insured acreage (millions) | 208 | 209 | 208 |
| Producer premium (millions) ¹ | 1,161 | 1,128 | 1,116 |
| Premium subsidy (millions) ¹ | 1,723 | 1,673 | 1,660 |
| Total premium (millions) ¹ | 2,884 | 2,801 | 2,776 |
| Indemnities (million) ¹ | 3,100 | 3,011 | 2,985 |
| Loss ratio | 1.075 | 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)

| | 2001 fiscal year actual | 2002 fiscal year estimate | 2003 fiscal year estimate |
|---|-------------------------------|---------------------------------|---------------------------------|
| Premiums: | | | |
| Additional coverage premium subsidy | 1,424 | 1,450 | 1,429 |
| Catastrophic coverage—Reinsurance premium subsidy | 243 | 230 | 233 |
| Subtotal, premium subsidy | 1,667 | 1,680 | 1,662 |
| Producer premium | 1,079 | 1,133 | 1,117 |
| Total premiums | 2,746 | 2,813 | 2,779 |
| Indemnities: | | | |
| Additional coverage | 3,236 | 2,776 | 2,737 |
| Catastrophic coverage—Reinsurance | 43 | 247 | 251 |
| Total indemnities | 3,279 | 3,023 | 2,988 |

For crop years 1948 through 2000, indemnities (\$23,476 million) exceeded premium income (\$21,252 million) by \$2,224 million; the loss ratio for the period was 1.10.

The following table summarizes the insurance operations for 2001, 2002 and 2003:

NET INCOME OR LOSS (–) ON INSURANCE OPERATIONS

(In millions of dollars)

| | 2001 fiscal year est. | 2002 fiscal year est. | 2003 fiscal year est. |
|---|-----------------------------|-----------------------------|-----------------------------|
| Producer premium less indemnities | –2,200 | –1,890 | –1,871 |
| Interest expense, net | 3 | ..... | ..... |
| Delivery expenses ¹ | –620 | –646 | –638 |
| Other income or expense, net | 58 | 55 | 55 |
| ARPA costs | –42 | –52 | –68 |
| Reinsurance underwriting gain (+) or loss (–) | –261 | –367 | –364 |

Public enterprise funds—Continued

FEDERAL CROP INSURANCE CORPORATION FUND—Continued

(In millions of dollars)

| | 2001 fiscal year est. | 2002 fiscal year est. | 2003 fiscal year est. |
|------------------------|-----------------------------|-----------------------------|-----------------------------|
| Net income or loss (—) | –3,062 | –2,900 | –2,886 |

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.

Statement of Operations (in millions of dollars)

| Identification code 12–4085–0–3–351 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|-------------------------------------|-------------|-------------|-----------|-----------|
| 0101 Revenue | 639 | 914 | 821 | 809 |
| 0102 Expense | –3,006 | –3,976 | –3,721 | –3,695 |
| 0105 Net income or loss (—) | –2,367 | –3,062 | –2,900 | –2,886 |
| 0199 Total comprehensive income | –2,367 | –3,062 | –2,900 | –2,886 |

Balance Sheet (in millions of dollars)

| Identification code 12–4085–0–3–351 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 Federal assets: Fund balances with | | | | |
| Treasury | 1,776 | 2,493 | 2,567 | 2,567 |
| 1206 Non-Federal assets: Receivables, net | 1,049 | 1,083 | 750 | 750 |
| 1803 Other Federal assets: Property, plant and equipment, net | 1 | 1 | 1 | 1 |
| 1999 Total assets | 2,826 | 3,577 | 3,318 | 3,318 |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2101 Accounts payable | 14 | 10 | 1 | 1 |
| 2105 Other | 231 | 306 | 175 | 175 |
| Non-Federal liabilities: | | | | |
| 2201 Accounts payable | 45 | 91 | 70 | 70 |
| 2207 Other | 1,882 | 2,299 | 1,750 | 1,750 |
| 2999 Total liabilities | 2,172 | 2,706 | 1,996 | 1,996 |
| NET POSITION: | | | | |
| 3100 Appropriated capital | 36 | 252 | 700 | 700 |
| 3300 Cumulative results of operations | 618 | 619 | 622 | 622 |
| 3999 Total net position | 654 | 871 | 1,322 | 1,322 |
| 4999 Total liabilities and net position | 2,826 | 3,577 | 3,318 | 3,318 |

Object Classification (in millions of dollars)

| Identification code 12–4085–0–3–351 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Other services: | | | |
| 25.2 Other services | 697 | 698 | 707 |
| 25.2 Other services | | | –115 |
| 42.0 Insurance claims and indemnities (reinsured buyup) | 3,279 | 3,023 | 2,988 |
| 99.9 Total new obligations | 3,976 | 3,721 | 3,580 |

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, **[\$939,030,000] \$1,062,712,000: 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 these funds shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$1,000,000 shall be available for employment under 5 U.S.C. 3109. (*Agriculture, Rural Develop-*

ment, Food and Drug Administration, and Related Agencies Appropriations Act, 2002; additional authorization legislation required.)

Program and Financing (in millions of dollars)

| Identification code 12–0600–0–1–351 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Direct program: | | | |
| 00.01 Farm programs | 767 | 826 | 855 |
| 00.02 Conservation and environment | 154 | 157 | 179 |
| 00.04 Commodity operations | 24 | 25 | 29 |
| 03.00 Subtotal, direct program | 945 | 1,008 | 1,063 |
| Reimbursable program: | | | |
| 09.01 Farm loans | 265 | 273 | 279 |
| 09.02 Other programs | 126 | 130 | 131 |
| 09.99 Subtotal, reimbursable program | 391 | 403 | 410 |
| 10.00 Total new obligations | 1,336 | 1,411 | 1,473 |

Budgetary resources available for obligation:

| | | | |
|--|--------|--------|--------|
| 21.40 Unobligated balance carried forward, start of year | 13 | 4 | |
| 22.00 New budget authority (gross) | 1,328 | 1,407 | 1,475 |
| 23.90 Total budgetary resources available for obligation | 1,341 | 1,411 | 1,475 |
| 23.95 Total new obligations | –1,336 | –1,411 | –1,473 |
| 24.40 Unobligated balance carried forward, end of year | 4 | | |

New budget authority (gross), detail:

| | | | |
|--|-------|-------|-------|
| Discretionary: | | | |
| 40.00 Appropriation | 889 | 1,004 | 1,063 |
| 40.15 Appropriation (emergency) | 50 | | |
| 40.77 Reduction pursuant to P.L. 106–554 (0.22 percent) | –2 | | |
| 43.00 Appropriation (total discretionary) | 937 | 1,004 | 1,063 |
| Spending authority from offsetting collections: | | | |
| 68.00 Offsetting collections (cash) | 360 | 403 | 412 |
| 68.10 Change in uncollected customer payments from Federal sources (unexpired) | 31 | | |
| 68.90 Spending authority from offsetting collections (total discretionary) | 391 | 403 | 412 |
| 70.00 Total new budget authority (gross) | 1,328 | 1,407 | 1,475 |

Change in obligated balances:

| | | | |
|--|--------|--------|--------|
| 72.40 Obligated balance, start of year | 176 | 168 | 153 |
| 73.10 Total new obligations | 1,336 | 1,411 | 1,473 |
| 73.20 Total outlays (gross) | –1,305 | –1,439 | –1,487 |
| 73.40 Adjustments in expired accounts (net) | –10 | 13 | 14 |
| 74.00 Change in uncollected customer payments from Federal sources (unexpired) | –31 | | |
| 74.10 Change in uncollected customer payments from Federal sources (expired) | 2 | | |
| 74.40 Obligated balance, end of year | 168 | 153 | 153 |

Outlays (gross), detail:

| | | | |
|--|-------|-------|-------|
| 86.90 Outlays from new discretionary authority | 1,170 | 1,310 | 1,373 |
| 86.93 Outlays from discretionary balances | 135 | 129 | 116 |
| 87.00 Total outlays (gross) | 1,305 | 1,439 | 1,487 |

Offsets:

| | | | |
|--|------|------|------|
| Against gross budget authority and outlays: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 Federal sources | –328 | –368 | –376 |
| 88.40 Non-Federal sources | –32 | –35 | –36 |
| 88.90 Total, offsetting collections (cash) | –360 | –403 | –412 |
| Against gross budget authority only: | | | |
| 88.95 Change in uncollected customer payments from Federal sources (unexpired) | –31 | | |

Net budget authority and outlays:

| | | | |
|------------------------|-----|-------|-------|
| 89.00 Budget authority | 937 | 1,004 | 1,063 |
| 90.00 Outlays | 945 | 1,036 | 1,075 |

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 877 | 939 | 994 |

| | | | |
|---------------------|-----|-----|-------|
| 90.00 Outlays | 885 | 971 | 1,006 |
|---------------------|-----|-----|-------|

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 and production control 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 Environmental Quality Incentives Program (EQIP). 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 Farm Service Agency (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. However, the separate hierarchical structures at State, regional, and headquarter levels are set in law, and this hinders further attempts to achieve additional efficiencies.

This budget proposes changes that will allow the agencies to operate together more efficiently within the current organizational constraints. Specifically, the Administration proposes that the FSA and NRCS field offices seek the following improvements:

- Restructure the administrative support offices to improve efficiency of service provision of information technology, personnel, travel, payroll, and procurement.
- Review the field office structure to determine the correct level of offices necessary to provide services, with the goal of consolidating at least 200 offices in 2003.
- Begin centralizing loan servicing functions that do not need to be performed at the field level. These functions include mass mailings, general information collection and storage, collecting payments, and sending out statements.
- Evaluate pilot projects and then develop guidance to strengthen NRCS' goal setting process, emphasizing local involvement in setting national priorities.
- Implement outsourcing and cross-servicing.

Improvements undertaken that will improve efficiency and increase the number of employees available to provide services directly to the U.S. citizen will be evaluated based on:

- Reducing the number of office visits and reporting burden for clients of FSA and NRCS. A 10 percent reduction in reporting would reduce the number of hours spent filling out

forms by 1.7 million hours or 46 minutes per farm (currently 17 million hours spent, 7 hours and 44 minutes per farm).

- Increasing the provision of core customer services, including technical assistance visits and eligibility determinations, while maintaining or reducing the number of personnel and/or the cost associated with the provision of service.

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 maintaining a high Agricultural Market Transition Act (AMTA) participation rate for eligible acreage, providing marketing assistance loans and loan deficiency payments enabling recipients to continue farming operations without marketing their product immediately after harvest, stabilizing the price and production of tobacco and peanuts, 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 designating eligible Noninsured Crop Disaster Assistance Program (NAP) areas and approving crop prices, average yields, and payment factors.

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 tobacco and peanuts and farm planting history; (d) notifying producers of established allotments and farm planting histories; (e) determining farm marketing quotas for tobacco and peanuts; (f) conducting referendums and certifying results; (g) accepting farmer certifications and checking compliance for specific purposes; (h) issuing marketing cards so that production from the allotted acreage can be marketed without penalty; (i) processing commodity loan documents and issuing checks; (j) processing production flexibility contract payments and issuing checks; (k) certifying payment eligibility and monitoring payment limitations; and (l) 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, assisting NRCS with EQIP program policy and procedure development, 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

General and special funds—Continued

SALARIES AND EXPENSES—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

the examination of warehouses licensed under the U.S. Warehouse Act 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 U.S. Warehouse Act 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. These administrative expenses are 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 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 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 140 | 153 | 160 |
| 11.3 Other than full-time permanent | 4 | 5 | 5 |
| 11.5 Other personnel compensation | 4 | 8 | 8 |
| 11.9 Total personnel compensation | 148 | 166 | 173 |
| 12.1 Civilian personnel benefits | 60 | 65 | 69 |
| 13.0 Benefits for former personnel | 1 | 2 | 2 |
| 21.0 Travel and transportation of persons | 14 | 19 | 17 |
| 22.0 Transportation of things | 2 | 2 | 3 |
| 23.1 Rental payments to GSA | | | 17 |
| 23.2 Rental payments to others | 3 | 3 | 3 |
| 23.3 Communications, utilities, and miscellaneous charges | 10 | 15 | 15 |
| 24.0 Printing and reproduction | 1 | 1 | 1 |
| 25.2 Other services | 78 | 98 | 81 |
| 26.0 Supplies and materials | 8 | 6 | 6 |
| 31.0 Equipment | 11 | 11 | 6 |
| 41.0 Grants, subsidies, and contributions | 609 | 619 | 669 |
| 42.0 Insurance claims and indemnities | | 1 | 1 |
| 99.0 Direct obligations | 945 | 1,008 | 1,063 |
| 99.0 Reimbursable obligations | 391 | 403 | 410 |
| 99.9 Total new obligations | 1,336 | 1,411 | 1,473 |

Personnel Summary

| Identification code 12-0600-0-1-351 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Full-time equivalent employment | 2,413 | 2,413 | 2,413 |
| Reimbursable: | | | |
| 2001 Total compensable workyears: Full-time equivalent employment | 3,393 | 3,393 | 3,393 |

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), **[\$3,493,000]** \$4,000,000. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002.)

Program and Financing (in millions of dollars)

| Identification code 12-0170-0-1-351 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 10.00 Total new obligations (object class 41.0) | 3 | 3 | 4 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 3 | 3 | 4 |
| 23.95 Total new obligations | -3 | -3 | -4 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 3 | 3 | 4 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 2 | 2 | 3 |
| 73.10 Total new obligations | 3 | 3 | 4 |
| 73.20 Total outlays (gross) | -3 | -2 | -3 |
| 74.40 Obligated balance, end of year | 2 | 3 | 4 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 1 | 1 | 1 |
| 86.93 Outlays from discretionary balances | 2 | 1 | 2 |
| 87.00 Total outlays (gross) | 3 | 2 | 3 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 3 | 3 | 4 |
| 90.00 Outlays | 3 | 2 | 3 |

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

| | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Number of States receiving grants | 26 | 31 | 30 |
| Amount of grants (in millions of dollars) | 3 | 3.5 | 4 |

TREE ASSISTANCE PROGRAM

Program and Financing (in millions of dollars)

| Identification code 12-2701-0-1-351 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 7 | 6 | 4 |
| 73.20 Total outlays (gross) | -1 | -2 | -2 |
| 74.40 Obligated balance, end of year | 6 | 4 | 2 |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | 1 | 2 | 2 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | 1 | 2 | 2 |

Funding of \$14 million for the Tree assistance program (TAP) was provided by the 1998 Emergency Supplemental

Appropriations Act, P.L. 105-174, for obligation through September 30, 1998. The 1999 Appropriations Act, P.L. 105-277, extended the use of unobligated 1998 TAP funds through September 30, 1999, with any unobligated balance expiring.

TAP provided cost-share payments of up to 100 percent to orchard and vineyard growers who replanted or rehabilitated orchard trees and vineyards lost to damaging weather, including freezes, excessive rainfalls, floods, droughts, tornadoes, and earthquakes. Eligible owners could not receive more than \$25,000 per person.

This program was originated to provide emergency support. There is no expectation that funding, in addition to other USDA programs, will be necessary in 2003 to respond to emergencies. Based on this, no funding is requested for this program for 2003.

CONSERVATION RESERVE PROGRAM

Program and Financing (in millions of dollars)

| Identification code 12-3319-0-1-302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Technical assistance | | 2 | |
| 10.00 Total new obligations (object class 25.2) | | 2 | |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 1 | 2 | |
| 22.00 New budget authority (gross) | 1 | | |
| 23.90 Total budgetary resources available for obligation | 2 | 2 | |
| 23.95 Total new obligations | | -2 | |
| 24.40 Unobligated balance carried forward, end of year | 2 | | |
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| 69.00 Offsetting collections (cash) | 1 | | |
| Change in obligated balances: | | | |
| 73.10 Total new obligations | | 2 | |
| 73.20 Total outlays (gross) | | -2 | |
| Outlays (gross), detail: | | | |
| 86.98 Outlays from mandatory balances | | 2 | |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.40 Offsetting collections (cash) from: Non-Federal sources | | -1 | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | -1 | 2 | |

The Conservation Reserve Program (CRP) was originally mandated by the Food Security Act of 1985. The Federal Agriculture Improvement and Reform Act of 1996 (the 1996 Act), enacted April 4, 1996, retains the CRP as part of the Environmental Conservation Acreage Reserve Program (ECARP) but changed the funding source from direct appropriation to the Commodity Credit Corporation. Only very minimal CCC funds were used for program operations in 1996 since annual rental payments had been made very early in the fiscal year using CRP appropriated funds.

In 2001, annual rental payments, cost-share payments, and technical assistance for acres enrolled in the program were paid through the Commodity Credit Corporation. Just under \$2 million in unobligated appropriated funds were available at the end of 2001; these funds are expected to be exhausted in 2002 for technical assistance. In providing technical assistance, the Natural Resources Conservation Service determines eligibility, develops conservation plans, and helps install approved practices. The Forest Service and cooperating State forestry agencies develop plans for tree planting and assist

in carrying them out. The Cooperative State Research, Education, and Extension Service provides information and educational assistance to inform landowners and operators about the program. Local soil and water conservation districts approve conservation plans. To ensure maximum program benefits, USDA consults with land grant universities, State soil and water agencies, State fish and wildlife agencies, the U.S. Fish and Wildlife Services, and others.

CRP program payments are included under the Commodity Credit Corporation account.

AGRICULTURAL CONSERVATION PROGRAM

Program and Financing (in millions of dollars)

| Identification code 12-3315-0-1-302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 45 | 4 | 4 |
| 22.00 New budget authority (gross) | -45 | | |
| 22.10 Resources available from recoveries of prior year obligations | 4 | | |
| 23.90 Total budgetary resources available for obligation | 4 | 4 | 4 |
| 24.40 Unobligated balance carried forward, end of year | 4 | 4 | 4 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.36 Unobligated balance rescinded | -45 | | |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 17 | 11 | 8 |
| 73.20 Total outlays (gross) | -2 | -3 | -2 |
| 73.45 Recoveries of prior year obligations | -4 | | |
| 74.40 Obligated balance, end of year | 11 | 8 | 6 |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | 2 | 3 | 2 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | -45 | | |
| 90.00 Outlays | 2 | 3 | 2 |

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 objectives of the program were to conserve soil and water resources. Along with annual agreements, cost sharing was authorized for long-term agreements of 3-10 years. At the end of 2001, there were \$11 million in unliquidated obligations for ACP agreements.

EMERGENCY CONSERVATION PROGRAM

For necessary expenses of the Emergency Conservation Program, as authorized by 16 U.S.C. 2201-2205, \$48,700,000, to remain available until expended.

Program and Financing (in millions of dollars)

| Identification code 12-3316-0-1-453 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 10.00 Total new obligations (object class 41.0) | 41 | 62 | 64 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 67 | 106 | 44 |
| 22.00 New budget authority (gross) | 80 | | 49 |
| 23.90 Total budgetary resources available for obligation | 147 | 106 | 93 |
| 23.95 Total new obligations | -41 | -62 | -64 |
| 24.40 Unobligated balance carried forward, end of year | 106 | 44 | 29 |

General and special funds—Continued

EMERGENCY CONSERVATION PROGRAM—Continued

Program and Financing (in millions of dollars)—Continued

| Identification code 12-3316-0-1-453 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 80 | | 49 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 25 | 29 | 27 |
| 73.10 Total new obligations | 41 | 62 | 64 |
| 73.20 Total outlays (gross) | -38 | -64 | -71 |
| 74.40 Obligated balance, end of year | 29 | 27 | 20 |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | 38 | 64 | 71 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 80 | | 49 |
| 90.00 Outlays | 38 | 64 | 71 |

This program 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.

Title VIII of the 2001 Agriculture Appropriations Act, P.L. 106-387, provided \$80 million for the Emergency Conservation Program. This funding is available until expended. Under the 2001 program, cost-sharing and technical assistance were provided in 40 States to treat farmlands damaged by floods, hurricanes, drought, ice storms, tornadoes, and other natural disasters.

The 2003 budget proposes \$49 million for this program.

Credit accounts:

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

For gross obligations for the principal amount of direct and guaranteed loans as authorized by 7 U.S.C. 1928-1929, to be available from funds in the Agricultural Credit Insurance Fund, as follows: farm ownership loans, **[\$1,146,996,000] \$1,100,000,000**, of which \$1,000,000,000 shall be for guaranteed loans and **[\$146,996,000] \$100,000,000** shall be for direct loans; operating loans, **[\$2,616,729,000] \$2,600,000,000**, of which **[\$1,500,000,000] \$1,700,000,000** shall be for unsubsidized guaranteed loans, **[\$505,531,000] \$300,000,000** shall be for subsidized guaranteed loans and **[\$611,198,000] \$600,000,000** shall be for direct loans; Indian tribe land acquisition loans as authorized by 25 U.S.C. 488, \$2,000,000; **[for emergency insured loans, \$25,000,000 to meet the needs resulting from natural disasters;]** and for boll weevil eradication program loans as authorized by 7 U.S.C. 1989, \$100,000,000.

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, **[\$8,366,000] \$19,110,000**, of which **[\$4,500,000] \$7,500,000** shall be for guaranteed loans; operating loans, **[\$175,780,000] \$192,850,000**, of which **[\$52,650,000] \$53,890,000** shall be for unsubsidized guaranteed loans and **[\$68,550,000] \$35,400,000** shall be for subsidized guaranteed loans; and Indian tribe land acquisition loans as authorized by 25 U.S.C. 488, **[\$118,400;]** and for emergency insured loans, \$3,362,500 to meet the needs resulting from natural disasters **[\$179,000]**.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, **[\$280,595,000] \$287,176,000**, of which **[\$272,595,000] \$279,176,000** 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 TRANSFERS 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, 2002.*)

Program and Financing (in millions of dollars)

| Identification code 12-1140-0-1-351 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct loan subsidy | 104 | 89 | 140 |
| 00.02 Guaranteed loan subsidy | 56 | 128 | 97 |
| 00.05 Reestimates of direct loan subsidy | 70 | 946 | |
| 00.06 Interest on reestimates of direct loan subsidy | 3 | 274 | |
| 00.07 Reestimates of guaranteed loan subsidy | 209 | 61 | |
| 00.08 Interest on reestimates of guaranteed loan subsidy | 40 | 6 | |
| Administrative expenses: | | | |
| 00.09 Administrative expenses—salaries and expenses ... | 265 | 272 | 279 |
| 00.10 Administrative expenses—non-recoverable costs ... | 6 | 8 | 8 |
| 10.00 Total new obligations | 753 | 1,784 | 524 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 100 | 73 | 25 |
| 22.00 New budget authority (gross) | 722 | 1,755 | 499 |
| 22.10 Resources available from recoveries of prior year obligations | 5 | | |
| 23.90 Total budgetary resources available for obligation | 827 | 1,828 | 524 |
| 23.95 Total new obligations | -753 | -1,784 | -524 |
| 23.98 Unobligated balance expiring or withdrawn | -1 | -19 | |
| 24.40 Unobligated balance carried forward, end of year | 73 | 25 | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 401 | 468 | 499 |
| 40.77 Reduction pursuant to P.L. 106-554 (0.22 percent) | -1 | | |
| 43.00 Appropriation (total discretionary) | 400 | 468 | 499 |
| Mandatory: | | | |
| 60.00 Appropriation | 322 | 1,287 | |
| 70.00 Total new budget authority (gross) | 722 | 1,755 | 499 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 13 | 12 | 24 |
| 73.10 Total new obligations | 753 | 1,784 | 524 |
| 73.20 Total outlays (gross) | -749 | -1,772 | -522 |
| 73.45 Recoveries of prior year obligations | -5 | | |
| 74.40 Obligated balance, end of year | 12 | 24 | 26 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 388 | 445 | 475 |
| 86.93 Outlays from discretionary balances | 39 | 40 | 47 |
| 86.97 Outlays from new mandatory authority | 322 | 1,287 | |
| 87.00 Total outlays (gross) | 749 | 1,772 | 522 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 722 | 1,755 | 499 |
| 90.00 Outlays | 749 | 1,772 | 522 |
| Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars) | | | |
| Identification code 12-1140-0-1-351 | 2001 actual | 2002 est. | 2003 est. |
| Direct loan levels supportable by subsidy budget authority: | | | |
| 115001 Farm ownership | 163 | 147 | 100 |
| 115002 Farm operating | 691 | 611 | 600 |
| 115003 Emergency disaster | 90 | 25 | |
| 115004 Indian tribe land acquisition | 1 | 2 | 2 |
| 115005 Boll weevil eradication | 95 | 100 | 100 |
| 115006 Seed cotton | 28 | | |
| 115901 Total direct loan levels | 1,068 | 885 | 802 |

| | | | |
|---|-------|-------|-------|
| Direct loan subsidy (in percent): | | | |
| 132001 Farm ownership | 12.55 | 2.63 | 11.61 |
| 132002 Farm operating | 18.34 | 8.93 | 17.26 |
| 132003 Emergency disaster | 17.64 | 13.45 | 20.39 |
| 132004 Indian tribe land acquisition | 58.36 | 5.92 | 8.95 |
| 132005 Boll weevil eradication | -0.56 | -2.18 | -2.70 |
| 132006 Seed cotton | 4.30 | | |
| 132901 Weighted average subsidy rate | 15.36 | 6.78 | 14.09 |
| Direct loan subsidy budget authority: | | | |
| 133001 Farm ownership | 20 | 4 | 12 |
| 133002 Farm operating | 127 | 55 | 104 |
| 133003 Emergency disaster | 16 | 3 | |
| 133004 Indian tribe land acquisition | 1 | | |
| 133005 Boll weevil eradication | -1 | -2 | -3 |
| 133006 Seed cotton | 1 | | |
| 133901 Total subsidy budget authority | 164 | 60 | 113 |
| Direct loan subsidy outlays: | | | |
| 134001 Farm ownership | 17 | 5 | 11 |
| 134002 Farm operating | 60 | 56 | 100 |
| 134003 Emergency disaster | 22 | 28 | 25 |
| 134004 Indian tribe land acquisition | | | |
| 134005 Boll weevil eradication | | | |
| 134006 Seed cotton | 3 | | |
| 134901 Total subsidy outlays | 102 | 89 | 136 |
| Direct loan upward reestimate subsidy budget authority: | | | |
| 135001 Farm ownership | 1 | 163 | |
| 135002 Farm operating | 34 | 776 | |
| 135003 Emergency disaster | 17 | 169 | |
| 135004 Indian tribe land acquisition | | 3 | |
| 135005 Boll weevil eradication | 21 | 16 | |
| 135006 Seed cotton | | | |
| 135007 Soil and water | | 4 | |
| 135008 Farm ownership credit sales | | 89 | |
| 135901 Total upward reestimate budget authority | 73 | 1,220 | |
| Direct loan upward reestimate subsidy outlays: | | | |
| 136001 Farm ownership | 1 | 163 | |
| 136002 Farm operating | 34 | 776 | |
| 136003 Emergency disaster | 17 | 169 | |
| 136004 Indian tribe land acquisition | | 3 | |
| 136005 Boll weevil eradication | 21 | 16 | |
| 136006 Seed cotton | | | |
| 136007 Soil and water | | 4 | |
| 136008 Farm ownership credit sales | | 89 | |
| 136901 Total upward reestimate outlays | 73 | 1,220 | |
| Direct loan downward reestimate subsidy budget authority: | | | |
| 137001 Farm ownership | -156 | | |
| 137002 Farm operating | -485 | | |
| 137003 Emergency disaster | -213 | -16 | |
| 137004 Indian tribe land acquisition | | | |
| 137005 Boll weevil eradication | -2 | -9 | |
| 137006 Seed cotton | -60 | | |
| 137007 Soil and water | -2 | | |
| 137008 Seed loans | | -2 | |
| 137901 Total downward reestimate budget authority | -918 | -27 | |
| Direct loan downward reestimate subsidy outlays: | | | |
| 138001 Farm ownership | -156 | | |
| 138002 Farm operating | -485 | | |
| 138003 Emergency disaster | -213 | -16 | |
| 138004 Indian tribe land acquisition | | | |
| 138005 Boll weevil eradication | -2 | -9 | |
| 138006 Seed cotton | -60 | | |
| 138007 Soil and water | -2 | | |
| 138008 Seed loans | | -2 | |
| 138901 Total downward reestimate subsidy outlays | -918 | -27 | |
| Guaranteed loan levels supportable by subsidy budget authority: | | | |
| 215001 Farm ownership, unsubsidized | 852 | 1,161 | 1,000 |
| 215002 Farm operating, unsubsidized | 998 | 1,548 | 1,700 |
| 215003 Farm operating, subsidized | 464 | 511 | 300 |
| 215901 Total loan guarantee levels | 2,314 | 3,220 | 3,000 |
| Guaranteed loan subsidy (in percent): | | | |
| 232001 Farm ownership, unsubsidized | 0.73 | 0.45 | 0.75 |
| 232002 Farm operating, unsubsidized | 3.49 | 3.51 | 3.17 |
| 232003 Farm operating, subsidized | 13.08 | 13.56 | 11.80 |
| 232901 Weighted average subsidy rate | 4.41 | 3.98 | 3.23 |
| Guaranteed loan subsidy budget authority: | | | |
| 233001 Farm ownership, unsubsidized | 6 | 5 | 8 |
| 233002 Farm operating, unsubsidized | 35 | 54 | 54 |

| | | | |
|---|-----|-----|-----|
| 233003 Farm operating, subsidized | 61 | 69 | 35 |
| 233901 Total subsidy budget authority | 102 | 128 | 97 |
| Guaranteed loan subsidy outlays: | | | |
| 234001 Farm ownership, unsubsidized | 4 | 5 | 7 |
| 234002 Farm operating, unsubsidized | 13 | 48 | 52 |
| 234003 Farm operating, subsidized | 45 | 63 | 40 |
| 234901 Total subsidy outlays | 62 | 116 | 99 |
| Guaranteed loan upward reestimate subsidy budget authority: | | | |
| 235001 Farm ownership, unsubsidized | 6 | 17 | |
| 235002 Farm operating, unsubsidized | 177 | 26 | |
| 235003 Farm operating, subsidized | 66 | 24 | |
| 235901 Total upward reestimate budget authority | 249 | 67 | |
| Guaranteed loan upward reestimate subsidy outlays: | | | |
| 236001 Farm ownership, unsubsidized | 6 | 17 | |
| 236002 Farm operating, unsubsidized | 177 | 26 | |
| 236003 Farm operating, subsidized | 66 | 24 | |
| 236901 Total upward reestimate subsidy outlays | 249 | 67 | |
| Guaranteed loan downward reestimate subsidy budget authority: | | | |
| 237001 Farm ownership, unsubsidized | -1 | | |
| 237002 Farm operating, unsubsidized | | -12 | |
| 237003 Farm operating, subsidized | -4 | -10 | |
| 237901 Total downward reestimate subsidy budget authority | -5 | -22 | |
| Guaranteed loan downward reestimate subsidy outlays: | | | |
| 238001 Farm ownership, unsubsidized | -1 | | |
| 238002 Farm operating, unsubsidized | | -12 | |
| 238003 Farm operating, subsidized | -4 | -10 | |
| 238901 Total downward reestimate subsidy outlays | -5 | -22 | |
| Administrative expense data: | | | |
| 351001 Budget authority | 269 | 280 | 287 |
| 358001 Outlays from balances | | | |
| 359001 Outlays from new authority | 269 | 280 | 287 |

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.

Additional funding was provided by a 2000 supplemental appropriation, P.L. 106-113, for direct and guaranteed farm ownership, direct and guaranteed operating, and emergency disaster loans. Funding is available until expended.

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 2001, \$21.1 thousand was paid to producers who filed claims under the program.

The 2003 budget requests \$100 thousand for this program.

Object Classification (in millions of dollars)

| | | | |
|---|-------------|-----------|-----------|
| Identification code 12-1140-0-1-351 | 2001 actual | 2002 est. | 2003 est. |
| 25.3 Other purchases of goods and services from Government accounts | 271 | 280 | 287 |

Credit accounts—Continued

**DAIRY INDEMNITY PROGRAM—Continued
(INCLUDING TRANSFERS OF FUNDS)—Continued**

Object Classification (in millions of dollars)—Continued

| Identification code 12-1140-0-1-351 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 41.0 Grants, subsidies, and contributions | 482 | 1,504 | 237 |
| 99.9 Total new obligations | 753 | 1,784 | 524 |

AGRICULTURAL CREDIT INSURANCE FUND DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 12-4212-0-3-351 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Operating program: | | | |
| 00.01 Direct loans | 1,080 | 1,004 | 902 |
| 00.02 Advances on behalf of borrowers | 2 | 3 | 3 |
| 00.04 Interest on Treasury borrowing | 296 | 229 | 210 |
| 00.05 Capital investments | 4 | 4 | 4 |
| 00.91 Subtotal, Operating program | 1,382 | 1,240 | 1,119 |
| 08.01 Negative subsidy receipts | 2 | 2 | 2 |
| Reestimates: | | | |
| 08.02 Downward reestimate of subsidy | 726 | 25 | ..... |
| 08.04 Downward reestimate of subsidy—interest | 192 | 2 | ..... |
| 08.91 Subtotal, reestimates | 920 | 29 | 2 |
| 10.00 Total new obligations | 2,302 | 1,269 | 1,121 |

| | | | |
|---|--------|--------|--------|
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 182 | 35 | ..... |
| 22.00 New financing authority (gross) | 2,460 | 2,169 | 2,280 |
| 22.10 Resources available from recoveries of prior year obligations | 35 | ..... | ..... |
| 22.40 Capital transfer to general fund ..... | ..... | -35 | ..... |
| 22.60 Portion applied to repay debt | -325 | -900 | -1,159 |
| 22.70 Balance of authority to borrow withdrawn | -15 | ..... | ..... |
| 23.90 Total budgetary resources available for obligation | 2,337 | 1,269 | 1,121 |
| 23.95 Total new obligations | -2,302 | -1,269 | -1,121 |
| 24.40 Unobligated balance carried forward, end of year | 35 | ..... | ..... |

| | | | |
|---|-------|--------|-------|
| New financing authority (gross), detail: | | | |
| Mandatory: | | | |
| 67.10 Authority to borrow | 1,373 | 1,153 | 1,006 |
| Discretionary: | | | |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | 1,014 | 1,016 | 1,274 |
| Mandatory: | | | |
| 69.00 Offsetting collections (cash) | 73 | 1,220 | ..... |
| 69.27 Capital transfer to general fund ..... | ..... | -1,220 | ..... |
| 69.90 Spending authority from offsetting collections (total mandatory) | 73 | ..... | ..... |
| 70.00 Total new financing authority (gross) | 2,460 | 2,169 | 2,280 |

| | | | |
|---|--------|--------|--------|
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 160 | 135 | 157 |
| 73.10 Total new obligations | 2,302 | 1,269 | 1,121 |
| 73.20 Total financing disbursements (gross) | -2,292 | -1,247 | -1,134 |
| 73.45 Recoveries of prior year obligations | -35 | ..... | ..... |
| 74.40 Obligated balance, end of year | 135 | 157 | 144 |
| 87.00 Total financing disbursements (gross) | 2,292 | 1,247 | 1,134 |

| | | | |
|--|------|--------|-------|
| Offsets: | | | |
| Against gross financing authority and financing disbursements: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 Federal sources: Payments from program account | -175 | -1,309 | -136 |
| 88.25 Interest on uninvested funds | -97 | -102 | -110 |
| Non-Federal sources: | | | |
| 88.40 Repayments of principal | -654 | -665 | -858 |
| 88.40 Repayments of interest | -156 | -160 | -170 |
| 88.40 Other income | -5 | ..... | ..... |

| | | | |
|---|--------|--------|--------|
| 88.90 Total, offsetting collections (cash) | -1,087 | -2,236 | -1,274 |
| Net financing authority and financing disbursements: | | | |
| 89.00 Financing authority | 1,373 | -67 | 1,006 |
| 90.00 Financing disbursements | 1,205 | -989 | -140 |

Status of Direct Loans (in millions of dollars)

| Identification code 12-4212-0-3-351 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on obligations: | | | |
| 1111 Limitation on direct loans | 848 | 885 | 802 |
| 1121 Limitation available from carry-forward | 452 | 218 | 100 |
| 1142 Unobligated direct loan limitation (-) | -16 | ..... | ..... |
| 1143 Unobligated limitation carried forward (P.L.106-113) (-) | -218 | -100 | ..... |
| 1150 Total direct loan obligations | 1,066 | 1,003 | 902 |
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 3,909 | 4,313 | 4,609 |
| 1231 Disbursements: Direct loan disbursements | 1,072 | 1,011 | 917 |
| 1251 Repayments: Repayments and prepayments | -661 | -665 | -858 |
| Write-offs for default: | | | |
| 1263 Direct loans | -37 | -50 | -51 |
| 1264 Other adjustments, net | 30 | ..... | ..... |
| 1290 Outstanding, end of year | 4,313 | 4,609 | 4,617 |

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 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Investments in US securities: | | | | |
| 1106 Federal assets: Receivables, net | 342 | 651 | 385 | 385 |
| Net value of assets related to post-1991 direct loans receivable: | | | | |
| 1401 Direct loans receivable, gross | 3,909 | 4,313 | 4,609 | 4,617 |
| 1402 Interest receivable | 155 | 176 | 50 | 50 |
| 1403 Accounts receivable from foreclosed property | 6 | 7 | 20 | 20 |
| 1405 Allowance for subsidy cost (-) | -241 | -999 | -988 | -988 |
| 1499 Net present value of assets related to direct loans | 3,829 | 3,497 | 3,691 | 3,699 |
| 1999 Total assets | 4,171 | 4,148 | 4,076 | 4,084 |
| LIABILITIES: | | | | |
| 2103 Federal liabilities: Debt | 4,162 | 4,133 | 4,061 | 4,069 |
| 2207 Non-Federal liabilities: Other | 9 | 15 | 15 | 15 |
| 2999 Total liabilities | 4,171 | 4,148 | 4,076 | 4,084 |
| NET POSITION: | | | | |
| 3999 Total net position ..... | ..... | ..... | ..... | ..... |
| 4999 Total liabilities and net position | 4,171 | 4,148 | 4,076 | 4,084 |

AGRICULTURAL CREDIT INSURANCE FUND GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 12-4213-0-3-351 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Operating program: | | | |
| 00.01 Default claims | 54 | 61 | 61 |
| 00.02 Interest assistance on guaranteed loans | 109 | 130 | 150 |

| | | | | |
|-------|---|-----|-----|-----|
| 00.04 | Interest payments to Treasury | 10 | 5 | |
| 00.05 | Capital investments | 2 | 2 | 2 |
| 00.91 | Subtotal, Operating program | 165 | 203 | 218 |
| | Reestimates: | | | |
| 08.02 | Downward reestimate of subsidy | 4 | 15 | |
| 08.04 | Downward reestimate of subsidy—interest | 1 | 7 | |
| 08.91 | Subtotal, reestimates | 5 | 22 | |
| 10.00 | Total new obligations | 170 | 225 | 218 |

| | | | | |
|--|---|------|------|------|
| Budgetary resources available for obligation: | | | | |
| 21.40 | Unobligated balance carried forward, start of year | 102 | 110 | |
| 22.00 | New financing authority (gross) | 346 | 233 | 144 |
| 22.10 | Resources available from recoveries of prior year obligations | 44 | | |
| 22.70 | Balance of authority to borrow withdrawn | -118 | | |
| 23.90 | Total budgetary resources available for obligation | 272 | 335 | 254 |
| 23.95 | Total new obligations | -170 | -225 | -218 |
| 24.40 | Unobligated balance carried forward, end of year | 102 | 110 | 34 |

| | | | | |
|---|---|-----|-----|-----|
| New financing authority (gross), detail: | | | | |
| Discretionary: | | | | |
| 68.00 | Spending authority from offsetting collections: Offsetting collections (cash) | 97 | 166 | 144 |
| Mandatory: | | | | |
| 69.00 | Offsetting collections (cash) | 249 | 67 | |
| 70.00 | Total new financing authority (gross) | 346 | 233 | 144 |

| | | | | |
|--------------------------------------|---|------|------|------|
| Change in obligated balances: | | | | |
| 72.40 | Obligated balance, start of year | 389 | 407 | 323 |
| 73.10 | Total new obligations | 170 | 225 | 218 |
| 73.20 | Total financing disbursements (gross) | -108 | -309 | -287 |
| 73.45 | Recoveries of prior year obligations | -44 | | |
| 74.40 | Obligated balance, end of year | 407 | 323 | 254 |
| 87.00 | Total financing disbursements (gross) | 108 | 309 | 287 |

| | | | | |
|--|--|------|------|------|
| Offsets: | | | | |
| Against gross financing authority and financing disbursements: | | | | |
| Offsetting collections (cash) from: | | | | |
| 88.00 | Payments from program account | -304 | -183 | -99 |
| 88.25 | Interest on uninvested funds | -22 | -30 | -25 |
| 88.40 | Fees and premiums | -20 | -20 | -20 |
| 88.90 | Total, offsetting collections (cash) | -346 | -233 | -144 |

| | | | | |
|---|-------------------------------|------|----|-----|
| Net financing authority and financing disbursements: | | | | |
| 89.00 | Financing authority | | | |
| 90.00 | Financing disbursements | -238 | 76 | 143 |

Status of Guaranteed Loans (in millions of dollars)

| | | | | |
|---|--|--------|--------|--------|
| Identification code 12-4213-0-3-351 | | | | |
| | Position with respect to appropriations act limitation on commitments: | | | |
| 2111 | Limitation on guaranteed loans made by private lenders | 2,053 | 3,006 | 3,000 |
| 2121 | Limitation available from carry-forward | 476 | 214 | |
| 2143 | Uncommitted limitation carried forward | -214 | | |
| 2150 | Total guaranteed loan commitments | 2,315 | 3,220 | 3,000 |
| 2199 | Guaranteed amount of guaranteed loan commitments | 2,084 | 2,899 | 2,700 |
| Cumulative balance of guaranteed loans outstanding: | | | | |
| 2210 | Outstanding, start of year | 8,601 | 9,111 | 10,423 |
| 2231 | Disbursements of new guaranteed loans | 2,200 | 2,988 | 3,025 |
| 2251 | Repayments and prepayments | -1,668 | -1,557 | -1,600 |
| Adjustments: | | | | |
| 2263 | Terminations for default that result in claim payments | -80 | -119 | -123 |
| 2264 | Other adjustments, net | 58 | | |
| 2290 | Outstanding, end of year | 9,111 | 10,423 | 11,725 |
| Memorandum: | | | | |
| 2299 | Guaranteed amount of guaranteed loans outstanding, end of year | 7,962 | 9,381 | 10,553 |

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 | | | | |
| | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 | Fund balances with Treasury | 271 | 282 | 293 |
| Investments in US securities: | | | | |
| 1106 | Receivables, net | 249 | 259 | 269 |
| 1206 | Non-Federal assets: Receivables, net | 1 | 1 | 1 |
| 1999 | Total assets | 521 | 542 | 563 |
| LIABILITIES: | | | | |
| Non-Federal liabilities: | | | | |
| 2201 | Accounts payable | 515 | 534 | 554 |
| 2203 | Debt | 6 | 8 | 9 |
| 2999 | Total liabilities | 521 | 542 | 563 |
| 4999 | Total liabilities and net position | 521 | 542 | 563 |

AGRICULTURAL CREDIT INSURANCE FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

| | | | | |
|---|--|-----------|-----------|----|
| Identification code 12-4140-0-3-351 | | | | |
| | 2001 actual | 2002 est. | 2003 est. | |
| Obligations by program activity: | | | | |
| Capital investment: | | | | |
| 00.08 | Loan recoverable costs | 5 | 7 | 6 |
| Operating expenses: | | | | |
| 01.07 | Loss settlement expenses on guaranteed loans | 1 | 2 | 2 |
| 01.08 | Administrative expenses—Department of Justice fees | 1 | 1 | 1 |
| 01.09 | Costs incident to acquisition of property | 1 | 1 | 1 |
| 01.10 | Undistributed charges | 1 | 1 | 1 |
| 01.13 | Interest assistance—guaranteed loans | 6 | 4 | 4 |
| 01.17 | Unclassified costs | 2 | 1 | 1 |
| 01.18 | Civil rights settlements | | 1 | 1 |
| 01.91 | Total operating expenses | 12 | 11 | 11 |
| 10.00 | Total new obligations | 17 | 18 | 17 |

| | | | | |
|--|---|-----|-----|-----|
| Budgetary resources available for obligation: | | | | |
| 21.40 | Unobligated balance carried forward, start of year | 46 | 65 | |
| 22.00 | New budget authority (gross) | 24 | 18 | 17 |
| 22.10 | Resources available from recoveries of prior year obligations | 11 | | |
| 22.40 | Capital transfer to general fund | | -65 | |
| 23.90 | Total budgetary resources available for obligation | 81 | 18 | 17 |
| 23.95 | Total new obligations | -17 | -18 | -17 |
| 24.40 | Unobligated balance carried forward, end of year | 65 | | |

| | | | | |
|--|--|------|------|------|
| New budget authority (gross), detail: | | | | |
| Mandatory: | | | | |
| 69.00 | Offsetting collections (cash) | 824 | 809 | 784 |
| 69.27 | Capital transfer to general fund | -800 | -791 | -767 |
| 69.90 | Spending authority from offsetting collections (total mandatory) | 24 | 18 | 17 |

| | | | | |
|--------------------------------------|--|-----|-----|-----|
| Change in obligated balances: | | | | |
| 72.40 | Obligated balance, start of year | 51 | 45 | 45 |
| 73.10 | Total new obligations | 17 | 18 | 17 |
| 73.20 | Total outlays (gross) | -12 | -18 | -17 |
| 73.45 | Recoveries of prior year obligations | -11 | | |
| 74.40 | Obligated balance, end of year | 45 | 45 | 45 |

| | | | | |
|---------------------------------|--|----|----|----|
| Outlays (gross), detail: | | | | |
| 86.97 | Outlays from new mandatory authority | 12 | 18 | 17 |

| | | | | |
|---|---------------------------------|----|----|----|
| Offsets: | | | | |
| Against gross budget authority and outlays: | | | | |
| Offsetting collections (cash) from: | | | | |
| Non-Federal sources: | | | | |
| 88.40 | Rent on acquired property | -1 | -1 | -1 |

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 | 2001 actual | 2002 est. | 2003 est. | |
|--|---|-----------|-----------|------|
| 88.40 | Guaranteed insurance purchased from holders—principal | -1 | -1 | -1 |
| 88.40 | Interest on loans | -280 | -285 | -285 |
| 88.40 | Guaranteed loss recoveries | -2 | -1 | -1 |
| 88.40 | Interest on judgments | -2 | -2 | -2 |
| 88.40 | Repayments on loans—principal | -491 | -455 | -430 |
| 88.40 | Judgments—principal | -14 | -9 | -9 |
| 88.40 | Shared appreciation recapture | -9 | -14 | -14 |
| 88.40 | Sale of acquired property/chattels | -28 | -40 | -40 |
| 88.40 | Undistributed receipts | 4 | -1 | -1 |
| 88.90 | Total, offsetting collections (cash) | -824 | -809 | -784 |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | -800 | -791 | -767 |
| 90.00 | Outlays | -812 | -791 | -767 |

Status of Direct Loans (in millions of dollars)

| Identification code 12-4140-0-3-351 | 2001 actual | 2002 est. | 2003 est. | |
|---|--|-----------|-----------|-------|
| Cumulative balance of direct loans outstanding: | | | | |
| 1210 | Outstanding, start of year | 5,067 | 4,463 | 3,825 |
| 1251 | Repayments: Repayments and prepayments | -491 | -455 | -430 |
| 1261 | Adjustments: Capitalized interest | 26 | 14 | 13 |
| 1263 | Write-offs for default: Direct loans | -139 | -197 | -191 |
| 1290 | Outstanding, end of year | 4,463 | 3,825 | 3,217 |

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 | 2001 actual | 2002 est. | 2003 est. | |
|---|--|-----------|-----------|-----|
| Cumulative balance of guaranteed loans outstanding: | | | | |
| 2210 | Outstanding, start of year | 471 | 411 | 344 |
| 2251 | Repayments and prepayments | -33 | -65 | -50 |
| Adjustments: | | | | |
| 2263 | Terminations for default that result in claim payments | -36 | -2 | -2 |
| 2264 | Other adjustments, net | 9 | | |
| 2290 | Outstanding, end of year | 411 | 344 | 292 |
| Memorandum: | | | | |
| 2299 | Guaranteed amount of guaranteed loans outstanding, end of year | 341 | 310 | 263 |

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.

Statement of Operations (in millions of dollars)

| Identification code 12-4140-0-3-351 | 2000 actual | 2001 actual | 2002 est. | 2003 est. | |
|-------------------------------------|------------------------------|-------------|-----------|-----------|------|
| 0101 | Revenue | 149 | 146 | 150 | 150 |
| 0102 | Expense | -196 | -165 | -110 | -110 |
| 0105 | Net income or loss (-) | -47 | -19 | 40 | 40 |

Balance Sheet (in millions of dollars)

| Identification code 12-4140-0-3-351 | 2000 actual | 2001 actual | 2002 est. | 2003 est. | |
|---|--|-------------|-----------|-----------|-------|
| ASSETS: | | | | | |
| 1101 | Federal assets: Fund balances with Treasury | 97 | 109 | 90 | 90 |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | | |
| 1601 | Direct loans, gross | 5,067 | 4,463 | 3,825 | 3,217 |
| 1602 | Interest receivable | 130 | 135 | 134 | 134 |
| 1603 | Allowance for estimated uncollectible loans and interest (-) | -904 | -900 | -850 | -850 |
| 1604 | Direct loans and interest receivable, net | 4,293 | 3,698 | 3,109 | 2,501 |
| 1606 | Foreclosed property | 67 | 54 | 54 | 54 |
| 1699 | Value of assets related to direct loans | 4,360 | 3,752 | 3,163 | 2,555 |
| 1999 | Total assets | 4,457 | 3,861 | 3,253 | 2,645 |
| LIABILITIES: | | | | | |
| 2104 | Federal liabilities: Resources payable to Treasury | 4,339 | 3,745 | 3,147 | 2,539 |
| Non-Federal liabilities: | | | | | |
| 2201 | Accounts payable | 107 | 106 | 96 | 96 |
| 2207 | Other | 11 | 10 | 10 | 10 |
| 2999 | Total liabilities | 4,457 | 3,861 | 3,253 | 2,645 |
| 4999 | Total liabilities and net position | 4,457 | 3,861 | 3,253 | 2,645 |

Object Classification (in millions of dollars)

| Identification code 12-4140-0-3-351 | 2001 actual | 2002 est. | 2003 est. | |
|-------------------------------------|------------------------------|-----------|-----------|----|
| 25.2 | Other services | 6 | 7 | 7 |
| 33.0 | Investments and loans | 5 | 7 | 6 |
| 43.0 | Interest and dividends | 6 | 4 | 4 |
| 99.9 | Total new obligations | 17 | 18 | 17 |

COMMODITY CREDIT CORPORATION

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, 2002.*)

Federal Funds

Public enterprise funds:

COMMODITY CREDIT CORPORATION FUND
REIMBURSEMENT FOR NET REALIZED LOSSES

For fiscal year [2002] 2003, 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).

[OPERATIONS AND MAINTENANCE FOR] HAZARDOUS WASTE
MANAGEMENT

(LIMITATION ON EXPENSES)

For fiscal year [2002] 2003, 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, 2002.*)

Program and Financing (in millions of dollars)

| Identification code 12-4336-0-3-999 | 2001 actual | 2002 est. | 2003 est. | |
|--|---|-----------|-----------|---------|
| Obligations by program activity: | | | | |
| Support and related programs: | | | | |
| Operating expenses: | | | | |
| 00.01 | Commodity purchases and related inventory transactions | 3,827 | 4,733 | 3,620 |
| 00.02 | Storage, transportation and other obligations | 317 | 118 | 103 |
| 00.03 | Export enhancement program | 5 | 478 | 478 |
| 00.04 | Market access program | 96 | 90 | 90 |
| 00.05 | Dairy export incentive program | 25 | 39 | 62 |
| 00.06 | Section 416/Food for progress ocean transportation | 362 | 320 | 8 |
| 00.07 | Foreign market development cooperative | 30 | 28 | 28 |
| 00.08 | Quality samples program | 1 | 2 | 3 |
| Direct producer payments: | | | | |
| 00.10 | Feed grains | 6,371 | 3,322 | 2,137 |
| 00.11 | Wheat | 2,505 | 1,074 | 1,046 |
| 00.12 | Rice | 896 | 658 | 662 |
| 00.13 | Cotton | 1,584 | 1,420 | 766 |
| 00.14 | Tobacco | 471 | 5 | |
| 00.15 | Peanuts | 118 | | |
| 00.16 | Senior's farmers market | 15 | | |
| 00.17 | Wool and mohair | 46 | | |
| 00.18 | Honey | 23 | | |
| 00.19 | Dairy marketing loss assistance | 673 | | |
| 00.20 | Dairy option pilot program | 2 | 14 | 2 |
| 00.22 | Noninsured assistance program | 64 | 155 | 199 |
| 00.23 | Oilseeds loan deficiency | 2,884 | 3,150 | 2,209 |
| 00.24 | Certificates Issued | 106 | 104 | |
| 00.25 | Other market loss assistance payments | 134 | 113 | |
| 00.26 | Marketing loan writeoffs | 721 | 822 | 459 |
| 00.27 | State payment transfers | 184 | 5 | |
| 00.28 | Poulte enteritis | 2 | | |
| 00.29 | Crop disaster | 1,848 | 94 | |
| 00.30 | Livestock assistance | 427 | | |
| 00.32 | Disaster reserve assistance/American Indian livestock feed | 6 | 8 | |
| 00.33 | Disaster reserve flood compensation | 44 | 26 | |
| 00.34 | BioEnergy program | 26 | 150 | |
| 00.35 | Conservation reserve program (CRP) | 1,623 | 1,801 | 1,856 |
| Other conservation programs: | | | | |
| 00.37 | Klamath/Yakima basin | 22 | | |
| 00.38 | Environmental quality incentives program (EQIP) | 124 | 150 | 160 |
| 00.39 | Wetlands reserve program (WRP) | 163 | -4 | |
| 00.40 | Farmland protection program (FPP) | 17 | 1 | |
| 00.41 | Conservation farm option | | | 56 |
| 00.42 | Soil and water conservation program | 20 | | |
| 00.43 | Agricultural management assistance program | | 4 | 4 |
| 00.44 | Reimbursement agreement and transfers to State and Federal agencies | 51 | 56 | 56 |
| Interest: | | | | |
| 00.45 | Treasury | 427 | 277 | 356 |
| 00.46 | Other | 33 | 30 | 29 |
| 00.47 | EQIP technical assistance | 38 | 35 | 38 |
| 00.48 | EQIP educational assistance | 2 | 1 | 2 |
| 00.49 | CRP technical assistance | 32 | 17 | |
| 00.50 | WRP technical assistance | 14 | | |
| 00.51 | FPP technical assistance | 1 | | |
| 00.52 | AMA technical assistance | 2 | 3 | 3 |
| 01.92 | Total support and related programs | 26,382 | 19,299 | 14,432 |
| Reimbursable program: | | | | |
| 09.01 | Commodity loans | 8,267 | 10,624 | 8,844 |
| 09.03 | Reimbursable program | 401 | 500 | 555 |
| 09.04 | P. L. 480 ocean transportation | 547 | 559 | 685 |
| 09.09 | Subtotal, reimbursable programs | 9,215 | 11,683 | 10,084 |
| 10.00 | Total new obligations | 35,597 | 30,982 | 24,516 |
| Budgetary resources available for obligation: | | | | |
| 21.40 | Unobligated balance carried forward, start of year | 1,064 | 996 | 1,020 |
| 22.00 | New budget authority (gross) | 35,957 | 31,006 | 24,343 |
| 22.21 | Unobligated balance transferred to other accounts | -25 | | |
| 22.60 | Portion applied to repay debt | -404 | | |
| 23.90 | Total budgetary resources available for obligation | 36,592 | 32,002 | 25,363 |
| 23.95 | Total new obligations | -35,597 | -30,982 | -24,516 |
| 24.40 | Unobligated balance carried forward, end of year | 996 | 1,020 | 847 |

| New budget authority (gross), detail: | | | | |
|--|---------------|--------|--------|--------|
| Discretionary: | | | | |
| 40.00 | Appropriation | 25,077 | 20,279 | 16,285 |

| | | | | |
|------------|-------------------------------------|---------|---------|---------|
| 40.47 | Portion applied to repay debt | -24,742 | -20,128 | -16,458 |
| 41.00 | Transferred to other accounts | -335 | -151 | |
| 43.00 | Appropriation (total discretionary) | | | -173 |
| Mandatory: | | | | |
| 67.10 | Authority to borrow | 23,643 | 17,663 | 11,481 |
| 69.00 | Offsetting collections (cash) | 12,314 | 13,343 | 13,035 |
| 70.00 | Total new budget authority (gross) | 35,957 | 31,006 | 24,343 |

| Change in obligated balances: | | | | |
|--------------------------------------|---------------------------------------|---------|---------|---------|
| 72.40 | Obligated balance, start of year | 3,293 | 2,570 | 2,794 |
| 73.10 | Total new obligations | 35,597 | 30,982 | 24,516 |
| 73.20 | Total outlays (gross) | -36,601 | -30,758 | -24,750 |
| 73.40 | Adjustments in expired accounts (net) | 281 | | |
| 74.40 | Obligated balance, end of year | 2,570 | 2,794 | 2,560 |

| Outlays (gross), detail: | | | | |
|---------------------------------|--------------------------------------|--------|--------|--------|
| 86.97 | Outlays from new mandatory authority | 23,408 | 8,756 | 11,333 |
| 86.98 | Outlays from mandatory balances | 13,194 | 22,002 | 13,417 |
| 87.00 | Total outlays (gross) | 36,601 | 30,758 | 24,750 |

| Offsets: | | | | |
|---|---|---------|---------|---------|
| Against gross budget authority and outlays: | | | | |
| Offsetting collections (cash) from: | | | | |
| Federal sources: | | | | |
| Federal sources: | | | | |
| 88.00 | Sales to special activities | -402 | -501 | -555 |
| 88.00 | Advance from foreign assistance programs (P.L. 480) | -872 | -850 | -1,185 |
| 88.00 | Interest revenue | -15 | | |
| Non-Federal sources (62 stat.1070): Support and related programs: | | | | |
| Non-Federal sources: | | | | |
| 88.40 | Sales and other proceeds | -255 | -487 | -564 |
| 88.40 | Assessments | | -41 | -44 |
| 88.40 | Interest revenue | -117 | -68 | -124 |
| 88.40 | Other revenue and certificates redeemed | -491 | | |
| 88.40 | Loans repaid | -8,258 | -9,480 | -8,556 |
| 88.40 | Export credit sales program repayments | -14 | -17 | -22 |
| 88.40 | Commodity certificates redeemed | -1,890 | -1,899 | -1,985 |
| 88.90 | Total, offsetting collections (cash) | -12,314 | -13,343 | -13,035 |

| Net budget authority and outlays: | | | | |
|--|------------------|--------|--------|--------|
| 89.00 | Budget authority | 23,643 | 17,663 | 11,308 |
| 90.00 | Outlays | 24,288 | 17,415 | 11,715 |

Summary of Budget Authority and Outlays

(in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Enacted/requested: | | | |
| Budget Authority | 23,643 | 17,663 | 11,308 |
| Outlays | 24,288 | 17,415 | 11,715 |
| Legislative proposal, subject to PAYGO: | | | |
| Budget Authority | | 4,640 | 7,825 |
| Outlays | | 4,200 | 7,271 |
| Total: | | | |
| Budget Authority | 23,643 | 22,303 | 19,133 |
| Outlays | 24,288 | 21,615 | 18,986 |

Status of Direct Loans (in millions of dollars)

| Identification code 12-4336-0-3-999 | 2001 actual | 2002 est. | 2003 est. | |
|--|--|-----------|-----------|--------|
| SHORT TERM CREDIT LOANS | | | | |
| Cumulative balance of direct loans outstanding: | | | | |
| 1210 | Outstanding, start of year | 364 | 350 | 333 |
| 1251 | Repayments: Repayments and prepayments | -14 | -17 | -22 |
| 1290 | Outstanding, end of year | 350 | 333 | 311 |
| COMMODITY LOANS | | | | |
| Position with respect to appropriations act limitation on obligations: | | | | |
| 1111 | Limitation on direct loans | | | |
| 1131 | Direct loan obligations exempt from limitation | 8,267 | 10,624 | 8,844 |
| 1150 | Total direct loan obligations | 8,267 | 10,624 | 8,844 |
| Cumulative balance of direct loans outstanding: | | | | |
| 1210 | Outstanding, start of year | 3,070 | 1,896 | 2,602 |
| 1231 | Disbursements: Direct loan disbursements | 8,267 | 10,624 | 8,844 |
| 1251 | Repayments: Repayments and prepayments | -8,257 | -9,480 | -8,555 |

Public enterprise funds—Continued**[OPERATIONS AND MAINTENANCE FOR] HAZARDOUS WASTE
MANAGEMENT—Continued**

(LIMITATION ON EXPENSES)—Continued

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

| Identification code 12-4336-0-3-999 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 1264 Write-offs for default: Other adjustments, net | -1,184 | -438 | -756 |
| 1290 Outstanding, end of year | 1,896 | 2,602 | 2,135 |
| SALE OF INVENTORY ON CREDIT TERMS | | | |
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 30 | 30 | 30 |
| 1290 Outstanding, end of year | 30 | 30 | 30 |

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 2002 and 2003 budget estimates: (a) national income will rise both in 2002 and 2003 from the present level; (b) 2002 crop production will increase from 2001 crop levels for some commodities; (c) generally, exports of agricultural commodities in 2003 are expected to be higher than 2002 levels; (d) yields for the 2002 crops are based on recent averages adjusted for trends; (e) acreage allotments and marketing quotas will be in effect for the 2002 crops of certain kinds of tobacco; and (f) poundage quotas will be in effect for the 2002 crop of peanuts.

It is difficult to accurately forecast requirements for the year ending September 30, 2003, 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.

The Federal Agriculture Improvement and Reform Act of 1996 (the 1996 Act) enacted April 4, 1996, retains the CRP as part of the Environmental Conservation Acreage Reserve Program (ECARP) but changed the funding source from direct appropriation to the Commodity Credit Corporation. The CRP is assumed to be gradually increased from 33.6 million acres at the end of 2001 to 36.4 million acres. CRP is USDA's largest conservation/environmental program. The purpose of CRP, administered by FSA, 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.

CRP continuous signup acreage, which contributes to the USDA Conservation Buffer Initiative and the Conservation reserve enhancement program (CREP), is estimated to enroll 4 million acres. During 2001, about 435,000 acres were signed up for continuous practices in signup 23. Technical assistance for these signups was paid with funds for 2001 provided in the 2001 Agriculture Appropriations Act.

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.

A one-year contract extension for CRP participants with contracts of original duration of less than 15 years that are scheduled to expire September 20, 2002, is assumed.

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

2003 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 | 8,844 | 3,741 | 0 |
| Feed grain payments | 2,137 | 2,137 | 2,137 |
| Wheat payments | 1,046 | 1,047 | 1,046 |
| Rice payments | 662 | 662 | 662 |
| Cotton payments | 766 | 845 | 766 |
| Export enhancement program | 478 | 478 | 478 |
| Other support and related | 8,023 | 172 | 4,530 |
| Other items not distributed by program: | | | |
| Interest | 385 | 228 | 261 |
| All other | 56 | 286 | 56 |
| Total, farm income, marketing assistance loans, and price-support programs | 22,397 | 9,596 | 9,936 |
| Conservation programs: | | | |
| Conservation reserve program | 1,856 | 1,856 | 1,946 |
| Environmental quality incentives program | 200 | 190 | 190 |
| Wetlands reserve program | 0 | 57 | 57 |
| Farmland protection program | 0 | 6 | 6 |
| Soil and water conservation program | | 3 | 3 |
| Conservation farm option program | 63 | 7 | 7 |
| Total, conservation programs | 2,119 | 2,119 | 2,209 |
| Total, Commodity Credit Corporation | 24,516 | 11,715 | 12,145 |

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 Federal Agriculture Improvement and Reform Act of 1996 (the 1996 Act).

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

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.

Production flexibility contract payments.—The 1996 Act requires that the Corporation offer eligible producers a one-time opportunity to execute 7-year production flexibility contracts. Production flexibility contract participants who comply with applicable provisions receive annual payments beginning in 1996 and ending in 2002. However, the budget assumes continued support at the 2002 level. Participants received a 50-percent advance payment for the 1996 crop within 30

days after contract approval. The balance of the 1996 payment was issued by September 30, 1996. In subsequent years, participants receive final payments by September 30, with an option to receive advances on December 15 or January 15. For 2001 through 2002, producers may choose to receive fiscal year production flexibility contract payments as two 50 percent payments or one 100 percent payment at any time during the fiscal year. Depending on each contract participant's prior contract-crop acreage history and payment yield, as well as total program participation, the participant shares a portion of a statutorily specified, annual dollar amount. In return, participants must comply with certain requirements regarding land conservation, wetland protection, and agricultural use. Contract crops, for the purposes of determining eligible cropland and payments, include wheat, corn, grain sorghum, barley, oats, upland cotton, and rice. No production adjustment requirements or related provisions are included in this program, except for restrictions on the planting of fruits and vegetables and other minor requirements. The one-time enrollment took place between May 1 and August 1, 1996; however, producers with Conservation Reserve Program (CRP) contracts will have the opportunity to enroll acreage currently in the CRP that meets the eligibility requirements for a production flexibility contract. These enrollments will occur as CRP contracts expire.

Marketing assessments.—The 1949 Act mandates assessments for tobacco, and the 1996 Act requires such assessments for peanuts and sugar. Tobacco marketing assessments are authorized through crop year 1998.

Peanut price support program.—The 1996 Act and the Agricultural Adjustment Act of 1938, as amended (the 1938 Act), provide for a peanut loan and poundage quota program for the 1996 through 2002 peanut crops. Current budget estimates assume continued funding in 2003. The 1996 Act makes the peanut program, effectively, a no-cost program. The Secretary is required to provide a nonrefundable per-pound marketing assessment equal to 1.15 percent of the national average quota or additional peanut loan rate for the applicable 1996 crop and 1.2 percent of the national average quota or additional peanut loan rate for each of the applicable 1997 through 2002 crops. Assessments will be used to offset losses in area quota pools, and any assessments not required to cover these losses will be remitted to the Treasury. If the use of all other available authority does not produce funds sufficient to cover losses in area quota pools, the Secretary must increase the marketing assessment by an amount that will cover the losses.

Tobacco program.—The 2002 Appropriations Act provides payments to eligible persons for eligible tobacco under the same standards for payments as provided by the Agricultural Risk Protection Act of 2000 (ARPA).

Sugar program.—The 1996 Act requires that loans be made available to eligible sugar processors for the 1996 through 2002 crops of domestically produced sugar beets and sugarcane. The announced Tariff Rate Quota (TRQ) determines the type of loan in effect. If the TRQ is not above 1,500,000 short tons, raw value, at the time of loan approval and has never been above 1,500,000 short tons, raw value, at any time during the fiscal year, recourse loans will be in effect. If the TRQ exceeds 1,500,000 short tons, raw value, at the time of loan approval or has exceeded 1,500,000 short tons, raw value, at any time during the fiscal year, nonrecourse loans will be in effect. The 2002 Appropriations Act provides assistance to Minnesota sugar producers for losses incurred beyond those that may be compensated under existing programs.

Options pilot program.—The 1996 Act authorizes the Secretary to utilize CCC, until December 31, 2002, to conduct a pilot program for one or more agricultural commodities supported under Title I of the 1996 Act to ascertain whether

futures and options contracts can reasonably protect producers from the financial risks of fluctuations in price, yield, and income inherent in the production and marketing of the commodities. The pilot program is under the supervision of the Administrator of the Risk Management Agency.

Noninsured assistance program.—The Federal Crop Insurance Reform Act of 1994 expanded current crop insurance authorities to provide for catastrophic coverage at 50 percent yield protection at a flat fee for crops currently covered by insurance programs. Where crop insurance is not available, producers of crops for food and fiber and certain other crops will be covered under the Noninsured Assistance Program (NAP), administered by the Farm Service Agency. As enacted, the program has been reimbursing producers at the same rates and terms as the catastrophic program where assistance is triggered by area wide disasters. The ARPA eliminated the area loss requirement for triggering assistance and made other changes including a provision that all types or varieties of a crop may be considered a single eligible crop for NAP assistance. The ARPA also authorizes the collection of service fees. NAP ARPA payments will continue in 2002.

Dairy.—The 1996 Act provides for a dairy price support program that sets the minimum support price for milk at \$10.35 per hundredweight for calendar year 1996, \$10.20 per hundredweight for calendar year 1997, \$10.05 per hundredweight for calendar year 1999, and \$9.90 per hundredweight for calendar year 1999. The 2002 Appropriations Act extended the price support program through May 31, 2002, at the \$9.90 per hundred-weight support level, which is the same level as the 2000 and 2001 Appropriations Acts. In lieu of the price support program, Section 142 of the 1996 Act establishes a recourse loan program beginning on January 1, 2000, and continuing through 2002, during which time processors will be eligible for recourse loans on dairy products at a milk equivalent rate of \$9.90 per hundredweight. However, the 2002 Appropriations Act permanently repealed Section 142 of the 1996 Act. The Food Security Act of 1985, as amended (the 1985 Act), authorizes the Dairy Export Incentive Program (DEIP) through calendar year 2002. The DEIP provides subsidies to exporters of U.S. dairy products to help them compete with other subsidizing nations.

Emergency livestock feed assistance.—The 2001 Appropriations Act provided \$490 million to make and administer payments for livestock losses using the criteria established to carry out the 1999 LAP to producers for 2000 losses in a county which received an emergency designation after January 1, 2000. Of this amount, \$40 million was designated for the Pasture Recovery Program, \$12 million was used for the American Indian Livestock Feed Program, and \$438 million was used for LAP and other assistance mandated by the 2001 Consolidated Appropriations Act, P.L. 106-554.

Payment limitations.—The 1996 Act and the Food Security Act of 1985, as amended, limit the amount of production flexibility contract payments during any fiscal year to \$40,000 and the sum of marketing assistance gains and loan deficiency payments during any crop year to \$75,000. This limitation has been raised to \$150,000 for the 1999 and 2000 crops.

Livestock indemnity program.—The 2001 Appropriations Act provided \$10 million to make LIP payments to producers on farms that have incurred livestock losses during calendar year 2000 due to a disaster, including losses due to fires and anthrax. This funding level was reduced by the 0.22 percent rescission in P.L. 106-554.

Dairy market loss assistance II program.—Provisions of this program were implemented on January 19, 2000. U.S. dairy producers were experiencing a decline in the basic formula price, which is used by the Federal milk marketing order system to set manufacturing, and is the price mover for fluid milk. Under the 2001 Appropriations Act, \$675 million was authorized for payment to dairy producers.

Public enterprise funds—Continued

**[OPERATIONS AND MAINTENANCE FOR] HAZARDOUS WASTE
MANAGEMENT—Continued**

PROGRAMS OF THE CORPORATION—Continued

Emergency and market loss assistance.—Under provisions of Title XI, Subtitle A, this assistance is provided fairly and equitably to producers who have incurred crop and livestock losses in all affected geographic regions of the United States. The Secretary may determine (1) one or more loss thresholds producers on a farm must incur, with respect to a crop, to be eligible for assistance, (2) the payment rate for crop and livestock feed losses incurred, and (3) eligibility and payment limitation criteria. This is in addition to AMTA and NAP (crop insurance indemnities provided for the 1998 crops under the Federal Crop Insurance Act, and emergency loans available for 1998 crops under subtitle C of the Consolidated Farm and Rural Development Act).

Crop loss assistance.—The 2001 Appropriations Act authorized such sums as are necessary, which amounted to \$1.8 billion for CY 2001 losses. There are no crop loss provisions in the 2002 Appropriations Act.

The Agricultural Economic Assistance Act of 2001, P.L. 107–25, authorized the following payments in 2001 to producers (in millions).

| | |
|--|-------|
| Supplemental oilseeds payments | \$424 |
| Supplemental peanut payments | 54 |
| Supplemental tobacco payments | 129 |
| Supplemental wool and mohair payments | 17 |
| Supplemental cottonseed assistance | 85 |
| Specialty crops—base state grants | 26 |
| Specialty crops grants for value of production | 133 |
| Commodity assistance program | 10 |

Bioenergy program.—During 2002, CCC will provide incentive payments, to ethanol, biodiesel, and other bioenergy producers to expand production of bio-based fuels. A \$150 million program level is estimated for 2002. This program is authorized by the CCC Charter Act. No program is proposed and no funds are available for any program beyond 2002.

Agricultural management assistance program.—The Agricultural Risk Protection Act of 2000 authorized CCC funding of \$10 million for 2001 and subsequent years to provide grants to qualified public and private entities for the purpose of educating agricultural producers about the full range of risk management activities, including futures, options, agricultural trade options, crop insurance, cash forward contracting, debt reduction, production diversification, farm resources risk reduction, and other risk management strategies. The Secretary delegated authority to Natural Resources Conservation Service, Risk Management Agency, and the Agricultural Marketing Service.

Conservation programs.—The Environmental Conservation Acreage Reserve Program (ECARP) was re-established by the 1996 Act to begin in 1996 and continue through 2002. ECARP consists of the Conservation Reserve Program (CRP), the Wetlands Reserve Program (WRP), and the Environmental Quality Incentives Program (EQIP). The 1996 Act amended the 1985 Act to require the use of CCC funds for these programs.

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 establishment and funding for Conservation Priority Areas (CPA) under both EQIP and CRP will be harmonized in a manner to ensure program availability is coordinated to best address environmental concerns, keeping in mind the varied and diverse purposes for which the CRP and EQIP are authorized.

The EQIP combines the functions of the former Agricultural Conservation Program (ACP), the Water Quality Incentives Program (WQIP), the Great Plains Conservation Program (GPCP), and the Colorado River Basin Salinity Control Program (CRSC). The 1996 Act provided that EQIP would be phased in over a 6-month interim period, ending not later than October 4, 1996. CCC funding of \$130 million was provided for the interim 1996 program. Thereafter, through fiscal year 2002, \$200 million in CCC funding must be made available annually for the program. The 1999, 2000 and 2001 program levels have been limited to \$174 million by the appropriations acts. The 2001 Consolidated Appropriations Act, P.L. 106–554, then provided \$26 million in contingent emergency funds, with \$57 thousand rescinded, making \$199.9 million the total amount available in 2001. In 2002, \$200 million is available for EQIP; \$13 million of this amount is available for transfer to CRP.

The Farmland Protection Program (FPP) assists State, local, and tribal governments and nonprofit organizations in purchasing conservation easements. The Agricultural Risk Protection Act of 2000 provided for payments using CCC funds totaling \$10 million for 2001. The 2002 Appropriations Act authorized purchase of conservation easements in three Kentucky counties.

The Wildlife Habitat Incentives Program (WHIP) makes available assistance to help landowners improve wildlife habitat on private lands. A total of \$50 million in CRP funds were made available for fiscal years 1996 through 2002 for this program. These funds were exhausted in 1999.

Section 211(b) of the Agricultural Risk Protection Act of 2000 provides an additional \$40 million for soil and water conservation assistance to provide financial assistance to farmers and ranchers to address a wide range of threats to soil, water and related natural resources. The 2001 Consolidated Appropriations Act gave the Secretary the authority to reallocate these funds to WHIP or FPP; \$8 million in additional funds was provided for FPP, bringing its total 2001 funding level to \$18 million, and \$12 million was allocated to WHIP.

The Conservation Farm Option Program (CFO) is a pilot program for producers of wheat, feed grains, upland cotton, and rice who are eligible for production flexibility contracts. Under this program, producers may consolidate their production flexibility contract, CRP, WRP, and EQIP payments into one annual payment if they enter into a 10-year contract and adopt an approved conservation farm plan. Total authorized funding is \$197.5 million. However, no obligations were incurred in 1997–2002. In 1999–2002, appropriations acts precluded operations of the CFO.

The primary objectives of the Wetlands Reserve Program (WRP) are to restore and protect wetlands, improve wildlife habitat, and protect migratory waterfowl. This program offers landowners an opportunity to establish long-term conservation and wildlife practices and protection beyond that which can be obtained through other USDA programs. The Secretary of Agriculture, through NRCS field offices, uses program funds to acquire permanent or 30-year easements or to enter into 10-year restoration cost-share agreements. For easements, participants receive compensation in an amount not to exceed the agricultural fair market value of the land being offered. In addition, they receive cost-share assistance in amounts up to 75 percent for 30-year easements and 100 percent for permanent easements for establishing required wetlands restoration and wildlife practices. CCC pays for all

the overhead costs associated with recording the easement in the local land records office including recording fees, charges for abstracts, surveys, appraisal fees, and title insurance associated with acquiring an easement. For restoration cost-share agreements, participants receive up to 75 percent of the cost of establishing required practices. Other agencies and private organizations may provide additional assistance for easement payments and restoration costs as a way to leverage program funds and achieve greater program benefits.

The 2001 Appropriations Act raised the enrollment cap by 100,000 acres to 1,075,000 acres; this enrollment cap was reached in 2001. In 2002, no additional acres will enroll, and only the monitoring of enrolled acres is authorized.

ARPA authorized \$20 million for the Soil and Water Conservation Program. Financial assistance is available to farmers and ranchers to address threats to natural resources, comply with Federal and State environmental laws, and make beneficial, cost-effective changes to conserve and improve natural resources.

The 2001 Supplemental Appropriations Act, P.L. 107–20, authorized the Klamath Basin Water Conservation Program and made available \$20 million in financial assistance to eligible producers to promote water conservation in the Klamath Basin, Oregon.

The 2001 Supplemental Appropriations Act, P.L. 107–20, authorized the Yakima Basin Water Conservation Program and made available \$2 million in financial assistance to eligible producers to promote water conservation in the Yakima Basin, Washington.

Surplus removal and other CCC activities.—Section 5 of the CCC Charter Act authorizes CCC to undertake specific actions with respect to agricultural commodities. Section 5(d) specifically authorizes CCC to remove and dispose of or aid in the removal or disposition of surplus agricultural commodities. USDA will not purchase commodities for donation purposes in 2003. No such donation program is proposed for 2003. Instead discretionary funding has been added to the P.L. 480 Title II Appropriation to provide for donation needs. In the 2003 budget, CCC-owned commodities will be available for the regular Section 416(b) program when inventory stocks are available.

The Flood Compensation Program was authorized in the Agricultural Risk Protection Act of 2000. \$24 million of CCC will be used to compensate producers for the loss of cropland or pastureland due to long-term flooding. This program provides assistance for producers who are experiencing losses due to flooding but were not compensated by the Flood Compensation Program authorized by the 1998 Omnibus Appropriation.

The 2001 Supplemental Appropriations Act, P.L. 107–20, authorized \$23 million for the Global Food for Education Initiative. Under this program, USDA donates surplus commodities for use in school feeding and pre-school nutrition projects in developing countries. Financial assistance for internal transportation, storage and handling and administrative expenses, as determined by the Secretary, is available.

Supply and foreign purchases.—The Corporation can procure from domestic and foreign sources food, agricultural commodities, and products and related materials to supply the needs of Federal agencies, foreign governments, and private and international relief agencies, under section 5 (b) and (c) of the Commodity Credit Corporation Charter Act, as amended.

No purchase program is proposed for international food donations for 2003.

Commodity exports.—The Corporation promotes the export of agricultural commodities and products through sales for dollars or foreign currency, payments, extension of credit, assumption of certain risks, and conduct of other operations with respect to the exportation of commodities. Such commod-

ities and products may be those held in private trade channels as well as those acquired by the Corporation. These programs are carried out under the authority of the CCC Charter Act and other specific legislation.

Foreign donations.—The Corporation may furnish 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. 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 500,000 metric tons of commodities may be provided under this authority in each fiscal year, and not more than \$30 million of the funds of the Corporation (exclusive of the costs of commodities) may be used for each fiscal year. In addition, under the Food for Progress Act of 1985, not to exceed \$10 million of the Corporation's funds or commodities may be used each fiscal year to enhance the development of private sector agriculture in countries receiving commodities under the Food for Progress Act of 1985. The Budget assumes that CCC will purchase commodities for use in the Food for Progress program only through 2002 at a level that can be supported within the annual \$30 million limitation on Food for Progress ocean transportation and other non-commodity expenses.

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

| Item | [In millions of dollars] | | |
|---|--------------------------|-----------|-----------|
| | 2001 actual | 2002 est. | 2003 est. |
| Loans outstanding, gross, start of year: | | | |
| Commodity Credit Corporation | 3,071 | 1,896 | 2,602 |
| Additional loans made | 8,267 | 10,624 | 8,844 |
| Deduct: | | | |
| Loans repaid | –8,258 | –9,481 | –8,555 |
| Acquisition of loan collateral | –1,085 | –437 | –756 |
| Write-offs | –99 | 0 | 0 |
| Total loans outstanding, gross, end of year | 1,896 | 2,602 | 2,135 |

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

| AGRICULTURAL COMMODITIES | | | |
|---|--------------------------|-----------|-----------|
| Item | [In millions of dollars] | | |
| | 2001 actual | 2002 est. | 2003 est. |
| On hand, start of year, gross | 1,204 | 2,285 | 1,890 |
| Acquisitions: | | | |
| Forfeiture of loan collateral | 1,085 | 437 | 756 |
| Excess of collateral acquired over loans canceled | 2 | 36 | 77 |
| Purchases | 3,779 | 4,655 | 3,521 |
| Transfers and exchanges | 13 | 0 | 0 |
| Carrying charges: | | | |
| Charges to inventory | 33 | 42 | 22 |
| Storage and handling (non-add) | (75) | (86) | (86) |
| Transportation (non-add) | (13) | (10) | (11) |
| Total acquisitions | 4,912 | 5,170 | 4,376 |
| Dispositions: | | | |
| Domestic donations to: | | | |
| Families | 31 | 52 | 46 |
| Institutions | 27 | 48 | 38 |
| School lunch | 0 | 22 | 22 |
| Total domestic donations | 58 | 122 | 106 |
| Export donations | 517 | 889 | 57 |
| Sales and transfers: | | | |
| Special programs: Title II, Public Law 480 | 398 | 500 | 555 |
| Title III, Public Law 480 | 3 | 0 | 0 |
| Other sales | 2,239 | 2,275 | 2,541 |
| Net loss or gain (–) on sales and transfers | 616 | 1,779 | 1,245 |
| Total sales and transfers | 3,256 | 4,554 | 4,341 |

Public enterprise funds—Continued**[OPERATIONS AND MAINTENANCE FOR] HAZARDOUS WASTE
MANAGEMENT—Continued**

PROGRAMS OF THE CORPORATION—Continued

| [In millions of dollars] | | | |
|-----------------------------------|-------------|-----------|-----------|
| Item | 2001 actual | 2002 est. | 2003 est. |
| Total dispositions | 3,831 | 5,565 | 4,504 |
| On hand, end of year, gross | 2,285 | 1,890 | 1,762 |
| Allowances for losses | -847 | -700 | -653 |
| On hand, end of year, net | 1,438 | 1,190 | 1,109 |

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 | 2001 actual | 2002 est. | 2003 est. |
| Loans made | 8,267 | 10,624 | 8,844 |
| Loans repaid | 8,258 | 9,480 | 8,555 |
| Loan collateral forfeited | 1,085 | 437 | 756 |
| Loans outstanding, end of year | 1,896 | 2,602 | 2,135 |
| Acquisitions | 4,912 | 5,170 | 4,376 |
| Cost of commodities sold | 3,256 | 4,554 | 4,341 |
| Cost of commodities donated | 576 | 1,011 | 163 |
| Inventory, end of year | 2,285 | 1,890 | 1,762 |
| Investment in loans and inventory, end of year | 4,181 | 4,492 | 3,897 |
| Direct producer payments | 21,118 | 11,713 | 9,175 |
| Net expenditures | 22,099 | 17,415 | 11,715 |
| Realized losses | 23,380 | 17,749 | 12,145 |

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 the CCC Charter Act to significantly limit the use of CCC funds. CCC no longer has authority to purchase personal property except within authorized limitations. CCC spending for equipment or services relating to automated data processing (ADP), information technologies, or related items (including telecommunications equipment and computer hardware and software, but excluding reimbursable agreements) was limited to \$170 million in 1996, and \$275 million for the six-year period including 1997 through 2002, unless additional amounts for such contracts and agreements are provided in advance in appropriation acts. The 1996 Act also requires that CCC submit an itemized report to Congress on a quarterly basis of all expenditures, excluding program payments, of over \$10,000. Subsequent legislation reduced allowable ADP expenditures

through 2002 to \$188 million. At the end of 2000, CCC had \$2 million to carry forward to 2001. The remaining funds were nearly exhausted in 2001.

Section 161 of the 1996 Act also amended section 11 of the CCC Charter Act to limit the use of CCC funds for the transfer and allotment of funds to State and Federal agencies. Beginning on October 1, 1996, the total of these allotments and transfers under that section in a fiscal year, including agreements for ADP or information resource management activities, may not exceed the total of such allotments and transfers in fiscal year 1995. The obligations for these Section 11 activities in 1995 were \$46 million. The 1995 cap was revised to \$36.209 million effective 1999 to exclude the Emerging Markets Program because such transfers are not made pursuant to Section 11 of the CCC Charter Act. In 2001, the Section 11 cap was increased to \$56 million to include FSA loan service fees.

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.

SPECIAL ACTIVITIES

These activities are carried out under authority of section 5(g) of the Corporation's charter act and specific statutory authorizations or directives with respect thereto that are currently in effect or which may subsequently be enacted.

A summary of such current activities not included under other designated activities is as follows:

| Item | 2003 estimate [In millions of dollars] | |
|---|--|------------------------|
| | Gross obligations | Outlays (reimbursable) |
| (1) Financing sales of agricultural commodities for foreign currencies or for dollars on credit terms | 150 | 160 |
| (2) Commodities supplied in connection with dispositions abroad (Title II) | 1,185 | 1,063 |
| Total | 1,335 | 1,223 |

The Corporation receives appropriations or reimbursement for the cost of these activities as described under each.

Activities currently being carried out are as follows (see Foreign Assistance programs for details of items (1), (2) and (3)).

(1) Financing the sale and exportation of agricultural commodities for foreign currencies or for dollars (title I, of P.L. 480).

(2) Commodities supplied in connection with dispositions abroad (title II, of P.L. 480).

(3) Commodities supplied in connection with dispositions abroad (title III, of P.L. 480).

(4) Commodities supplied in connection with dispositions abroad (Food for Progress Act of 1985).

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

| Item | [In millions of dollars] | | |
|---|--------------------------|-----------|-----------|
| | 2001 actual | 2002 est. | 2003 est. |
| Statutory borrowing authority | 30,000 | 30,000 | 30,000 |
| Deduct: Borrowings from Treasury | 22,550 | 25,034 | 24,974 |
| Net statutory borrowing authority available | 7,450 | 4,966 | 5,026 |

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] | |
|---|--------------------------|--|
| | 2001 actual | |
| Realized losses, 1933 to 2001, inclusive | 339,223 | |
| Reimbursements by the Treasury: | | |
| Reimbursements of realized losses: | | |
| Appropriations (62 times) | 313,977 | |
| Note cancellations (6 times) | 2,697 | |
| Less dividends paid to Treasury (4 times) | -138 | |
| Total reimbursements for net realized losses | 316,536 | |
| Other reimbursements: | | |
| Appropriations (2 times) | 542 | |
| Note cancellation (1 time) | 56 | |
| Total other reimbursements | 598 | |
| Total | 317,134 | |
| Realized deficit as of September 30, 2001, support and related programs | 22,089 | |

Foreign Market Development Cooperator Program (FMDCP) and Quality Samples Program. In 2000, funding for the FMDCP shifted from the Foreign Agricultural Service annual appropriation to CCC funding. The FMDCP encourages export promotion and overseas market development activities of U.S. agricultural products. The 2001 program level of \$27.5 million remains constant in 2002. Also in 2001, CCC funded the Quality Samples Program at an authorized annual level of \$2.5 million, and the program continues to be funded at the \$2.5 million level in 2002. Under this program, samples of U.S. agricultural products are provided to foreign importers to promote a better understanding and appreciation for the high quality of U.S. products.

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. Implementation regarding implementation of commodity certificates is under consideration." CCC announced on February 8, 2000, that commodity certificates will be issued in an effort to discourage producers from forfeiting commodities pledged as collateral for CCC commodity loans. Certificates are used to repay 1998-2002 crop marketing assistance loans when the adjusted world price (for rice and upland cotton) or the posted county price (for wheat, feed grains, soybeans, and designated minor oilseeds) is lower than the applicable loan rate.

Farm Storage Facility Loan Program (FSFL). 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. USDA resumed the program in 2000 due to a current shortage of sufficient storage space. The estimated direct loan level is \$125 million for FY's 2002 and 2003, and \$100 million for FY's 2004 through 2007. The cost to the U.S. government (subsidy) for the FSFL program is estimated using procedures stipulated by the Federal Credit Reform Act of 1990.

Statement of Operations (in millions of dollars)

| Identification code 12-4336-0-3-999 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|-------------------------------------|-------------|-------------|-----------|-----------|
| 0101 Revenue | 1,704 | 1,507 | 3,308 | 3,565 |
| 0102 Expense | -30,955 | -24,887 | -21,057 | -15,710 |
| 0105 Net income or loss (-) | -29,251 | -23,380 | -17,749 | -12,145 |

Balance Sheet (in millions of dollars)

| Identification code 12-4336-0-3-999 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | -1,508 | -1,220 | -1,220 | -1,220 |
| Investments in US securities: | | | | |
| 1106 Receivables, net | 441 | 925 | 925 | 925 |
| Non-Federal assets: | | | | |
| 1206 Receivables, net | 111 | 413 | 413 | 413 |
| 1207 Advances and prepayments | 19 | 175 | 175 | 175 |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | |
| 1601 Direct loans, gross | 3,464 | 1,896 | 1,795 | 1,795 |
| 1602 Interest receivable | 525 | 275 | 275 | 275 |
| 1603 Allowance for estimated uncollectible loans and interest (-) | -180 | -285 | -180 | -180 |
| 1604 Direct loans and interest receivable, net | 3,809 | 1,886 | 1,890 | 1,890 |
| 1699 Value of assets related to direct loans | 3,809 | 1,886 | 1,890 | 1,890 |
| Other Federal assets: | | | | |
| 1802 Inventories and related properties | 846 | 878 | 878 | 878 |
| 1803 Property, plant and equipment, net | 16 | 19 | 19 | 19 |
| 1999 Total assets | 3,734 | 3,076 | 3,080 | 3,080 |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2101 Accounts payable | 704 | 475 | 475 | 475 |
| 2102 Interest payable | 6 | 123 | 123 | 123 |
| 2103 Debt | 22,949 | 22,732 | 10,670 | 9,793 |
| 2105 Other | 527 | 731 | 650 | 527 |
| Non-Federal liabilities: | | | | |
| 2201 Accounts payable | 22 | 27 | 22 | 22 |
| 2207 Other | 4,459 | 2,696 | 1,334 | 1,334 |
| 2999 Total liabilities | 28,667 | 26,784 | 13,274 | 12,274 |
| NET POSITION: | | | | |
| 3300 Cumulative results of operations | -24,933 | -23,708 | -10,194 | -9,194 |

Public enterprise funds—Continued

**[OPERATIONS AND MAINTENANCE FOR] HAZARDOUS WASTE
MANAGEMENT—Continued**

FINANCING—Continued

Balance Sheet (in millions of dollars)—Continued

| Identification code 12-4336-0-3-999 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-------------|-----------|-----------|
| 3999 Total net position | -24,933 | -23,708 | -10,194 | -9,194 |
| 4999 Total liabilities and net position | 3,734 | 3,076 | 3,080 | 3,080 |

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 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Direct obligations: | | | |
| 22.0 Transportation of things | 375 | 330 | 18 |
| Other services: | | | |
| 25.2 Other services | 369 | 135 | 105 |
| 25.2 Other services: Storage and handling | 75 | 86 | 86 |
| 26.0 Supplies and materials: Costs of commodities sold or donated: P. L. 480 | 3,828 | 4,733 | 3,620 |
| 41.0 Grants, subsidies, and contributions | 21,275 | 13,708 | 10,217 |
| 43.0 Interest and dividends | 460 | 307 | 386 |
| 99.0 Direct obligations | 26,382 | 19,299 | 14,432 |
| Reimbursable obligations: | | | |
| 22.0 Transportation of things: P. L. 480 ocean transportation | 547 | 559 | 685 |
| 26.0 Supplies and materials: Cost of commodities sold or donated: P. L. 480 | 401 | 500 | 555 |
| 33.0 Investments and loans | 8,267 | 10,624 | 8,844 |
| 99.0 Reimbursable obligations | 9,215 | 11,683 | 10,084 |
| 99.9 Total new obligations | 35,597 | 30,982 | 24,516 |

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

Program and Financing (in millions of dollars)

| Identification code 12-4336-4-3-999 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Support and related programs: | | | |
| 00.01 Farm income stabilization programs | 4,021 | 6,745 | |
| 00.02 Conservation programs | 619 | 1,080 | |
| 01.92 Total support and related programs | 4,640 | 7,825 | |
| 10.00 Total new obligations (object class 41.0) | 4,640 | 7,825 | |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 4,640 | 7,825 | |
| 23.95 Total new obligations | -4,640 | -7,825 | |
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| 67.10 Authority to borrow | 4,640 | 7,825 | |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | | | 440 |
| 73.10 Total new obligations | 4,640 | 7,825 | |
| 73.20 Total outlays (gross) | -4,200 | -7,271 | |
| 74.40 Obligated balance, end of year | | | 994 |
| Outlays (gross), detail: | | | |
| 86.97 Outlays from new mandatory authority | 4,200 | 7,044 | |
| 86.98 Outlays from mandatory balances | | 227 | |
| 87.00 Total outlays (gross) | 4,200 | 7,271 | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 4,640 | 7,825 | |

| | | |
|---------------------|-------|-------|
| 90.00 Outlays | 4,200 | 7,271 |
|---------------------|-------|-------|

The Budget includes \$73.5 billion in budget authority over a ten year period for a farm bill that will provide a solid safety net for farmers and ranchers, expand markets abroad for American agricultural products, increase conservation of natural resources and improve domestic food assistance. This funding will provide additional farm support payments, increased funding for conservation programs, improve the food stamp program, enable the establishment of Federal farm and ranch risk management accounts, as well as increasing support for other USDA programs, including research and rural development.

**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, **[\$4,014,000] \$4,058,000**; 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 **\$3,224,000** may be transferred to and merged with the appropriation for "Foreign Agricultural Service, Salaries and Expenses", and of which **[\$790,000] \$834,000** 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, 2002.*)

Program and Financing (in millions of dollars)

| Identification code 12-1336-0-1-351 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.02 Guaranteed loan subsidy | 103 | 265 | 294 |
| 00.07 Reestimates of guaranteed loan subsidy | | 120 | |
| 00.08 Interest on reestimates of guaranteed loan subsidy | | 28 | |
| 00.09 Administrative expenses | 4 | 4 | 4 |
| 10.00 Total new obligations | 107 | 417 | 298 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 345 | 2,405 | 436 |
| 22.00 New budget authority (gross) | 2,167 | 417 | 298 |
| 22.40 Capital transfer to general fund | | -1,969 | |
| 23.90 Total budgetary resources available for obligation | 2,512 | 853 | 734 |
| 23.95 Total new obligations | -107 | -417 | -298 |
| 24.40 Unobligated balance carried forward, end of year | 2,405 | 436 | 436 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 4 | 4 | 4 |
| Mandatory: | | | |
| Appropriation: | | | |
| 60.00 Appropriation | 194 | 265 | 294 |
| 60.00 Appropriation—upward reestimate | | 148 | |
| 62.50 Appropriation (total mandatory) | 194 | 413 | 294 |
| 69.00 Downward reestimate | 1,969 | | |
| 70.00 Total new budget authority (gross) | 2,167 | 417 | 298 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 198 | 105 | 105 |
| 73.10 Total new obligations | 107 | 417 | 298 |
| 73.20 Total outlays (gross) | -201 | -417 | -292 |
| 74.40 Obligated balance, end of year | 105 | 105 | 111 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 4 | 4 | 4 |
| 86.97 Outlays from new mandatory authority | 142 | 360 | 235 |
| 86.98 Outlays from mandatory balances | 55 | 53 | 53 |
| 87.00 Total outlays (gross) | 201 | 417 | 292 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources | -1,969 | | |

| | | | | |
|--|------------------------|--------|-----|-----|
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | 198 | 417 | 298 |
| 90.00 | Outlays | -1,769 | 417 | 292 |

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

| Identification code 12-1336-0-1-351 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Guaranteed loan levels supportable by subsidy budget authority: | | | |
| 215001 Export guarantee program | 3,227 | 3,926 | 4,225 |
| 215901 Total loan guarantee levels | 3,227 | 3,926 | 4,225 |
| Guaranteed loan subsidy (in percent): | | | |
| 232001 Export Guarantee Program | 6.01 | 6.80 | 6.96 |
| 232901 Weighted average subsidy rate | 6.01 | 6.80 | 6.96 |
| Guaranteed loan subsidy budget authority: | | | |
| 233001 Export Guarantee Program | 194 | 267 | 294 |
| 233901 Total subsidy budget authority | 194 | 267 | 294 |
| Guaranteed loan subsidy outlays: | | | |
| 234001 Export Guarantee Program | 197 | 267 | 288 |
| 234901 Total subsidy outlays | 197 | 267 | 288 |
| Guaranteed loan upward reestimate subsidy budget authority: | | | |
| 235001 Export Guarantee Program | | 148 | |
| 235901 Total upward reestimate budget authority | | 148 | |
| Guaranteed loan upward reestimate subsidy outlays: | | | |
| 236001 Export Guarantee Program | | 148 | |
| 236901 Total upward reestimate subsidy outlays | | 148 | |
| Guaranteed loan downward reestimate subsidy budget authority: | | | |
| 237001 Export Guarantee Program | -1,969 | -126 | |
| 237901 Total downward reestimate subsidy budget authority | -1,969 | -126 | |
| Guaranteed loan downward reestimate subsidy outlays: | | | |
| 238001 Export Guarantee Program | -1,969 | -126 | |
| 238901 Total downward reestimate subsidy outlays | -1,969 | -126 | |
| Administrative expense data: | | | |
| 351001 Budget authority—administrative expenses | 4 | 4 | 4 |
| 359001 Outlays from new authority | 4 | 4 | 4 |

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) covers longer credit terms of between 3 and 10 years. 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 60 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 guar-

antees 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 result 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 2003 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 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 25.3 Other purchases of goods and services from Government accounts | 4 | 4 | 4 |
| 41.0 Grants, subsidies, and contributions | 103 | 413 | 294 |
| 99.9 Total new obligations | 107 | 417 | 298 |

COMMODITY CREDIT CORPORATION EXPORT GUARANTEE FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 12-4337-0-3-351 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| New loans: | | | |
| 00.01 Default claims | 52 | 334 | 325 |
| 00.02 Interest on debt to Treasury | 104 | 104 | 104 |
| 00.91 Subtotal, new loans | 156 | 438 | 429 |
| Reestimates: | | | |
| 08.02 Reestimates of guaranteed loan subsidy | 1,410 | 118 | |
| 08.04 Interest on reestimates of guaranteed loan subsidy | 559 | 8 | |
| 08.91 Subtotal, reestimates | 1,969 | 126 | |
| 10.00 Total new obligations | 2,125 | 564 | 429 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 1,625 | 589 | 659 |
| 22.00 New financing authority (gross) | 1,089 | 636 | 527 |
| 23.90 Total budgetary resources available for obligation | 2,714 | 1,225 | 1,186 |
| 23.95 Total new obligations | -2,125 | -564 | -429 |
| 24.40 Unobligated balance carried forward, end of year | 589 | 659 | 757 |
| New financing authority (gross), detail: | | | |
| Mandatory: | | | |
| 60.36 Recissions—capital transfer | -613 | | |
| 67.10 Authority to borrow | 1,108 | | |
| 69.00 Offsetting collections (cash) | 489 | 636 | 527 |
| 69.10 Receivable from Federal sources | 105 | | |
| 69.90 Spending authority from offsetting collections (total mandatory) | 594 | 636 | 527 |
| 70.00 Total new financing authority (gross) | 1,089 | 636 | 527 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | | -105 | 42 |
| 73.10 Total new obligations | 2,125 | 564 | 429 |

Public enterprise funds—Continued**COMMODITY CREDIT CORPORATION EXPORT GUARANTEE FINANCING
ACCOUNT—Continued****Program and Financing (in millions of dollars)—Continued**

| Identification code 12-4337-0-3-351 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| 73.20 Total financing disbursements (gross) | -2,125 | -417 | -292 |
| 74.00 Change in uncollected customer payments from Federal sources (unexpired) | -105 | | |
| 74.40 Obligated balance, end of year | -105 | 42 | 180 |
| 87.00 Total financing disbursements (gross) | 2,125 | 417 | 292 |
| Offsets: | | | |
| Against gross financing authority and financing disbursements: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 Payments from program account | -197 | -415 | -288 |
| 88.25 Interest on uninvested funds | -125 | -28 | -30 |
| Non-Federal sources: | | | |
| 88.40 Loan origination fee | -18 | -26 | -29 |
| 88.40 Principal collections | -31 | -48 | -66 |
| 88.40 Interest collections | -118 | -119 | -114 |
| 88.90 Total, offsetting collections (cash) | -489 | -636 | -527 |
| Against gross financing authority only: | | | |
| 88.95 Change in receivables from program accounts | -105 | | |
| Net financing authority and financing disbursements: | | | |
| 89.00 Financing authority | 495 | | |
| 90.00 Financing disbursements | 1,636 | -219 | -235 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 12-4337-0-3-351 | 2001 actual | 2002 est. | 2003 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 | 3,227 | 3,926 | 4,225 |
| 2150 Total guaranteed loan commitments | 3,227 | 3,926 | 4,225 |
| 2199 Guaranteed amount of guaranteed loan commitments | 3,124 | 3,800 | 4,090 |
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 6,483 | 4,915 | 4,762 |
| 2231 Disbursements of new guaranteed loans | 2,183 | 3,926 | 4,225 |
| 2251 Repayments and prepayments | -3,699 | -3,745 | -3,980 |
| 2261 Adjustments: Terminations for default that result in loans receivable | -52 | -334 | -325 |
| 2290 Outstanding, end of year | 4,915 | 4,762 | 4,682 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 4,761 | 4,611 | 4,533 |
| Addendum: | | | |
| Cumulative balance of defaulted guaranteed loans that result in loans receivable: | | | |
| 2310 Outstanding, start of year | 464 | 485 | 771 |
| 2331 Disbursements for guaranteed loan claims | 52 | 334 | 325 |
| 2351 Repayments of loans receivable | -31 | -48 | -66 |
| 2390 Outstanding, end of year | 485 | 771 | 1,030 |

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 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| Fund balances with Treasury: | | | | |
| 1101 Fund balances with Treasury | 1,625 | 589 | 659 | 757 |
| 1101 Cash | 3 | | | |

| | | | | | |
|---------------------|--|-------|-------|-------|-------|
| 1101 | Accounts Receivable, net | 11 | 1,612 | | |
| 1101 | Adjustments | | 168 | | |
| | Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable: | | | | |
| 1501 | Defaulted guaranteed loans receivable, gross | 2,058 | 484 | 771 | 1,030 |
| 1505 | Allowance for subsidy cost (-) | -977 | | | |
| 1599 | Net present value of assets related to defaulted guaranteed loans | 1,081 | 484 | 771 | 1,030 |
| 1999 | Total assets | 2,720 | 2,853 | 1,430 | 1,787 |
| LIABILITIES: | | | | | |
| 2103 | Federal liabilities: Debt | 2,404 | 2,538 | 851 | 852 |
| 2204 | Non-Federal liabilities: Liabilities for loan guarantees | 316 | 315 | 579 | 935 |
| 2999 | Total liabilities | 2,720 | 2,853 | 1,430 | 1,787 |
| 4999 | Total liabilities and net position | 2,720 | 2,853 | 1,430 | 1,787 |

**COMMODITY CREDIT CORPORATION GUARANTEED LOANS LIQUIDATING
ACCOUNT****Program and Financing (in millions of dollars)**

| Identification code 12-4338-0-3-351 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | -20 | 84 | |
| 22.00 New budget authority (gross) | 104 | | |
| 22.40 Capital transfer to general fund | | -84 | |
| 23.90 Total budgetary resources available for obligation | 84 | | |
| 24.40 Unobligated balance carried forward, EOY | 84 | | |
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| 69.00 Offsetting collections (cash) | 423 | 393 | 384 |
| 69.27 Capital transfer to general fund | -319 | -393 | -384 |
| 69.90 Spending authority from offsetting collections (total mandatory) | 104 | | |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| Offsetting collections (cash) from: | | | |
| Non-Federal sources: | | | |
| 88.40 Repayments of principal | -162 | -184 | -201 |
| 88.40 Interest received on loans | -250 | -209 | -183 |
| 88.40 Non-Federal sources | -2 | | |
| 88.40 Financing fund | -9 | | |
| 88.90 Total, offsetting collections (cash) | -423 | -393 | -384 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | -319 | -393 | -384 |
| 90.00 Outlays | -423 | -393 | -384 |

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 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Addendum: | | | |
| Cumulative balance of defaulted guaranteed loans that result in loans receivable: | | | |
| 2310 Outstanding, start of year | 4,131 | 3,969 | 3,785 |
| 2351 Repayments of loans receivable | -162 | -184 | -201 |
| 2390 Outstanding, end of year | 3,969 | 3,785 | 3,584 |

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.

Statement of Operations (in millions of dollars)

| Identification code 12-4338-0-3-351 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|-------------------------------------|-------------|-------------|-----------|-----------|
| 0101 Revenue | 110 | 120 | 125 | 130 |
| 0102 Expense | | | | |
| 0105 Net income or loss (-) | 110 | 120 | 125 | 130 |

Balance Sheet (in millions of dollars)

| Identification code 12-4338-0-3-351 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| Fund balances with Treasury: | | | | |
| 1101 Fund balances with Treasury | -20 | 84 | | |
| 1101 Undeposited Collections | 57 | 59 | | |
| 1206 Non-Federal assets: Foreign Loans Re- ceivables | 5,566 | 5,375 | 5,361 | 5,361 |
| Net value of assets related to pre-1992 direct loans receivable and ac- quired defaulted guaranteed loans receivable: | | | | |
| 1702 Interest receivable | 55 | 30 | 30 | 30 |
| 1703 Allowance for estimated uncollectible loans and interest (-) | -3,398 | -2,795 | -3,019 | -3,019 |
| 1799 Value of assets related to loan guarantees | -3,343 | -2,765 | -2,989 | -2,989 |
| 1999 Total assets | 2,260 | 2,753 | 2,372 | 2,372 |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2101 Accounts payable | 1 | 1 | | |
| 2104 Resources payable to Treasury | 2,232 | 2,722 | 2,372 | 2,372 |
| 2207 Non-Federal liabilities: Other | 27 | 30 | | |
| 2999 Total liabilities | 2,260 | 2,753 | 2,372 | 2,372 |
| 4999 Total liabilities and net position | 2,260 | 2,753 | 2,372 | 2,372 |

FARM STORAGE FACILITY LOANS PROGRAM ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 12-3301-0-1-351 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct loan subsidy | 2 | 3 | 2 |
| 10.00 Total new obligations (object class 41.0) | 2 | 3 | 2 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 8 | 10 | |
| 22.00 New budget authority (gross) | 4 | 3 | 2 |
| 22.40 Capital transfer to general fund | | -10 | |
| 23.90 Total budgetary resources available for obligation | 12 | 3 | 2 |
| 23.95 Total new obligations | -2 | -3 | -2 |
| 24.40 Unobligated balance carried forward, end of year | 10 | | |
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| 60.00 Appropriation | 4 | 3 | 2 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 2 | 2 | |
| 73.10 Total new obligations | 2 | 3 | 2 |
| 73.20 Total outlays (gross) | -2 | -3 | -2 |
| 74.40 Obligated balance, end of year | 2 | | |
| Outlays (gross), detail: | | | |
| 86.97 Outlays from new mandatory authority | 1 | 3 | 2 |
| 86.98 Outlays from mandatory balances | 1 | | |
| 87.00 Total outlays (gross) | 2 | 3 | 2 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 4 | 3 | 2 |
| 90.00 Outlays | 2 | 3 | 2 |

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

| Identification code 12-3301-0-1-351 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Direct loan levels supportable by subsidy budget author- ity: | | | |
| 115001 Farm storage facility loans | 86 | 125 | 125 |
| 115901 Total direct loan levels | 86 | 125 | 125 |
| Direct loan subsidy (in percent): | | | |
| 132001 Farm Storage Facility Loans | 2.18 | 2.42 | 1.28 |
| 132901 Weighted average subsidy rate | 2.18 | 2.42 | 1.28 |
| Direct loan subsidy budget authority: | | | |
| 133001 Direct loan levels | 2 | 3 | 2 |
| 133901 Total subsidy budget authority | 2 | 3 | 2 |
| Direct loan subsidy outlays: | | | |
| 134001 Direct loan levels | 2 | 3 | 2 |
| 134901 Total subsidy outlays | 2 | 3 | 2 |
| Direct loan downward reestimate subsidy budget author- ity: | | | |
| 137001 Farm Storage Facility Loans | | -2 | |
| 137901 Total downward reestimate budget authority | | -2 | |
| Direct loan downward reestimate subsidy outlays: | | | |
| 138001 Farm Storage Facility Loans | | -2 | |
| 138901 Total downward reestimate subsidy outlays | | -2 | |

Farm storage facility loan program. The Farm Storage Facility Loan (FSLA) program was established by CCC in 1949. The program was authorized in 1948 by the CCC Charter Act. CCC stopped making new loans under the FSLA program in 1982 based on studies that revealed that producers had sufficient storage for their crops at that time. Recent studies reflected that grain elevators currently have insufficient capacity to allow farmers to store their grain off the farm at harvest when prices are usually at their lowest. Due to this severe shortage of available storage, low-cost financing for producers to build or upgrade on-farm commodity storage and handling facilities is provided through the FSLA program. The program was implemented in 2000 by CCC under Section 504(c) of the Federal Credit Reform Act of 1990. This 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.

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 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.

FARM STORAGE FACILITY DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 12-4158-0-3-351 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct loans | 81 | 125 | 125 |
| 00.03 Interest to Treasury | 5 | 9 | 15 |
| 00.91 Direct Program by Activities—Subtotal (1 level) | 86 | 134 | 140 |
| 08.02 Payment of downward re-estimate to receipt account | | 2 | |
| 10.00 Total new obligations | 86 | 136 | 140 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | | 40 | |

Public enterprise funds—Continued

FARM STORAGE FACILITY DIRECT LOAN FINANCING ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

| Identification code 12-4158-0-3-351 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| 22.00 New financing authority (gross) | 128 | 136 | 140 |
| 22.40 Capital transfer to general fund | | -40 | |
| 23.90 Total budgetary resources available for obligation | 128 | 136 | 140 |
| 23.95 Total new obligations | -86 | -136 | -140 |
| 24.40 Unobligated balance carried forward, end of year | 40 | | |
| New financing authority (gross), detail: | | | |
| Mandatory: | | | |
| 67.10 Authority to borrow | 372 | 133 | 138 |
| Offsetting collections (cash): | | | |
| 69.00 Payments from program account | 2 | 3 | 2 |
| 69.00 Interest from Treasury | 16 | 25 | 25 |
| 69.00 Principal | 2 | 36 | 36 |
| 69.00 Interest | 1 | 8 | 8 |
| 69.10 Change in uncollected customer payments from Federal sources (unexpired) | 2 | | |
| 69.27 Capital transfer to general fund | | -69 | -69 |
| 69.47 Portion applied to repay debt | -267 | | |
| 69.90 Spending authority from offsetting collections (total mandatory) | -244 | 3 | 2 |
| 70.00 Total new financing authority (gross) | 128 | 136 | 140 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 67 | 77 | 3 |
| 73.10 Total new obligations | 86 | 136 | 140 |
| 73.20 Total financing disbursements (gross) | -77 | -210 | -140 |
| 73.40 Adjustments in expired accounts (net) | 3 | | |
| 74.00 Change in uncollected customer payments from Federal sources (unexpired) | -2 | | |
| 74.40 Obligated balance, end of year | 77 | 3 | 3 |
| 87.00 Total financing disbursements (gross) | 77 | 210 | 140 |
| Offsets: | | | |
| Against gross financing authority and financing disbursements: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 Federal sources | -2 | -3 | -2 |
| 88.25 Interest on uninvested funds | -16 | -25 | -25 |
| Non-Federal sources: | | | |
| 88.40 Principal collections | -2 | -36 | -36 |
| 88.40 Interest collections | -1 | -8 | -8 |
| 88.90 Total, offsetting collections (cash) | -21 | -72 | -71 |
| Against gross financing authority only: | | | |
| 88.95 Change in receivables from program accounts | -2 | | |
| Net financing authority and financing disbursements: | | | |
| 89.00 Financing authority | 105 | 64 | 69 |
| 90.00 Financing disbursements | 55 | 138 | 69 |

Status of Direct Loans (in millions of dollars)

| Identification code 12-4158-0-3-351 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on obligations: | | | |
| 1111 Limitation on direct loans | | | |
| 1131 Direct loan obligations exempt from limitation | 81 | 125 | 125 |
| 1150 Total direct loan obligations | 81 | 125 | 125 |
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 32 | 78 | 198 |
| 1231 Disbursements: Direct loan disbursements | 48 | 156 | 125 |
| 1251 Repayments: Repayments and prepayments | -2 | -36 | -36 |
| 1290 Outstanding, end of year | 78 | 198 | 287 |

Balance Sheet (in millions of dollars)

| Identification code 12-4158-0-3-351 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Net value of assets related to post-1991 direct loans receivable: | | | | |
| 1401 Direct loans receivable, gross | 32 | 78 | 198 | 287 |
| 1405 Allowance for subsidy cost (-) | -2 | -4 | -7 | -9 |
| 1499 Net present value of assets related to direct loans | 30 | 74 | 191 | 278 |
| 1999 Total assets | 30 | 74 | 191 | 278 |
| LIABILITIES: | | | | |
| 2104 Federal liabilities: Resources payable to Treasury | 30 | 74 | 191 | 278 |
| 2999 Total liabilities | 30 | 74 | 191 | 278 |
| 4999 Total liabilities and net position | 30 | 74 | 191 | 278 |

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

Program and Financing (in millions of dollars)

| Identification code 12-3302-0-1-351 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct loan subsidy | 1 | | |
| 10.00 Total new obligations (object class 41.0) | 1 | | |
| Budgetary resources available for obligation: | | | |
| 22.22 Unobligated balance transferred from other accounts | 5 | | |
| 23.95 Total new obligations | -1 | | |
| 23.98 Unobligated balance expiring or withdrawn | -4 | | |
| 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 | | |

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

| Identification code 12-3302-0-1-351 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct loan levels supportable by subsidy budget authority: | | | |
| 115001 Apple loan program | 12 | | |
| 115901 Total direct loan levels | 12 | | |
| Direct loan subsidy (in percent): | | | |
| 132001 Apple loan program | -4.80 | | |
| 132901 Weighted average subsidy rate | -4.80 | | |
| Direct loan subsidy budget authority: | | | |
| 133001 Apple loan program | -1 | | |
| 133901 Total subsidy budget authority | -1 | | |
| Direct loan subsidy outlays: | | | |
| 134001 Apple loan program | 1 | | |
| 134901 Total subsidy outlays | 1 | | |
| Direct loan downward reestimate subsidy budget authority: | | | |
| 137001 Apple loan program | | -1 | |
| 137901 Total downward reestimate budget authority | | -1 | |

Direct loan downward reestimate subsidy outlays:

| | |
|--|----|
| 138001 Apple loan program | —1 |
| 138901 Total downward reestimate subsidy outlays | —1 |

Administrative expense data:

| | |
|-----------------------------------|--|
| 351001 Budget authority | |
| 358001 Outlays from balances | |
| 359001 Outlays from new authority | |

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 for apples. Although the program is funded through CCC, program management is performed through farm loan programs. No funding is provided for this program in 2002, and none is requested for 2003.

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 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.

APPLE LOANS DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 12-4211-0-3-351 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Operating program: | | | |
| 00.01 Direct loans | 12 | | |
| 00.04 Interest on Treasury borrowing | 4 | | |
| 00.91 Subtotal, operating program | 16 | | |
| 08.02 Downward reestimates of subsidy | | 1 | |
| 10.00 Total new obligations | 16 | 1 | |
| Budgetary resources available for obligation: | | | |
| 22.00 New financing authority (gross) | 66 | 4 | 4 |
| 22.60 Portion applied to repay debt | —50 | —3 | —4 |
| 23.90 Total budgetary resources available for obligation | 16 | 1 | |
| 23.95 Total new obligations | —16 | —1 | |
| New financing authority (gross), detail: | | | |
| Discretionary: | | | |
| 47.00 Authority to borrow | 61 | | |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | 5 | 4 | 4 |
| 70.00 Total new financing authority (gross) | 66 | 4 | 4 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | | 1 | |
| 73.10 Total new obligations | 16 | 1 | |
| 73.20 Total financing disbursements (gross) | —15 | —2 | |
| 74.40 Obligated balance, end of year | 1 | | |
| 87.00 Total financing disbursements (gross) | 15 | 2 | |
| Offsets: | | | |
| Against gross financing authority and financing disbursements: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 Federal sources | —1 | | |
| 88.25 Interest on uninvested funds | —4 | | |
| 88.40 Principal repayments | | —4 | —4 |
| 88.90 Total, offsetting collections (cash) | —5 | —4 | —4 |
| Net financing authority and financing disbursements: | | | |
| 89.00 Financing authority | 61 | | |
| 90.00 Financing disbursements | 10 | —2 | —4 |

Status of Direct Loans (in millions of dollars)

| Identification code 12-4211-0-3-351 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on obligations: | | | |
| 1111 Limitation on direct loans | 12 | | |
| 1150 Total direct loan obligations | 12 | | |
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | | 11 | 8 |
| 1231 Disbursements: Direct loan disbursements | 11 | 1 | |
| 1251 Repayments: Repayments and prepayments | | —4 | —4 |
| 1290 Outstanding, end of year | 11 | 8 | 4 |

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 12-4211-0-3-351 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 Federal assets: Fund balances with Treasury | | 35 | | |
| Net value of assets related to post-1991 direct loans receivable: | | | | |
| 1401 Direct loans receivable, gross | | 11 | 8 | 4 |
| 1405 Allowance for subsidy cost (-) | | —1 | —6 | —4 |
| 1499 Net present value of assets related to direct loans | | 10 | 2 | |
| 1999 Total assets | | 45 | 2 | |
| LIABILITIES: | | | | |
| 2103 Federal liabilities: Debt | | 45 | 2 | |
| 2999 Total liabilities | | 45 | 2 | |
| 4999 Total liabilities and net position | | 45 | 2 | |

EMERGENCY BOLL WEEVIL LOAN PROGRAM ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 12-3303-0-1-351 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct loan subsidy | 6 | | |
| 10.00 Total new obligations (object class 41.0) | 6 | | |
| Budgetary resources available for obligation: | | | |
| 22.22 Unobligated balance transferred from other accounts | 6 | | |
| 23.95 Total new obligations | —6 | | |
| Change in obligated balances: | | | |
| 73.10 Total new obligations | 6 | | |
| 73.20 Total outlays (gross) | —6 | | |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | 6 | | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | 6 | | |
| Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars) | | | |
| Identification code 12-3303-0-1-351 | 2001 actual | 2002 est. | 2003 est. |
| Direct loan levels supportable by subsidy budget authority: | | | |
| 115001 Emergency boll weevil loan program | 10 | | |

Public enterprise funds—Continued

EMERGENCY BOLL WEEVIL LOAN PROGRAM ACCOUNT—Continued

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

| Identification code 12-3303-0-1-351 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 115901 Total direct loan levels | 10 | | |
| Direct loan subsidy (in percent): | | | |
| 132001 Subsidy rate | 60.00 | | |
| 132901 Weighted average subsidy rate | 60.00 | | |
| Direct loan subsidy budget authority: | | | |
| 133001 Subsidy budget authority | 6 | | |
| 133901 Total subsidy budget authority | 6 | | |
| Direct loan subsidy outlays: | | | |
| 134001 Subsidy outlays | 6 | | |
| 134901 Total subsidy outlays | 6 | | |
| Administrative expense data: | | | |
| 351001 Budget authority | | | |
| 358001 Outlays from balances | | | |
| 359001 Outlays from new authority | | | |

The Agricultural Risk Protection Act of 2000 authorized CCC funding to make an interest-free loan to the Texas Boll Weevil Eradication Foundation, Inc., to enable the Foundation to retire certain debt associated with boll weevil eradication zones which have ended their participation, in whole or in part, in the federally funded boll weevil eradication program. Although the program is funded through CCC, program management is performed through Farm Loan Programs. No funding is provided for this program in 2002, and none is requested for 2003.

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 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 DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 12-4221-0-4-351 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct loans | 10 | | |
| 10.00 Total new obligations | 10 | | |
| Budgetary resources available for obligation: | | | |
| 22.00 New financing authority (gross) | 10 | 1 | 1 |
| 23.95 Total new obligations | -10 | | |
| New financing authority (gross), detail: | | | |
| Mandatory: | | | |
| 67.10 Authority to borrow | 4 | | |
| 69.00 Offsetting collections (cash) | 6 | 1 | 1 |
| 70.00 Total new financing authority (gross) | 10 | 1 | 1 |
| Change in obligated balances: | | | |
| 73.10 Total new obligations | 10 | | |
| 73.20 Total financing disbursements (gross) | -10 | | |
| 87.00 Total financing disbursements (gross) | 10 | | |
| Offsets: | | | |
| Against gross financing authority and financing disbursements: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 Federal sources | -6 | | |
| 88.40 Non-Federal sources: Principal repayments | | -1 | -1 |

| | | | | |
|---|--|----|----|----|
| 88.90 | Total, offsetting collections (cash) | -6 | -1 | -1 |
| Net financing authority and financing disbursements: | | | | |
| 89.00 | Financing authority | 4 | | |
| 90.00 | Financing disbursements | 4 | -1 | -1 |

Status of Direct Loans (in millions of dollars)

| Identification code 12-4221-0-4-351 | 2001 actual | 2002 est. | 2003 est. |
|--|--|-----------|-----------|
| Position with respect to appropriations act limitation on obligations: | | | |
| 1111 | Limitation on direct loans | 10 | |
| 1150 | Total direct loan obligations | 10 | |
| Cumulative balance of direct loans outstanding: | | | |
| 1210 | Outstanding, start of year | | 10 |
| 1231 | Disbursements: Direct loan disbursements | 10 | |
| 1251 | Repayments: Repayments and prepayments | | -1 |
| 1290 | Outstanding, end of year | 10 | 9 |

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 12-4221-0-4-351 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|---|---|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 | Federal assets: Fund balances with Treasury | | 1 | |
| Net value of assets related to post-1991 direct loans receivable: | | | | |
| 1401 | Direct loans receivable, gross | 10 | 9 | 8 |
| 1405 | Allowance for subsidy cost (-) | -6 | -5 | -4 |
| 1499 | Net present value of assets related to direct loans | 4 | 4 | 4 |
| 1999 | Total assets | 5 | 4 | 4 |
| LIABILITIES: | | | | |
| 2103 | Federal liabilities: Debt | 5 | 4 | 4 |
| 2999 | Total liabilities | 5 | 4 | 4 |
| 4999 | Total liabilities and net position | 5 | 4 | 4 |

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, [\$779,000,000] \$897,190,000, to remain available until expended (7 U.S.C. 2209b), of which not less than [\$8,515,000] \$9,162,000 is for snow survey and water forecasting, and not less than [\$9,849,000] \$10,701,000 is for operation and establishment of the plant materials centers, and of which not less than \$21,500,000 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 this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$25,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the Service (16 U.S.C. 590e-2). (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, 2002; additional authorizing legislation required.*)

Program and Financing (in millions of dollars)

| Identification code 12-1000-0-1-302 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Direct program: | | | |
| 00.01 Technical assistance | 673 | 737 | 787 |
| 00.02 Soil surveys | 84 | 89 | 90 |
| 00.03 Snow survey and water forecasting | 6 | 9 | 9 |
| 00.04 Plant materials centers | 10 | 11 | 11 |
| 09.00 Reimbursable program | 164 | 129 | 108 |
| 10.00 Total new obligations | 937 | 975 | 1,005 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 11 | 17 | ..... |
| 22.00 New budget authority (gross) | 920 | 958 | 1,005 |
| 22.10 Resources available from recoveries of prior year obligations | 22 | ..... | ..... |
| 23.90 Total budgetary resources available for obligation | 953 | 975 | 1,005 |
| 23.95 Total new obligations | -937 | -975 | -1,005 |
| 24.40 Unobligated balance carried forward, end of year | 17 | ..... | ..... |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 761 | 829 | 897 |
| 40.77 Reduction pursuant to P.L. 106-554 (0.22 percent) | -2 | ..... | ..... |
| 43.00 Appropriation (total discretionary) | 759 | 829 | 897 |
| Spending authority from offsetting collections: | | | |
| 68.00 Offsetting collections (cash) | 78 | 129 | 108 |
| 68.10 Change in uncollected customer payments from Federal sources (unexpired) | 83 | ..... | ..... |
| 68.90 Spending authority from offsetting collections (total discretionary) | 161 | 129 | 108 |
| 70.00 Total new budget authority (gross) | 920 | 958 | 1,005 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 139 | 165 | 128 |
| 73.10 Total new obligations | 937 | 975 | 1,005 |
| 73.20 Total outlays (gross) | -807 | -1,011 | -1,003 |
| 73.45 Recoveries of prior year obligations | -22 | ..... | ..... |
| 74.00 Change in uncollected customer payments from Federal sources (unexpired) | -83 | ..... | ..... |
| 74.40 Obligated balance, end of year | 165 | 128 | 130 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 739 | 865 | 904 |
| 86.93 Outlays from discretionary balances | 68 | 146 | 99 |
| 87.00 Total outlays (gross) | 807 | 1,011 | 1,003 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 Federal sources | -61 | -111 | -89 |
| 88.40 Non-Federal sources | -17 | -18 | -19 |
| 88.90 Total, offsetting collections (cash) | -78 | -129 | -108 |
| Against gross budget authority only: | | | |
| 88.95 Change in uncollected customer payments from Federal sources (unexpired) | -83 | ..... | ..... |

| Net budget authority and outlays: | | | |
|--|-----|-----|-----|
| 89.00 Budget authority | 759 | 829 | 897 |
| 90.00 Outlays | 729 | 882 | 895 |

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 712 | 779 | 841 |
| 90.00 Outlays | 682 | 832 | 839 |

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.

Technical assistance targeted towards nutrient management and water quality concerns associated with animal feeding will increase by \$48 million above the 2002 level to \$128 million. These funds will help livestock producers develop comprehensive nutrient management plans.

NRCS has initiated a performance goal pilot program that will be completed by April 2002. NRCS will use this analysis in establishing goals, strategies and managerial structures for targeting resources to have the greater impact. NRCS will emphasize State plans for targeting assistance in watersheds as part of the process. Funds are requested to pay the costs of personnel transferred from watershed and flood prevention operations and watershed surveys and planning.

MAIN WORKLOAD FACTORS

| | 2001 Actual | 2002 est. | 2003 est. |
|---|--------------|-----------|-----------|
| Customers served, number | 2.3 million | 2million | 2million |
| Customers receiving onsite technical assistance, number | 448,000 | 340,000 | 340,000 |
| Conservation systems planned to the RMS level, acres | 25.9 million | 17million | 17million |
| Conservation plans applied to the RMS level, acres | 21.5 million | 19million | 19million |

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 programs. 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. Legislation requires that the Secretary shall make a reasonable effort to assure that "a substantial portion of the survey costs for NRCS are to be reimbursed by survey recipients."

MAIN WORKLOAD FACTORS

| | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|------------|------------|
| Acres mapped annually (millions) | 24,365,174 | 22,000,000 | 20,000,000 |
| Soil surveys ready for publication (number) | 25 | 80 | 80 |

Snow survey water forecasting.—Water supply forecasts prepared from snow surveys in western states are used in mak-

CONSERVATION OPERATIONS—Continued

ing efficient seasonal use of water for irrigation, flood control, fish and wildlife, recreation, power generation, municipal and industrial water supply, 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 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 415 | 434 | 472 |
| 11.3 Other than full-time permanent | 8 | 8 | 9 |
| 11.5 Other personnel compensation | 5 | 5 | 5 |
| 11.9 Total personnel compensation | 428 | 447 | 486 |
| 12.1 Civilian personnel benefits | 162 | 172 | 192 |
| 21.0 Travel and transportation of persons | 14 | 14 | 15 |
| 22.0 Transportation of things | 3 | 3 | 3 |
| 23.1 Rental payments to GSA | | | 18 |
| 23.2 Rental payments to others | 12 | 12 | 13 |
| 23.3 Communications, utilities, and miscellaneous charges | 20 | 21 | 23 |
| 24.0 Printing and reproduction | 3 | 3 | 3 |
| 25.2 Other services | 100 | 137 | 107 |
| 26.0 Supplies and materials | 16 | 16 | 18 |
| 31.0 Equipment | 15 | 21 | 19 |
| 99.0 Direct obligations | 773 | 846 | 897 |
| 99.0 Reimbursable obligations | 164 | 129 | 108 |
| 99.9 Total new obligations | 937 | 975 | 1,005 |

Personnel Summary

| Identification code 12-1000-0-1-302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Full-time equivalent employment | 8,580 | 8,594 | 9,101 |
| Reimbursable: | | | |
| 2001 Total compensable workyears: Full-time equivalent employment | 1,481 | 1,078 | 934 |

【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 approved August 4, 1954 (16 U.S.C. 1001-1009), \$10,960,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$110,000 shall be available for employment under 5 U.S.C. 3109.】 (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002.*)

Program and Financing (in millions of dollars)

| Identification code 12-1066-0-1-301 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct program | 12 | 12 | |
| 09.01 Reimbursable program | | 1 | |
| 10.00 Total new obligations | 12 | 13 | |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 12 | 13 | |
| 23.95 Total new obligations | -12 | -13 | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 12 | 12 | |

| | | | |
|---|----|----|--|
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | | 1 | |
| 70.00 Total new budget authority (gross) | 12 | 13 | |

Change in obligated balances:

| | | | |
|--|-----|-----|----|
| 72.40 Obligated balance, start of year | 2 | 2 | 2 |
| 73.10 Total new obligations | 12 | 13 | |
| 73.20 Total outlays (gross) | -12 | -13 | -2 |
| 74.40 Obligated balance, end of year | 2 | 2 | |

Outlays (gross), detail:

| | | | |
|--|----|----|---|
| 86.90 Outlays from new discretionary authority | 9 | 12 | |
| 86.93 Outlays from discretionary balances | 3 | 1 | 1 |
| 87.00 Total outlays (gross) | 12 | 13 | 2 |

Offsets:

| | | | |
|---|--|----|--|
| Against gross budget authority and outlays: | | | |
| 88.40 Offsetting collections (cash) from: Non-Federal sources | | -1 | |

Net budget authority and outlays:

| | | | |
|------------------------------|----|----|---|
| 89.00 Budget authority | 12 | 12 | |
| 90.00 Outlays | 12 | 12 | 2 |

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 11 | 11 | |
| 90.00 Outlays | 11 | 11 | 2 |

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 floodplain management studies, for use in decision making. Watershed plans are used to develop the small watershed projects. The small watershed program has been eliminated in this year's budget, reflecting the low economic returns and slight environment benefits of the program. Accordingly, the watershed surveys and planning program, which creates new small watershed program projects has also been eliminated.

No funding is requested for this program in 2003. The staff years funded by this program will be funded in the conservation operations account.

Object Classification (in millions of dollars)

| Identification code 12-1066-0-1-301 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Direct obligations: | | | |
| 11.1 Personnel compensation: Full-time permanent | 6 | 6 | |
| 12.1 Civilian personnel benefits | 3 | 3 | |
| 25.2 Other services | 1 | 1 | |
| 99.0 Direct obligations | 10 | 10 | |
| 99.0 Reimbursable obligations | | 1 | |
| 99.5 Below reporting threshold | 2 | 2 | |
| 99.9 Total new obligations | 12 | 13 | |

Personnel Summary

| Identification code 12-1066-0-1-301 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Full-time equivalent employment | 113 | 111 | |
| Reimbursable: | | | |
| 2001 Total compensable workyears: Full-time equivalent employment | 5 | 5 | |

**[WATERSHED AND FLOOD PREVENTION OPERATIONS] EMERGENCY
WATERSHED PROTECTION**

[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 approved August 4, 1954 (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, \$106,590,000, to remain available until expended (7 U.S.C. 2209b) (of which up to \$15,000,000 may be available for the watersheds authorized under the Flood Control Act approved June 22, 1936 (33 U.S.C. 701 and 16 U.S.C. 1006a)): *Provided*, That not to exceed \$45,514,000 of this appropriation shall be available for technical assistance: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$200,000 shall be available for employment under 5 U.S.C. 3109: *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.]

For necessary expenses to repair damages to waterways and watersheds, including the purchase of floodplain easements, resulting from natural disasters pursuant to section 403 of the Agricultural Credit Act of 1978, as amended, \$111,389,000, to remain available until expended: Provided, That, any balances in "Watershed surveys and planning," "Watershed and flood prevention operations," and "Watershed rehabilitation program" shall be transferred to and merged with this account. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002; additional authorization legislation required.)

Program and Financing (in millions of dollars)

| Identification code 12–1072–0–1–301 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Direct program: | | | |
| 00.01 Watershed operations (P.L. 534) | 13 | 14 | ..... |
| 00.03 Emergency watershed protection operations | 138 | 82 | 111 |
| 00.04 Small watershed operations (P.L. 566) | 100 | 101 | ..... |
| 09.01 Reimbursable program | 20 | 25 | 2 |
| 10.00 Total new obligations | 271 | 222 | 113 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 65 | 86 | ..... |
| 22.00 New budget authority (gross) | 267 | 136 | 113 |
| 22.10 Resources available from recoveries of prior year obligations | 25 | ..... | ..... |
| 23.90 Total budgetary resources available for obligation | 357 | 222 | 113 |
| 23.95 Total new obligations | –271 | –222 | –113 |
| 24.40 Unobligated balance carried forward, end of year | 86 | ..... | ..... |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 102 | 110 | ..... |
| 40.15 Appropriation (emergency) | 147 | 1 | 111 |
| 43.00 Appropriation (total discretionary) | 249 | 111 | 111 |
| Spending authority from offsetting collections: | | | |
| 68.00 Offsetting collections (cash) | 24 | 25 | 2 |
| 68.10 Change in uncollected customer payments from Federal sources (unexpired) | –6 | ..... | ..... |
| 68.90 Spending authority from offsetting collections (total discretionary) | 18 | 25 | 2 |
| 70.00 Total new budget authority (gross) | 267 | 136 | 113 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 168 | 218 | 199 |
| 73.10 Total new obligations | 271 | 222 | 113 |
| 73.20 Total outlays (gross) | –202 | –241 | –187 |
| 73.45 Recoveries of prior year obligations | –25 | ..... | ..... |
| 74.00 Change in uncollected customer payments from Federal sources (unexpired) | 6 | ..... | ..... |
| 74.40 Obligated balance, end of year | 218 | 199 | 125 |

| | | | |
|--|-----|-------|-------|
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 109 | 91 | 78 |
| 86.93 Outlays from discretionary balances | 93 | 151 | 109 |
| 87.00 Total outlays (gross) | 202 | 241 | 187 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 Federal sources | –17 | –15 | ..... |
| 88.40 Non-Federal sources | –7 | –10 | –2 |
| 88.90 Total, offsetting collections (cash) | –24 | –25 | –2 |
| 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 | 249 | 111 | 111 |
| 90.00 Outlays | 178 | 216 | 185 |

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 245 | 107 | 110 |
| 90.00 Outlays | 174 | 212 | 184 |

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 damage rehabilitation efforts, depending upon the needs and opportunities.

Emergency watershed protection operations.—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, 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. The budget provides \$110 million for the program in 2003, an amount equal to the 10-year average on spending.

To improve the delivery and defensibility of the program, NRCS published a draft programmatic environmental impact statement (EIS) for public review and comment to assess various program alternatives. Through the EIS public feedback and information gathering process, NRCS ultimately will be able to make the program more beneficial to communities and the environment. NRCS will also consider these EIS comments in making any necessary revisions to its regulations.

Watershed operations authorized by Public Law 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.

**[WATERSHED AND FLOOD PREVENTION OPERATIONS] EMERGENCY
WATERSHED PROTECTION—Continued**

Given the program's low economic returns and environmental benefits, no funding is proposed for 2003.

Small watershed operations authorized by Public Law 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.

No funding is requested for this program in 2003. The staff years funded by this program will be funded in the Conservation operations account. Low economic and environmental benefits mean other programs can provide greater assistance to landowners and their communities at lower cost, with more impact. For flood prevention, FEMA programs and Corps of Engineer programs provide higher returns from each dollar spent on flood damage reduction. While the USDA Watershed program generated \$1.40 per dollar spent, the Corps provides \$1.90 and FEMA \$2.30 in economic benefits for every dollar invested. Other USDA programs, such as the Environmental quality incentives program provide assistance to landowners to pursue water quality and other environmental benefits, at far lower cost and with better targeting for priorities. Other USDA programs provide loans and grants to rural communities to pursue economic development goals. Again, these funds are made preferentially available to communities in need. Less-well-off communities would quality for the USDA Rural development program's subsidized loans and grants and be in a position to pursue Watershed and flood prevention projects.

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 566 or 534 projects. No funding for these loans is assumed in 2003.

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

MAIN WORKLOAD FACTORS

| Status of operational projects: | 2001 actual | 2002 est. |
|--|-------------|-----------|
| Projects receiving land treatment | 193 | 195 |
| Structural projects | 253 | 248 |
| Land treatment and structural | 67 | 69 |
| Subtotal active projects | 513 | 512 |
| Projects continuing post-installation assistance | 927 | 932 |
| Inactive projects | 17 | 17 |
| Project life completed | 38 | 44 |
| Deauthorized projects | 159 | 160 |
| Total operational projects | 1,654 | 1,665 |
| New projects approved during year | 5 | 6 |

Object Classification (in millions of dollars)

| Identification code 12-1072-0-1-301 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 38 | 33 | 12 |
| 11.5 Other personnel compensation | 1 | 1 | 1 |
| 11.9 Total personnel compensation | 39 | 34 | 13 |
| 12.1 Civilian personnel benefits | 14 | 13 | 4 |
| 21.0 Travel and transportation of persons | 2 | 2 | 1 |
| 23.2 Rental payments to others | 1 | 1 | |
| 23.3 Communications, utilities, and miscellaneous charges | 2 | 1 | 1 |
| Other services: | | | |
| 25.2 Other services | 6 | 4 | 3 |
| 25.2 Other services | 76 | 67 | 47 |
| 26.0 Supplies and materials | 2 | 2 | 1 |
| 31.0 Equipment | 3 | 2 | 1 |
| 32.0 Land and structures | 32 | 4 | |
| 41.0 Grants, subsidies, and contributions | 74 | 66 | 40 |
| 99.0 Direct obligations | 251 | 196 | 111 |

| | | | |
|--------------------------------------|-----|-----|-----|
| 99.0 Reimbursable obligations | 18 | 24 | 2 |
| 99.5 Below reporting threshold | 2 | 2 | |
| 99.9 Total new obligations | 271 | 222 | 113 |

Personnel Summary

| Identification code 12-1072-0-1-301 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Full-time equivalent employment | 720 | 601 | 225 |
| Reimbursable: | | | |
| 2001 Total compensable workyears: Full-time equivalent employment | 31 | 31 | |

[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 approved August 4, 1954 (16 U.S.C. 1001 et seq.), as amended by section 313 of Public Law 106-472, November 9, 2000 (16 U.S.C. 1012), and in accordance with the provisions of laws relating to the activities of the Department, \$10,000,000, to remain available until expended.] (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002.)

Program and Financing (in millions of dollars)

| Identification code 12-1002-0-1-301 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 10.00 Total new obligations | | 10 | |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | | 10 | |
| 23.95 Total new obligations | | -10 | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | | 10 | |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | | | 3 |
| 73.10 Total new obligations | | 10 | |
| 73.20 Total outlays (gross) | | -7 | -5 |
| 74.40 Obligated balance, end of year | | 3 | |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | | 6 | |
| 86.93 Outlays from discretionary balances | | | 5 |
| 87.00 Total outlays (gross) | | 7 | 5 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | 10 | |
| 90.00 Outlays | | 7 | 5 |

Under the authorities of Public Law 106-472 assistance is provided to communities to address concerns about local aging dams. NRCS may provide technical and financial assistance for the planning, design, and implementation of rehabilitation projects that may include upgrading or removing the dams.

This program is not funded in 2003. The management and upkeep of local, privately-owned dams is not a federal responsibility. In addition, many of the dams were built relying on different economic and environmental standards than dams built today. It is not clear that all of these dams should be maintained.

Object Classification (in millions of dollars)

| Identification code 12-1002-0-1-301 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| 11.1 Personnel compensation: Full-time permanent | | 4 | |
| 12.1 Civilian personnel benefits | | 1 | |
| 25.2 Other services | | 3 | |

| | | | | |
|------|--|----|--|--|
| 41.0 | Grants, subsidies, and contributions | 2 | | |
| 99.9 | Total new obligations | 10 | | |

Personnel Summary

| Identification code 12-1002-0-1-301 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 1001 Total compensable workyears: Full-time equivalent employment | | 74 | |

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 section 32(e) of title III 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 the Agriculture and Food Act of 1981 (16 U.S.C. 3451-3461), **[\$43,048,000] \$52,031,000**, to remain available until expended (7 U.S.C. 2209b): *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$50,000 shall be available for employment under 5 U.S.C. 3109. (7 U.S.C. 2201-02; 33 U.S.C. 701b-11; *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002; additional authorizing legislation required.*)

Program and Financing (in millions of dollars)

| Identification code 12-1010-0-1-302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.02 Technical assistance | 45 | 50 | 51 |
| 09.01 Reimbursable program | | 1 | 1 |
| 10.00 Total new obligations | 45 | 51 | 52 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | | 2 | |
| 22.00 New budget authority (gross) | 46 | 51 | 52 |
| 23.90 Total budgetary resources available for obligation | 46 | 53 | 52 |
| 23.95 Total new obligations | -45 | -51 | -52 |
| 24.40 Unobligated balance carried forward, end of year | 2 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 45 | 50 | 51 |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | 1 | 1 | 1 |
| 70.00 Total new budget authority (gross) | 45 | 51 | 52 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 7 | 11 | 13 |
| 73.10 Total new obligations | 45 | 51 | 52 |
| 73.20 Total outlays (gross) | -41 | -49 | -52 |
| 74.40 Obligated balance, end of year | 11 | 13 | 13 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 39 | 46 | 47 |
| 86.93 Outlays from discretionary balances | 3 | 3 | 5 |
| 87.00 Total outlays (gross) | 41 | 49 | 52 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.40 Offsetting collections (cash) from: Non-Federal sources | -1 | -1 | -1 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 44 | 50 | 51 |
| 90.00 Outlays | 41 | 49 | 51 |
| Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars) | | | |
| | 2001 actual | 2002 est. | 2003 est. |
| 89.00 Budget authority | 41 | 47 | 48 |

| | | | | |
|-------|---------------|----|----|----|
| 90.00 | Outlays | 38 | 46 | 48 |
|-------|---------------|----|----|----|

Under this program, the Department assists States, local units of government, groups and individuals in developing area plans for resource conservation and development (RC and D).

Designated RC and 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 and D area plans. Program financial resources are focused on the RC and D coordinators who assist the local area councils. These coordinators help the area councils develop plans and proposals to compete for financial assistance from other Federal, State and private sources.

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

MAIN WORKLOAD FACTORS

| | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Areas authorized at beginning of year | 315 | 348 | 368 |
| Areas authorized at end of year | 348 | 368 | 368 |
| Project plans adopted | 2,970 | 3,000 | 3,000 |
| Projects completed | 3,043 | 3,000 | 3,000 |

Object Classification (in millions of dollars)

| Identification code 12-1010-0-1-302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| 11.1 Personnel compensation: Full-time permanent | 24 | 27 | 29 |
| 12.1 Civilian personnel benefits | 9 | 13 | 10 |
| 21.0 Travel and transportation of persons | 2 | 1 | 1 |
| 23.2 Rental payments to others | 1 | 1 | 2 |
| 23.3 Communications, utilities, and miscellaneous charges | 1 | 1 | 1 |
| 25.2 Other services | 6 | 6 | 7 |
| 31.0 Equipment | 1 | 1 | 1 |
| 99.0 Direct obligations | 44 | 50 | 51 |
| 99.5 Below reporting threshold | 1 | 1 | 1 |
| 99.9 Total new obligations | 45 | 51 | 52 |

Personnel Summary

| Identification code 12-1010-0-1-302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Full-time equivalent employment | 438 | 502 | 490 |
| Reimbursable: | | | |
| 2001 Total compensable workyears: Full-time equivalent employment | 3 | 3 | 5 |

GREAT PLAINS CONSERVATION PROGRAM

Program and Financing (in millions of dollars)

| Identification code 12-2268-0-1-302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 10.00 Total new obligations | 2 | 2 | |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 3 | 2 | |
| 22.10 Resources available from recoveries of prior year obligations | 1 | | |
| 23.90 Total budgetary resources available for obligation | 4 | 2 | |
| 23.95 Total new obligations | -2 | -2 | |
| 24.40 Unobligated balance carried forward, end of year | 2 | | |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 5 | 4 | 2 |
| 73.10 Total new obligations | 2 | 2 | |
| 73.20 Total outlays (gross) | -3 | -2 | -2 |

GREAT PLAINS CONSERVATION PROGRAM—Continued

Program and Financing (in millions of dollars)—Continued

| Identification code 12-2268-0-1-302 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| 73.45 Recoveries of prior year obligations | -1 | | |
| 74.40 Obligated balance, end of year | 4 | 2 | |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | 3 | 2 | 2 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | 3 | 2 | 2 |

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

| Program participants: | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Number of contracts serviced during year | 1,665 | 930 | 600 |
| Number of acres under contracts | 6,053,449 | 3,906,269 | 2,520,200 |

As of October 1, 2001, there were 930 active contracts on hand. 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 shall not exceed 80 percent of the cost of installing eligible practices within the designated county. There is a cost-sharing limitation of \$35 thousand for any contract.

Object Classification (in millions of dollars)

| Identification code 12-2268-0-1-302 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| 11.1 Personnel compensation: Full-time permanent | 1 | 1 | |
| 41.0 Grants, subsidies, and contributions | 1 | 1 | |
| 99.9 Total new obligations | 2 | 2 | |

Personnel Summary

| Identification code 12-2268-0-1-302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 1001 Total compensable workyears: Full-time equivalent employment | 21 | 10 | |

【FORESTRY INCENTIVES PROGRAM】

【For necessary expenses, not otherwise provided for, to carry out the program of forestry incentives, as authorized by the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101), including technical assistance and related expenses, \$6,811,000, to remain available until expended, as authorized by that Act.】 (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002.*)

Program and Financing (in millions of dollars)

| Identification code 12-3336-0-1-302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 10.00 Total new obligations (object class 41.0) | 11 | 7 | |

Budgetary resources available for obligation:

| | | | |
|---|-----|----|---|
| 21.40 Unobligated balance carried forward, start of year | 3 | 2 | 2 |
| 22.00 New budget authority (gross) | 7 | 7 | |
| 22.10 Resources available from recoveries of prior year obligations | 3 | | |
| 23.90 Total budgetary resources available for obligation | 13 | 9 | 2 |
| 23.95 Total new obligations | -11 | -7 | |
| 24.40 Unobligated balance carried forward, end of year | 2 | 2 | |

New budget authority (gross), detail:

| | | | |
|---------------------------|---|---|--|
| Discretionary: | | | |
| 40.00 Appropriation | 7 | 7 | |

Change in obligated balances:

| | | | |
|--|----|----|----|
| 72.40 Obligated balance, start of year | 18 | 18 | 18 |
| 73.10 Total new obligations | 11 | 7 | |
| 73.20 Total outlays (gross) | -8 | -7 | -6 |
| 73.45 Recoveries of prior year obligations | -3 | | |
| 74.40 Obligated balance, end of year | 18 | 18 | 12 |

Outlays (gross), detail:

| | | | |
|--|---|---|---|
| 86.90 Outlays from new discretionary authority | 3 | 3 | |
| 86.93 Outlays from discretionary balances | 5 | 5 | 6 |
| 87.00 Total outlays (gross) | 8 | 7 | 6 |

Net budget authority and outlays:

| | | | |
|------------------------------|---|---|---|
| 89.00 Budget authority | 7 | 7 | |
| 90.00 Outlays | 8 | 7 | 6 |

No funds are proposed for the Forestry incentives program (FIP). Previous acceptable appropriations for the program have been emergency appropriations to assist regions affected by natural disaster. As a non-emergency program, the FIP is merely a subsidy paying the costs of tree planting. There is no basis for a federal program to pay for tree planting on a non-emergency basis.

The FIP was authorized by the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101). The objectives of the program are to bring private, nonindustrial forest land under improved management, to increase timber production, to ensure adequate supplies of timber products, and to enhance other forest resources.

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 Forest Service.

WATER BANK PROGRAM

Program and Financing (in millions of dollars)

| Identification code 12-3320-0-1-302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 11 | 7 | 3 |
| 73.20 Total outlays (gross) | -4 | -4 | -3 |
| 74.40 Obligated balance, end of year | 7 | 3 | |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | 4 | 4 | 3 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | 4 | 4 | 3 |

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. Congress did not provide funding for this account in 2002. For 2003, the budget does not request program funding.

Under the Water Bank Program, the Secretary of Agriculture, through designated county offices, uses program funds to enter into 10-year agreements with landowners and operators for the conservation of specified wetlands. Provisions exist to renew agreements for additional periods, to make annual payments on agreements, and under certain conditions to increase payment rates in the fifth year of a contract or at the time of renewal. During the period of the agreement, the landowner agrees not to drain, burn, fill, or otherwise destroy the wetland character of such areas.

COLORADO RIVER BASIN SALINITY CONTROL PROGRAM

Program and Financing (in millions of dollars)

| Identification code 12-3318-0-1-304 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 10.00 Total new obligations (object class 99.5) | 1 | 1 | |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 1 | 1 | 1 |
| 23.95 Total new obligations | -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 | |
| 73.10 Total new obligations | 1 | 1 | |
| 73.20 Total outlays (gross) | -1 | -1 | |
| 74.40 Obligated balance, end of year | 1 | | |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | 1 | 1 | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | 1 | 1 | |

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 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 Incentive 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.

Personnel Summary

| Identification code 12-3318-0-1-304 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 1001 Total compensable workyears: Full-time equivalent employment | 8 | | |

WETLANDS RESERVE PROGRAM

Program and Financing (in millions of dollars)

| Identification code 12-1080-0-1-302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.03 Technical assistance | | 2 | |
| 10.00 Total new obligations (object class 99.5) | | 2 | |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 1 | 2 | |
| 22.10 Resources available from recoveries of prior year obligations | 1 | | |
| 23.90 Total budgetary resources available for obligation | 2 | 2 | |
| 23.95 Total new obligations | | -2 | |
| 24.40 Unobligated balance carried forward, end of year | 2 | | |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 11 | 7 | 3 |
| 73.10 Total new obligations | | 2 | |
| 73.20 Total outlays (gross) | -4 | -4 | -3 |
| 73.45 Recoveries of prior year obligations | -1 | | |
| 74.40 Obligated balance, end of year | 7 | 3 | |
| Outlays (gross), detail: | | | |
| 86.98 Outlays from mandatory balances | 4 | 4 | 3 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | 4 | 4 | 3 |

The Wetlands Reserve Program (WRP) is authorized by Section 1237 of the Food Security Act of 1985 (P.L. 99-198), as amended by the Food, Agriculture, Conservation and Trade Act of 1990 (P.L. 101-624), the Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66), the Federal Agriculture Improvement and Reform Act of 1996 (P.L. 104-127) and the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriation Act, 2001 (P.L. 106-387). WRP is a mandatory Commodity Credit Corporation (CCC) program administered by the Natural Resources Conservation Service (NRCS). However, the Farm Service Agency (FSA), with CCC financial responsibility, handles program payments and financial reporting.

Information displayed in this section represents unobligated balances from the non-CCC account in which WRP was funded prior to the 1996 Farm Bill. For additional information on WRP, see the Commodity Credit Corporation section.

Personnel Summary

| Identification code 12-1080-0-1-302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 1001 Total compensable workyears: Full-time equivalent employment | 2 | | |

WILDLIFE HABITAT INCENTIVES PROGRAM

Program and Financing (in millions of dollars)

| Identification code 12-3322-0-1-302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 10.00 Total new obligations | 15 | | |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 1 | 2 | |
| 22.10 Resources available from recoveries of prior year obligations | 3 | | |
| 22.22 Unobligated balance transferred from other accounts | 13 | | |
| 23.90 Total budgetary resources available for obligation | 17 | 2 | |
| 23.95 Total new obligations | -15 | | |
| 24.40 Unobligated balance carried forward, end of year | 2 | | |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 26 | 31 | 27 |

WILDLIFE HABITAT INCENTIVES PROGRAM—Continued

Program and Financing (in millions of dollars)—Continued

| Identification code 12-3322-0-1-302 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| 73.10 Total new obligations | 15 | | |
| 73.20 Total outlays (gross) | -7 | -4 | -4 |
| 73.45 Recoveries of prior year obligations | -3 | | |
| 74.40 Obligated balance, end of year | 31 | 27 | 23 |
| Outlays (gross), detail: | | | |
| 86.98 Outlays from mandatory balances | 7 | 4 | 4 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | 7 | 4 | 4 |

The Wildlife Habitat Incentives Program (WHIP) is a voluntary program to support and encourage landowners through technical assistance and cost share payments to develop and improve fish and wildlife habitat on private lands. The 1996 Federal Agriculture Improvement and Reform Act made available a total of \$50 million for WHIP from the Conservation reserve program for the years 1996-2002. These funds were exhausted in 1999. The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriation Act, 2001 (P.L. 106-387) provided the Secretary of Agriculture discretionary authority to use funding provided under the Agriculture Risk Protection Act of 2000 for WHIP; the Secretary designated \$12 million for the program in 2001.

NRCS and the participant enter into a cost-share agreement for wildlife habitat development. This agreement generally lasts from 5 to 10 years from the date the agreement is signed. WHIP funds are distributed to states based on state wildlife habitat priorities which may include: wildlife habitat areas; targeted species and their habitats; and specific practices. Partnerships with other entities are preferred: WHIP may be implemented in cooperation with other Federal, State, or local agencies, conservation districts, or private conservation groups. State priorities are developed through a locally led process to identify wildlife resource needs and are finalized in consultation with the State Technical Committee.

Object Classification (in millions of dollars)

| Identification code 12-3322-0-1-302 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| 11.1 Personnel compensation: Full-time permanent | 2 | | |
| 41.0 Grants, subsidies, and contributions | 13 | | |
| 99.9 Total new obligations | 15 | | |

Personnel Summary

| Identification code 12-3322-0-1-302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 1001 Total compensable workyears: Full-time equivalent employment | 31 | | |

RURAL CLEAN WATER PROGRAM

Program and Financing (in millions of dollars)

| Identification code 12-3337-0-1-304 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 5 | 5 | 5 |
| 24.40 Unobligated balance carried forward, end of year | 5 | 5 | 5 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | | | |

This experimental Rural Clean Water Program, authorized by Public Law 96-108 and Public Law 96-528, was a coopera-

tive endeavor among farmers, various USDA agencies, and other organizations to develop and test means of controlling agricultural nonpoint source water pollution in rural areas.

Recommended project areas were developed by local and State committees and approved by the Secretary of Agriculture in consultation with the Administrator of the Environmental Protection Agency. Full funding was provided in previous appropriations for all approved projects. The implementation period for all projects has ended, and no additional obligations will be incurred. The final payments have been made and the program will be closed out in 2002. Similar activities will be carried out through the mandatory Environmental Quality Incentives Program.

AGRICULTURAL RESOURCE CONSERVATION DEMONSTRATION
GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 12-2086-0-1-351 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.07 Reestimates of guaranteed loan subsidy | 2 | 2 | |
| 00.08 Interest on reestimates of guaranteed loan subsidy | 1 | 2 | |
| 10.00 Total new obligations (object class 41.0) | 3 | 4 | |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 3 | 4 | |
| 23.95 Total new obligations | -3 | -4 | |
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| 60.00 Appropriation | 3 | 4 | |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | | 3 | |
| 73.10 Total new obligations | 3 | 4 | |
| 73.20 Total outlays (gross) | | -7 | |
| 74.40 Obligated balance, end of year | 3 | | |
| Outlays (gross), detail: | | | |
| 86.97 Outlays from new mandatory authority | | 4 | |
| 86.98 Outlays from mandatory balances | | 3 | |
| 87.00 Total outlays (gross) | | 7 | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 3 | 4 | |
| 90.00 Outlays | | 7 | |

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

| Identification code 12-2086-0-1-351 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct loan upward reestimate subsidy outlays: | | | |
| 136001 Upward reestimates subsidy outlays | | | |
| 136001 Upward reestimates subsidy outlays | | | |
| 136901 Total upward reestimate outlays | | | |
| Guaranteed loan upward reestimate subsidy budget authority: | | | |
| 235001 Upward reestimate subsidy budget authority | 3 | 4 | |
| 235901 Total upward reestimate budget authority | 3 | 4 | |
| Guaranteed loan upward reestimate subsidy outlays: | | | |
| 236001 Upward reestimate subsidy outlays | 3 | 4 | |
| 236901 Total upward reestimate subsidy outlays | 3 | 4 | |

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 (including modifications of 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.

Credit accounts:

AGRICULTURAL RESOURCE CONSERVATION DEMONSTRATION
GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 12-4177-0-3-351 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Interest assistance on guaranteed loans | 1 | 1 | |
| 10.00 Total new obligations | 1 | 1 | |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 2 | 1 | 7 |
| 22.00 New financing authority (gross) | | 7 | |
| 23.90 Total budgetary resources available for obligation | 2 | 8 | 7 |
| 23.95 Total new obligations | -1 | -1 | |
| 24.40 Unobligated balance carried forward, end of year | 1 | 7 | 7 |
| New financing authority (gross), detail: | | | |
| Discretionary: | | | |
| 68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) | | 7 | |
| Change in obligated balances: | | | |
| 73.10 Total new obligations | 1 | 1 | |
| 73.20 Total financing disbursements (gross) | -1 | -1 | |
| 87.00 Total financing disbursements (gross) | 1 | 1 | |
| Offsets: | | | |
| Against gross financing authority and financing disbursements: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources | | -7 | |
| Net financing authority and financing disbursements: | | | |
| 89.00 Financing authority | | | |
| 90.00 Financing disbursements | 1 | -6 | |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 12-4177-0-3-351 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on commitments: | | | |
| 2111 Limitation on guaranteed loans made by private lenders | | | |
| 2150 Total guaranteed loan commitments | | | |
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 24 | 24 | 24 |
| 2251 Repayments and prepayments | | | -10 |
| 2290 Outstanding, end of year | 24 | 24 | 14 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 24 | 24 | 14 |

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 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 Federal assets: Fund balances with Treasury | 3 | 1 | 7 | |
| 1999 Total assets | 3 | 1 | 7 | |
| LIABILITIES: | | | | |
| 2103 Federal liabilities: Debt | 3 | 1 | 7 | |

| | | | |
|---|---|---|---|
| 2999 Total liabilities | 3 | 1 | 7 |
| 4999 Total liabilities and net position | 3 | 1 | 7 |

Trust Funds

MISCELLANEOUS CONTRIBUTED FUNDS

Unavailable Collections (in millions of dollars)

| Identification code 12-8210-0-7-302 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| 01.99 Balance, start of year | 4 | 4 | 4 |
| Receipts: | | | |
| 02.20 Miscellaneous contributed funds | 1 | 1 | 1 |
| 04.00 Total: Balances and collections | 5 | 5 | 5 |
| Appropriations: | | | |
| 05.01 National Agricultural Statistics Service | -1 | -1 | -1 |
| 07.99 Balance, end of year | 4 | 4 | 4 |

Program and Financing (in millions of dollars)

| Identification code 12-8210-0-7-302 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 10.00 Total new obligations | 1 | 1 | |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 1 | 1 | |
| 22.00 New budget authority (gross) | 1 | | |
| 23.90 Total budgetary resources available for obligation | 2 | 1 | |
| 23.95 Total new obligations | -1 | -1 | |
| 24.40 Unobligated balance carried forward, end of year | 1 | | |

New budget authority (gross), detail:

| | | | |
|---------------------------------|---|--|--|
| Mandatory: | | | |
| 67.10 Authority to borrow | 1 | | |

Change in obligated balances:

| | | | |
|--|-----|----|--|
| 72.40 Obligated balance, start of year | 15 | 2 | |
| 73.10 Total new obligations | 1 | 1 | |
| 73.20 Total outlays (gross) | -13 | -3 | |
| 74.40 Obligated balance, end of year | 2 | | |

Outlays (gross), detail:

| | | | |
|--|----|---|--|
| 86.97 Outlays from new mandatory authority | 1 | | |
| 86.98 Outlays from mandatory balances | 12 | 3 | |
| 87.00 Total outlays (gross) | 13 | 3 | |

Net budget authority and outlays:

| | | | |
|------------------------------|----|---|--|
| 89.00 Budget authority | 1 | | |
| 90.00 Outlays | 13 | 3 | |

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.

Object Classification (in millions of dollars)

| Identification code 12-8210-0-7-302 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| 11.1 Personnel compensation: Full-time permanent | 1 | | |
| 25.2 Other services | | 1 | |
| 99.9 Total new obligations | 1 | 1 | |

Personnel Summary

| Identification code 12-8210-0-7-302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 1001 Total compensable workyears: Full-time equivalent employment | 10 | 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; **[\$133,722,000] \$184,339,000: Provided,** That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$1,000,000 may be used for employment under 5 U.S.C. 3109: *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, 2002; additional authorizing legislation required.)

Program and Financing (in millions of dollars)

| Identification code 12-0403-0-1-452 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct program | 136 | 142 | 155 |
| 09.01 Reimbursable program | 484 | 514 | 551 |
| 10.00 Total new obligations | 620 | 656 | 706 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 621 | 656 | 706 |
| 23.95 Total new obligations | -620 | -656 | -706 |
| 23.98 Unobligated balance expiring or withdrawn | -1 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 162 | 169 | 185 |
| Spending authority from offsetting collections: | | | |
| 68.00 Offsetting collections (cash) | 444 | 487 | 521 |
| 68.10 Change in uncollected customer payments from Federal sources (unexpired) | 15 | | |
| 68.90 Spending authority from offsetting collections (total discretionary) | 459 | 487 | 521 |
| 70.00 Total new budget authority (gross) | 621 | 656 | 706 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 99 | 124 | 124 |
| 73.10 Total new obligations | 620 | 656 | 706 |
| 73.20 Total outlays (gross) | -583 | -656 | -692 |
| 73.40 Adjustments in expired accounts (net) | -27 | | |
| 74.00 Change in uncollected customer payments from Federal sources (unexpired) | -15 | | |
| 74.10 Change in uncollected customer payments from Federal sources (expired) | 30 | | |
| 74.40 Obligated balance, end of year | 124 | 124 | 138 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 494 | 557 | 600 |
| 86.93 Outlays from discretionary balances | 89 | 99 | 92 |
| 87.00 Total outlays (gross) | 583 | 656 | 692 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources Against gross budget authority only: | -459 | -487 | -521 |
| 88.95 Change in uncollected customer payments from Federal sources (unexpired) | -15 | | |
| 88.96 Portion of offsetting collections (cash) credited to expired accounts | 15 | | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 162 | 169 | 185 |
| 90.00 Outlays | 124 | 169 | 171 |

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 130 | 134 | 146 |
| 90.00 Outlays | 92 | 134 | 132 |

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 form 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 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 67 | 72 | 72 |
| 11.3 Other than full-time permanent | 5 | 5 | 5 |
| 11.5 Other personnel compensation | 1 | 1 | 1 |
| 11.9 Total personnel compensation | 73 | 78 | 78 |
| 12.1 Civilian personnel benefits | 26 | 30 | 31 |
| 21.0 Travel and transportation of persons | 3 | 4 | 4 |
| 23.2 Rental payments to others | 4 | 4 | 5 |
| 23.3 Communications, utilities, and miscellaneous charges | 6 | 5 | 6 |
| 24.0 Printing and reproduction | 1 | 1 | 1 |
| 25.2 Other services | 12 | 11 | 21 |
| 25.3 Other purchases of goods and services from Government accounts | 7 | 5 | 5 |
| 25.7 Operation and maintenance of equipment | 2 | 2 | 2 |
| 26.0 Supplies and materials | 1 | 1 | 1 |
| 31.0 Equipment | 1 | 1 | 1 |
| 99.0 Direct obligations | 136 | 142 | 155 |
| 99.0 Reimbursable obligations | 484 | 514 | 551 |
| 99.9 Total new obligations | 620 | 656 | 706 |

Personnel Summary

| Identification code 12-0403-0-1-452 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Full-time equivalent employment | 1,527 | 1,575 | 1,575 |
| Reimbursable: | | | |
| 2001 Total compensable workyears: Full-time equivalent employment | 5,280 | 5,445 | 5,449 |

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, 381N, and 381O of the Consolidated Farm and Rural Development Act, **[\$806,557,000] \$791,499,000**, to remain available until expended, of which **[\$83,545,000] \$32,600,000** shall be for rural community programs described in section 381E(d)(1) of such Act; of which **[\$646,512,000] \$682,814,000** shall be for the rural utilities programs described in sections 381E(d)(2), 306C(a)(2), and 306D of such Act; and of which **[\$76,500,000] \$76,085,000** 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, \$24,000,000 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 \$4,000,000 shall be available for community facilities grants to tribal colleges, 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, \$6,000,000 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; and \$2,000,000 shall be for grants to Mississippi Delta Region counties: *Provided further*, That of the amount appropriated for rural utilities programs, not to exceed \$20,000,000 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; not to exceed **[\$24,000,000] \$20,000,000** 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 1 percent available to administer the program and up to 1 percent available to improve interagency coordination may be transferred to and merged with the appropriation for “Rural Development, Salaries and Expenses”; not to exceed **[\$17,465,000,] \$16,215,000** shall be for technical assistance grants for rural water and waste systems pursuant to section 306(a)(14) of such Act, of which \$5,250,000 shall be for Rural Community Assistance Programs; and not to exceed **[\$11,000,000] \$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 **[\$37,624,000] \$32,202,000** shall be available through June 30, **[2002] 2003**, for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones; of which **[\$1,163,000] \$1,187,000** shall be for the rural community programs described in section 381E(d)(1) of such Act, of which **[\$27,431,000] \$23,300,000** shall be for the rural utilities programs described in section 381E(d)(2) of such Act, and of which **[\$9,030,000] \$7,715,000** 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, not to exceed \$25,000,000 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 \$30,000,000 shall be to provide grants in rural communities with extremely high energy costs: *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: *Provided further*, That of the funds appropriated by this Act to the Rural Community Advancement Program for guaranteed business and industry loans, funds may be transferred to direct business and industry loans as deemed necessary by the Secretary and with prior approval of the Committees on Appropriations of both Houses of Congress]. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002.*)

Program and Financing (in millions of dollars)

| Identification code 12–0400–0–1–452 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Loan program: | | | |
| 00.01 Direct loan subsidy | 148 | 83 | 107 |
| 00.02 Guaranteed loan subsidy | 9 | 44 | 29 |
| 00.05 Reestimate of direct loan subsidy | 132 | | |
| 00.06 Interest on reestimate of direct loan subsidy | 31 | | |
| 00.07 Reestimate of guaranteed loan subsidy | 84 | | |
| 00.08 Interest on reestimate of guaranteed loan subsidy | 11 | | |
| Grant program: | | | |
| 00.11 Water and waste disposal systems grants | 579 | 584 | 587 |
| 00.12 Water and waste grants—emergency supplemental | 17 | | |
| 00.13 Emergency community water assistance grants | 20 | | |
| 00.14 Solid waste management grants | 4 | 4 | 4 |
| 00.15 Community facility grants | 30 | 14 | 17 |
| 00.16 Community facility grants—emergency supplemental | 8 | 11 | |
| 00.17 Hazardous weather early warning grants | | 5 | |
| 00.18 Economic impact initiative grants | 32 | 37 | |
| 00.19 High energy cost grants | 20 | | |
| 00.20 Rural business enterprise grants | 49 | 41 | 44 |
| 00.21 Rural business opportunity grants | 4 | 5 | 3 |
| 00.22 Rural partnership technical assistance grants | 5 | | |
| 00.23 Rural community development initiative grants | | 12 | |
| 00.24 Department of Energy Matching Grant | | 3 | |
| 10.00 Total new obligations (object class 41.0) | 1,183 | 843 | 791 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 8 | 76 | 30 |
| 22.00 New budget authority (gross) | 1,235 | 807 | 791 |
| 22.10 Resources available from recoveries of prior year obligations | 17 | | |
| 22.21 Unobligated balance transferred to other accounts | | –10 | –30 |
| 23.90 Total budgetary resources available for obligation | 1,260 | 873 | 791 |
| 23.95 Total new obligations | –1,183 | –843 | –791 |
| 23.98 Unobligated balance expiring or withdrawn | –1 | | |
| 24.40 Unobligated balance carried forward, end of year | 76 | 30 | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 972 | 807 | 791 |
| 40.77 Reduction pursuant to P.L. 106–554 (0.22 percent) | –2 | | |
| 43.00 Appropriation (total discretionary) | 970 | 807 | 791 |
| Mandatory: | | | |
| 60.00 Appropriation | 258 | | |
| Discretionary: | | | |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | 7 | | |
| 70.00 Total new budget authority (gross) | 1,235 | 807 | 791 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 1,926 | 2,178 | 2,239 |
| 73.10 Total new obligations | 1,183 | 843 | 791 |
| 73.20 Total outlays (gross) | –913 | –777 | –765 |
| 73.31 Obligated balance transferred to other accounts | | –5 | |
| 73.40 Adjustments in expired accounts (net) | –1 | | |
| 73.45 Recoveries of prior year obligations | –17 | | |
| 74.40 Obligated balance, end of year | 2,178 | 2,239 | 2,265 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 65 | 58 | 56 |
| 86.93 Outlays from discretionary balances | 588 | 719 | 709 |
| 86.97 Outlays from non mandatory authority | 258 | | |
| 86.98 Outlays from mandatory balances | 2 | | |
| 87.00 Total outlays (gross) | 913 | 777 | 765 |

General and special funds—Continued

RURAL COMMUNITY ADVANCEMENT PROGRAM—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

| Identification code 12-0400-0-1-452 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources | -7 | | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 1,228 | 807 | 791 |
| 90.00 Outlays | 907 | 777 | 765 |

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

| Identification code 12-0400-0-1-452 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Direct loan levels supportable by subsidy budget authority: | | | |
| 115001 Direct water and waste disposal | 767 | 879 | 814 |
| 115002 Direct community facility | 409 | 249 | 250 |
| 115003 Direct business and industry | 50 | | |
| 115901 Total direct loan levels | 1,226 | 1,128 | 1,064 |
| Direct loan subsidy (in percent): | | | |
| 132001 Direct water and waste disposal | 13.59 | 6.88 | 11.34 |
| 132002 Direct community facility | 11.69 | 5.43 | 6.24 |
| 132003 Direct business and industry | 5.82 | 0.00 | 0.00 |
| 132901 Weighted average subsidy rate | 12.64 | 6.56 | 10.15 |
| Direct loan subsidy budget authority: | | | |
| 133001 Direct water and waste disposal | 104 | 60 | 92 |
| 133002 Direct community facility | 48 | 14 | 16 |
| 133003 Direct business and industry | 3 | | |
| 133901 Total subsidy budget authority | 155 | 74 | 108 |
| Direct loan subsidy outlays: | | | |
| 134001 Direct water and waste disposal | 95 | 97 | 82 |
| 134002 Direct community facility | 16 | 21 | 20 |
| 134003 Direct business and industry | 1 | | |
| 134901 Total subsidy outlays | 112 | 118 | 102 |
| Direct loan upward reestimate subsidy budget authority: | | | |
| 135001 Direct water and waste disposal | 93 | | |
| 135002 Direct community facility | 35 | | |
| 135003 Direct business and industry | 35 | | |
| 135901 Total upward reestimate budget authority | 163 | | |
| Direct loan upward reestimate subsidy outlays: | | | |
| 136001 Direct water and waste disposal | 93 | | |
| 136002 Direct community facility | 35 | | |
| 136003 Direct business and industry | 35 | | |
| 136901 Total upward reestimate outlays | 163 | | |
| Direct loan downward reestimate subsidy budget authority: | | | |
| 137001 Direct water and waste disposal | -108 | | |
| 137002 Direct community facility | -18 | | |
| 137003 Direct business and industry | -1 | | |
| 137901 Total downward reestimate budget authority | -127 | | |
| Direct loan downward reestimate subsidy outlays: | | | |
| 138001 Direct water and waste disposal | -108 | | |
| 138002 Direct community facility | -18 | | |
| 138003 Direct business and industry | -1 | | |
| 138901 Total downward reestimate subsidy outlays | -127 | | |
| Guaranteed loan levels supportable by subsidy budget authority: | | | |
| 215001 Water and waste disposal loan guarantees | 75 | 75 | 75 |
| 215002 Community facility loan guarantees | 210 | 210 | 210 |
| 215003 Business and industry loan guarantees | 2,383 | 733 | 733 |
| 215901 Total loan guarantee levels | 2,668 | 1,018 | 1,018 |
| Guaranteed loan subsidy (in percent): | | | |
| 232001 Water and waste disposal loan guarantees | -1.50 | -0.80 | -0.81 |
| 232002 Community facility loan guarantees | -0.54 | -0.68 | -0.54 |
| 232003 Business and industry loan guarantees | 0.86 | 3.74 | 3.97 |
| 232901 Weighted average subsidy rate | 0.67 | 2.46 | 2.65 |
| Guaranteed loan subsidy budget authority: | | | |
| 233001 Water and waste disposal loan guarantees | -1 | -1 | -1 |

| | | | |
|--|-----|----|----|
| 233002 Community facility loan guarantees | -1 | -1 | -1 |
| 233003 Business and industry loan guarantees | 20 | 27 | 29 |
| 233901 Total subsidy budget authority | 18 | 25 | 27 |
| Guaranteed loan subsidy outlays: | | | |
| 234001 Water and waste disposal loan guarantees | | | |
| 234002 Community facility loan guarantees | | | |
| 234003 Business and industry loan guarantees | 7 | 18 | 18 |
| 234901 Total subsidy outlays | 7 | 18 | 18 |
| Guaranteed loan upward reestimate subsidy budget authority: | | | |
| 235003 Business and industry loan guarantees | 95 | | |
| 235901 Total upward reestimate budget authority | 95 | | |
| Guaranteed loan upward reestimate subsidy outlays: | | | |
| 236003 Business and industry loan guarantees | 95 | | |
| 236901 Total upward reestimate subsidy outlays | 95 | | |
| Guaranteed loan downward reestimate subsidy budget authority: | | | |
| 237002 Community facility loan guarantees | -2 | | |
| 237003 Business and industry loan guarantees | -25 | | |
| 237901 Total downward reestimate subsidy budget authority | -27 | | |
| Guaranteed loan downward reestimate subsidy outlays: | | | |
| 238002 Community facility loan guarantees | -2 | | |
| 238003 Business and industry loan guarantees | -25 | | |
| 238901 Total downward reestimate subsidy outlays | -27 | | |

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. Funding in 2003 for all programs is projected to be at or slightly above the 2002 enacted level.

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 allocated to all three 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 \$889 million for these programs in 2003.

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. \$587 million is projected for this program in 2003.

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. \$4 million is projected for this program in 2003.

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 2003 is projected to be \$477 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 in 2002 and no funds are requested in 2003. \$733 million in loan guarantees are projected for 2003.

Rural business enterprise grants are authorized under sections 310B(c) and 310B(f) of the Consolidated Farm and Rural Development Act, as amended. These grants enable public and nonprofit organizations to operate rural economic development projects. In general, these grants provide investments in the human and physical resources of rural communities. Past projects have enabled rural communities to acquire and develop land, create technical assistance programs, encourage small business growth and create new jobs.

Rural Business Opportunity Grants are authorized under section 306(a)(11)(A) of the Consolidated Farm and Rural Development Act, as amended. These grants enable public bodies and private nonprofit organizations to provide for technical assistance, training, and planning activities that improve economic conditions in rural area. \$3 million is projected for this purpose.

RURAL HOUSING SERVICE

Federal Funds

General and special funds:

SALARIES AND EXPENSES

(FARMERS HOME ADMINISTRATION)

Program and Financing (in millions of dollars)

| Identification code 12-2001-0-1-452 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | 52 | | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | 52 | | |

These funds were used to administer the direct loan, loan guarantee, and grant programs of the Farmers Home Administration and the Rural Development Administration.

In 1995, under the reorganization by the Secretary of Agriculture the Agency has been eliminated and activities pre-

viously administered through this account transferred to other Department accounts.

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, **[\$38,914,000]** \$42,498,000, to remain available until expended: *Provided*, That of the total amount appropriated, \$1,200,000 shall be available through June 30, **[2002]** 2003, 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, 2002.*)

Program and Financing (in millions of dollars)

| Identification code 12-1953-0-1-604 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.02 Domestic farm labor natural disaster grants | | 1 | |
| 00.03 Very low-income housing repair grants | 31 | 30 | 31 |
| 00.04 Very low-income housing repair natural disaster grants | 3 | 5 | |
| 00.05 Supervisory and technical assistance grants | 1 | 1 | 1 |
| 00.06 Processing workers | | 5 | |
| 00.07 Rural housing preservation grants | 8 | 8 | 10 |
| 00.08 Compensation and construction defects | | 1 | |
| 10.00 Total new obligations (object class 41.0) | 44 | 51 | 42 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 10 | 12 | |
| 22.00 New budget authority (gross) | 44 | 39 | 42 |
| 22.10 Resources available from recoveries of prior year obligations | 2 | | |
| 23.90 Total budgetary resources available for obligation | 56 | 51 | 42 |
| 23.95 Total new obligations | -44 | -51 | -42 |
| 24.40 Unobligated balance carried forward, end of year | 12 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 44 | 39 | 42 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 53 | 45 | 39 |
| 73.10 Total new obligations | 44 | 51 | 42 |
| 73.20 Total outlays (gross) | -49 | -57 | -55 |
| 73.45 Recoveries of prior year obligations | -2 | | |
| 74.40 Obligated balance, end of year | 45 | 39 | 26 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 27 | 27 | 28 |
| 86.93 Outlays from discretionary balances | 23 | 29 | 27 |
| 87.00 Total outlays (gross) | 49 | 57 | 55 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 44 | 39 | 42 |
| 90.00 Outlays | 50 | 57 | 55 |

The rural housing for domestic farm labor grant program is authorized under section 516 of the Housing Act of 1949, as amended. This program is 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 \$32 million for this program in 2003.

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,

General and special funds—Continued

RURAL HOUSING ASSISTANCE GRANTS—Continued

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. \$1 million is provided for this program in 2003.

The compensation for construction defects program is carried out under the provisions of section 509(c) of the Housing Act of 1949, as amended. The Secretary of Agriculture is authorized to make expenditures to correct structural defects, or to pay claims of owners arising from such defects on newly constructed dwellings purchased with RHS financial assistance. Requests for compensation for construction defects must be made within 18 months after the date financial assistance was granted. Because current demand for these funds does not exceed current resources available, no new funds are provided for this program.

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. \$10 million is provided for this program in 2003.

FARM LABOR PROGRAM ACCOUNT

For the cost of direct loans, grants, and contracts, as authorized by 42 U.S.C. 1484 and 1486, **[\$31,431,000]** \$34,615,000, 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, 2002.*)

Program and Financing (in millions of dollars)

| Identification code 12-1954-0-1-604 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct loan subsidy | 17 | 13 | 18 |
| 00.02 Farm labor housing grants | 9 | 23 | 17 |
| 10.00 Total new obligations (object class 41.0) | 26 | 36 | 35 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | | 5 | |
| 22.00 New budget authority (gross) | 31 | 31 | 35 |
| 23.90 Total budgetary resources available for obligation | 31 | 36 | 35 |
| 23.95 Total new obligations | -26 | -36 | -35 |
| 24.40 Unobligated balance carried forward, end of year | 5 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 29 | 31 | 35 |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | 2 | | |
| 70.00 Total new budget authority (gross) | 31 | 31 | 35 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | | 25 | 45 |
| 73.10 Total new obligations | 26 | 36 | 35 |
| 73.20 Total outlays (gross) | | -16 | -27 |

| | | | |
|---|----|----|----|
| 74.40 Obligated balance, end of year | 25 | 45 | 53 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | | 7 | 7 |
| 86.93 Outlays from discretionary balances | | 10 | 20 |
| 87.00 Total outlays (gross) | | 16 | 27 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources | -2 | | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 29 | 31 | 35 |
| 90.00 Outlays | -1 | 16 | 27 |

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

| Identification code 12-1954-0-1-604 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct loan levels supportable by subsidy budget authority: | | | |
| 115001 Farm Labor Program | 28 | 28 | 36 |
| 115901 Total direct loan levels | 28 | 28 | 36 |
| Direct loan subsidy (in percent): | | | |
| 132001 Farm Labor Program | 52.59 | 47.31 | 49.02 |
| 132901 Weighted average subsidy rate | 52.59 | 47.31 | 49.02 |
| Direct loan subsidy budget authority: | | | |
| 133001 Farm Labor Program | 15 | 13 | 18 |
| 133901 Total subsidy budget authority | 15 | 13 | 18 |
| Direct loan subsidy outlays: | | | |
| 134001 Farm Labor Program | | 9 | 12 |
| 134901 Total subsidy outlays | | 9 | 12 |

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 2003 is \$53 million (\$17 million in grants and \$36 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, **[\$701,004,000]** \$712,000,000; 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, not more than \$5,900,000 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 \$10,000 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 fiscal year **[2002]** 2003 shall be funded for a 5-year period, although the life of any such agreement may be extended to fully utilize amounts obligated. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002.*)

Program and Financing (in millions of dollars)

| Identification code 12-0137-0-1-604 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 10.00 Total new obligations (object class 41.0) | 686 | 707 | 712 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 14 | 6 | |
| 22.00 New budget authority (gross) | 679 | 701 | 712 |
| 23.90 Total budgetary resources available for obligation | 692 | 707 | 712 |
| 23.95 Total new obligations | -686 | -707 | -712 |
| 24.40 Unobligated balance carried forward, end of year | 6 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| Appropriation: | | | |
| 40.00 Appropriation | 680 | 701 | 712 |
| 40.00 Appropriation, current indefinite | 59 | 61 | 60 |
| 40.47 Portion substituted for borrowing authority | -59 | -61 | -60 |
| 40.77 Reduction pursuant to P.L. 106-554 (0.22 percent) | -1 | | |
| 43.00 Appropriation (total discretionary) | 679 | 701 | 712 |
| Change in obligated balances: | | | |
| 72.40 Unpaid obligations, appropriation, start of year | 2,645 | 2,727 | 2,777 |
| 73.10 Total new obligations | 686 | 707 | 712 |
| 73.20 Total outlays (gross) | -603 | -658 | -692 |
| 74.40 Obligated balance, end of year | 2,727 | 2,777 | 2,797 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 20 | 21 | 21 |
| 86.93 Outlays from discretionary balances | 583 | 637 | 669 |
| 87.00 Total outlays (gross) | 603 | 658 | 692 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 679 | 701 | 712 |
| 90.00 Outlays | 603 | 658 | 692 |

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. Assistance is also provided in lieu of debt forgiveness or payments for eligible households to subsidize tenant rents in projects purchased by eligible nonprofit organizations or public agencies as authorized by section 502(c)(5)(D) of the Act.

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

Program and Financing (in millions of dollars)

| Identification code 12-2002-0-1-604 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 2 | 2 | 2 |
| 74.40 Obligated balance, end of year | 2 | 2 | 2 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | | | |

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.

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), **[\$35,000,000]** *\$34,000,000*, to remain available until expended (7 U.S.C. 2209b): *Provided*, That of the total amount appropriated, \$1,000,000 shall be available through June 30, **[2002]** *2003*, 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, 2002.)*

Program and Financing (in millions of dollars)

| Identification code 12-2006-0-1-604 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 10.00 Total new obligations (object class 41.0) | 18 | 56 | 34 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | | 21 | |
| 22.00 New budget authority (gross) | 34 | 35 | 34 |
| 22.10 Resources available from recoveries of prior year obligations | 4 | | |
| 23.90 Total budgetary resources available for obligation | 38 | 56 | 34 |
| 23.95 Total new obligations | -18 | -56 | -34 |
| 24.40 Unobligated balance carried forward, end of year | 21 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| Appropriation | | | |
| 40.00 Appropriation | 34 | 35 | 34 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 46 | 37 | 65 |
| 73.10 Total new obligations | 18 | 56 | 34 |
| 73.20 Total outlays (gross) | -22 | -28 | -33 |
| 73.45 Recoveries of prior year obligations | -4 | | |
| 74.40 Obligated balance, end of year | 37 | 65 | 66 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 2 | 4 | 4 |
| 86.93 Outlays from discretionary balances | 20 | 22 | 30 |
| 87.00 Total outlays (gross) | 22 | 28 | 33 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 34 | 35 | 34 |
| 90.00 Outlays | 23 | 28 | 33 |

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 FIRE PROTECTION GRANTS

Program and Financing (in millions of dollars)

| Identification code 12-2067-0-1-452 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | -1 | | |

This assistance was authorized by section 7 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2106). Grants are made to public bodies to organize, train, and equip local firefighting forces, including those of Indian tribes or other Native American groups, to prevent, control, and suppress

General and special funds—Continued

RURAL COMMUNITY FIRE PROTECTION GRANTS—Continued

fires threatening human lives, crops, livestock, farmsteads or other improvements, pastures, orchards, wildlife, rangeland, woodland, and other resources in rural areas.

Credit accounts:

RURAL COMMUNITY FACILITY DIRECT LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 12-4225-0-3-452 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Operating program: | | | |
| 00.01 Direct loans | 325 | 330 | 250 |
| 00.02 Interest on Treasury borrowing | 61 | 70 | 46 |
| 00.91 Subtotal, Operating program | 386 | 400 | 296 |
| Reestimates: | | | |
| 08.02 Downward reestimate | 14 | | |
| 08.04 Interest on downward reestimate | 4 | | |
| 08.91 Subtotal, Reestimates | 18 | | |
| 10.00 Total new obligations | 404 | 400 | 296 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 22 | 10 | |
| 22.00 New financing authority (gross) | 390 | 390 | 296 |
| 22.10 Resources available from recoveries of prior year obligations | 16 | | |
| 22.70 Balance of authority to borrow withdrawn | -14 | | |
| 23.90 Total budgetary resources available for obligation | 414 | 400 | 296 |
| 23.95 Total new obligations | -404 | -400 | -296 |
| 24.40 Unobligated balance carried forward, end of year | 10 | | |
| New financing authority (gross), detail: | | | |
| Mandatory: | | | |
| 67.10 Authority to borrow | 287 | 252 | 158 |
| Spending authority from offsetting collections: | | | |
| Discretionary: | | | |
| 68.00 Offsetting collections (cash) | 143 | 151 | 151 |
| 68.10 Change in uncollected customer payments from Federal sources (unexpired) | 20 | -13 | -13 |
| 68.47 Portion applied to repay debt | -60 | | |
| 68.90 Spending authority from offsetting collections (total discretionary) | 103 | 138 | 138 |
| 70.00 Total new financing authority (gross) | 390 | 390 | 296 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 337 | 463 | 581 |
| 73.10 Total new obligations | 404 | 400 | 296 |
| 73.20 Total financing disbursements (gross) | -242 | -295 | -295 |
| 73.45 Recoveries of prior year obligations | -16 | | |
| 74.00 Change in uncollected customer payments from Federal sources (unexpired) | -20 | 13 | 13 |
| 74.40 Obligated balance, end of year | 463 | 581 | 595 |
| 87.00 Total financing disbursements (gross) | 242 | 295 | 295 |

Offsets:

| | | | |
|--|------|------|------|
| Against gross financing authority and financing disbursements: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 Federal sources | -51 | -21 | -20 |
| 88.25 Interest on uninvested funds | -10 | -11 | -11 |
| Non-Federal sources: | | | |
| 88.40 Repayment of principal | -82 | -32 | -37 |
| 88.40 Interest received on loans | | -87 | -83 |
| 88.90 Total, offsetting collections (cash) | -143 | -151 | -151 |
| Against gross financing authority only: | | | |
| 88.95 Change in receivables from program accounts | -20 | 13 | 13 |
| Net financing authority and financing disbursements: | | | |
| 89.00 Financing authority | 227 | 252 | 158 |
| 90.00 Financing disbursements | 99 | 144 | 144 |

Status of Direct Loans (in millions of dollars)

| Identification code 12-4225-0-3-452 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on obligations: | | | |
| 1111 Limitation on direct loans | 409 | 249 | 250 |
| 1121 Limitation available from carry-forward | 13 | 154 | |
| 1142 Unobligated direct loan limitation (-) | -13 | | |
| 1143 Unobligated limitation carried forward (P.L. xx) (-) | -84 | | |
| 1150 Total direct loan obligations | 325 | 403 | 250 |
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 864 | 988 | 1,220 |
| 1231 Disbursements: Direct loan disbursements | 163 | 264 | 275 |
| 1251 Repayments: Repayments and prepayments | -39 | -32 | -37 |
| 1290 Outstanding, end of year | 988 | 1,220 | 1,458 |

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 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | 25 | 20 | 26 | 26 |
| Investments in US securities: | | | | |
| 1106 Receivables, net | 33 | 55 | 47 | 47 |
| Net value of assets related to post-1991 direct loans receivable: | | | | |
| 1401 Direct loans receivable, gross | 864 | 988 | 1,220 | 1,458 |
| 1402 Interest receivable | 11 | 13 | 9 | 9 |
| 1405 Allowance for subsidy cost (-) | -93 | -116 | -121 | -143 |
| 1499 Net present value of assets related to direct loans | 782 | 885 | 1,108 | 1,324 |
| 1999 Total assets | 840 | 960 | 1,181 | 1,397 |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2101 Accounts payable | 838 | 902 | 1,180 | 1,341 |
| 2105 Other | 55 | | | 55 |
| 2203 Non-Federal liabilities: Liability for deposit funds | 2 | 3 | 1 | 1 |
| 2999 Total liabilities | 840 | 960 | 1,181 | 1,397 |
| 4999 Total liabilities and net position | 840 | 960 | 1,181 | 1,397 |

RURAL COMMUNITY FACILITY GUARANTEED LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 12-4228-0-3-452 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 08.02 Downward reestimate | 2 | | |
| 08.04 Interest on downward reestimate | 1 | | |
| 10.00 Total new obligations | 3 | | |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 3 | 2 | 4 |
| 22.00 New financing authority (gross) | 2 | 2 | 2 |
| 23.90 Total budgetary resources available for obligation | 5 | 4 | 6 |
| 23.95 Total new obligations | -3 | | |

| | | | | |
|--|---|----|----|----|
| 24.40 | Unobligated balance carried forward, end of year | 2 | 4 | 4 |
| New financing authority (gross), detail: | | | | |
| Discretionary: | | | | |
| 47.00 | Authority to borrow | 1 | | |
| 68.00 | Spending authority from offsetting collections: Offsetting collections (cash) | 1 | 2 | 2 |
| 70.00 | Total new financing authority (gross) | 2 | 2 | 2 |
| Change in obligated balances: | | | | |
| 72.40 | Obligated balance, start of year | 1 | 1 | 2 |
| 73.10 | Total new obligations | 3 | | |
| 73.20 | Total financing disbursements (gross) | -3 | -1 | -1 |
| 74.40 | Obligated balance, end of year | 1 | 2 | 2 |
| 87.00 | Total financing disbursements (gross) | 3 | 1 | 1 |
| Offsets: | | | | |
| Against gross financing authority and financing disbursements: | | | | |
| 88.40 | Offsetting collections (cash) from: Non-Federal sources | -1 | -2 | -2 |
| Net financing authority and financing disbursements: | | | | |
| 89.00 | Financing authority | 1 | | |
| 90.00 | Financing disbursements | 2 | -1 | -1 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 12-4228-0-3-452 | 2001 actual | 2002 est. | 2003 est. | |
|--|--|-----------|-----------|-----|
| Position with respect to appropriations act limitation on commitments: | | | | |
| 2111 | Limitation on guaranteed loans made by private lenders | 210 | 210 | 210 |
| 2142 | Uncommitted loan guarantee limitation | -71 | | |
| 2150 | Total guaranteed loan commitments | 139 | 210 | 210 |
| 2199 | Guaranteed amount of guaranteed loan commitments | 111 | 168 | 168 |
| Cumulative balance of guaranteed loans outstanding: | | | | |
| 2210 | Outstanding, start of year | 225 | 227 | 364 |
| 2231 | Disbursements of new guaranteed loans | 15 | 155 | 179 |
| 2251 | Repayments and prepayments | -13 | -18 | -24 |
| 2290 | Outstanding, end of year | 227 | 364 | 519 |
| Memorandum: | | | | |
| 2299 | Guaranteed amount of guaranteed loans outstanding, end of year | 182 | 318 | 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 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 | 2000 actual | 2001 actual | 2002 est. | 2003 est. | |
|-------------------------------------|--|-------------|-----------|-----------|---|
| ASSETS: | | | | | |
| 1101 | Federal assets: Fund balances with Treasury | 4 | 4 | 4 | 4 |
| 1999 | Total assets | 4 | 4 | 4 | 4 |
| LIABILITIES: | | | | | |
| 2101 | Federal liabilities: Accounts payable | 1 | 1 | 1 | 1 |
| 2204 | Non-Federal liabilities: Liabilities for loan guarantees | 3 | 3 | 3 | 3 |
| 2999 | Total liabilities | 4 | 4 | 4 | 4 |
| 4999 | Total liabilities and net position | 4 | 4 | 4 | 4 |

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: **[\$4,217,816,000]** \$3,707,300,000 for loans to section 502 borrowers, as determined by the Secretary, of which **[\$1,079,848,000]** \$957,300,000 shall be for direct loans, and of which **[\$3,137,968,000]** \$2,750,000,000 shall be for unsubsidized guaranteed loans; **[\$32,324,000]** \$35,000,000 for section 504 housing repair loans; **[\$114,068,000]** \$60,000,000 for repair, rehabilitation, and preservation of section 515 rental housing; **[\$99,770,000]** \$100,000,000 for section 538 guaranteed multi-family housing loans; **[\$5,090,000]** \$5,000,000 for section 524 site loans; **[\$11,778,000]** \$12,000,000 for credit sales of acquired property, of which up to **[\$1,778,000]** \$2,000,000 may be for multi-family credit sales; and **[\$5,000,000]** \$5,000,000 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, **[\$182,274,000]** \$205,229,000, of which **[\$142,108,000]** \$185,429,000 shall be for direct loans, and of which **[\$40,166,000]** \$19,800,000 shall be for unsubsidized guaranteed loans; section 504 housing repair loans, **[\$10,386,000]** \$10,857,000; repair, rehabilitation, and preservation of section 515 rental housing, **[\$48,274,000]** \$27,978,000, to remain available until September 30, 2004; section 538 multi-family housing guaranteed loans, **[\$3,921,000]** \$4,500,000; section 524 site loans, **[\$28,000]** \$55,000; multi-family credit sales of acquired property, **[\$750,000]** \$934,000; and section 523 self-help housing land development loans, **[\$254,000]** \$221,000: *Provided*, That of the total amount appropriated in this paragraph, **[\$11,656,000]** \$7,100,000 shall be available through June 30, **[2002]** 2003, 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 necessary to carry out the direct and guaranteed loan programs, **[\$422,241,000]** \$455,630,000, which shall be transferred to and merged with the appropriation for "Rural Development, Salaries and Expenses".

[Of the amounts made available under this heading in chapter 1 of title II of Public Law 106-246 (114 Stat. 540) for gross obligations for principal amount of direct loans authorized by title V of the Housing Act of 1949 for section 515 rental housing, the Secretary of Agriculture may use up to \$5,986,197 for rental assistance agreements described in the item relating to "Rental Assistance Program" in such chapter: *Provided*, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Control Act of 1985, as amended.]

[In making available for occupancy dwelling units in housing that is provided with funds made available under the heading referred to in the preceding paragraph, the Secretary of Agriculture may give preference to prospective tenants who are residing in temporary housing provided by the Federal Emergency Management Agency as a result of an emergency.] (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002.*)

Program and Financing (in millions of dollars)

| Identification code 12-2081-0-1-371 | 2001 actual | 2002 est. | 2003 est. | |
|--|---|-----------|-----------|-----|
| Obligations by program activity: | | | | |
| Loan program: | | | | |
| 00.01 | Direct loan subsidy | 245 | 221 | 225 |
| 00.02 | Guaranteed loan subsidy | 6 | 44 | 24 |
| 00.05 | Reestimates of direct loan subsidy | 218 | | |
| 00.06 | Interest on reestimates of direct loan subsidy | 51 | | |
| 00.07 | Reestimates of guaranteed loan subsidy | 157 | | |
| 00.08 | Interest on reestimates of guaranteed loan subsidy | 27 | | |
| 00.09 | Administrative expenses | 408 | 422 | 456 |
| 00.11 | Modular housing demonstration grants | 1 | 4 | |
| 10.00 | Total new obligations | 1,113 | 691 | 705 |
| Budgetary resources available for obligation: | | | | |
| 21.40 | Unobligated balance carried forward, start of year | 25 | 23 | |
| 22.00 | New budget authority (gross) | 1,115 | 668 | 705 |
| 22.10 | Resources available from recoveries of prior year obligations | 1 | | |

Credit accounts—Continued

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT—Continued
(INCLUDING TRANSFERS OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

| Identification code 12-2081-0-1-371 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| 23.90 Total budgetary resources available for obligation | 1,141 | 691 | 705 |
| 23.95 Total new obligations | -1,113 | -691 | -705 |
| 23.98 Unobligated balance expiring or withdrawn | -5 | | |
| 24.40 Unobligated balance carried forward, end of year | 23 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 664 | 668 | 705 |
| 40.77 Reduction pursuant to P.L. 106-554 (0.22 percent) | -2 | | |
| 43.00 Appropriation (total discretionary) | 662 | 668 | 705 |
| Mandatory: | | | |
| 60.00 Appropriation | 453 | | |
| 70.00 Total new budget authority (gross) | 1,115 | 668 | 705 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 172 | 198 | 207 |
| 73.10 Total new obligations | 1,113 | 691 | 705 |
| 73.20 Total outlays (gross) | -1,079 | -683 | -727 |
| 73.40 Adjustments in expired accounts (net) | -8 | | |
| 73.45 Recoveries of prior year obligations | -1 | | |
| 74.40 Obligated balance, end of year | 198 | 207 | 186 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 552 | 568 | 617 |
| 86.93 Outlays from discretionary balances | 72 | 114 | 110 |
| 86.97 Outlays from new mandatory authority | 453 | | |
| 87.00 Total outlays (gross) | 1,079 | 683 | 727 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 1,115 | 668 | 705 |
| 90.00 Outlays | 1,079 | 683 | 727 |

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

| Identification code 12-2081-0-1-371 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct loan levels supportable by subsidy budget authority: | | | |
| 115001 Direct 502 single family housing | 1,065 | 1,080 | 957 |
| 115002 Direct 502 supplemental | | | |
| 115003 Direct 502 modular housing | 2 | | |
| 115004 Direct 515 multi-family housing | 114 | 114 | 60 |
| 115005 Direct 515 natural disaster | | | |
| 115006 Direct 504 housing repair | 32 | 32 | 35 |
| 115007 Direct 504 supplemental | | | |
| 115008 Direct 514 farm labor housing | | | |
| 115009 Direct 514 supplemental | | | |
| 115010 Direct 524 site development | 5 | 5 | 5 |
| 115011 Single family credit sales | 10 | 10 | 10 |
| 115012 Multi-family credit sales | 2 | 2 | 2 |
| 115013 Direct 523 self-help housing | 5 | 5 | 5 |
| 115901 Total direct loan levels | 1,235 | 1,248 | 1,074 |
| Direct loan subsidy (in percent): | | | |
| 132001 Direct 502 single family housing | 16.06 | 13.16 | 19.37 |
| 132002 Direct 502 supplemental | 16.06 | 13.16 | 19.37 |
| 132003 Direct 502 modular housing | 20.07 | 17.68 | 19.37 |
| 132004 Direct 515 multi-family housing | 49.27 | 42.32 | 46.63 |
| 132005 Direct 515 natural disaster | 49.27 | 42.32 | 46.63 |
| 132006 Direct 504 housing repair | 35.44 | 32.13 | 31.02 |
| 132007 Direct 504 supplemental | 35.44 | 32.13 | 31.02 |
| 132008 Direct 514 farm labor housing | 0.00 | 0.00 | 0.00 |
| 132009 Direct 514 supplemental | 52.59 | 47.31 | 49.02 |
| 132010 Direct 524 site development | -0.12 | 0.55 | 1.09 |
| 132011 Single family credit sales | -3.23 | -4.82 | -9.58 |
| 132012 Multi-family credit sales | 49.03 | 42.17 | 46.68 |
| 132013 Direct 523 self-help housing | 5.57 | 5.08 | 4.41 |
| 132901 Weighted average subsidy rate | 19.35 | 16.11 | 20.86 |
| Direct loan subsidy budget authority: | | | |
| 133001 Direct 502 single family housing | 171 | 142 | 185 |
| 133002 Direct 502 supplemental | | | |

| | | | |
|---|-------|-------|-------|
| 133003 Direct 502 modular housing | | | |
| 133004 Direct 515 multi-family housing | 56 | 48 | 28 |
| 133005 Direct 515 natural disaster | | | |
| 133006 Direct 504 housing repair | 11 | 10 | 11 |
| 133007 Direct 504 supplemental | | | |
| 133008 Direct 514 farm labor housing | | | |
| 133009 Direct 514 supplemental | | | |
| 133010 Direct 524 site development | | | |
| 133011 Single family credit sales | | | -1 |
| 133012 Multi-family credit sales | 1 | 1 | 1 |
| 133013 Direct 523 self-help housing | | | |
| 133901 Total subsidy budget authority | 239 | 201 | 224 |
| Direct loan subsidy outlays: | | | |
| 134001 Direct 502 single family housing | 145 | 145 | 170 |
| 134002 Direct 502 supplemental | 3 | | |
| 134003 Direct 502 modular housing | | 2 | |
| 134004 Direct 515 multi-family housing | 51 | 55 | 53 |
| 134005 Direct 515 natural disaster | | 2 | 6 |
| 134006 Direct 504 housing repair | 10 | 10 | 10 |
| 134007 Direct 504 supplemental | | 3 | 1 |
| 134008 Direct 514 farm labor housing | 4 | 6 | 4 |
| 134009 Direct 514 supplemental | -1 | 2 | |
| 134010 Direct 524 site development | | | |
| 134011 Single family credit sales | | | |
| 134012 Multi-family credit sales | 1 | 1 | 1 |
| 134013 Direct 523 self-help housing | | | |
| 134901 Total subsidy outlays | 213 | 226 | 245 |
| Direct loan upward reestimate subsidy budget authority: | | | |
| 135001 Direct 502 single family housing | 189 | | |
| 135004 Direct 515 multi-family housing | 71 | | |
| 135006 Direct 504 housing repair | 2 | | |
| 135008 Direct 514 farm labor housing | 1 | | |
| 135011 Single family credit sales | 5 | | |
| 135012 Multi-family credit sales | 1 | | |
| 135901 Total upward reestimate budget authority | 269 | | |
| Direct loan upward reestimate subsidy outlays: | | | |
| 136001 Direct 502 single family housing | 189 | | |
| 136004 Direct 515 multi-family housing | 71 | | |
| 136006 Direct 504 housing repair | 2 | | |
| 136006 Upward reestimates subsidy outlays | | | |
| 136008 Direct 514 farm labor housing | 1 | | |
| 136011 Single family credit sales | 5 | | |
| 136012 Multi-family credit sales | 1 | | |
| 136901 Total upward reestimate outlays | 269 | | |
| Direct loan downward reestimate subsidy budget authority: | | | |
| 137001 Direct 502 single family housing | -310 | | |
| 137004 Direct 515 multi-family housing | -2 | | |
| 137006 Direct 504 housing repair | -11 | | |
| 137008 Direct 514 farm labor housing | -1 | | |
| 137011 Single family credit sales | -4 | | |
| 137012 Multi-family credit sales | -1 | | |
| 137901 Total downward reestimate budget authority | -329 | | |
| Direct loan downward reestimate subsidy outlays: | | | |
| 138001 Direct 502 single family housing | -310 | | |
| 138004 Direct 515 multi-family housing | -2 | | |
| 138006 Direct 504 housing repair | -11 | | |
| 138008 Direct 514 farm labor housing | -1 | | |
| 138011 Single family credit sales | -4 | | |
| 138012 Multi-family credit sales | -1 | | |
| 138901 Total downward reestimate subsidy outlays | -329 | | |
| Guaranteed loan levels supportable by subsidy budget authority: | | | |
| 215001 Guaranteed 502 single family housing—unsubsidized | 3,136 | 3,138 | 2,750 |
| 215002 Guarantee 538 multi-family housing | 100 | 100 | 100 |
| 215901 Total loan guarantee levels | 3,236 | 3,238 | 2,850 |
| Guaranteed loan subsidy (in percent): | | | |
| 232001 Guaranteed 502 single family housing—unsubsidized | 0.20 | 1.28 | 0.72 |
| 232002 Guarantee 538 multi-family housing | 1.52 | 3.93 | 4.50 |
| 232901 Weighted average subsidy rate | 0.28 | 1.36 | 0.84 |
| Guaranteed loan subsidy budget authority: | | | |
| 233001 Guaranteed 502 single family housing—unsubsidized | 7 | 40 | 20 |
| 233002 Guarantee 538 multi-family housing | 2 | 4 | 4 |
| 233901 Total subsidy budget authority | 9 | 44 | 24 |
| Guaranteed loan subsidy outlays: | | | |
| 234001 Guaranteed 502 single family housing—unsubsidized | 5 | 29 | 24 |
| 234002 Guarantee 538 multi-family housing | -2 | 2 | |
| 234901 Total subsidy outlays | 3 | 31 | 24 |

| | | | |
|---|--|-----|---------|
| Guaranteed loan upward reestimate subsidy budget authority: | | | |
| 235001 | Guaranteed 502 single family housing—unsubsidized | 184 | |
| 235002 | Guarantee 538 multi-family housing | | |
| 235901 | Total upward reestimate budget authority | 184 | |
| Guaranteed loan upward reestimate subsidy outlays: | | | |
| 236001 | Guaranteed 502 single family housing—unsubsidized | 184 | |
| 236002 | Guarantee 538 multi-family housing | | |
| 236901 | Total upward reestimate subsidy outlays | 184 | |
| Guaranteed loan downward reestimate subsidy budget authority: | | | |
| 237001 | Guaranteed 502 single family housing—unsubsidized | -6 | |
| 237002 | Guarantee 538 multi-family housing | | |
| 237901 | Total downward reestimate subsidy budget authority | -6 | |
| Guaranteed loan downward reestimate subsidy outlays: | | | |
| 238001 | Guaranteed 502 single family housing—unsubsidized | -6 | |
| 238002 | Guarantee 538 multi-family housing | | |
| 238901 | Total downward reestimate subsidy outlays | -6 | |
| Administrative expense data: | | | |
| 351001 | Budget authority | 408 | 422 456 |
| 358001 | Outlays from balances | | |
| 359001 | Outlays from new authority | 408 | 422 456 |

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.

For 2003, funds for section 515 rural rental housing loans will be limited to repair and rehabilitation only and \$60 million is included for this purpose. This is a change from the 2002 budget; it emphasizes the need for repair and rehabilitation of existing rural rental housing. During the hiatus of providing new construction, RHS will study its multifamily housing portfolio and determine ways to operate and manage the portfolio more efficiently so that new construction may be provided in future years at less cost to the taxpayers.

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.

| Object Classification (in millions of dollars) | | | |
|--|--|-----------|-----------|
| Identification code 12-2081-0-1-371 | 2001 actual | 2002 est. | 2003 est. |
| 25.3 | Other purchases of goods and services from Government accounts | 408 | 269 249 |
| 41.0 | Grants, subsidies, and contributions | 705 | 422 456 |
| 99.9 | Total new obligations | 1,113 | 691 705 |

RURAL HOUSING INSURANCE FUND DIRECT LOAN FINANCING ACCOUNT

| Program and Financing (in millions of dollars) | | | |
|--|--|-----------|---------------|
| Identification code 12-4215-0-3-371 | 2001 actual | 2002 est. | 2003 est. |
| Obligations by program activity: | | | |
| Operating program: | | | |
| 00.01 | Direct loans including upward adjustments of prior year obligations | 1,276 | 1,327 1,110 |
| 00.02 | Advances on behalf of borrowers | 37 | 90 91 |
| 00.03 | Collateral acquired by default | 4 | 10 10 |
| 00.04 | Interest on Treasury borrowing | 629 | 671 712 |
| 00.06 | Other expenses | 9 | 10 11 |
| 00.91 | Subtotal, Operating program | 1,955 | 2,108 1,934 |
| Reestimates: | | | |
| 08.02 | Downward subsidy reestimate paid to receipt account | 199 | |
| 08.04 | Interest on downward reestimate paid to receipt account | 129 | |
| 08.91 | Subtotal, Reestimates | 328 | |
| 10.00 | Total new obligations | 2,283 | 2,108 1,934 |
| Budgetary resources available for obligation: | | | |
| 21.40 | Unobligated balance carried forward, start of year | 94 | 109 |
| 22.00 | New financing authority (gross) | 2,286 | 2,106 1,934 |
| 22.10 | Resources available from recoveries of prior year obligations | 99 | |
| 22.60 | Portion applied to repay debt | | -109 |
| 22.70 | Balance of authority to borrow withdrawn | -87 | |
| 23.90 | Total budgetary resources available for obligation | 2,392 | 2,106 1,934 |
| 23.95 | Total new obligations | -2,283 | -2,108 -1,934 |
| 24.40 | Unobligated balance carried forward, end of year | 109 | |
| New financing authority (gross), detail: | | | |
| Discretionary: | | | |
| 47.00 | Authority to borrow | 1,049 | 1,050 849 |
| Spending authority from offsetting collections: | | | |
| 68.00 | Offsetting collections (cash) | 1,572 | 1,437 1,590 |
| 68.10 | Change in uncollected customer payments from Federal sources (unexpired) | 41 | -1 -16 |
| 68.47 | Portion applied to repay debt | -376 | -380 -489 |
| 68.90 | Spending authority from offsetting collections (total discretionary) | 1,237 | 1,056 1,085 |
| 70.00 | Total new financing authority (gross) | 2,286 | 2,106 1,934 |
| Change in obligated balances: | | | |
| 72.40 | Unpaid obligations, fund balance with Treasury, start of year | 534 | 489 525 |
| 73.10 | Total new obligations | 2,283 | 2,108 1,934 |
| 73.20 | Total financing disbursements (gross) | -2,188 | -2,071 -1,984 |
| 73.45 | Recoveries of prior year obligations | -99 | |
| 74.00 | Change in uncollected customer payments from Federal sources (unexpired) | -41 | 1 16 |
| 74.40 | Obligated balance, end of year | 489 | 525 491 |
| 87.00 | Total financing disbursements (gross) | 2,188 | 2,071 1,984 |
| Offsets: | | | |
| Against gross financing authority and financing disbursements: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 | Federal sources: payments from program account | -482 | -233 -259 |
| 88.25 | Interest on uninvested funds | -77 | -84 -86 |
| Non-Federal sources: | | | |
| 88.40 | Non-Federal sources: Repayments of principal | -493 | -550 -615 |
| 88.40 | Interest received on loans | -456 | -500 -550 |
| 88.40 | Payments on judgments | -8 | -9 -10 |

Credit accounts—Continued

RURAL HOUSING INSURANCE FUND DIRECT LOAN FINANCING ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

| Identification code 12-4215-0-3-371 | | 2001 actual | 2002 est. | 2003 est. |
|---|---|-------------|-----------|-----------|
| 88.40 | Proceeds on sale of acquired property | -15 | -29 | -30 |
| 88.40 | Recaptured income | -15 | -21 | -29 |
| 88.40 | Fees | -7 | -3 | -3 |
| 88.40 | Miscellaneous collections | -19 | -8 | -8 |
| 88.90 | Total, offsetting collections (cash) | -1,572 | -1,437 | -1,590 |
| | Against gross financing authority only: | | | |
| 88.95 | Change in receivables from program accounts | -41 | 1 | 16 |
| Net financing authority and financing disbursements: | | | | |
| 89.00 | Financing authority | 673 | 670 | 360 |
| 90.00 | Financing disbursements | 616 | 634 | 394 |

Status of Direct Loans (in millions of dollars)

| Identification code 12-4215-0-3-371 | | 2001 actual | 2002 est. | 2003 est. |
|--|--|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on obligations: | | | | |
| 1111 | Limitation on direct loans | 1,263 | 1,277 | 1,110 |
| 1121 | Limitation available from carry-forward | 59 | 51 | ..... |
| 1131 | Direct loan obligations exempt from limitation | 5 | ..... | ..... |
| 1142 | Unobligated direct loan limitation (-) | -12 | ..... | ..... |
| 1143 | Unobligated limitation carried forward (P.L. xx) (-) | -39 | ..... | ..... |
| 1150 | Total direct loan obligations | 1,276 | 1,328 | 1,110 |
| Cumulative balance of direct loans outstanding: | | | | |
| 1210 | Outstanding, start of year | 11,053 | 11,697 | 12,421 |
| 1231 | Disbursements: Direct loan disbursements | 1,212 | 1,290 | 1,160 |
| 1251 | Repayments: Repayments and prepayments | -501 | -550 | -615 |
| 1261 | Adjustments: Capitalized interest | 14 | 28 | 31 |
| Write-offs for default: | | | | |
| 1263 | Direct loans | -71 | -32 | -34 |
| 1264 | Other adjustments, net | -10 | -12 | -15 |
| 1290 | Outstanding, end of year | 11,697 | 12,421 | 12,948 |

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 | | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|---|--------------------------------------|-------------|-------------|-----------|-----------|
| ASSETS: | | | | | |
| Federal assets: | | | | | |
| 1101 | Fund balances with Treasury | 202 | 245 | 174 | 172 |
| Investments in US securities: | | | | | |
| 1106 | Receivables, net | 170 | 211 | 210 | 195 |
| Net value of assets related to post-1991 direct loans receivable: | | | | | |
| 1401 | Direct loans receivable, gross | 11,053 | 11,697 | 12,421 | 12,948 |

| | | | | | |
|----------------------|--|--------|--------|--------|--------|
| 1402 | Interest receivable | 46 | 65 | 69 | 73 |
| 1404 | Foreclosed property | 15 | 18 | 24 | 26 |
| 1405 | Allowance for subsidy cost (-) | -2,665 | -2,693 | -2,794 | -2,963 |
| 1499 | Net present value of assets related to direct loans | 8,449 | 9,087 | 9,720 | 10,084 |
| 1999 | Total assets | 8,821 | 9,543 | 10,104 | 10,451 |
| LIABILITIES: | | | | | |
| Federal liabilities: | | | | | |
| 2103 | Debt | 8,607 | 9,267 | 9,828 | 10,188 |
| 2104 | Liability for subsidy related to undistributed loans | 170 | 211 | 208 | 191 |
| 2105 | Other | 5 | 5 | 5 | 5 |
| 2207 | Non-Federal liabilities: Other | 39 | 60 | 63 | 67 |
| 2999 | Total liabilities | 8,821 | 9,543 | 10,104 | 10,451 |
| 4999 | Total liabilities and net position | 8,821 | 9,543 | 10,104 | 10,451 |

RURAL HOUSING INSURANCE FUND GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 12-4216-0-3-371 | | 2001 actual | 2002 est. | 2003 est. |
|--|--|-------------|-----------|-----------|
| Obligations by program activity: | | | | |
| 00.01 | Default claims | 64 | 85 | 99 |
| 00.02 | Interest assistance paid to lenders ..... | ..... | 2 | 3 |
| 00.91 | Subtotal, Operating program | 64 | 87 | 102 |
| Reestimates: | | | | |
| 08.02 | Downward subsidy reestimates paid to receipt account | 5 | ..... | ..... |
| 08.04 | Interest on downward reestimates paid to receipt account | 1 | ..... | ..... |
| 08.91 | Subtotal, Reestimates | 6 | ..... | ..... |
| 10.00 | Total new obligations | 70 | 87 | 102 |
| Budgetary resources available for obligation: | | | | |
| 21.40 | Unobligated balance carried forward, start of year | 195 | 369 | 401 |
| 22.00 | New financing authority (gross) | 244 | 119 | 98 |
| 23.90 | Total budgetary resources available for obligation | 439 | 488 | 499 |
| 23.95 | Total new obligations | -70 | -87 | -102 |
| 24.40 | Unobligated balance carried forward, end of year | 369 | 401 | 397 |

New financing authority (gross), detail:

| | | | | |
|---|--|-----|-----|-------|
| Spending authority from offsetting collections: | | | | |
| Discretionary: | | | | |
| 68.00 | Offsetting collections (cash) | 241 | 106 | 98 |
| 68.10 | Change in uncollected customer payments from Federal sources (unexpired) | 3 | 13 | ..... |
| 68.90 | Spending authority from offsetting collections (total discretionary) | 244 | 119 | 98 |

Change in obligated balances:

| | | | | |
|-------|--|-------|-----|-------|
| 72.40 | Obligated balance, start of year ..... | ..... | -3 | -16 |
| 73.10 | Total new obligations | 70 | 87 | 102 |
| 73.20 | Total financing disbursements (gross) | -70 | -87 | -102 |
| 74.00 | Change in uncollected customer payments from Federal sources (unexpired) | -3 | -13 | ..... |
| 74.40 | Obligated balance, end of year | -3 | -16 | -16 |
| 87.00 | Total financing disbursements (gross) | 70 | 87 | 102 |

Offsets:

| | | | | |
|--|---|------|------|-------|
| Against gross financing authority and financing disbursements: | | | | |
| Offsetting collections (cash) from: | | | | |
| 88.00 | Federal sources | -187 | -31 | -24 |
| 88.25 | Interest on uninvested funds | -18 | -23 | -24 |
| 88.40 | Non-Federal sources: guarantee fees | -36 | -52 | -50 |
| 88.90 | Total, offsetting collections (cash) | -241 | -106 | -98 |
| Against gross financing authority only: | | | | |
| 88.95 | Change in receivables from program accounts | -3 | -13 | ..... |

Net financing authority and financing disbursements:

| | | | | |
|-------|-------------------------------|-------|-------|-------|
| 89.00 | Financing authority ..... | ..... | ..... | ..... |
| 90.00 | Financing disbursements | -171 | -19 | 4 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 12-4216-0-3-371 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on commitments: | | | |
| 2111 Limitation on guaranteed loans made by private lenders | 3,236 | 3,238 | 2,850 |
| 2121 Limitation available from carry-forward | 31 | 12 | |
| 2142 Uncommitted loan guarantee limitation | -894 | | |
| 2143 Uncommitted limitation carried forward | -31 | | |
| 2150 Total guaranteed loan commitments | 2,342 | 3,250 | 2,850 |
| 2199 Guaranteed amount of guaranteed loan commitments | 2,108 | 2,925 | 2,565 |
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 11,299 | 12,673 | 14,588 |
| 2231 Disbursements of new guaranteed loans | 2,171 | 2,817 | 2,751 |
| 2251 Repayments and prepayments | -698 | -817 | -954 |
| Adjustments: | | | |
| 2263 Terminations for default that result in claim payments | -64 | -85 | -99 |
| 2264 Other adjustments, net | -35 | | |
| 2290 Outstanding, end of year | 12,673 | 14,588 | 16,286 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 11,405 | 13,805 | 15,606 |

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 unsubsidized 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 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | 195 | 366 | 386 | 382 |
| Investments in US securities: | | | | |
| 1106 Receivables, net | 184 | 3 | 16 | 16 |
| 1999 Total assets | 379 | 369 | 402 | 398 |
| LIABILITIES: | | | | |
| Non-Federal liabilities: | | | | |
| 2204 Liabilities for loan guarantees | 379 | 366 | 386 | 382 |
| 2207 Other | | 3 | 16 | 16 |
| 2999 Total liabilities | 379 | 369 | 402 | 398 |
| 4999 Total liabilities and net position | 379 | 369 | 402 | 398 |

RURAL HOUSING INSURANCE FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 12-4141-0-3-371 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Capital investment: | | | |
| 00.02 Advances on behalf of borrowers | 79 | 77 | 87 |
| 00.05 Collateral acquired by default | | 1 | 1 |
| 00.06 Judgments | | 1 | 1 |
| 00.91 Total capital investment | 79 | 79 | 89 |
| Operating expenses: | | | |
| 01.03 Interest on FFB borrowings | 514 | 280 | 256 |
| 01.04 Premiums paid FFB at redemption of certificates of beneficial ownership | 142 | 122 | 65 |
| 01.06 Interest credits on loans sold to investors | 1 | 1 | 1 |

| | | | |
|---|-----|-----|-----|
| 01.07 Other costs incident to loans | 4 | 4 | 3 |
| 01.91 Total operating expenses | 661 | 407 | 325 |
| 10.00 Total new obligations | 740 | 486 | 414 |

Budgetary resources available for obligation:

| | | | |
|---|------|------|------|
| 21.40 Unobligated balance carried forward, start of year | | 92 | |
| 22.00 New budget authority (gross) | 832 | 486 | 414 |
| 22.10 Resources available from recoveries of prior year obligations | 46 | | |
| 22.40 Capital transfer to general fund | | -92 | |
| 22.60 Portion applied to repay debt | -46 | | |
| 23.90 Total budgetary resources available for obligation | 832 | 486 | 414 |
| 23.95 Total new obligations | -740 | -486 | -414 |
| 24.40 Unobligated balance carried forward, end of year | 92 | | |

New budget authority (gross), detail:

| | | | |
|--|--------|--------|--------|
| Mandatory: | | | |
| 69.00 Offsetting collections (cash) | 1,951 | 1,733 | 1,627 |
| 69.27 Capital transfer to general fund | | -177 | -138 |
| 69.47 Portion applied to repay debt | -1,119 | -1,070 | -1,075 |
| 69.90 Spending authority from offsetting collections (total mandatory) | 832 | 486 | 414 |

Change in obligated balances:

| | | | |
|--|------|------|------|
| 72.40 Unpaid fund balance with treasury, end of year | 387 | 341 | 246 |
| 73.10 Total new obligations | 740 | 486 | 414 |
| 73.20 Total outlays (gross) | -740 | -581 | -440 |
| 73.45 Recoveries of prior year obligations | -46 | | |
| 74.40 Obligated balance, end of year | 341 | 246 | 220 |

Outlays (gross), detail:

| | | | |
|--|-----|-----|-----|
| 86.97 Outlays from new mandatory authority | 624 | 365 | 311 |
| 86.98 Outlays from mandatory balances | 116 | 216 | 129 |
| 87.00 Total outlays (gross) | 740 | 581 | 440 |

Offsets:

| | | | |
|--|--------|--------|--------|
| Against gross budget authority and outlays: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 Federal sources | -15 | | |
| Non-Federal sources: | | | |
| 88.40 Repayments of loans and advances | -998 | -877 | -826 |
| 88.40 Proceeds from sale of acquired property | -33 | -34 | -31 |
| 88.40 Payments on judgments | -11 | -12 | -13 |
| 88.40 Interest payments from borrowers | -735 | -671 | -612 |
| 88.40 Undistributed receipts, deposit fund | -20 | | |
| 88.40 Recapture of subsidies | -96 | -124 | -138 |
| 88.40 Income from residual investment in loan asset sale | -41 | -14 | -7 |
| 88.40 Fees and other revenue | -2 | -1 | |
| 88.90 Total, offsetting collections (cash) | -1,951 | -1,733 | -1,627 |

Net budget authority and outlays:

| | | | |
|------------------------------|--------|--------|--------|
| 89.00 Budget authority | -1,119 | -1,247 | -1,213 |
| 90.00 Outlays | -1,211 | -1,152 | -1,187 |

Status of Direct Loans (in millions of dollars)

| Identification code 12-4141-0-3-371 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 17,366 | 16,183 | 15,194 |
| 1251 Repayments: Repayments and prepayments | -988 | -877 | -826 |
| 1261 Adjustments: Capitalized interest | 33 | 22 | 22 |
| Write-offs for default: | | | |
| 1263 Direct loans | -143 | -107 | -100 |
| 1264 Other adjustments, net | -85 | -27 | -8 |
| 1290 Outstanding, end of year | 16,183 | 15,194 | 14,282 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 12-4141-0-3-371 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 20 | 18 | 16 |
| 2251 Repayments and prepayments | -2 | -2 | -1 |
| 2290 Outstanding, end of year | 18 | 16 | 15 |

Credit accounts—Continued

RURAL HOUSING INSURANCE FUND LIQUIDATING ACCOUNT—
Continued

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

| Identification code 12-4141-0-3-371 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 17 | 16 | 14 |

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.

Statement of Operations (in millions of dollars)

| Identification code 12-4141-0-3-371 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|-------------------------------------|-------------|-------------|-----------|-----------|
| 0101 Revenue | 890 | 876 | 696 | 674 |
| 0102 Expense | -659 | -813 | -541 | -456 |
| 0105 Net income or loss (-) | 231 | 63 | 155 | 218 |

Balance Sheet (in millions of dollars)

| Identification code 12-4141-0-3-371 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 Federal assets: Fund balances with Treasury | 387 | 433 | 246 | 220 |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | |
| 1601 Direct loans, gross | 17,366 | 16,183 | 15,194 | 14,282 |
| 1602 Interest receivable | 401 | 546 | 562 | 552 |
| 1603 Allowance for estimated uncollectible loans and interest (-) | -5,460 | -3,045 | -2,868 | -2,700 |
| 1604 Direct loans and interest receivable, net | 12,307 | 13,683 | 12,888 | 12,134 |
| 1606 Foreclosed property | 48 | 49 | 45 | 42 |
| 1699 Value of assets related to direct loans | 12,355 | 13,732 | 12,933 | 12,176 |
| 1901 Other Federal assets: Other assets | 3 | 3 | 3 | 3 |
| 1999 Total assets | 12,745 | 14,168 | 13,182 | 12,399 |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2102 Interest payable | 297 | 264 | 170 | 144 |
| 2103 Debt | 5,542 | 4,375 | 3,305 | 2,230 |
| 2104 Resources payable to Treasury | 6,816 | 9,415 | 9,595 | 9,913 |
| Non-Federal liabilities: | | | | |
| 2203 Debt | 2 | 2 | 1 | 1 |
| 2204 Liabilities for loan guarantees | 2 | 4 | 3 | 3 |
| 2207 Other | 86 | 108 | 108 | 108 |
| 2999 Total liabilities | 12,745 | 14,168 | 13,182 | 12,399 |
| 4999 Total liabilities and net position | 12,745 | 14,168 | 13,182 | 12,399 |

Object Classification (in millions of dollars)

| Identification code 12-4141-0-3-371 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 25.2 Other services | 4 | 4 | 3 |
| 33.0 Investments and loans | 79 | 79 | 89 |
| 41.0 Grants, subsidies, and contributions | 1 | 1 | 1 |
| 43.0 Interest and dividends | 656 | 402 | 321 |
| 99.9 Total new obligations | 740 | 486 | 414 |

RURAL BUSINESS-COOPERATIVE SERVICE

Federal Funds

General and special funds:

[RURAL EMPOWERMENT ZONES AND ENTERPRISE COMMUNITY GRANTS]

[For grants in connection with a second round of empowerment zones and enterprise communities, \$14,967,000, 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).] (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002.*)

Program and Financing (in millions of dollars)

| Identification code 12-0402-0-1-452 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 10.00 Total new obligations (object class 41.0) | 14 | 15 | 14 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 13 | 14 | 14 |
| 22.00 New budget authority (gross) | 15 | 15 | ..... |
| 23.90 Total budgetary resources available for obligation | 28 | 29 | 14 |
| 23.95 Total new obligations | -14 | -15 | -14 |
| 24.40 Unobligated balance carried forward, end of year | 14 | 14 | ..... |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 15 | 15 | ..... |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 11 | 13 | 13 |
| 73.10 Total new obligations | 14 | 15 | 14 |
| 73.20 Total outlays (gross) | -12 | -15 | -16 |
| 74.40 Obligated balance, end of year | 13 | 13 | 12 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 5 | 5 | ..... |
| 86.93 Outlays from discretionary balances | 7 | 10 | 17 |
| 87.00 Total outlays (gross) | 12 | 15 | 16 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 15 | 15 | ..... |
| 90.00 Outlays | 12 | 15 | 16 |

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/EC's designated as part of the second round of this initiative. No additional funds are requested in 2003 because sufficient carryover balances from previous appropriations are available to fund current needs.

The flexible grant funding is available for a wide variety of community and economic development purposes that link human capital needs with economic development initiatives. The purposes may include revolving loan funds for business capitalization or community development, job training and job counseling, infrastructure investment, home ownership and home ownership counseling, health care and related facilities, child care and administrative costs linked to redevelopment efforts.

Similar to the first round, the second round was a multi-year effort based on a comprehensive development plan involving community residents, the private sector, the non-profit community and local, State and Federal governments. Experience from the initial round of urban and rural designations demonstrated significant successes that are stimulating billions of dollars in private sector investment, reviving communities that had given up hope for economic opportunity and

creating thousands of jobs, moving people from dependency to active participation in the economy.

SALARIES AND EXPENSES
(RURAL DEVELOPMENT ADMINISTRATION)

Program and Financing (in millions of dollars)

| Identification code 12-3400-0-1-452 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | 6 | | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | 6 | | |

Beginning in 1995, programs and services formerly provided by the Rural Development Administration are included in other Department accounts.

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), **[\$7,750,000] \$9,000,000**, of which **[\$2,500,000] \$2,000,000** shall be **[available]** for cooperative agreements for the appropriate technology transfer for rural areas program¹: *Provided*, That not to exceed \$1,497,000 of the total amount appropriated; of which not to exceed \$1,500,000 shall be **[made available to]** 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]**; of which not to exceed \$500,000 shall be for cooperative research agreements; and of which not to exceed \$2,000,000 shall be for cooperative research agreements for cooperative energy alternatives. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002.)

Program and Financing (in millions of dollars)

| Identification code 12-1900-0-1-452 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Rural cooperative development grants | 6 | 5 | 7 |
| 00.02 Appropriate technology transfer for rural areas | 2 | 3 | 2 |
| 00.03 Value-added agricultural product marketing | 25 | | |
| 10.00 Total new obligations (object class 41.0) | 33 | 8 | 9 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 33 | 8 | 9 |
| 23.95 Total new obligations | -33 | -8 | -9 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 16 | 8 | 9 |
| Mandatory: | | | |
| 60.00 Appropriation | 15 | | |
| Discretionary: | | | |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | 2 | | |
| 70.00 Total new budget authority (gross) | 33 | 8 | 9 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 6 | 34 | 15 |
| 73.10 Total new obligations | 33 | 8 | 9 |
| 73.20 Total outlays (gross) | -5 | -26 | -14 |
| 74.40 Obligated balance, end of year | 34 | 15 | 10 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 2 | 2 | 2 |
| 86.93 Outlays from discretionary balances | 4 | 14 | 10 |
| 86.98 Outlays from mandatory balances | | 11 | 4 |
| 87.00 Total outlays (gross) | 5 | 26 | 14 |

Offsets:

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

Net budget authority and outlays:

| | | | |
|------------------------------|----|----|----|
| 89.00 Budget authority | 31 | 8 | 9 |
| 90.00 Outlays | 3 | 26 | 14 |

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 production costs.

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. Funds are requested for cooperative research agreements for cooperative energy alternatives. These cooperative research agreements will be made available to universities and appropriate nonprofit program organizations to determine how the cooperative form of business can be adopted to increasing domestic fuel supplies, both traditional and alternative, while increasing economic returns to farmers.

RURAL ECONOMIC DEVELOPMENT GRANTS

Program and Financing (in millions of dollars)

| Identification code 12-3105-0-1-452 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 10.00 Total new obligations (object class 41.0) | 3 | 4 | 4 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 7 | 9 | 9 |
| 22.00 New budget authority (gross) | 4 | 4 | 3 |
| 22.10 Resources available from recoveries of prior year obligations | 1 | | |
| 23.90 Total budgetary resources available for obligation | 12 | 13 | 12 |
| 23.95 Total new obligations | -3 | -4 | -4 |
| 24.40 Unobligated balance carried forward, end of year | 9 | 9 | 8 |
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| Offsetting collections (cash): | | | |
| 69.00 Offsetting collections (cash) | 1 | 3 | 3 |
| 69.00 Offsetting collections (cash) | 1 | | |
| 69.10 Change in uncollected customer payments from Federal sources (unexpired) | 2 | 1 | |
| 69.90 Spending authority from offsetting collections (total mandatory) | 4 | 4 | 3 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 6 | | -3 |
| 73.10 Total new obligations | 3 | 4 | 4 |
| 73.20 Total outlays (gross) | -7 | -6 | -4 |
| 73.45 Recoveries of prior year obligations | -1 | | |
| 74.00 Change in uncollected customer payments from Federal sources (unexpired) | -2 | -1 | |
| 74.40 Obligated balance, end of year | -3 | | -3 |

General and special funds—Continued

RURAL ECONOMIC DEVELOPMENT GRANTS—Continued

Program and Financing (in millions of dollars)—Continued

| Identification code 12-3105-0-1-452 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Outlays (gross), detail: | | | |
| 86.97 Outlays from new mandatory authority | | 4 | 3 |
| 86.98 Outlays from mandatory balances | 7 | 4 | 1 |
| 87.00 Total outlays (gross) | 7 | 6 | 4 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources | -2 | -3 | -3 |
| Against gross budget authority only: | | | |
| 88.95 Change in uncollected customer payments from Federal sources (unexpired) | -2 | -1 | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | 5 | 3 | 1 |

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 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 10.00 Total new obligations (object class 41.0) | 9 | 1 | |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 9 | 5 | 5 |
| 22.00 New budget authority (gross) | 5 | 1 | |
| 23.90 Total budgetary resources available for obligation | 14 | 6 | 5 |
| 23.95 Total new obligations | -9 | -1 | |
| 24.40 Unobligated balance carried forward, end of year | 5 | 5 | 5 |
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| 60.00 Appropriation | 5 | 1 | |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | | 2 | |
| 73.10 Total new obligations | 9 | 1 | |
| 73.20 Total outlays (gross) | -7 | -3 | |
| 74.40 Obligated balance, end of year | 2 | | |
| Outlays (gross), detail: | | | |
| 86.98 Outlays from mandatory balances | 7 | 3 | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 5 | 1 | |
| 90.00 Outlays | 7 | 3 | |

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 establish-

ment 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. An additional \$5 million was provided in 2001 to help the domestic lamb industry adjust to foreign competition. In 2002, an additional \$1 million was provided. No additional funds are requested in 2003.

Credit accounts:

RURAL BUSINESS AND INDUSTRY DIRECT LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 12-4223-0-3-452 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Operating program: | | | |
| 00.01 Direct loans | 50 | | |
| 00.02 Interest on Treasury borrowings | 6 | 8 | 4 |
| 00.91 Subtotal, Operating program | 56 | 8 | 4 |
| 08.01 Negative subsidy paid to receipt account | 1 | | |
| 10.00 Total new obligations | 57 | 8 | 4 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | | 10 | |
| 22.00 New financing authority (gross) | 68 | 12 | 22 |
| 22.10 Resources available from recoveries of prior year obligations | 1 | | |
| 22.70 Balance of authority to borrow withdrawn | -1 | -14 | -18 |
| 23.90 Total budgetary resources available for obligation | 68 | 8 | 4 |
| 23.95 Total new obligations | -57 | -8 | -4 |
| 24.40 Unobligated balance carried forward, end of year | 10 | | |
| New financing authority (gross), detail: | | | |
| Mandatory: | | | |
| 67.10 Authority to borrow | 48 | | |
| Spending authority from offsetting collections: | | | |
| Discretionary: | | | |
| 68.00 Offsetting collections (cash) | 45 | 14 | 24 |
| 68.10 Change in uncollected customer payments from Federal sources (unexpired) | 2 | -2 | -2 |
| 68.47 Portion applied to repay debt | -27 | | |
| 68.90 Spending authority from offsetting collections (total discretionary) | 20 | 12 | 22 |
| 70.00 Total new financing authority (gross) | 68 | 12 | 22 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 28 | 45 | 21 |
| 73.10 Total new obligations | 57 | 8 | 4 |
| 73.20 Total financing disbursements (gross) | -36 | -34 | -34 |
| 73.45 Recoveries of prior year obligations | -1 | | |
| 74.00 Change in uncollected customer payments from Federal sources (unexpired) | -2 | 2 | 2 |
| 74.40 Obligated balance, end of year | 45 | 21 | -7 |
| 87.00 Total financing disbursements (gross) | 36 | 34 | 34 |
| Offsets: | | | |
| Against gross financing authority and financing disbursements: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 Federal sources | -36 | | |
| 88.25 Interest on uninvested funds | -2 | -4 | -6 |
| Non-Federal sources: | | | |
| 88.40 Repayments of principal | -7 | -6 | -6 |
| 88.40 Interest received on loans | | -4 | -12 |
| 88.90 Total, offsetting collections (cash) | -45 | -14 | -24 |
| Against gross financing authority only: | | | |
| 88.95 Change in receivables from program accounts | -2 | 2 | 2 |
| Net financing authority and financing disbursements: | | | |
| 89.00 Financing authority | 21 | | |
| 90.00 Financing disbursements | -8 | 20 | 10 |

Status of Direct Loans (in millions of dollars)

| Identification code 12-4223-0-3-452 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on obligations: | | | |
| 1111 Limitation on direct loans | 50 | | |
| 1150 Total direct loan obligations | 50 | | |
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 59 | 82 | 106 |
| 1231 Disbursements: Direct loan disbursements | 27 | 30 | 6 |
| 1251 Repayments: Repayments and prepayments | -3 | -6 | -6 |
| 1263 Write-offs for default: Direct loans | -1 | | |
| 1290 Outstanding, end of year | 82 | 106 | 106 |

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. No funds were requested or provided for this program in 2002, and no program is proposed in 2003.

Balance Sheet (in millions of dollars)

| Identification code 12-4223-0-3-452 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | 25 | 11 | 14 | 14 |
| Investments in US securities: | | | | |
| 1106 Receivables, net | | 10 | | |
| Net value of assets related to post-1991 direct loans receivable: | | | | |
| 1401 Direct loans receivable, gross | 59 | 82 | 106 | 106 |
| 1402 Interest receivable | 3 | 4 | 5 | 5 |
| 1405 Allowance for subsidy cost (-) | | -31 | | |
| 1499 Net present value of assets related to direct loans | 62 | 55 | 111 | 111 |
| 1999 Total assets | 87 | 76 | 125 | 125 |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2101 Accounts payable | 4 | 1 | 5 | 5 |
| 2104 Resources payable to Treasury | 83 | 71 | 120 | 120 |
| 2105 Other | | 4 | | |
| 2999 Total liabilities | 87 | 76 | 125 | 125 |
| 4999 Total liabilities and net position | 87 | 76 | 125 | 125 |

RURAL BUSINESS AND INDUSTRY GUARANTEED LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 12-4227-0-3-452 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Guaranteed loan costs: | | | |
| 00.01 Default claims | 27 | 50 | 50 |
| 00.02 Purchases from secondary market | 80 | | |
| 00.03 Interest to Treasury | 1 | 14 | 14 |
| 00.91 Subtotal, Guaranteed loan costs | 108 | 64 | 64 |
| Reestimates: | | | |
| 08.02 Downward reestimate | 19 | | |
| 08.04 Interest on downward reestimate | 6 | | |
| 08.91 Subtotal, Reestimates | 25 | | |

| | | | |
|--|------|-----|-----|
| 10.00 Total new obligations | 133 | 64 | 64 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 88 | 91 | 92 |
| 22.00 New financing authority (gross) | 142 | 65 | 65 |
| 22.60 Portion applied to repay debt | -5 | | |
| 23.90 Total budgetary resources available for obligation | 225 | 156 | 157 |
| 23.95 Total new obligations | -133 | -64 | -64 |
| 24.40 Unobligated balance carried forward, end of year | 91 | 92 | 93 |

New financing authority (gross), detail:

| | | | |
|---|-----|----|----|
| Discretionary: | | | |
| 47.00 Authority to borrow | 12 | | |
| Spending authority from offsetting collections: Offsetting collections (cash) | | | |
| 68.00 | 130 | 65 | 65 |
| 70.00 Total new financing authority (gross) | 142 | 65 | 65 |

Change in obligated balances:

| | | | |
|---|------|-----|-----|
| 73.10 Total new obligations | 133 | 64 | 64 |
| 73.20 Total financing disbursements (gross) | -133 | -64 | -64 |
| 87.00 Total financing disbursements (gross) | 133 | 64 | 64 |

Offsets:

| | | | |
|---|------|-----|-----|
| Against gross financing authority and financing disbursements: | | | |
| Offsetting collections (cash) from: | | | |
| Federal sources | | | |
| 88.00 | -102 | -18 | -18 |
| 88.25 Interest on uninvested funds | -6 | -8 | -8 |
| Non-Federal sources: | | | |
| Interest and principal on purchased loans from secondary market | | | |
| 88.40 | -22 | -8 | -8 |
| 88.40 Guarantee fees | | -31 | -31 |
| 88.90 Total, offsetting collections (cash) | -130 | -65 | -65 |

Net financing authority and financing disbursements:

| | | | |
|-------------------------------|----|----|----|
| 89.00 Financing authority | 12 | | |
| 90.00 Financing disbursements | 4 | -1 | -1 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 12-4227-0-3-452 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on commitments: | | | |
| 2111 Limitation on guaranteed loans made by private lenders | 2,383 | 733 | 733 |
| 2121 Limitation available from carry-forward | 709 | 419 | |
| 2142 Uncommitted loan guarantee limitation | -126 | | |
| 2143 Uncommitted limitation carried forward | -1,890 | | |
| 2150 Total guaranteed loan commitments | 1,076 | 1,152 | 733 |
| 2199 Guaranteed amount of guaranteed loan commitments | 850 | 895 | 579 |
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 3,180 | 3,504 | 4,957 |
| 2231 Disbursements of new guaranteed loans | 809 | 1,777 | 1,294 |
| 2251 Repayments and prepayments | -451 | -274 | -336 |
| 2263 Adjustments: Terminations for default that result in claim payments | -34 | -50 | -50 |
| 2290 Outstanding, end of year | 3,504 | 4,957 | 5,865 |

Memorandum:

| | | | |
|---|-------|-------|-------|
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 3,504 | 4,957 | 5,865 |
|---|-------|-------|-------|

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.

Credit accounts—Continued

**RURAL BUSINESS AND INDUSTRY GUARANTEED LOANS FINANCING
ACCOUNT—Continued**

Balance Sheet (in millions of dollars)

| Identification code 12-4227-0-3-452 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | 88 | 91 | 133 | 133 |
| Investments in US securities: | | | | |
| 1106 Receivables, net | 141 | 99 | 92 | 92 |
| 1999 Total assets | 229 | 190 | 225 | 225 |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2101 Accounts payable | 25 | | | |
| 2104 Resources payable to Treasury | 9 | 16 | 9 | 9 |
| Non-Federal liabilities: Liabilities for loan guarantees | | | | |
| 2204 | 195 | 174 | 216 | 216 |
| 2999 Total liabilities | 229 | 190 | 225 | 225 |
| 4999 Total liabilities and net position | 229 | 190 | 225 | 225 |

**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)), **[\$38,171,000] \$40,000,000.**

For the cost of direct loans, **[\$16,494,000] \$19,304,000,** 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, 2003, for Federally Recognized Native American Tribes and of which \$3,449,000 shall be available through June 30, 2003, for Mississippi Delta Region counties (as defined by Public Law 100-460): *Provided*, 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, \$2,730,000 shall be available through June 30, [2002] 2003, 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, **[\$3,733,000] \$4,290,000** 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, 2002.*)

Program and Financing (in millions of dollars)

| Identification code 12-2069-0-1-452 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct loan subsidy | 19 | 16 | 19 |
| 00.05 Reestimates of direct loan subsidy | 3 | | |
| 00.06 Interest on reestimates of direct loan subsidy | 1 | | |
| 00.09 Administrative expense | 4 | 4 | 4 |
| 10.00 Total new obligations | 27 | 20 | 24 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 1 | | |
| 22.00 New budget authority (gross) | 30 | 20 | 24 |
| 22.70 Balance of authority to borrow withdrawn | -1 | | |
| 23.90 Total budgetary resources available for obligation | 30 | 20 | 24 |
| 23.95 Total new obligations | -27 | -20 | -24 |
| 23.98 Unobligated balance expiring or withdrawn | -3 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 23 | 20 | 24 |
| Mandatory: | | | |
| 60.00 Appropriation | 4 | | |
| Discretionary: | | | |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | 3 | | |
| 70.00 Total new budget authority (gross) | 30 | 20 | 24 |

Change in obligated balances:

| | | | |
|--|-----|-----|-----|
| 72.40 Obligated balance, start of year | 51 | 51 | 46 |
| 73.10 Total new obligations | 27 | 20 | 24 |
| 73.20 Total outlays (gross) | -27 | -25 | -25 |
| 74.40 Obligated balance, end of year | 51 | 46 | 44 |

Outlays (gross), detail:

| | | | |
|--|----|----|----|
| 86.90 Outlays from new discretionary authority | 5 | 5 | 6 |
| 86.93 Outlays from discretionary balances | 18 | 20 | 19 |
| 86.97 Outlays from new mandatory authority | 4 | | |
| 87.00 Total outlays (gross) | 27 | 25 | 25 |

Offsets:

| | | | |
|---|----|--|--|
| Against gross budget authority and outlays: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources—FRA | -3 | | |

Net budget authority and outlays:

| | | | |
|------------------------------|----|----|----|
| 89.00 Budget authority | 27 | 20 | 24 |
| 90.00 Outlays | 24 | 25 | 25 |

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

| Identification code 12-2069-0-1-452 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct loan levels supportable by subsidy budget authority: | | | |
| 115001 Rural development loan fund program | 38 | 38 | 40 |
| 115901 Total direct loan levels | 38 | 38 | 40 |
| Direct loan subsidy (in percent): | | | |
| 132001 Rural Development Loan Fund Program | 50.91 | 43.21 | 48.26 |
| 132901 Weighted average subsidy rate | 50.91 | 43.21 | 48.26 |
| Direct loan subsidy budget authority: | | | |
| 133001 Rural Development Loan Fund Program | 19 | 16 | 19 |
| 133901 Total subsidy budget authority | 19 | 16 | 19 |
| Direct loan subsidy outlays: | | | |
| 134001 Rural Development Loan Fund Program | 19 | 21 | 21 |
| 134901 Total subsidy outlays | 19 | 21 | 21 |
| Direct loan upward reestimate subsidy budget authority: | | | |
| 135001 Rural Development Loan Fund Program | 4 | | |
| 135901 Total upward reestimate budget authority | 4 | | |
| Direct loan upward reestimate subsidy outlays: | | | |
| 136001 Rural Development Loan Fund Program | 4 | | |
| 136901 Total upward reestimate outlays | 4 | | |
| Direct loan downward reestimate subsidy budget authority: | | | |
| 137001 Rural Development Loan Fund Program | -4 | | |
| 137901 Total downward reestimate budget authority | -4 | | |
| Direct loan downward reestimate subsidy outlays: | | | |
| 138001 Rural Development Loan Fund Program | -4 | | |
| 138901 Total downward reestimate subsidy outlays | -4 | | |
| Administrative expense data: | | | |
| 351001 Budget authority | 4 | 4 | 4 |
| 359001 Outlays from new authority | 4 | 4 | 4 |

This account finances loans to intermediary borrowers, who in turn relend 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 2003 the Budget provides \$40 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 | 2001 actual | 2002 est. | 2003 est. |
| 25.3 Other purchases of goods and services from Government accounts | 4 | 4 | 4 |
| 41.0 Grants, subsidies, and contributions | 22 | 16 | 20 |
| 43.0 Interest and dividends | 1 | | |
| 99.9 Total new obligations | 27 | 20 | 24 |

RURAL DEVELOPMENT LOAN FUND DIRECT LOAN FINANCING ACCOUNT

| Program and Financing (in millions of dollars) | | | |
|--|-------------|-----------|-----------|
| Identification code 12-4219-0-3-452 | 2001 actual | 2002 est. | 2003 est. |
| Obligations by program activity: | | | |
| Operating program: | | | |
| 00.01 Direct loans | 39 | 38 | 40 |
| 00.03 Interest on Treasury borrowing | 12 | 20 | 23 |
| 00.91 Subtotal, Operating program | 51 | 58 | 63 |
| Non-operating program: | | | |
| 08.02 Downward subsidy reestimates paid to the receipt account | 3 | | |
| 08.04 Interest on downward reestimate paid to receipt account | 1 | | |
| 08.91 Subtotal, Non-operating program | 4 | | |
| 10.00 Total new obligations | 55 | 58 | 63 |
| Budgetary resources available for obligation: | | | |
| 22.00 New financing authority (gross) | 55 | 58 | 63 |
| 23.95 Total new obligations | -55 | -58 | -63 |

| | | | |
|--|-----|-----|-----|
| New financing authority (gross), detail: | | | |
| Discretionary: | | | |
| 47.00 Authority to borrow | 19 | 16 | 13 |
| Spending authority from offsetting collections: | | | |
| 68.00 Offsetting collections (cash) | 37 | 38 | 40 |
| 68.10 Change in uncollected customer payments from Federal sources (unexpired) | | -5 | -1 |
| 68.47 Portion applied to repay debt | -1 | 9 | 11 |
| 68.90 Spending authority from offsetting collections (total discretionary) | 36 | 42 | 50 |
| 70.00 Total new financing authority (gross) | 55 | 58 | 63 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 53 | 52 | 52 |
| 73.10 Total new obligations | 55 | 58 | 63 |
| 73.20 Total financing disbursements (gross) | -56 | -63 | -67 |
| 74.00 Change in uncollected customer payments from Federal sources (unexpired) | | 5 | 1 |
| 74.40 Obligated balance, end of year | 52 | 52 | 50 |
| 87.00 Total financing disbursements (gross) | 56 | 63 | 67 |

| | | | |
|--|-----|-----|-----|
| Offsets: | | | |
| Against gross financing authority and financing disbursements: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 Payments from program account | -23 | -21 | -21 |
| 88.25 Interest on uninvested funds | -2 | -4 | -4 |
| Non-Federal sources: | | | |
| 88.40 Non-Federal sources—repayment of principal | -9 | -9 | -11 |
| 88.40 Non-Federal sources—interest on loans | -3 | -4 | -4 |
| 88.90 Total, offsetting collections (cash) | -37 | -38 | -40 |
| Against gross financing authority only: | | | |
| 88.95 Change in receivables from program accounts | | 5 | 1 |
| Net financing authority and financing disbursements: | | | |
| 89.00 Financing authority | 18 | 25 | 24 |
| 90.00 Financing disbursements | 19 | 25 | 27 |

| Status of Direct Loans (in millions of dollars) | | | |
|--|-------------|-----------|-----------|
| Identification code 12-4219-0-3-452 | 2001 actual | 2002 est. | 2003 est. |
| Position with respect to appropriations act limitation on obligations: | | | |
| 1111 Limitation on direct loans | 38 | 38 | 40 |
| 1131 Direct loan obligations exempt from limitation | 6 | | |
| 1150 Total direct loan obligations | 44 | 38 | 40 |
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 282 | 313 | 346 |
| 1231 Disbursements: start of year | 40 | 42 | 44 |
| 1251 Repayments: Repayments and prepayments | -9 | -9 | -11 |
| 1290 Outstanding, end of year | 313 | 346 | 379 |

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 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 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | 12 | 11 | 17 | 12 |
| Investments in US securities: | | | | |
| 1106 Receivables, net | 51 | 51 | 46 | 42 |
| Net value of assets related to post-1991 direct loans receivable: | | | | |
| 1401 Direct loans receivable, gross | 282 | 313 | 346 | 378 |
| 1402 Interest receivable | 1 | 1 | 1 | 1 |
| 1405 Allowance for subsidy cost (-) | -132 | -144 | -157 | -152 |
| 1499 Net present value of assets related to direct loans | 151 | 170 | 190 | 227 |
| 1999 Total assets | 214 | 232 | 253 | 281 |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2104 Resources payable to Treasury | 163 | 181 | 206 | 248 |
| 2105 Other | 51 | 51 | 47 | 33 |
| 2999 Total liabilities | 214 | 232 | 253 | 281 |
| 4999 Total liabilities and net position | 214 | 232 | 253 | 281 |

RURAL DEVELOPMENT LOAN FUND LIQUIDATING ACCOUNT

| Program and Financing (in millions of dollars) | | | |
|--|-------------|-----------|-----------|
| Identification code 12-4233-0-3-452 | 2001 actual | 2002 est. | 2003 est. |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 1 | 1 | |
| 22.00 New budget authority (gross) | 1 | 1 | |
| 22.40 Capital transfer to general fund | -1 | -1 | |
| 23.90 Total budgetary resources available for obligation | 1 | 1 | |
| 24.40 Unobligated balance carried forward, end of year | 1 | | |
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| 69.00 Offsetting collections (cash) | 4 | 4 | 4 |
| 69.27 Capital transfer to general fund | -3 | -3 | -4 |
| 69.90 Spending authority from offsetting collections (total mandatory) | 1 | 1 | |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 1 | 1 | |

Credit accounts—Continued

RURAL DEVELOPMENT LOAN FUND LIQUIDATING ACCOUNT—
Continued

Program and Financing (in millions of dollars)—Continued

| Identification code 12-4233-0-3-452 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 74.40 Obligated balance, end of year | 1 | | |
| Outlays (gross), detail: | | | |
| 86.98 Outlays from mandatory balances | 1 | | |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.40 Offsetting collections (cash) from: Non-Federal sources | -4 | -4 | -4 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | -3 | -3 | -4 |
| 90.00 Outlays | -4 | -4 | -4 |

Status of Direct Loans (in millions of dollars)

| Identification code 12-4233-0-3-452 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 70 | 66 | 63 |
| 1231 Disbursements: Direct loan disbursements | | | |
| 1251 Repayments: Repayments and prepayments | -3 | -3 | -3 |
| 1263 Write-offs for default: Direct loans | -1 | | |
| 1290 Outstanding, end of year | 66 | 63 | 60 |

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.

Statement of Operations (in millions of dollars)

| Identification code 12-4233-0-3-452 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|-------------------------------------|-------------|-------------|-----------|-----------|
| 0101 Revenue | 1 | 1 | 1 | 1 |
| 0102 Expense | 3 | -1 | | |
| 0105 Net income or loss (-) | 4 | | 1 | 1 |

Balance Sheet (in millions of dollars)

| Identification code 12-4233-0-3-452 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 Federal assets: Fund balances with Treasury | 2 | 2 | 2 | 2 |
| 1206 Non-Federal assets: Receivables, net | 1 | 1 | 1 | 1 |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | |
| 1601 Direct loans, gross | 70 | 66 | 63 | 60 |
| 1603 Allowance for estimated uncollectible loans and interest (-) | -27 | -17 | -24 | -21 |
| 1604 Direct loans and interest receivable, net | 43 | 49 | 39 | 39 |
| 1699 Value of assets related to direct loans | 43 | 49 | 39 | 39 |
| 1999 Total assets | 46 | 52 | 42 | 42 |
| LIABILITIES: | | | | |
| 2104 Federal liabilities: Resources payable to Treasury | 46 | 52 | 42 | 42 |
| 2999 Total liabilities | 46 | 52 | 42 | 42 |
| 4999 Total liabilities and net position | 46 | 52 | 42 | 42 |

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, **[\$14,966,000] \$14,967,000.**

For the cost of direct loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, **[\$3,616,000] \$3,197,000.**

Of the funds derived from interest on the cushion of credit payments in fiscal year **[2002] 2003**, as authorized by section 313 of the Rural Electrification Act of 1936, **[\$3,616,000] \$3,197,000** shall not be obligated and **[\$3,616,000] \$3,197,000** are rescinded. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002.*)

Program and Financing (in millions of dollars)

| Identification code 12-3108-0-1-452 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct loan subsidy | 6 | 4 | 3 |
| 00.05 Reestimates of direct loan subsidy | 3 | | |
| 00.06 Interest on reestimates of direct loan subsidy | 1 | | |
| 10.00 Total new obligations (object class 41.0) | 10 | 4 | 3 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 10 | 4 | 3 |
| 23.95 Total new obligations | -10 | -4 | -3 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 4 | 4 | 3 |
| Mandatory: | | | |
| 60.00 Appropriation | 4 | | |
| Discretionary: | | | |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | 2 | | |
| 70.00 Total new budget authority (gross) | 10 | 4 | 3 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 4 | 5 | 4 |
| 73.10 Total new obligations | 10 | 4 | 3 |
| 73.20 Total outlays (gross) | -8 | -5 | -3 |
| 73.40 Adjustments in expired accounts (net) | -1 | | |
| 74.40 Obligated balance, end of year | 5 | 4 | 4 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | | 1 | 1 |
| 86.93 Outlays from discretionary balances | 3 | 4 | 3 |
| 86.97 Outlays from new mandatory authority | 4 | | |
| 87.00 Total outlays (gross) | 8 | 5 | 3 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources | -2 | | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 8 | 4 | 3 |
| 90.00 Outlays | 6 | 5 | 3 |

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

| Identification code 12-3108-0-1-452 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct loan levels supportable by subsidy budget authority: | | | |
| 115001 Rural economic development loans program | 15 | 15 | 15 |
| 115901 Total direct loan levels | 15 | 15 | 15 |
| Direct loan subsidy (in percent): | | | |
| 132001 Rural Economic Development Loans Program | 26.07 | 24.16 | 21.36 |
| 132901 Weighted average subsidy rate | 26.07 | 24.16 | 21.36 |
| Direct loan subsidy budget authority: | | | |
| 133001 Rural Economic Development Loans Program | 4 | 4 | 3 |
| 133901 Total subsidy budget authority | 4 | 4 | 3 |
| Direct loan subsidy outlays: | | | |
| 134001 Rural Economic Development Loans Program | 6 | 4 | 3 |

| | | | |
|---|----|---|---|
| 134901 Total subsidy outlays | 6 | 4 | 3 |
| Direct loan upward reestimate subsidy budget authority: | | | |
| 135001 Rural Economic Development Loans Program | 4 | | |
| 135901 Total upward reestimate budget authority | 4 | | |
| Direct loan upward reestimate subsidy outlays: | | | |
| 136001 Rural Economic Development Loans Program | 4 | | |
| 136901 Total upward reestimate outlays | 4 | | |
| Direct loan downward reestimate subsidy budget authority: | | | |
| 137001 Rural Economic Development Loans Program | -3 | | |
| 137901 Total downward reestimate budget authority | -3 | | |
| Direct loan downward reestimate subsidy outlays: | | | |
| 138001 Rural Economic Development Loans Program | -3 | | |
| 138901 Total downward reestimate subsidy outlays | -3 | | |

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 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Operating program: | | | |
| 00.01 Direct loans | 22 | 15 | 15 |
| 00.03 Interest expense | 5 | 7 | 8 |
| 00.91 Subtotal, Operating program | 27 | 22 | 23 |
| Reestimates: | | | |
| 08.02 Downward reestimate | 3 | | |
| 08.04 Interest on downward reestimate | 1 | | |
| 08.91 Subtotal, Reestimates | 3 | | |
| 10.00 Total new obligations | 31 | 22 | 23 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 6 | 8 | 7 |
| 22.00 New financing authority (gross) | 32 | 21 | 24 |
| 22.10 Resources available from recoveries of prior year obligations | 2 | | |
| 22.70 Balance of authority to borrow withdrawn | -2 | -1 | -1 |
| 23.90 Total budgetary resources available for obligation | 38 | 28 | 30 |
| 23.95 Total new obligations | -31 | -22 | -23 |
| 24.40 Unobligated balance carried forward, end of year | 8 | 7 | 7 |
| New financing authority (gross), detail: | | | |
| Mandatory: | | | |
| 67.10 Authority to borrow | 17 | 11 | 13 |
| Spending authority from offsetting collections: | | | |
| Discretionary: | | | |
| 68.00 Offsetting collections (cash) | 21 | 19 | 19 |
| 68.10 Change in uncollected customer payments from Federal sources (unexpired) | 1 | -2 | |
| 68.47 Portion applied to repay debt | -7 | -7 | -8 |
| 68.90 Spending authority from offsetting collections (total discretionary) | 15 | 10 | 11 |
| 70.00 Total new financing authority (gross) | 32 | 21 | 24 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 13 | 16 | 12 |
| 73.10 Total new obligations | 31 | 22 | 23 |
| 73.20 Total financing disbursements (gross) | -24 | -28 | -22 |
| 73.45 Recoveries of prior year obligations | -2 | | |
| 74.00 Change in uncollected customer payments from Federal sources (unexpired) | -1 | 2 | |

| | | | |
|--|-----|-----|-----|
| 74.40 Obligated balance, end of year | 16 | 12 | 13 |
| 87.00 Total financing disbursements (gross) | 24 | 28 | 22 |
| Offsets: | | | |
| Against gross financing authority and financing disbursements: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 Federal Funds: Program Account | -8 | -5 | -3 |
| 88.25 Interest on uninvested funds | -1 | -1 | -1 |
| 88.40 Non-Federal sources: Repayment of Principal | -12 | -13 | -15 |
| 88.90 Total, offsetting collections (cash) | -21 | -19 | -19 |
| Against gross financing authority only: | | | |
| 88.95 Change in receivables from program accounts | -1 | 2 | |
| Net financing authority and financing disbursements: | | | |
| 89.00 Financing authority | 10 | 4 | 5 |
| 90.00 Financing disbursements | 3 | 9 | 3 |

Status of Direct Loans (in millions of dollars)

| Identification code 12-4176-0-3-452 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on obligations: | | | |
| 1111 Limitation on direct loans | 15 | 15 | 15 |
| 1131 Direct loan obligations exempt from limitation | 8 | | |
| 1150 Total direct loan obligations | 23 | 15 | 15 |
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 69 | 73 | 82 |
| 1231 Disbursements: Direct loan disbursements | 16 | 22 | 14 |
| 1251 Repayments: Repayments and prepayments | -12 | -13 | -15 |
| 1290 Outstanding, end of year | 73 | 82 | 81 |

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 12-4176-0-3-452 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | 5 | 6 | 6 | 6 |
| Investments in US securities: | | | | |
| 1106 Program Account | 4 | 5 | 4 | 4 |
| Net value of assets related to post-1991 direct loans receivable: | | | | |
| 1401 Direct loans receivable, gross | 69 | 73 | 82 | 81 |
| 1405 Allowance for subsidy cost (-) | -12 | -11 | -24 | -16 |
| 1499 Net present value of assets related to direct loans | 57 | 62 | 58 | 65 |
| 1999 Total assets | 66 | 73 | 68 | 75 |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2104 Resources payable to Treasury | 62 | 68 | 64 | 71 |
| 2105 Other | 4 | 5 | 4 | 4 |
| 2999 Total liabilities | 66 | 73 | 68 | 75 |
| 4999 Total liabilities and net position | 66 | 73 | 68 | 75 |

RURAL ECONOMIC DEVELOPMENT LOANS LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 12-3104-0-1-271 | 2001 actual | 2002 est. | 2003 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 | | | |

Credit accounts—Continued

RURAL ECONOMIC DEVELOPMENT LOANS LIQUIDATING ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

| Identification code 12-3104-0-1-271 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| 69.00 Offsetting collections (cash) | 1 | | |
| 69.27 Capital transfer to general fund | -1 | | |
| 69.90 Spending authority from offsetting collections (total mandatory) | | | |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.40 Offsetting collections (cash) from: Non-Federal sources: Repayment of principal | -1 | | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | -1 | | |
| 90.00 Outlays | -1 | | |

Status of Direct Loans (in millions of dollars)

| Identification code 12-3104-0-1-271 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 1 | | |
| 1251 Repayments: Repayments and prepayments | -1 | | |
| 1290 Outstanding, end of year | | | |

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. All new activity in this program is recorded in corresponding program and financing accounts.

Balance Sheet (in millions of dollars)

| Identification code 12-3104-0-1-271 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 Federal assets: Fund balances with Treasury | | | | |
| 1601 Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Direct loans, gross | 1 | | | |
| 1999 Total assets | 1 | | | |
| LIABILITIES: | | | | |
| 2104 Federal liabilities: Resources payable to Treasury | 1 | | | |
| 2999 Total liabilities | 1 | | | |
| 4999 Total liabilities and net position | 1 | | | |

Public enterprise funds:

ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION CORPORATION REVOLVING FUND

Program and Financing (in millions of dollars)

| Identification code 12-4144-0-3-352 | 2001 actual | 2002 est. | 2003 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 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | | | |

These funds support programs authorized by the Alternative Agricultural Research and Commercialization Act of

1990 (7 U.S.C. 5901 et seq.). This Act authorizes the provision of assistance on a competitive basis to foster the development and commercialization of new nonfood, nonfeed products derived from agricultural and forestry material and animal by-products. No funds were appropriated in 2000, 2001 and 2002, and no funding is requested in 2003.

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 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 10.00 Total new obligations (object class 41.0) | | 10 | 30 |
| Budgetary resources available for obligation: | | | |
| 22.22 Unobligated balance transferred from other accounts | | 10 | 30 |
| 23.95 Total new obligations | | -10 | -30 |
| Change in obligated balances: | | | |
| 73.10 Total new obligations | | 10 | 30 |
| 73.20 Total outlays (gross) | | -15 | -15 |
| 73.32 Obligated balance transferred from other accounts | | 5 | |
| 74.40 Obligated balance, end of year | | | 15 |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | | 15 | 15 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | | 15 | 15 |

Funding was provided in 2001 and 2002 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 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Operating program: | | | |
| 00.01 Direct loans | 789 | 894 | 814 |
| 00.02 Interest on Treasury borrowing | 257 | 325 | 346 |
| 00.91 Subtotal, Operating program | 1,046 | 1,219 | 1,160 |
| Reestimates: | | | |
| 08.02 Downward reestimate | 81 | | |
| 08.04 Interest on downward reestimate | 27 | | |
| 08.91 Subtotal, Reestimates | 108 | | |
| 10.00 Total new obligations | 1,154 | 1,219 | 1,160 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | | 15 | |

| | | | | |
|-------|---|--------|--------|--------|
| 22.00 | New financing authority (gross) | 1,242 | 1,074 | 1,034 |
| 22.10 | Resources available from recoveries of prior year obligations | 32 | 145 | 126 |
| 22.60 | Portion applied to repay debt | -109 | | |
| 22.70 | Balance of authority to borrow withdrawn | -26 | | |
| 23.90 | Total budgetary resources available for obligation | 1,154 | 1,219 | 1,160 |
| 23.95 | Total new obligations | -1,154 | -1,219 | -1,160 |

New financing authority (gross), detail:

| | | | | |
|--|--|-------|-------|-------|
| Mandatory: | | | | |
| 67.10 | Authority to borrow | 723 | 716 | 714 |
| Spending authority from offsetting collections: | | | | |
| Discretionary: | | | | |
| 68.00 | Offsetting collections (cash) | 511 | 348 | 310 |
| 68.10 | Change in uncollected customer payments from Federal sources (unexpired) | 8 | 10 | 10 |
| 68.90 | Spending authority from offsetting collections (total discretionary) | 519 | 358 | 320 |
| 70.00 | Total new financing authority (gross) | 1,242 | 1,074 | 1,034 |

Change in obligated balances:

| | | | | |
|-------|--|--------|-------|--------|
| 72.40 | Obligated balance, start of year | 1,755 | 1,809 | 2,024 |
| 73.10 | Total new obligations | 1,154 | 1,219 | 1,160 |
| 73.20 | Total financing disbursements (gross) | -1,059 | -849 | -1,073 |
| 73.45 | Recoveries of prior year obligations | -32 | -145 | -126 |
| 74.00 | Change in uncollected customer payments from Federal sources (unexpired) | -8 | -10 | -10 |
| 74.40 | Obligated balance, end of year | 1,809 | 2,024 | 1,975 |
| 87.00 | Total financing disbursements (gross) | 1,059 | 849 | 1,073 |

Offsets:

| | | | | |
|---|---|------|------|------|
| Against gross financing authority and financing disbursements: | | | | |
| Offsetting collections (cash) from: | | | | |
| 88.00 | Federal sources | -188 | -97 | -82 |
| 88.25 | Interest on uninvested funds | -34 | -35 | -37 |
| Non-Federal sources: | | | | |
| 88.40 | Repayment of principal | -90 | -66 | -76 |
| 88.40 | Non-Federal sources | -199 | -150 | -115 |
| 88.90 | Total, offsetting collections (cash) | -511 | -348 | -310 |
| 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 | 723 | 716 | 714 |
| 90.00 | Financing disbursements | 548 | 501 | 763 |

Status of Direct Loans (in millions of dollars)

| | | | | |
|---|--|-------------|-----------|-----------|
| Identification code 12-4226-0-3-452 | | | | |
| | | 2001 actual | 2002 est. | 2003 est. |
| Position with respect to appropriations act limitation on obligations: | | | | |
| 1111 | Limitation on direct loans | 767 | 879 | 814 |
| 1121 | Limitation available from carry-forward | 22 | 14 | |
| 1142 | Unobligated direct loan limitation (-) | -23 | | |
| 1143 | Unobligated limitation carried forward (P.L. xx) (-) | -23 | | |
| 1150 | Total direct loan obligations | 743 | 893 | 814 |
| Cumulative balance of direct loans outstanding: | | | | |
| 1210 | Outstanding, start of year | 3,942 | 4,548 | 5,282 |
| 1231 | Disbursements: Direct loan disbursements | 694 | 800 | 779 |
| 1251 | Repayments: Repayments and prepayments | -88 | -66 | -76 |
| 1290 | Outstanding, end of year | 4,548 | 5,282 | 5,985 |

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 and waste disposal facilities in rural areas.

Balance Sheet (in millions of dollars)

| | | | | | |
|--|---|-------------|-------------|-----------|-----------|
| Identification code 12-4226-0-3-452 | | | | | |
| | | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
| ASSETS: | | | | | |
| Federal assets: | | | | | |
| 1101 | Fund balances with Treasury | 63 | 7 | 10 | 10 |
| Investments in US securities: | | | | | |
| 1106 | Receivables, net | 254 | 274 | 262 | 262 |
| Net value of assets related to post-1991 direct loans receivable: | | | | | |
| 1401 | Direct loans receivable, gross | 3,944 | 4,548 | 5,282 | 5,985 |
| 1402 | Interest receivable | 48 | 55 | 37 | 37 |
| 1405 | Allowance for subsidy cost (-) | -652 | -710 | -911 | -911 |
| 1499 | Net present value of assets related to direct loans | 3,340 | 3,893 | 4,408 | 5,111 |
| 1999 | Total assets | 3,657 | 4,174 | 4,680 | 5,383 |
| LIABILITIES: | | | | | |
| Federal liabilities: | | | | | |
| 2103 | Debt | 3,395 | 3,888 | 4,486 | 5,189 |
| 2105 | Other | 254 | 275 | 186 | 186 |
| 2207 | Non-Federal liabilities: Other | 8 | 11 | 8 | 8 |
| 2999 | Total liabilities | 3,657 | 4,174 | 4,680 | 5,383 |
| 4999 | Total liabilities and net position | 3,657 | 4,174 | 4,680 | 5,383 |

RURAL WATER AND WASTE WATER DISPOSAL GUARANTEED LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| | | | | |
|---|---|-------------|-----------|-----------|
| Identification code 12-4218-0-3-452 | | | | |
| | | 2001 actual | 2002 est. | 2003 est. |
| Budgetary resources available for obligation: | | | | |
| 22.00 | New financing authority (gross) | | 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: | | | | |
| 73.20 | Total financing disbursements (gross) | | -1 | -1 |
| 87.00 | Total financing disbursements (gross) | | 1 | 1 |
| Offsets: | | | | |
| Against gross financing authority and financing disbursements: | | | | |
| 88.40 | Offsetting collections (cash) from: Fees | | -1 | -1 |

Net financing authority and financing disbursements:

| | | | | |
|-------|-------------------------------|--|--|--|
| 89.00 | Financing authority | | | |
| 90.00 | Financing disbursements | | | |

Status of Guaranteed Loans (in millions of dollars)

| | | | | |
|---|--|-------------|-----------|-----------|
| Identification code 12-4218-0-3-452 | | | | |
| | | 2001 actual | 2002 est. | 2003 est. |
| Position with respect to appropriations act limitation on commitments: | | | | |
| 2111 | Limitation on guaranteed loans made by private lenders | 75 | 75 | 75 |
| 2142 | Uncommitted loan guarantee limitation | -70 | | |
| 2150 | Total guaranteed loan commitments | 5 | 75 | 75 |
| 2199 | Guaranteed amount of guaranteed loan commitments | 4 | 60 | 60 |
| Cumulative balance of guaranteed loans outstanding: | | | | |
| 2210 | Outstanding, start of year | 19 | 11 | 52 |
| 2231 | Disbursements of new guaranteed loans | | 43 | 72 |
| 2251 | Repayments and prepayments | -8 | -2 | -3 |
| 2290 | Outstanding, end of year | 11 | 52 | 121 |
| Memorandum: | | | | |
| 2299 | Guaranteed amount of guaranteed loans outstanding, end of year | 9 | 42 | 97 |

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

Credit accounts—Continued

**RURAL WATER AND WASTE WATER DISPOSAL GUARANTEED LOANS
FINANCING ACCOUNT—Continued**

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.

Balance Sheet (in millions of dollars)

| Identification code 12-4218-0-3-452 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 Federal assets: Fund balances with Treasury | 1 | 1 | 1 | 1 |
| 1999 Total assets | 1 | 1 | 1 | 1 |
| LIABILITIES: | | | | |
| 2104 Federal liabilities: Resources payable to Treasury | 1 | 1 | 1 | 1 |
| 2999 Total liabilities | 1 | 1 | 1 | 1 |
| 4999 Total liabilities and net position | 1 | 1 | 1 | 1 |

**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, **[\$121,107,000] \$121,103,000**; municipal rate rural electric loans, **[\$500,000,000] \$100,000,000**; loans made pursuant to section 306 of that Act, rural electric, **[\$2,700,000,000] \$1,700,000,000**; Treasury rate direct electric loans, **[\$750,000,000] \$700,000,000**; 5 percent rural telecommunications loans, **[\$74,827,000] \$75,029,000**; cost of money rural telecommunications loans, \$300,000,000; and loans made pursuant to section 306 of that Act, rural telecommunications loans, \$120,000,000.

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 the Rural Electrification Act of 1936 (7 U.S.C. 935 and 936), as follows: cost of rural electric loans, **[\$3,689,000] \$11,025,000**, and the cost of telecommunication loans, **[\$2,036,000] \$1,433,000**. *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, **[\$36,000,000] \$38,035,000** 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, 2002.*)

Program and Financing (in millions of dollars)

| Identification code 12-1230-0-1-271 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct loan subsidy | 40 | 6 | 12 |
| 00.05 Reestimate of the direct loan subsidy | 294 | | |
| 00.06 Interest on reestimates of direct loan subsidy | 112 | | |
| 00.09 Administrative expenses subject to limitation | 35 | 36 | 38 |
| 10.00 Total new obligations | 481 | 42 | 50 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 481 | 42 | 50 |
| 23.95 Total new obligations | -481 | -42 | -50 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 75 | 42 | 50 |

| | | | |
|--|-----|----|----|
| Mandatory: | | | |
| 60.00 Appropriation | 406 | | |
| 70.00 Total new budget authority (gross) | 481 | 42 | 50 |

Change in obligated balances:

| | | | |
|---|------|-----|-----|
| 72.40 Obligated balance, start of year | 81 | 90 | 53 |
| 73.10 Total new obligations | 481 | 42 | 50 |
| 73.20 Total outlays (gross) | -471 | -79 | -63 |
| 73.40 Adjustments in expired accounts (net) | -1 | | |
| 74.40 Obligated balance, end of year | 90 | 53 | 41 |

Outlays (gross), detail:

| | | | |
|--|-----|----|----|
| 86.90 Outlays from new discretionary authority | 40 | 37 | 40 |
| 86.93 Outlays from discretionary balances | 24 | 43 | 23 |
| 86.97 Outlays from new mandatory authority | 406 | | |
| 87.00 Total outlays (gross) | 471 | 79 | 63 |

Net budget authority and outlays:

| | | | |
|------------------------------|-----|----|----|
| 89.00 Budget authority | 481 | 42 | 50 |
| 90.00 Outlays | 471 | 79 | 63 |

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

| Identification code 12-1230-0-1-271 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Direct loan levels supportable by subsidy budget authority: | | | |
| 115001 Hardship electric | 121 | 121 | 121 |
| 115002 Municipal electric | 294 | 500 | 100 |
| 115003 Treasury electric | 500 | 750 | 700 |
| 115004 FFB electric | 1,641 | 2,600 | 1,600 |
| 115005 Hardship telephone | 75 | 75 | 75 |
| 115006 Treasury telephone | 300 | 300 | 300 |
| 115007 FFB telephone | 120 | 120 | 120 |
| 115901 Total direct loan levels | 3,051 | 4,466 | 3,016 |
| Direct loan subsidy (in percent): | | | |
| 132001 Hardship electric | 9.96 | 2.98 | 5.71 |
| 132002 Municipal electric | 6.95 | -0.09 | 4.03 |
| 132003 Treasury electric | | -0.04 | -0.04 |
| 132004 FFB electric | -3.09 | -1.13 | -1.82 |
| 132005 Hardship telephone | 10.36 | 2.32 | 1.71 |
| 132006 Treasury telephone | -1.00 | 0.10 | 0.05 |
| 132007 FFB telephone | -2.04 | -0.85 | -2.36 |
| 132901 Weighted average subsidy rate | -0.52 | -0.54 | -0.66 |
| Direct loan subsidy budget authority: | | | |
| 133001 Hardship electric | 12 | 4 | 7 |
| 133002 Municipal electric | 20 | | 4 |
| 133003 Treasury electric | | | |
| 133004 FFB electric | -51 | -29 | -29 |
| 133005 Hardship telephone | 8 | 2 | 1 |
| 133006 Treasury telephone | -3 | | |
| 133007 FFB telephone | -2 | -1 | -3 |
| 133901 Total subsidy budget authority | -16 | -24 | -20 |
| Direct loan subsidy outlays: | | | |
| 134001 Hardship electric | 6 | 7 | 6 |
| 134002 Municipal electric | 18 | 15 | 10 |
| 134003 Treasury electric | | | |
| 134004 FFB electric | -18 | -14 | -16 |
| 134005 Hardship telephone | 4 | 19 | 7 |
| 134006 Treasury telephone | | | |
| 134007 FFB telephone | -1 | -1 | -2 |
| 134901 Total subsidy outlays | 9 | 26 | 5 |
| Direct loan upward reestimate subsidy budget authority: | | | |
| 135001 Hardship electric | 96 | | |
| 135002 Municipal electric | 68 | | |
| 135003 Treasury electric | | | |
| 135004 FFB electric | 144 | | |
| 135005 Hardship telephone | 51 | | |
| 135006 Treasury telephone | 16 | | |
| 135007 FFB telephone | 31 | | |
| 135901 Total upward reestimate budget authority | 406 | | |
| Direct loan upward reestimate subsidy outlays: | | | |
| 136001 Hardship electric | 96 | | |
| 136002 Municipal electric | 68 | | |
| 136003 Treasury electric | | | |
| 136004 FFB electric | 144 | | |
| 136005 Hardship telephone | 51 | | |
| 136006 Treasury telephone | 16 | | |
| 136007 FFB telephone | 31 | | |

| | | | |
|---|------|------|------|
| 136901 Total upward reestimate outlays | 406 | | |
| Direct loan downward reestimate subsidy budget authority: | | | |
| 137001 Hardship electric | -149 | | |
| 137002 Municipal electric | -87 | | |
| 137003 Treasury electric | | | |
| 137004 FFB electric | -61 | | |
| 137005 Hardship telephone | -66 | | |
| 137006 Treasury telephone | -16 | | |
| 137007 FFB telephone | -30 | | |
| 137901 Total downward reestimate budget authority | -410 | | |
| Direct loan downward reestimate subsidy outlays: | | | |
| 138001 Hardship electric | -149 | | |
| 138002 Municipal electric | -87 | | |
| 138003 Treasury electric | | | |
| 138004 FFB electric | -61 | | |
| 138005 Hardship telephone | -66 | | |
| 138006 Treasury telephone | -16 | | |
| 138007 FFB telephone | -30 | | |
| 138901 Total downward reestimate subsidy outlays | -410 | | |
| Guaranteed loan levels supportable by subsidy budget authority: | | | |
| 215001 Guaranteed electric | 59 | 100 | 100 |
| 215901 Total loan guarantee levels | 59 | 100 | 100 |
| Guaranteed loan subsidy (in percent): | | | |
| 232001 Loan guarantee levels | 0.01 | 0.08 | 0.08 |
| 232901 Weighted average subsidy rate | 0.01 | 0.08 | 0.08 |
| Guaranteed loan subsidy budget authority: | | | |
| 233001 Loan guarantee levels | | | |
| 233901 Total subsidy budget authority | | | |
| Guaranteed loan subsidy outlays: | | | |
| 234001 Loan guarantee levels | | | |
| 234901 Total subsidy outlays | | | |
| Administrative expense data: | | | |
| 351001 Budget authority | 35 | 36 | 38 |
| 359001 Outlays from new authority | 35 | 36 | 38 |

The Rural Utilities Service 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.

The electric and telecommunications programs need to be better targeted to needier areas (lower population and areas of persistent out migration and poverty). RUS will be reviewing the electric and telecommunications programs to determine and implement methods of increasing targeting of funds. This includes reducing the amount of funding that subsidizes systems in urban areas.

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 | 2001 actual | 2002 est. | 2003 est. |
| 25.3 Other purchases of goods and services from Government accounts | 35 | 36 | 38 |
| 41.0 Grants, subsidies, and contributions | 446 | 6 | 12 |
| 99.9 Total new obligations | 481 | 42 | 50 |

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| | | | |
|--|-------------|-----------|-----------|
| Identification code 12-4208-0-3-271 | 2001 actual | 2002 est. | 2003 est. |
| Obligations by program activity: | | | |
| Operating program: | | | |
| 00.01 Direct loans | 3,051 | 4,466 | 3,016 |
| 00.02 Interest on Treasury borrowing | 528 | 712 | 855 |
| 00.91 Subtotal, Operating program | 3,579 | 5,178 | 3,871 |
| Non-operating program: | | | |
| 08.01 Negative subsidy paid to receipt account | 19 | 17 | 20 |
| 08.02 Downward reestimate paid to receipt account | 311 | | |
| 08.04 Interest on downward reestimate paid to receipt account | 99 | | |
| 08.91 Subtotal, Non-operating program | 429 | 17 | 20 |
| 10.00 Total new obligations | 4,008 | 5,195 | 3,891 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 31 | 43 | 49 |
| 22.00 New financing authority (gross) | 4,019 | 5,201 | 3,904 |
| 22.10 Resources available from recoveries of prior year obligations | 92 | | |
| 22.70 Balance of authority to borrow withdrawn | -91 | | |
| 23.90 Total budgetary resources available for obligation | 4,051 | 5,244 | 3,953 |
| 23.95 Total new obligations | -4,008 | -5,195 | -3,891 |
| 24.40 Unobligated balance carried forward, end of year | 43 | 49 | 62 |
| New financing authority (gross), detail: | | | |
| Discretionary: | | | |
| 47.00 Authority to borrow | 3,150 | 4,543 | 3,127 |
| Spending authority from offsetting collections: | | | |
| 68.00 Offsetting collections (cash) | 1,106 | 981 | 1,171 |
| 68.10 Change in uncollected customer payments from Federal sources (unexpired) | 10 | -37 | -12 |
| 68.47 Portion applied to repay debt | -247 | -286 | -382 |
| 68.90 Spending authority from offsetting collections (total discretionary) | 869 | 658 | 777 |
| 70.00 Total new financing authority (gross) | 4,019 | 5,201 | 3,904 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 5,356 | 6,172 | 8,259 |
| 73.10 Total new obligations | 4,008 | 5,195 | 3,891 |
| 73.20 Total financing disbursements (gross) | -3,090 | -3,145 | -3,493 |
| 73.45 Recoveries of prior year obligations | -92 | | |
| 74.00 Change in uncollected customer payments from Federal sources (unexpired) | -10 | 37 | 12 |
| 74.40 Obligated balance, end of year | 6,172 | 8,259 | 8,669 |
| 87.00 Total financing disbursements (gross) | 3,090 | 3,145 | 3,493 |
| Offsets: | | | |
| Against gross financing authority and financing disbursements: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 Payment from program account | -436 | -43 | -24 |
| 88.25 Interest on uninvested funds | -53 | -74 | -90 |
| Non-Federal sources: | | | |
| 88.40 Repayment of principal | -211 | -206 | -267 |
| 88.40 Interest received on loans | -415 | -658 | -790 |
| 88.40 Fees | -1 | | |
| 88.40 Other | 10 | | |
| 88.90 Total, offsetting collections (cash) | -1,106 | -981 | -1,171 |
| Against gross financing authority only: | | | |
| 88.95 Change in receivables from program accounts | -10 | 37 | 12 |
| Net financing authority and financing disbursements: | | | |
| 89.00 Financing authority | 2,903 | 4,257 | 2,745 |
| 90.00 Financing disbursements | 1,983 | 2,164 | 2,322 |

Status of Direct Loans (in millions of dollars)

| | | | |
|--|-------------|-----------|-----------|
| Identification code 12-4208-0-3-271 | 2001 actual | 2002 est. | 2003 est. |
| Position with respect to appropriations act limitation on obligations: | | | |
| 1111 Limitation on direct loans | 3,051 | 4,466 | 3,016 |

Credit accounts—Continued

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS DIRECT LOAN FINANCING ACCOUNT—Continued

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

| Identification code 12-4208-0-3-271 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 1150 Total direct loan obligations | 3,051 | 4,466 | 3,016 |
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 7,131 | 9,072 | 11,282 |
| 1231 Disbursements: Direct loan disbursements | 2,151 | 2,416 | 2,618 |
| 1251 Repayments: Repayments and prepayments | -210 | -206 | -267 |
| 1290 Outstanding, end of year | 9,072 | 11,282 | 13,633 |

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 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | 48 | 2 | 330 | 538 |
| Investments in US securities: | | | | |
| 1106 Receivables, net | 43 | 104 | 24 | 17 |
| Net value of assets related to post-1991 direct loans receivable: | | | | |
| 1401 Direct loans receivable, gross | 6,019 | 7,815 | 9,548 | 11,502 |
| 1402 Interest receivable | 34 | 44 | 65 | 55 |
| 1405 Allowance for subsidy cost (-) | -465 | -435 | -570 | -587 |
| 1499 Net present value of assets related to direct loans | 5,588 | 7,424 | 9,043 | 10,970 |
| 1999 Total assets | 5,679 | 7,530 | 9,397 | 11,525 |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2101 Accounts payable | 21 | 54 | 49 | 42 |
| 2102 Interest payable | 29 | 46 | 40 | 30 |
| 2103 Debt | 5,571 | 7,348 | 9,238 | 11,389 |
| 2207 Non-Federal liabilities: Other | 58 | 82 | 70 | 64 |
| 2999 Total liabilities | 5,679 | 7,530 | 9,397 | 11,525 |
| 4999 Total liabilities and net position | 5,679 | 7,530 | 9,397 | 11,525 |
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | 69 | 156 | 314 | 385 |
| Investments in US securities: | | | | |
| 1106 Receivables, net | 37 | 48 | 19 | 7 |
| Net value of assets related to post-1991 direct loans receivable: | | | | |
| 1401 Direct loans receivable, gross | 1,088 | 1,232 | 1,716 | 2,113 |
| 1402 Interest receivable | 3 | 3 | 2 | 3 |
| 1405 Allowance for subsidy cost (-) | -51 | -27 | -98 | -106 |
| 1499 Net present value of assets related to direct loans | 1,040 | 1,208 | 1,620 | 2,010 |
| 1999 Total assets | 1,146 | 1,412 | 1,953 | 2,402 |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2101 Accounts payable | 3 | 8 | 15 | 7 |
| 2102 Interest payable | 2 | 3 | 7 | 3 |
| 2103 Debt | 1,117 | 1,365 | 1,890 | 2,357 |
| 2207 Non-Federal liabilities: Other | 24 | 36 | 41 | 35 |
| 2999 Total liabilities | 1,146 | 1,412 | 1,953 | 2,402 |
| 4999 Total liabilities and net position | 1,146 | 1,412 | 1,953 | 2,402 |

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS GUARANTEED LOANS FINANCING ACCOUNT

Status of Guaranteed Loans (in millions of dollars)

| Identification code 12-4209-0-3-271 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on commitments: | | | |
| 2111 Limitation on guaranteed loans made by private lenders | 59 | 100 | 100 |
| 2150 Total guaranteed loan commitments | 59 | 100 | 100 |
| 2199 Guaranteed amount of guaranteed loan commitments | 59 | 100 | 100 |
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 168 | 203 | 268 |
| 2231 Disbursements of new guaranteed loans | 35 | 68 | 113 |
| 2251 Repayments and prepayments | - | -3 | -4 |
| 2290 Outstanding, end of year | 203 | 268 | 377 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 203 | 268 | 377 |

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 12-4230-0-3-271 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Interest expense on certificates of beneficial ownership | 387 | 382 | 382 |
| 00.02 Interest expense, FFB direct | 708 | 708 | 653 |
| 00.03 Other interest expense | 7 | 9 | 21 |
| 00.05 Other | 7 | 8 | 7 |
| 10.00 Total new obligations | 1,109 | 1,107 | 1,063 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 1,100 | 1,103 | 1,061 |
| 22.10 Resources available from recoveries of prior year obligations | 10 | 4 | 3 |
| 23.90 Total budgetary resources available for obligation | 1,110 | 1,107 | 1,064 |
| 23.95 Total new obligations | -1,109 | -1,107 | -1,063 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.36 Unobligated balance rescission proposal | | | -3 |
| Mandatory: | | | |
| 60.36 Unobligated balance rescinded | -4 | -4 | |
| 62.00 Transferred from other accounts | 24 | 23 | 22 |
| 62.50 Appropriation (total mandatory) | 20 | 19 | 22 |
| 69.00 Offsetting collections (cash) | 2,518 | 2,666 | 2,447 |
| 69.27 Capital transfer to general fund | -156 | -717 | -267 |
| 69.47 Portion applied to repay debt | -1,282 | -865 | -1,138 |
| 69.90 Spending authority from offsetting collections (total mandatory) | 1,080 | 1,084 | 1,042 |
| 70.00 Total new budget authority (gross) | 1,100 | 1,103 | 1,061 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 521 | 482 | 473 |
| 73.10 Total new obligations | 1,109 | 1,107 | 1,063 |
| 73.20 Total outlays (gross) | -1,139 | -1,113 | -1,069 |
| 73.45 Recoveries of prior year obligations | -10 | -4 | -3 |
| 74.40 Obligated balance, end of year | 482 | 473 | 464 |
| Outlays (gross), detail: | | | |
| 86.97 Outlays from new mandatory authority | 764 | 1,021 | 948 |

| | | | | |
|---|--|--------|--------|--------|
| 86.98 | Outlays from mandatory balances | 375 | 92 | 121 |
| 87.00 | Total outlays (gross) | 1,139 | 1,113 | 1,069 |
| Offsets: | | | | |
| Against gross budget authority and outlays: | | | | |
| Offsetting collections (cash) from: | | | | |
| Non-Federal sources: | | | | |
| 88.40 | Loans repaid | -1,406 | -1,447 | -1,325 |
| 88.40 | Interest from loans | -1,176 | -1,219 | -1,122 |
| 88.40 | Undistributed charges | 64 | | |
| 88.90 | Total, offsetting collections (cash) | -2,518 | -2,666 | -2,447 |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | -1,418 | -1,563 | -1,386 |
| 90.00 | Outlays | -1,379 | -1,553 | -1,378 |

Status of Direct Loans (in millions of dollars)

| Identification code 12-4230-0-3-271 | 2001 actual | 2002 est. | 2003 est. | |
|---|--|-----------|-----------|--------|
| Cumulative balance of direct loans outstanding: | | | | |
| 1210 | Outstanding, start of year | 23,733 | 21,009 | 19,333 |
| 1231 | Disbursements: Direct loan disbursements | 9 | 13 | 13 |
| 1251 | Repayments: Repayments and prepayments | -1,497 | -1,539 | -1,416 |
| Write-offs for default: | | | | |
| 1263 | Direct loans | -2,953 | -142 | -130 |
| 1264 | Other adjustments, net | 1,717 | -8 | -7 |
| 1290 | Outstanding, end of year | 21,009 | 19,333 | 17,793 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 12-4230-0-3-271 | 2001 actual | 2002 est. | 2003 est. | |
|---|---|-----------|-----------|-----|
| Cumulative balance of guaranteed loans outstanding: | | | | |
| 2210 | Outstanding, start of year | 382 | 358 | 335 |
| 2263 | Adjustments: Terminations for default that result in claim payments | -24 | -23 | -21 |
| 2290 | Outstanding, end of year | 358 | 335 | 314 |
| Memorandum: | | | | |
| 2299 | Guaranteed amount of guaranteed loans outstanding, end of year | 358 | 335 | 314 |

STATUS OF AGENCY DEBT

(In millions of dollars)

| Agency debt held by FFB: | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Outstanding FFB direct, start of year | 10,662 | 9,890 | 9,118 |
| Outstanding Certificate of Beneficial Ownership (CBO's), start of year | 4,327 | 4,270 | 4,270 |
| New agency borrowing, FFB direct | 2 | | |
| Repayments and prepayments, FFB Direct | -774 | -772 | -712 |
| Repayments, CBO's | -57 | | |
| Outstanding FFB direct, end of year | 9,890 | 9,118 | 8,406 |
| Outstanding CBO's, end of year | 4,270 | 4,270 | 4,270 |

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 Utilities Service 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.

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)

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Cumulative RUS financed direct loans | 21,856 | 21,856 | 21,856 |
| Cumulative FFB financed direct loans | 27,089 | 27,042 | 26,995 |
| Cumulative RUS funds advanced | 21,831 | 21,833 | 21,835 |
| Unadvanced RUS funds, end of year | 25 | 23 | 21 |
| Cumulative RUS principal repaid | 14,362 | 15,016 | 16,313 |
| Cumulative RUS interest paid | 11,677 | 12,163 | 13,214 |
| Cumulative loan guarantee commitments ¹ | 3,967 | 3,967 | 3,967 |
| Number of borrowers | 737 | 730 | 723 |

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)

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Cumulative RUS financed direct loans | 6,036 | 6,026 | 6,016 |
| Cumulative FFB financed direct loans | 562 | 562 | 562 |
| Cumulative RUS funds advanced | 5,888 | 5,896 | 5,904 |
| Unadvanced RUS funds, end of period | 148 | 140 | 132 |
| Cumulative RUS principal repaid | 3,654 | 3,024 | 3,365 |
| Cumulative RUS interest paid | 2,847 | 2,945 | 3,036 |
| Cumulative loan guarantee commitments ¹ | 3 | 3 | 3 |
| Number of borrowers | 725 | 707 | 689 |

¹ Other lenders—privately financed direct loans, FFB.

Statement of Operations (in millions of dollars)

| Identification code 12-4230-0-3-271 | 2000 actual | 2001 actual | 2002 est. | 2003 est. | |
|-------------------------------------|--------------------------------|-------------|-----------|-----------|-------|
| ELECTRIC PROGRAM: | | | | | |
| 0111 | Revenue | 1,408 | 1,164 | 1,099 | 1,011 |
| 0112 | Expense | -22 | -2,900 | -888 | -823 |
| 0115 | Net income or loss (-) | 1,386 | -1,736 | 211 | 188 |
| TELEPHONE PROGRAM: | | | | | |
| 0121 | Revenue | 116 | 113 | 109 | 100 |
| 0122 | Expense | -17 | -380 | -121 | -112 |
| 0125 | Net income or loss (-) | 99 | -267 | -12 | -12 |
| 0191 | Total revenues | 1,524 | 1,277 | 1,208 | 1,111 |
| 0192 | Total expenses | -39 | -3,280 | -1,009 | -935 |
| 0195 | Total income or loss (-) | 1,485 | -2,003 | 199 | 176 |
| 0199 | Net loss (-) | 1,485 | -2,003 | 199 | 176 |

Balance Sheet (in millions of dollars)

| Identification code 12-4230-0-3-271 | 2000 actual | 2001 actual | 2002 est. | 2003 est. | |
|---|--|-------------|-----------|-----------|--------|
| ASSETS: | | | | | |
| 1101 | Federal assets: Fund balances with Treasury | 290 | 267 | 316 | 427 |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | | |
| 1601 | Direct loans, gross (Electric) | 21,256 | 18,732 | 17,225 | 15,840 |
| 1602 | Interest receivable | 262 | 163 | 159 | 156 |
| 1603 | Allowance for estimated uncollectible loans and interest (-) | -1,027 | -1,415 | -1,302 | -1,198 |
| 1604 | Direct loans and interest receivable, net | 20,491 | 17,480 | 16,082 | 14,798 |
| 1699 | Value of assets related to direct loans | 20,491 | 17,480 | 16,082 | 14,798 |
| 1999 | Total assets | 20,781 | 17,747 | 16,398 | 15,225 |
| LIABILITIES: | | | | | |
| Federal liabilities: | | | | | |
| 2101 | Accounts payable | 780 | 780 | 780 | 780 |
| 2102 | Interest payable | 177 | 156 | 137 | 121 |
| 2103 | Debt | 18,867 | 17,774 | 16,929 | 15,291 |
| 2104 | Resources payable to Treasury | 803 | -970 | -1,452 | -971 |
| 2105 | Other | 154 | 7 | 4 | 4 |
| 2999 | Total liabilities | 20,781 | 17,747 | 16,398 | 15,225 |

Credit accounts—Continued

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LIQUIDATING ACCOUNT—Continued

Balance Sheet (in millions of dollars)—Continued

| Identification code 12-4230-0-3-271 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-------------|-----------|-----------|
| 4999 Total liabilities and net position | 20,781 | 17,747 | 16,398 | 15,225 |
| ASSETS: | | | | |
| 1101 Federal assets: Fund balances with Treasury | 173 | 159 | 185 | 251 |
| Non-Federal assets: | | | | |
| 1201 Investments in non-Federal securities, net | 477 | 453 | 430 | 409 |
| 1206 Receivables, net | 780 | 780 | 780 | 780 |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | |
| 1601 Direct loans, gross (telephone) | 2,477 | 2,278 | 2,109 | 1,953 |
| 1602 Interest receivable | 8 | 8 | 8 | 7 |
| 1603 Allowance for estimated uncollectible loans and interest (-) | -33 | -399 | -367 | -338 |
| 1604 Direct loans and interest receivable, net | 2,452 | 1,887 | 1,750 | 1,622 |
| 1699 Value of assets related to direct loans | 2,452 | 1,887 | 1,750 | 1,622 |
| 1999 Total assets | 3,882 | 3,279 | 3,145 | 3,062 |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2102 Interest payable | 4 | 2 | 2 | 2 |
| 2103 Debt | 1,944 | 1,757 | 1,674 | 1,512 |
| 2104 Resources payable to Treasury | 1,922 | 1,506 | 1,455 | 1,534 |
| 2105 Other | 2 | 4 | 4 | 4 |
| 2999 Total liabilities | 3,872 | 3,269 | 3,135 | 3,052 |
| NET POSITION: | | | | |
| 3300 Cumulative results of operations | 10 | 10 | 10 | 10 |
| 3999 Total net position | 10 | 10 | 10 | 10 |
| 4999 Total liabilities and net position | 3,882 | 3,279 | 3,145 | 3,062 |

Object Classification (in millions of dollars)

| Identification code 12-4230-0-3-271 | 2001 actual | 2002 est. | 2003 est. |
|-------------------------------------|-------------|-----------|-----------|
| 25.2 Other services | 7 | 8 | 7 |
| 33.0 Investments and loans | 7 | 9 | 21 |
| 43.0 Interest and dividends | 1,095 | 1,090 | 1,035 |
| 99.9 Total new obligations | 1,109 | 1,107 | 1,063 |

RURAL TELEPHONE BANK PROGRAM ACCOUNT

(INCLUDING TRANSFER 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. [During fiscal year 2002 and within the resources and authority available, gross obligations for the principal amount of direct loans shall be \$174,615,000.]

[For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the cost of modifying loans, of direct loans authorized by the Rural Electrification Act of 1936 (7 U.S.C. 935), \$3,737,000.]

[In addition, for] For administrative expenses, including audits, necessary to [carry out the loan programs, \$3,082,000,] continue to service existing loans, \$3,082,000, to be derived by transfer from the shareholder's equity, contained in the unobligated balances in the Rural Telephone Bank Liquidating Account, 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, 2002.)

Program and Financing (in millions of dollars)

| Identification code 12-1231-0-1-452 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct loan subsidy | 3 | 4 | |
| 00.05 Reestimates on direct loan subsidy | 3 | | |
| 00.06 Interest on reestimate | 1 | | |
| 00.09 Administrative expenses subject to limitation | 3 | 3 | 3 |
| 10.00 Total new obligations | 10 | 7 | 3 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 10 | 7 | 3 |
| 23.95 Total new obligations | -10 | -7 | -3 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 6 | 7 | |
| 42.00 Transferred from other accounts | | | 3 |
| 43.00 Appropriation (total discretionary) | 6 | 7 | 3 |
| Mandatory: | | | |
| 60.00 Appropriation | 4 | | |
| 70.00 Total new budget authority (gross) | 10 | 7 | 3 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 15 | 16 | 18 |
| 73.10 Total new obligations | 10 | 7 | 3 |
| 73.20 Total outlays (gross) | -8 | -5 | -5 |
| 73.40 Adjustments in expired accounts (net) | -1 | | |
| 74.40 Obligated balance, end of year | 16 | 18 | 16 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 3 | 3 | 3 |
| 86.93 Outlays from discretionary balances | 1 | 1 | 2 |
| 86.97 Outlays from new mandatory authority | 4 | | |
| 87.00 Total outlays (gross) | 8 | 5 | 5 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 10 | 7 | 3 |
| 90.00 Outlays | 8 | 5 | 5 |

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

| Identification code 12-1231-0-1-452 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct loan levels supportable by subsidy budget authority: | | | |
| 115001 Rural Telephone Bank | 175 | 175 | |
| 115901 Total direct loan levels | 175 | 175 | |
| Direct loan subsidy (in percent): | | | |
| 132001 Rural Telephone Bank | 1.48 | 2.14 | 0.00 |
| 132901 Weighted average subsidy rate | 1.48 | 2.14 | 0.00 |
| Direct loan subsidy budget authority: | | | |
| 133001 Rural Telephone Bank | 3 | 4 | |
| 133901 Total subsidy budget authority | 3 | 4 | |
| Direct loan subsidy outlays: | | | |
| 134001 Rural Telephone Bank | 1 | 2 | 2 |
| 134901 Total subsidy outlays | 1 | 2 | 2 |
| Direct loan upward reestimate subsidy budget authority: | | | |
| 135001 Rural Telephone Bank | 4 | | |
| 135901 Total upward reestimate budget authority | 4 | | |
| Direct loan upward reestimate subsidy outlays: | | | |
| 136001 Rural Telephone Bank | 4 | | |
| 136901 Total upward reestimate outlays | 4 | | |
| Direct loan downward reestimate subsidy budget authority: | | | |
| 137001 Rural Telephone Bank | -6 | | |
| 137901 Total downward reestimate budget authority | -6 | | |
| Direct loan downward reestimate subsidy outlays: | | | |
| 138001 Rural Telephone Bank | -6 | | |
| 138901 Total downward reestimate subsidy outlays | -6 | | |
| Administrative expense data: | | | |
| 351001 Budget authority | 3 | 3 | 3 |

| | | | |
|---|---|---|---|
| 359001 Outlays from new authority | 3 | 3 | 3 |
|---|---|---|---|

The President's budget proposes no more federally funded loans. Funding for the RTB's administrative expenses will be transferred from the unobligated balances in the RTB liquidating account.

As required by the Federal Credit Reform Act of 1990, this account records, for the Rural Telephone Bank, 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 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 25.2 Other services | 3 | 3 | 3 |
| 41.0 Grants, subsidies, and contributions | 7 | 4 | |
| 99.9 Total new obligations | 10 | 7 | 3 |

RURAL TELEPHONE BANK DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 12-4210-0-3-452 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Operating program: | | | |
| 00.01 Direct loans | 175 | 175 | |
| 00.02 Interest on Treasury borrowing | 20 | 36 | 45 |
| 00.91 Subtotal, Operating program | 195 | 211 | 45 |
| Reestimate: | | | |
| 08.02 Downward reestimate | 4 | | |
| 08.04 Interest on downward reestimate | 2 | | |
| 08.91 Subtotal, reestimate | 6 | | |
| 10.00 Total new obligations | 201 | 211 | 45 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 1 | 6 | |
| 22.00 New financing authority (gross) | 207 | 205 | 45 |
| 22.10 Resources available from recoveries of prior year obligations | 21 | | |
| 22.70 Balance of authority to borrow withdrawn | -23 | | |
| 23.90 Total budgetary resources available for obligation | 206 | 211 | 45 |
| 23.95 Total new obligations | -201 | -211 | -45 |
| 24.40 Unobligated balance carried forward, end of year | 6 | | |
| New financing authority (gross), detail: | | | |
| Discretionary: | | | |
| 47.00 Authority to borrow | 178 | 168 | 23 |
| Spending authority from offsetting collections: | | | |
| 68.00 Offsetting collections (cash) | 40 | 45 | 55 |
| 68.10 Change in uncollected customer payments from Federal sources (unexpired) | 1 | 2 | -2 |
| 68.47 Portion applied to repay debt | -12 | -10 | -31 |
| 68.90 Spending authority from offsetting collections (total discretionary) | 29 | 37 | 22 |
| 70.00 Total new financing authority (gross) | 207 | 205 | 45 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 904 | 1,001 | 989 |
| 73.10 Total new obligations | 201 | 211 | 45 |
| 73.20 Total financing disbursements (gross) | -81 | -220 | -261 |
| 73.45 Recoveries of prior year obligations | -21 | | |
| 74.00 Change in uncollected customer payments from Federal sources (unexpired) | -1 | -2 | 2 |
| 74.40 Obligated balance, end of year | 1,001 | 989 | 774 |
| 87.00 Total financing disbursements (gross) | 81 | 220 | 261 |
| Offsets: | | | |
| Against gross financing authority and financing disbursements: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 Federal sources: Payment from program account | -5 | -2 | -2 |

| | | | |
|---|-----|-----|-----|
| 88.25 Interest on uninvested funds | -5 | -3 | -4 |
| Non-Federal sources: | | | |
| 88.40 Principal received on loans | -11 | -14 | -16 |
| 88.40 Interest received on loans | -16 | -17 | -23 |
| 88.40 Sale of RTB Stock | -3 | -9 | -10 |
| 89.90 Total, offsetting collections (cash) | -40 | -45 | -55 |
| Against gross financing authority only: | | | |
| 88.95 Change in receivables from program accounts | -1 | -2 | 2 |
| Net financing authority and financing disbursements: | | | |
| 89.00 Financing authority | 166 | 158 | -8 |
| 90.00 Financing disbursements | 42 | 175 | 206 |

Status of Direct Loans (in millions of dollars)

| Identification code 12-4210-0-3-452 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on obligations: | | | |
| 1111 Limitation on direct loans | 175 | 175 | |
| 1150 Total direct loan obligations | 175 | 175 | |
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 268 | 338 | 453 |
| 1231 Disbursements: Direct loan disbursements | 81 | 129 | 127 |
| 1251 Repayments: Repayments and prepayments | -11 | -14 | -16 |
| 1290 Outstanding, end of year | 338 | 453 | 564 |

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 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | | 10 | | |
| Investments in US securities: | | | | |
| 1106 Receivables, net | 19 | 16 | | |
| Net value of assets related to post-1991 direct loans receivable: | | | | |
| 1401 Direct loans receivable, gross | 246 | 281 | | |
| 1405 Allowance for subsidy cost (-) | -9 | | | |
| 1499 Net present value of assets related to direct loans | 237 | 281 | | |
| 1999 Total assets | 256 | 307 | | |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2103 Debt | 221 | 291 | | |
| 2105 Other | 15 | | | |
| Non-Federal liabilities: | | | | |
| 2201 Accounts payable | 6 | 16 | | |
| 2207 Other | 14 | | | |
| 2999 Total liabilities | 256 | 307 | | |
| 4999 Total liabilities and net position | 256 | 307 | | |

RURAL TELEPHONE BANK LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 12-4231-0-3-452 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Dividends | 21 | 21 | 23 |
| 10.00 Total new obligations (object class 43.0) | 21 | 21 | 23 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 636 | 769 | 848 |
| 22.00 New budget authority (gross) | 143 | 100 | 95 |
| 22.10 Resources available from recoveries of prior year obligations | 10 | | |

Credit accounts—Continued

RURAL TELEPHONE BANK LIQUIDATING ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

| Identification code 12-4231-0-3-452 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| 22.21 Unobligated balance transferred to other accounts | | | -3 |
| 23.90 Total budgetary resources available for obligation | 789 | 869 | 940 |
| 23.95 Total new obligations | -21 | -21 | -23 |
| 24.40 Unobligated balance carried forward, end of year | 769 | 848 | 917 |
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| 61.00 Transferred to other accounts | -24 | -23 | -22 |
| 69.00 Offsetting collections (cash) | 251 | 132 | 126 |
| 69.47 Portion applied to repay debt | -84 | -9 | -9 |
| 69.90 Spending authority from offsetting collections (total mandatory) | 167 | 123 | 117 |
| 70.00 Total new budget authority (gross) | 143 | 100 | 95 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 120 | 106 | 99 |
| 73.10 Total new obligations | 21 | 21 | 23 |
| 73.20 Total outlays (gross) | -25 | -28 | -29 |
| 73.45 Recoveries of prior year obligations | -10 | | |
| 74.40 Obligated balance, end of year | 106 | 99 | 93 |
| Outlays (gross), detail: | | | |
| 86.97 Outlays from new mandatory authority | 18 | 21 | 23 |
| 86.98 Outlays from mandatory balances | 7 | 7 | 6 |
| 87.00 Total outlays (gross) | 25 | 28 | 29 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| Offsetting collections (cash) from: | | | |
| 88.20 Interest on Federal securities | -55 | | |
| Non-Federal sources: | | | |
| 88.40 Loans repaid | -136 | -78 | -78 |
| 88.40 Interest from loans | -60 | -54 | -48 |
| 88.90 Total, offsetting collections (cash) | -251 | -132 | -126 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | -108 | -32 | -31 |
| 90.00 Outlays | -227 | -104 | -97 |
| Status of Direct Loans (in millions of dollars) | | | |
| Identification code 12-4231-0-3-452 | 2001 actual | 2002 est. | 2003 est. |
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 924 | 795 | 724 |
| 1231 Disbursements: Direct loan disbursements | 7 | 7 | 6 |
| 1251 Repayments: Repayments and prepayments | -136 | -78 | -78 |
| 1290 Outstanding, end of year | 795 | 724 | 652 |

As required by the Federal Credit Reform Act of 1990, this account records, for the Rural Telephone Bank (RTB), all cash flows to and from the Government resulting from direct loans obligated 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. Funding for salaries and expenses will be transferred from the unobligated balances in the RTB liquidating account in 2003.

The RTB provides a supplemental source of financing for rural telecommunications borrowers. The Bank charges an interest rate based on the cost of money to the Bank, as prescribed by law, but not less than 5 percent per annum.

In accordance with section 406(c) of the Rural Electrification Act of 1936, as amended, the first redemption of class A stock occurred on September 30, 1996. Redemption of class A stock will continue, as allowed by law, toward the full privatization of the Rural Telephone Bank required by law.

The President's budget proposes that the Rural Telephone Bank make no more Federally-funded loans.

Administrative support is provided for the general operations of the Bank by RUS employees and the Office of the General Counsel.

PROGRAM STATISTICS

(dollars in millions)

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Cumulative net loans | 2,506 | 2,481 | 2,461 |
| Cumulative loan funds, advanced | 2,467 | 2,474 | 2,480 |
| Unadvanced loan funds, end of year | 85 | 78 | 72 |
| Cumulative principal repaid | 1,673 | 1,751 | 1,829 |
| Cumulative interest paid | 2,291 | 2,345 | 2,393 |
| Number of borrowers | 348 | 335 | 322 |

Statement of Operations (in millions of dollars)

| Identification code 12-4231-0-3-452 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|-------------------------------------|-------------|-------------|-----------|-----------|
| 0101 Revenue | 120 | 115 | 54 | 48 |
| 0102 Expense | -37 | -1 | -1 | -1 |
| 0105 Net income or loss (-) | 83 | 114 | 53 | 47 |

Balance Sheet (in millions of dollars)

| Identification code 12-4231-0-3-452 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 Federal assets: Fund balances with Treasury | 756 | 875 | 902 | 968 |
| 1402 Net value of assets related to post-1991 direct loans receivable: Interest receivable | 2 | 3 | 2 | 2 |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | |
| 1601 Direct loans, gross | 924 | 794 | 723 | 651 |
| 1603 Allowance for estimated uncollectible loans and interest (-) | -65 | -6 | -5 | -4 |
| 1604 Direct loans and interest receivable, net | 859 | 788 | 718 | 647 |
| 1699 Value of assets related to direct loans | 859 | 788 | 718 | 647 |
| 1999 Total assets | 1,617 | 1,666 | 1,622 | 1,617 |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2103 Debt | 74 | | | |
| 2104 Resources payable to Treasury | 83 | 114 | 196 | 156 |
| 2207 Non-Federal liabilities: Other | 983 | 1,118 | 996 | 1,053 |
| 2999 Total liabilities | 1,140 | 1,232 | 1,192 | 1,209 |
| NET POSITION: | | | | |
| 3300 Cumulative results of operations | 477 | 434 | 430 | 408 |
| 3999 Total net position | 477 | 434 | 430 | 408 |
| 4999 Total liabilities and net position | 1,617 | 1,666 | 1,622 | 1,617 |

DISTANCE LEARNING AND TELEMEDICINE PROGRAM

For the principal amount of direct distance learning and telemedicine loans, [\$300,000,000] \$50,000,000; and for the principal amount of broadband telecommunication loans, [\$80,000,000] \$79,535,000.

For the cost of direct loans and grants, as authorized by 7 U.S.C. 950aaa et seq., [\$49,441,000] \$31,049,000, to remain available until expended, to be available for loans and grants for telemedicine and distance learning services in rural areas: *Provided*, That [\$22,500,000] \$6,104,000 may be available for the continuation of a pilot project for a loan and grant program to finance broadband transmission and local dial-up Internet service in areas that meet the definition of "rural area" used for the Distance Learning and Telemedicine Program authorized by 7 U.S.C. 950aaa: *Provided further*, That the cost of direct 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, 2002.*)

Program and Financing (in millions of dollars)

| Identification code 12-1232-0-1-452 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.02 Grants | 27 | 53 | 27 |
| 00.03 Broadband loan subsidy | | | 4 |
| 10.00 Total new obligations (object class 41.0) | 27 | 53 | 31 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 3 | 4 | |
| 22.00 New budget authority (gross) | 27 | 49 | 31 |
| 22.10 Resources available from recoveries of prior year obligations | 1 | | |
| 23.90 Total budgetary resources available for obligation | 31 | 53 | 31 |
| 23.95 Total new obligations | -27 | -53 | -31 |
| 24.40 Unobligated balance carried forward, end of year | 4 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation grant budget authority | 27 | 49 | 31 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 42 | 58 | 95 |
| 73.10 Total new obligations | 27 | 53 | 31 |
| 73.20 Total outlays (gross) | -10 | -16 | -27 |
| 73.45 Recoveries of prior year obligations | -1 | | |
| 74.40 Obligated balance, end of year | 58 | 95 | 99 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | | 1 | 1 |
| 86.93 Outlays from discretionary balances | 10 | 15 | 26 |
| 87.00 Total outlays (gross) | 10 | 16 | 27 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 27 | 49 | 31 |
| 90.00 Outlays | 10 | 16 | 27 |

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

| Identification code 12-1232-0-1-452 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct loan levels supportable by subsidy budget authority: | | | |
| 115001 Distance Learning and Telemedicine | 300 | 300 | 50 |
| 115002 Broadband | 100 | 80 | 80 |
| 115901 Total direct loan levels | 400 | 380 | 130 |
| Direct loan subsidy (in percent): | | | |
| 132001 Direct loan levels | -0.61 | -0.07 | -1.15 |
| 132002 Broadband | -0.61 | -0.07 | 5.16 |
| 132901 Weighted average subsidy rate | -0.75 | 0.00 | 2.31 |
| Direct loan subsidy budget authority: | | | |
| 133001 Distance Learning and Telemedicine | -2 | | -1 |
| 133002 Broadband | -1 | | 4 |
| 133901 Total subsidy budget authority | -3 | | 3 |
| Direct loan subsidy outlays: | | | |
| 134001 Direct loan levels | | | |
| 134002 Direct loan levels | | | |
| 134901 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. Additionally, the budget proposes continuing a pilot program, for grants and loans to finance installation of broadband transmission capacity (i.e. the necessary fiber optic cable capacity needed in order to provide any enhanced services such as the Internet or high speed modems) to and through rural communities, and to provide local dial-up Internet service to under-served rural areas.

DISTANCE LEARNING AND TELEMEDICINE DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 12-4146-0-3-452 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Operating program: | | | |
| 00.01 Direct loans | 100 | 380 | 130 |
| 00.02 Interest on Treasury borrowing | 1 | 1 | 1 |
| 10.00 Total new obligations | 101 | 381 | 131 |
| Budgetary resources available for obligation: | | | |
| 22.00 New financing authority (gross) | 103 | 381 | 132 |
| 23.95 Total new obligations | -101 | -381 | -131 |
| New financing authority (gross), detail: | | | |
| Discretionary: | | | |
| 47.00 Authority to borrow | 101 | 378 | 128 |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | 2 | 3 | 4 |
| 70.00 Total new financing authority (gross) | 103 | 381 | 132 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 63 | 149 | 517 |
| 73.10 Total new obligations | 101 | 381 | 131 |
| 73.20 Total financing disbursements (gross) | -15 | -13 | -25 |
| 74.40 Obligated balance, end of year | 149 | 517 | 624 |
| 87.00 Total financing disbursements (gross) | 15 | 13 | 25 |
| Offsets: | | | |
| Against gross financing authority and financing disbursements: | | | |
| Offsetting collections (cash) from: | | | |
| 88.25 Interest on uninvested funds | -1 | -1 | -1 |
| Non-Federal sources: | | | |
| 88.40 Repayment of principal | -1 | -1 | -2 |
| 88.40 Interest received on loans | | -1 | -1 |
| 88.90 Total, offsetting collections (cash) | -2 | -3 | -4 |
| Net financing authority and financing disbursements: | | | |
| 89.00 Financing authority | 101 | 378 | 128 |
| 90.00 Financing disbursements | 13 | 10 | 21 |

Status of Direct Loans (in millions of dollars)

| Identification code 12-4146-0-3-452 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on obligations: | | | |
| 1111 Limitation on direct loans | 400 | 380 | 130 |
| 1142 Unobligated direct loan limitation (-) | -300 | | |
| 1150 Total direct loan obligations | 100 | 380 | 130 |
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 2 | 16 | 27 |
| 1231 Disbursements: Direct loan disbursements | 15 | 12 | 24 |
| 1251 Repayments: Repayments and prepayments | -1 | -1 | -2 |
| 1290 Outstanding, end of year | 16 | 27 | 49 |

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 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 Federal assets: Fund balances with Treasury | | 3 | | |
| Net value of assets related to post-1991 direct loans receivable: | | | | |
| 1401 Direct loans receivable, gross | 1 | 14 | 26 | 48 |
| 1402 Interest receivable | | | 1 | 1 |
| 1405 Allowance for subsidy cost (-) | | 1 | -1 | -1 |

Credit accounts—Continued

DISTANCE LEARNING AND TELEMEDICINE DIRECT LOAN FINANCING ACCOUNT—Continued

Balance Sheet (in millions of dollars)—Continued

| Identification code 12-4146-0-3-452 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-------------|-----------|-----------|
| 1499 Net present value of assets related to direct loans | 1 | 15 | 26 | 48 |
| 1999 Total assets | 1 | 18 | 26 | 48 |
| LIABILITIES: | | | | |
| 2101 Federal liabilities: Accounts payable | 1 | 18 | 26 | 48 |
| 2999 Total liabilities | 1 | 18 | 26 | 48 |
| 4999 Total liabilities and net position | 1 | 18 | 26 | 48 |

**[LOCAL TELEVISION LOAN GUARANTEE PROGRAM ACCOUNT]
[(INCLUDING TRANSFER OF FUNDS)]**

【For gross obligations for the principal amount of guaranteed loans, as authorized by title X of Public Law 106-553 for the purpose of facilitating access to signals of local television stations for households located in nonserved areas and underserved areas, \$258,065,000.】

【For the cost of guaranteed loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, \$20,000,000.】

【In addition, for administrative expenses necessary to carry out the guaranteed loan program, \$2,000,000, 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, 2002.*)

Program and Financing (in millions of dollars)

| Identification code 12-1233-0-1-452 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.02 Loan guarantee subsidy | | 20 | |
| 00.09 Administrative expenses | | 2 | |
| 10.00 Total new obligations | | 22 | |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | | 22 | |
| 23.95 Total new obligations | | -22 | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | | 22 | |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | | | 16 |
| 73.10 Total new obligations | | 22 | |
| 73.20 Total outlays (gross) | | -6 | -9 |
| 74.40 Obligated balance, end of year | | | 16 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | | 6 | |
| 86.93 Outlays from discretionary balances | | | 9 |
| 87.00 Total outlays (gross) | | 6 | 9 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | 22 | |
| 90.00 Outlays | | 6 | 9 |

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

| Identification code 12-1233-0-1-452 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Guaranteed loan levels supportable by subsidy budget authority: | | | |
| 215001 Local television | | 258 | |
| 215901 Total loan guarantee levels | | 258 | |
| Guaranteed loan subsidy (in percent): | | | |
| 232001 Loan guarantee levels | | 7.75 | 0.00 |

| | | |
|---|------|------|
| 232901 Weighted average subsidy rate | 7.75 | 0.00 |
| Guaranteed loan subsidy budget authority: | | |
| 233001 Loan guarantee levels | 20 | |
| 233901 Total subsidy budget authority | 20 | |
| Guaranteed loan subsidy outlays: | | |
| 234001 Loan guarantee levels | 4 | 9 |
| 234901 Total subsidy outlays | 4 | 9 |
| Administrative expense data: | | |
| 351001 Budget authority | 2 | |
| 358001 Outlays from balances | | |
| 359001 Outlays from new authority | 2 | |

The President’s budget proposes no federally funded loans for the Local Television Loan Guarantee program begun in 2002.

The Local Television Loan program provides guaranteed loans to fund the provision of local television stations to rural residents.

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 (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 12-1233-0-1-452 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 25.3 Other purchases of goods and services from Government accounts | | 2 | |
| 41.0 Grants, subsidies, and contributions | | 20 | |
| 99.9 Total new obligations | | 22 | |

LOCAL TELEVISION LOAN GUARANTEE FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 12-4220-0-3-452 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | | | 4 |
| 22.00 New financing authority (gross) | | 4 | 10 |
| 23.90 Total budgetary resources available for obligation | | 4 | 14 |
| 24.40 Unobligated balance carried forward, end of year | | 4 | 14 |
| New financing authority (gross), detail: | | | |
| Discretionary: | | | |
| 68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) | | 4 | 10 |
| Offsets: | | | |
| Against gross financing authority and financing disbursements: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 Federal sources | | -4 | -9 |
| 88.25 Interest on uninvested funds | | | -1 |
| 88.90 Total, offsetting collections (cash) | | -4 | -10 |
| Net financing authority and financing disbursements: | | | |
| 89.00 Financing authority | | | |
| 90.00 Financing disbursements | | -4 | -10 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 12-4220-0-3-452 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on commitments: | | | |
| 2111 Limitation on guaranteed loans made by private lenders | | 258 | |
| 2150 Total guaranteed loan commitments | | 258 | |

| | | | |
|---|---|-----|-------|
| 2199 | Guaranteed amount of guaranteed loan commitments | 206 | ..... |
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 | Outstanding, start of year | 52 | ..... |
| 2231 | Disbursements of new guaranteed loans | 52 | 116 |
| 2251 | Repayments and prepayments | | -2 |
| 2290 | Outstanding, end of year | 52 | 166 |
| Memorandum: | | | |
| 2299 | Guaranteed amount of guaranteed loans outstanding, end of year | 41 | 133 |

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 (including modifications of loan guarantees that resulted from commitments 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 12-4220-0-3-452 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|--|---|-------------|-----------|-----------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 | Fund balances with Treasury | | 4 | 14 |
| Investments in US securities: | | | | |
| 1106 | Receivables, net | | 16 | 6 |
| Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable: | | | | |
| 1502 | Interest receivable | | | 1 |
| 1505 | Allowance for subsidy cost (-) | | -1 | -3 |
| 1599 | Net present value of assets related to defaulted guaranteed loans | | -1 | -2 |
| 1901 | Other Federal assets: Other assets | | | 19 |
| 1999 | Total assets | | 19 | 37 |
| LIABILITIES: | | | | |
| Non-Federal liabilities: | | | | |
| 2204 | Liabilities for loan guarantees | | 12 | 37 |
| 2207 | Other | | 7 | ..... |
| 2999 | Total liabilities | | 19 | 37 |
| 4999 | Total liabilities and net position | | 19 | 37 |

RURAL DEVELOPMENT INSURANCE FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 12-4155-0-3-452 | 2001 actual | 2002 est. | 2003 est. | |
|--|--|-----------|-----------|------|
| Obligations by program activity: | | | | |
| Capital investment: | | | | |
| 01.01 | Interest on FFB borrowings | 429 | 249 | 123 |
| 01.05 | Interest on Treasury borrowings | 47 | 66 | 42 |
| 10.00 | Total new obligations (object class 43.0) | 476 | 315 | 165 |
| Budgetary resources available for obligation: | | | | |
| 22.00 | New budget authority (gross) | 476 | 315 | 165 |
| 23.95 | Total new obligations | -476 | -315 | -165 |
| New budget authority (gross), detail: | | | | |
| Mandatory: | | | | |
| 60.00 | Appropriation | 1,328 | 1,606 | 208 |
| 60.47 | Portion applied to repay debt | -852 | -1,291 | -43 |
| 62.50 | Appropriation (total mandatory) | 476 | 315 | 165 |
| 69.00 | Offsetting collections (cash) | 388 | 354 | 332 |
| 69.47 | Portion applied to repay debt | -388 | -354 | -332 |
| 69.90 | Spending authority from offsetting collections (total mandatory) | | | |
| 70.00 | Total new budget authority (gross) | 476 | 315 | 165 |
| Change in obligated balances: | | | | |
| 72.40 | Obligated balance, start of year | 243 | 159 | 66 |
| 73.10 | Total new obligations | 476 | 315 | 165 |

| | | | | |
|-------|--------------------------------------|------|------|------|
| 73.20 | Total outlays (gross) | -560 | -407 | -170 |
| 74.40 | Obligated balance, end of year | 159 | 66 | 61 |

Outlays (gross), detail:

| | | | | |
|-------|--|-----|-----|-----|
| 86.97 | Outlays from new mandatory authority | 386 | 281 | 117 |
| 86.98 | Outlays from mandatory balances | 174 | 126 | 53 |
| 87.00 | Total outlays (gross) | 560 | 407 | 170 |

Offsets:

| | | | | |
|---|---|------|-------|-------|
| Against gross budget authority and outlays: | | | | |
| Offsetting collections (cash) from: | | | | |
| Non-Federal sources: | | | | |
| 88.40 | Non-Federal sources | -200 | -187 | -176 |
| 88.40 | Repayments of guaranteed loans purchased from investors | -3 | -3 | -2 |
| 88.40 | Interest revenue | -175 | -164 | -154 |
| 88.40 | Undistributed charges | -10 | ..... | ..... |
| 88.90 | Total, offsetting collections (cash) | -388 | -354 | -332 |

Net budget authority and outlays:

| | | | | |
|-------|------------------------|-----|-----|------|
| 89.00 | Budget authority | 88 | -39 | -167 |
| 90.00 | Outlays | 172 | 53 | -162 |

Status of Direct Loans (in millions of dollars)

| Identification code 12-4155-0-3-452 | 2001 actual | 2002 est. | 2003 est. | |
|---|--|-----------|-----------|-------|
| Cumulative balance of direct loans outstanding: | | | | |
| 1210 | Outstanding, start of year | 3,269 | 3,068 | 2,880 |
| 1251 | Repayments: Repayments and prepayments | -200 | -187 | -176 |
| 1263 | Write-offs for default: Direct loans | -1 | -1 | -1 |
| 1290 | Outstanding, end of year | 3,068 | 2,880 | 2,703 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 12-4155-0-3-452 | 2001 actual | 2002 est. | 2003 est. | |
|---|----------------------------------|-----------|-----------|-----|
| Cumulative balance of guaranteed loans outstanding: | | | | |
| 2210 | Outstanding, start of year | 112 | 99 | 87 |
| 2251 | Repayments and prepayments | -13 | -12 | -10 |
| 2290 | Outstanding, end of year | 99 | 87 | 77 |

Memorandum:

| | | | | |
|------|---|----|----|----|
| 2299 | Guaranteed amount of guaranteed loans outstanding, end of year | 67 | 57 | 48 |
|------|---|----|----|----|

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 this program, all cash flows to and from the Government resulting from direct loans obligated and loan guarantees committed prior to 1992. All new activity in this program 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.

Statement of Operations (in millions of dollars)

| Identification code 12-4155-0-3-452 | 2000 actual | 2001 actual | 2002 est. | 2003 est. | |
|-------------------------------------|---------------|-------------|-----------|-----------|-----|
| 0101 | Revenue | 590 | 483 | 402 | 335 |

Credit accounts—Continued

RURAL DEVELOPMENT INSURANCE FUND LIQUIDATING ACCOUNT—Continued

Statement of Operations (in millions of dollars)—Continued

| Identification code 12-4155-0-3-452 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|-------------------------------------|-------------|-------------|-----------|-----------|
| 0102 Expense | -993 | -732 | -515 | -365 |
| 0105 Net income or loss (-) | -403 | -249 | -113 | -30 |

Balance Sheet (in millions of dollars)

| Identification code 12-4155-0-3-452 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 Federal assets: Fund balances with Treasury | 243 | 159 | 72 | 71 |
| 1201 Non-Federal assets: Investments in non-Federal securities, net | 34 | 34 | 34 | 34 |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | |
| 1601 Direct loans, gross | 3,269 | 3,068 | 2,880 | 2,703 |
| 1602 Interest receivable | 59 | 56 | 54 | 51 |
| 1603 Allowance for estimated uncollectible loans and interest (-) | -1,076 | -1,026 | -964 | -904 |
| 1604 Direct loans and interest receivable, net | 2,252 | 2,098 | 1,970 | 1,850 |
| 1699 Value of assets related to direct loans | 2,252 | 2,098 | 1,970 | 1,850 |
| 1901 Other Federal assets: Other assets | 20 | 18 | 15 | 13 |
| 1999 Total assets | 2,549 | 2,309 | 2,091 | 1,968 |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2103 Debt | 4,306 | 3,066 | 1,421 | 1,046 |
| 2104 Resources payable to Treasury | -2,013 | -930 | 592 | 849 |
| Non-Federal liabilities: | | | | |
| 2202 Interest payable | 243 | 158 | 66 | 61 |
| 2204 Liabilities for loan guarantees | 2 | 2 | 2 | 2 |
| 2207 Other | 11 | 13 | 10 | 10 |
| 2999 Total liabilities | 2,549 | 2,309 | 2,091 | 1,968 |
| 4999 Total liabilities and net position | 2,549 | 2,309 | 2,091 | 1,968 |

RURAL COMMUNICATION DEVELOPMENT FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 12-4142-0-3-452 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Interest on Treasury borrowing | 3 | 3 | 3 |
| 10.00 Total new obligations (object class 43.0) | 3 | 3 | 3 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 1 | 2 | |
| 22.00 New budget authority (gross) | 3 | 3 | 3 |
| 23.90 Total budgetary resources available for obligation | 4 | 5 | 3 |
| 23.95 Total new obligations | -3 | -3 | -3 |
| 24.40 Unobligated balance carried forward, end of year | 2 | | |
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| 60.00 Appropriation | 2 | 2 | 2 |
| 69.00 Offsetting collections (cash) | 1 | 1 | 1 |
| 70.00 Total new budget authority (gross) | 3 | 3 | 3 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 1 | 1 | 1 |
| 73.10 Total new obligations | 3 | 3 | 3 |
| 73.20 Total outlays (gross) | -3 | -3 | -3 |
| 74.40 Obligated balance, end of year | 1 | 1 | 1 |
| Outlays (gross), detail: | | | |
| 86.97 Outlays from new mandatory authority | 1 | 1 | 1 |

| | | | |
|---------------------------------------|---|---|---|
| 86.98 Outlays from mandatory balances | 1 | | |
| 87.00 Total outlays (gross) | 3 | 3 | 3 |

Offsets:

| | | | |
|---|----|----|----|
| Against gross budget authority and outlays: | | | |
| 88.40 Offsetting collections (cash) from: Non-Federal sources | -1 | -1 | -1 |

Net budget authority and outlays:

| | | | |
|------------------------|---|---|---|
| 89.00 Budget authority | 2 | 2 | 2 |
| 90.00 Outlays | 2 | 2 | 2 |

Status of Direct Loans (in millions of dollars)

| Identification code 12-4142-0-3-452 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 6 | 5 | 4 |
| 1251 Repayments: Repayments and prepayments | -1 | -1 | |
| 1290 Outstanding, end of year | 5 | 4 | 4 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 12-4142-0-3-452 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 4 | 4 | 4 |
| 2290 Outstanding, end of year | 4 | 4 | 4 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 4 | 4 | 4 |

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 before 1992.

Statement of Operations (in millions of dollars)

| Identification code 12-4142-0-3-452 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|-------------------------------------|-------------|-------------|-----------|-----------|
| 0101 Revenue | 3 | 3 | 3 | 2 |
| 0102 Expense | -5 | -3 | -3 | -2 |
| 0105 Net income or loss (-) | -2 | | | |

Balance Sheet (in millions of dollars)

| Identification code 12-4142-0-3-452 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 Federal assets: Fund balances with Treasury | 2 | 3 | 3 | 3 |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | |
| 1601 Direct loans, gross | 6 | 5 | 4 | 4 |
| 1603 Allowance for estimated uncollectible loans and interest (-) | -1 | 1 | -1 | -1 |
| 1604 Direct loans and interest receivable, net | 5 | 6 | 3 | 3 |
| 1699 Value of assets related to direct loans | 5 | 6 | 3 | 3 |
| 1999 Total assets | 7 | 9 | 6 | 6 |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2102 Interest payable | 1 | 1 | 1 | 1 |
| 2103 Debt | 25 | 25 | 24 | 24 |
| 2204 Non-Federal liabilities: Liabilities for loan guarantees | -17 | -17 | -19 | -19 |
| 2999 Total liabilities | 9 | 9 | 6 | 6 |
| NET POSITION: | | | | |
| 3300 Cumulative results of operations | -2 | | | |
| 3999 Total net position | -2 | | | |

| | | | | | |
|------|--|---|---|---|---|
| 4999 | Total liabilities and net position | 7 | 9 | 6 | 6 |
|------|--|---|---|---|---|

| | | | | |
|-------|-----------------------------|-----|-----|-----|
| 87.00 | Total outlays (gross) | 209 | 201 | 210 |
|-------|-----------------------------|-----|-----|-----|

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), **[\$121,813,000] \$135,570,000: 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: *Provided further,* That none of the funds appropriated in this account may be used to pay the salaries and expenses of personnel to disburse funds to any rice trade association under the market access program or the foreign market development program at any time when the applicable international activity agreement for such program is not in effect.

None of the funds in the foregoing paragraph shall be available to promote the sale or export of tobacco or tobacco products. (*Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act, 2002; additional authorizing legislation required.*)

Program and Financing (in millions of dollars)

| Identification code 12-2900-0-1-352 | 2001 actual | 2002 est. | 2003 est. | |
|--|---|-----------|-----------|------|
| Obligations by program activity: | | | | |
| Direct program: | | | | |
| 00.01 | Market access | 29 | 31 | 33 |
| 00.02 | Market development | 34 | 35 | 37 |
| 00.03 | Market intelligence | 26 | 29 | 31 |
| 00.04 | Financial marketing assistance | 6 | 7 | 10 |
| 00.05 | Long-term market and infrastructure development | 23 | 24 | 25 |
| 09.00 | Reimbursable program | 82 | 73 | 73 |
| 10.00 | Total new obligations | 200 | 199 | 209 |
| Budgetary resources available for obligation: | | | | |
| 21.40 | Unobligated balance carried forward, start of year | 18 | 29 | 29 |
| 22.00 | New budget authority (gross) | 210 | 199 | 209 |
| 22.22 | Unobligated balance transferred from other accounts | 1 | | |
| 23.90 | Total budgetary resources available for obligation | 229 | 228 | 238 |
| 23.95 | Total new obligations | -200 | -199 | -209 |
| 24.40 | Unobligated balance carried forward, end of year | 29 | 29 | 29 |
| New budget authority (gross), detail: | | | | |
| Discretionary: | | | | |
| 40.00 | Appropriation | 118 | 126 | 136 |
| 42.00 | Transferred from other accounts | 10 | | |
| 43.00 | Appropriation (total discretionary) | 128 | 126 | 136 |
| 68.00 | Spending authority from offsetting collections: Offsetting collections (cash) | 82 | 73 | 73 |
| 70.00 | Total new budget authority (gross) | 210 | 199 | 209 |
| Change in obligated balances: | | | | |
| 72.40 | Obligated balance, start of year | 43 | 44 | 42 |
| 73.10 | Total new obligations | 200 | 199 | 209 |
| 73.20 | Total outlays (gross) | -209 | -201 | -210 |
| 73.40 | Adjustments in expired accounts (net) | 10 | | |
| 74.40 | Obligated balance, end of year | 44 | 42 | 41 |
| Outlays (gross), detail: | | | | |
| 86.90 | Outlays from new discretionary authority | 201 | 189 | 198 |
| 86.93 | Outlays from discretionary balances | 8 | 10 | 10 |

Offsets:

| | | | | |
|-------|--|-----|-----|-----|
| 88.00 | Against gross budget authority and outlays: Offsetting collections (cash) from: Federal sources | -82 | -73 | -73 |
|-------|--|-----|-----|-----|

Net budget authority and outlays:

| | | | | |
|-------|------------------------|-----|-----|-----|
| 89.00 | Budget authority | 128 | 126 | 136 |
| 90.00 | Outlays | 127 | 128 | 137 |

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. | |
|--|------------------------|-----------|-----------|-----|
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | 125 | 122 | 132 |
| 90.00 | Outlays | 124 | 124 | 133 |

The mission of the Foreign Agricultural Service (FAS) is to open, expand and maintain global market opportunities through international trade, cooperation, and sustainable development activities which secure the long-term economic vitality and global competitiveness of America's rural communities and related food and agricultural enterprises.

FAS conducts a demand-driven export strategy, deploying five major policy objectives to execute the strategy, while integrating commodity and country market priorities for allocating scarce export assistance resources. These objectives include:

Market access: FAS initiates, directs and coordinates the Department's formulation of trade policies and programs with the goal of maintaining and expanding world markets for U.S. agricultural products. It monitors international compliance with bilateral and multilateral trade agreements. It identifies restrictive tariff and trade practices which act as barriers to the import of U.S. agricultural commodities, then supports negotiations to remove them. It acts to counter and eliminate unfair trade practices of other countries that hinder U.S. agricultural exports to those markets. In virtually every foreign market, U.S. agricultural exports are subject to import duties and non-tariff trade restrictions. Trade information sent to Washington from FAS personnel overseas is used to map strategies for improving market access, pursuing U.S. rights under trade agreements, and developing programs and policies to make U.S. farm products more competitive.

Market development, promotion and outreach: FAS develops foreign markets for U.S. farm products through aggressive market expansion activities. It provides services to the U.S. and foreign agricultural trade sectors that are necessary to establish, build and maintain overseas markets for U.S. agricultural products. Public Law 83-690, approved August 28, 1954, includes authority to establish up to 25 Agricultural Trade Offices. Currently 16 such offices are in operation at key foreign trading centers to assist U.S. exporters, trade groups and state export marketing officials in trade promotion. Promotional activities are carried out chiefly in cooperation with non-profit agricultural trade associations and firms on a cost-sharing basis. The largest of FAS's promotional programs are the Foreign Market Development Co-operator Program and Market Access Program. In addition, FAS sponsors U.S. participation in several major trade shows and a number of single-industry exhibitions each year. The Quality samples program provides samples of U.S. agricultural products to foreign importers to help overcome marketing trade barriers. These programs are designed to create demand for U.S. agricultural products in foreign markets, introduce U.S. food and agricultural products to potential foreign customers, and show foreign customers how to use U.S. products.

FAS strategic outreach efforts focus on facilitating export readiness and help link both export-ready and new-to-export

General and special funds—Continued**SALARIES AND EXPENSES—Continued**

(INCLUDING TRANSFERS OF FUNDS)—Continued

firms to market entry opportunities, and increase domestic awareness of export opportunities/global consumer quality and product safety expectations. These efforts are designed to strengthen the export knowledge/skills of producers and exporters so they can compete more effectively in the international marketplace. Outreach also includes targeting foreign buyers in educating them about the merits of U.S. products and how they can be purchased.

Market intelligence: FAS provides U.S. farmers and traders with information on world agricultural production and trade that they can use to adjust to changes in world demand for U.S. agricultural products. This is done through a continuous program of reporting by 63 posts located throughout the world covering some 130 countries. Reporting includes information and/or data on foreign government policies, analysis of supply and demand conditions, commercial trade relationships and market opportunities. Advanced computer and telecommunications technology is used to improve and speed the flow of information between the posts and Washington. FAS analyzes agricultural information essential to the assessment of foreign supply and demand conditions in order to provide estimates of the current situation and to forecast the export potential for specific U.S. agricultural commodities.

Financial marketing assistance: FAS administers a number of price/credit and risk assistance programs designed to leverage overseas market expansion for U.S. agricultural, fish, and forest products. These programs include CCC Export Credit Guarantee Programs, export subsidy programs, including the Export Enhancement Program and Dairy Export Incentive Program. These programs are designed to help developing nations make the transition from concessional financing to cash purchases, give U.S. producers the ability to counter export subsidies of foreign competitors and allow U.S. exporters to compete with sales terms offered by foreign competitors.

Long-term market and infrastructure development: FAS helps USDA and other federal agencies, U.S. universities, and others enhance the global competitiveness of U.S. agriculture by mobilizing expertise for agriculturally led economic growth in developing countries. FAS provides linkages to world resources and international organizations to facilitate new technologies that are vital to improving the agricultural demand base and producing new alternative products. Direct program activities include administering the Cochran Fellowship program and managing USDA's bilateral exchange and cooperative research programs with foreign governments and institutions.

FAS also administers food assistance activities such as Public Law 480, Title I; Food for Progress; and Section 416(b) programs. P.L. 480 Title I food aid is designed to help developing nations make the transition from donations and concessional financing to cash purchases while assisting them in feeding their undernourished people. The Emerging Markets Program, under which technical assistance and related activities are carried out in emerging markets, is aimed at enhancing developing countries' food and rural business systems and expanding U.S. agricultural exports. Food for Progress provides food to developing countries and emerging democracies that have made commitments to introduce or expand free enterprise into their agricultural economies. Section 416(b) provides overseas donations of surplus commodities owned by the CCC to assist developing and friendly countries.

At the request of the Agency for International Development, international organizations and foreign governments, technical assistance and training in agriculture and rural develop-

ment are provided on a reimbursable or advance of funds basis.

Object Classification (in millions of dollars)

| Identification code 12-2900-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 50 | 55 | 57 |
| 11.3 Other than full-time permanent | 2 | 2 | 2 |
| 11.5 Other personnel compensation | 1 | 1 | 1 |
| 11.8 Special personal services payments | 2 | 2 | 2 |
| 11.9 Total personnel compensation | 55 | 60 | 62 |
| 12.1 Civilian personnel benefits | 18 | 20 | 20 |
| 21.0 Travel and transportation of persons | 5 | 5 | 5 |
| 22.0 Transportation of things | 1 | 1 | 1 |
| 23.2 Rental payments to others | 6 | 7 | 8 |
| 23.3 Communications, utilities, and miscellaneous charges | 2 | 2 | 2 |
| 24.0 Printing and reproduction | 1 | 1 | 1 |
| 25.2 Other services | 27 | 27 | 32 |
| 25.8 Subsistence and support of persons | 1 | 1 | 1 |
| 26.0 Supplies and materials | 1 | 1 | 1 |
| 31.0 Equipment | 1 | 1 | 3 |
| 99.0 Direct obligations | 118 | 126 | 136 |
| 99.0 Reimbursable obligations | 82 | 73 | 73 |
| 99.9 Total new obligations | 200 | 199 | 209 |

Personnel Summary

| Identification code 12-2900-0-1-352 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Full-time equivalent employment | 800 | 836 | 836 |
| Reimbursable: | | | |
| 2001 Total compensable workyears: Full-time equivalent employment | 143 | 149 | 149 |

SCIENTIFIC ACTIVITIES OVERSEAS (FOREIGN CURRENCY PROGRAM)**Program and Financing (in millions of dollars)**

| Identification code 12-1404-0-1-352 | 2001 actual | 2002 est. | 2003 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 |
| 73.20 Total outlays (gross) | -1 | -1 | ..... |
| 74.40 Obligated balance, end of year | 1 | 1 | ..... |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | 1 | 1 | ..... |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority ..... | ..... | ..... | ..... |
| 90.00 Outlays ..... | ..... | 1 | ..... |

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. After 1991 no new foreign currency programs have been or are proposed to be initiated.

FOREIGN ASSISTANCE PROGRAMS

The funds and facilities of the Commodity Credit Corporation may, by law, be used in carrying out programs to encourage the export of agricultural commodities.

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.

**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, **[\$20,277,000]** \$28,000,000, 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, 2002.*)

Program and Financing (in millions of dollars)

| Identification code 12-2271-0-1-351 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 P.L. 480 grant—Title I: Ocean freight differential (OFD) | 26 | 35 | 28 |
| 09.00 Reimbursable program | | 8 | |
| 10.00 Total new obligations | 26 | 43 | 28 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | | 15 | |
| 22.00 New budget authority (gross) | 20 | 28 | 28 |
| 22.22 Unobligated balance transferred from other accounts | 21 | | |
| 23.90 Total budgetary resources available for obligation | 41 | 43 | 28 |
| 23.95 Total new obligations | -26 | -43 | -28 |
| 24.40 Unobligated balance carried forward, end of year | 15 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 20 | 20 | 28 |
| Mandatory: | | | |
| 69.00 Offsetting collections (cash) | | 8 | |
| 70.00 Total new budget authority (gross) | 20 | 28 | 28 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | | 25 | 20 |
| 73.10 Total new obligations | 26 | 43 | 28 |
| 73.20 Total outlays (gross) | -1 | -48 | -34 |
| 74.40 Obligated balance, end of year | 25 | 20 | 14 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 1 | 11 | 16 |
| 86.93 Outlays from discretionary balances | | 32 | 15 |
| 86.97 Outlays from new mandatory authority | | 5 | |
| 86.98 Outlays from mandatory balances | | | 3 |
| 87.00 Total outlays (gross) | 1 | 48 | 34 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources | | -8 | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 20 | 20 | 28 |
| 90.00 Outlays | 1 | 40 | 34 |

This account funds the title I ocean freight differential program. The Administration proposes an increase in funding to maintain the program level while eliminating reimbursements from the Maritime Administration. This approach will eliminate a time consuming intragovernmental transfer.

Object Classification (in millions of dollars)

| Identification code 12-2271-0-1-351 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 41.0 Direct obligations: Grants, subsidies, and contributions | 26 | 35 | 28 |
| 99.0 Reimbursable obligations: Reimbursable obligations | | 8 | |
| 99.9 Total new obligations | 26 | 43 | 28 |

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, **[\$850,000,000]**, to remain available until expended, for commodities supplied in connection with dispositions abroad under title II of said Act, **\$1,185,000,000**, to remain available until expended, of which **\$34,000,000** may be used to carry out section 202(e), notwithstanding section 202(e)(1). (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, 2002.*)

Program and Financing (in millions of dollars)

| Identification code 12-2278-0-1-151 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Title I OFD | 94 | | |
| 00.02 Title II | 851 | 999 | 1,185 |
| 09.00 Reimbursable program | 28 | 10 | |
| 10.00 Total new obligations | 973 | 1,009 | 1,185 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 176 | 93 | 49 |
| 22.00 New budget authority (gross) | 863 | 860 | 1,185 |
| 22.10 Resources available from recoveries of prior year obligations | 32 | 10 | |
| 22.21 Unobligated balance transferred to other accounts | -6 | | |
| 22.22 Unobligated balance transferred from other accounts | 1 | 95 | |
| 23.90 Total budgetary resources available for obligation | 1,066 | 1,058 | 1,234 |
| 23.95 Total new obligations | -973 | -1,009 | -1,185 |
| 24.40 Unobligated balance carried forward, end of year | 93 | 49 | 49 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 837 | 850 | 1,185 |
| 40.35 Appropriation rescinded | -2 | | |
| 43.00 Appropriation (total discretionary) | 835 | 850 | 1,185 |
| Mandatory: | | | |
| 69.00 Offsetting collections (Reimbursements from the Maritime Administration) | 28 | 10 | |
| 70.00 Total new budget authority (gross) | 863 | 860 | 1,185 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 622 | 589 | 636 |
| 73.10 Total new obligations | 973 | 1,009 | 1,185 |
| 73.20 Total outlays (gross) | -975 | -953 | -1,063 |
| 73.45 Recoveries of prior year obligations | -32 | -10 | |
| 74.40 Obligated balance, end of year | 589 | 636 | 758 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 413 | 446 | 622 |
| 86.93 Outlays from discretionary balances | 547 | 493 | 435 |
| 86.97 Outlays from new mandatory authority | 15 | 5 | |
| 86.98 Outlays from mandatory balances | | 9 | 6 |
| 87.00 Total outlays (gross) | 975 | 953 | 1,063 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources | -28 | -10 | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 835 | 850 | 1,185 |
| 90.00 Outlays | 947 | 943 | 1,063 |

Note.—Includes \$6 million in budget authority in 2003 for World Food Program activities previously financed from International Assistance Programs, Multilateral Assistance, International Organizations and Programs.

PUBLIC LAW 480 TITLE II GRANTS—Continued

This account funds the non-credit components of Public Law 480. The Administration is requesting an increase in annual appropriations for this account to ensure that the U.S. maintains leadership in international food aid while significantly reducing mandatory programs, consolidating programming through private voluntary organizations and the World Food Program, and eliminating reimbursements from the Maritime Administration.

The Administration proposes to shift funding for several programs from mandatory to discretionary. In the case of all these programs, there is no inherent, programmatic justification to provide mandatory funding. Although no specific legislation is proposed, the Administration has increased the discretionary request and will constrain mandatory spending for international food aid. By doing so, a larger proportion of international food aid will be subject to the annual appropriations process, where Congress has discretion to scrutinize Federal spending and determine how to best allocate limited resources.

In addition, the Administration is requesting funds in this account to cover the portion of cargo preference costs previously reimbursed by the Maritime Administration. This approach will eliminate a duplicative financing system and a time consuming intra-governmental transfer.

| Object Classification (in millions of dollars) | | | |
|---|-------------|-----------|-----------|
| Identification code 12-2278-0-1-151 | 2001 actual | 2002 est. | 2003 est. |
| 41.0 Direct obligations: Grants, subsidies, and contributions | 945 | 999 | 1,185 |
| 99.0 Reimbursable obligations: Reimbursable obligations ... | 28 | 10 | ..... |
| 99.9 Total new obligations | 973 | 1,009 | 1,185 |

Credit accounts:

PUBLIC LAW 480 TITLE I 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, **[\$126,409,000] \$98,904,000**, to remain available until expended.

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, **[\$2,005,000] \$2,059,000**, of which \$1,033,000 may be transferred to and merged with the appropriation for "Foreign Agricultural Service, Salaries and Expenses", and of which **[\$972,000] \$1,026,000** may 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, 2002.)

| Program and Financing (in millions of dollars) | | | |
|--|-------------|-----------|-----------|
| Identification code 12-2277-0-1-351 | 2001 actual | 2002 est. | 2003 est. |
| Obligations by program activity: | | | |
| 00.01 Direct credit subsidy | 196 | 338 | 99 |
| 00.05 Re-estimates of subsidy ..... | ..... | 110 | ..... |
| 00.06 Interest on re-estimates ..... | ..... | 35 | ..... |
| 00.09 Administrative expenses | 2 | 2 | 2 |
| 10.00 Total new obligations | 198 | 485 | 101 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 371 | 294 | ..... |
| 22.00 New budget authority (gross) | 255 | 191 | 101 |
| 22.21 Unobligated balance transferred to other accounts | -16 | ..... | ..... |
| 22.40 Capital transfer to general fund | -118 | ..... | ..... |
| 23.90 Total budgetary resources available for obligation | 492 | 485 | 101 |
| 23.95 Total new obligations | -198 | -485 | -101 |
| 24.40 Unobligated balance carried forward, end of year | 294 | ..... | ..... |

| | | | |
|---|-------|-------|-------|
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 116 | 128 | 101 |
| Mandatory: | | | |
| 60.00 Appropriation | 82 | 63 | ..... |
| Discretionary: | | | |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | 57 | ..... | ..... |
| 70.00 Total new budget authority (gross) | 255 | 191 | 101 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 91 | 64 | 67 |
| 73.10 Total new obligations | 198 | 485 | 101 |
| 73.20 Total outlays (gross) | -344 | -482 | -113 |
| 74.10 Change in uncollected customer payments from Federal sources (expired) | 119 | ..... | ..... |
| 74.40 Obligated balance, end of year | 64 | 67 | 55 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 22 | 74 | 58 |
| 86.93 Outlays from discretionary balances | 322 | 263 | 55 |
| 86.97 Outlays from new mandatory authority ..... | ..... | 63 | ..... |
| 86.98 Outlays from mandatory balances ..... | ..... | 82 | ..... |
| 87.00 Total outlays (gross) | 344 | 482 | 113 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources | -57 | ..... | ..... |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 198 | 191 | 101 |
| 90.00 Outlays | 287 | 482 | 113 |

| Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars) | | | |
|--|-------------|-----------|-----------|
| Identification code 12-2277-0-1-351 | 2001 actual | 2002 est. | 2003 est. |
| Direct loan levels supportable by subsidy budget authority: | | | |
| 115001 P. L. 480 title I loans | 159 | 155 | 132 |
| 115901 Total direct loan levels | 159 | 155 | 132 |
| Direct loan subsidy (in percent): | | | |
| 132001 PL 480 Title I loans | 71.51 | 81.73 | 75.11 |
| 132901 Weighted average subsidy rate | 71.51 | 81.73 | 75.11 |
| Direct loan subsidy budget authority: | | | |
| 133001 PL 480 Title I loans | 114 | 127 | 99 |
| 133901 Total subsidy budget authority | 114 | 127 | 99 |
| Direct loan subsidy outlays: | | | |
| 134001 PL 480 Title I loans | 52 | 335 | 111 |
| 134901 Total subsidy outlays | 52 | 335 | 111 |
| Direct loan upward reestimate subsidy budget authority: | | | |
| 135001 PL 480 Title I loans ..... | ..... | 145 | ..... |
| 135901 Total upward reestimate budget authority ..... | ..... | 145 | ..... |
| Direct loan upward reestimate subsidy outlays: | | | |
| 136001 PL 480 Title I loans ..... | ..... | 145 | ..... |
| 136901 Total upward reestimate outlays ..... | ..... | 145 | ..... |
| Direct loan downward reestimate subsidy budget authority: | | | |
| 137001 PL 480 Title I loans | -39 | ..... | ..... |
| 137901 Total downward reestimate budget authority | -39 | ..... | ..... |
| Direct loan downward reestimate subsidy outlays: | | | |
| 138001 PL 480 Title I loans | -39 | ..... | ..... |
| 138901 Total downward reestimate subsidy outlays | -39 | ..... | ..... |
| Administrative expense data: | | | |
| 351001 Budget authority | 2 | 2 | 2 |
| 358001 Outlays from balances ..... | ..... | ..... | ..... |
| 359001 Outlays from new authority | 2 | 2 | 2 |

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 ex-

penses 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 12-2277-0-1-351 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 25.3 Other purchases of goods and services from Government accounts | 2 | 2 | 2 |
| 41.0 Grants, subsidies, and contributions | 196 | 483 | 99 |
| 99.9 Total new obligations | 198 | 485 | 101 |

P.L. 480 DIRECT CREDIT FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 12-4049-0-3-351 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Operating program: | | | |
| 00.01 Direct loans | 60 | 514 | 132 |
| 00.02 Interest on Treasury borrowing | | 37 | 41 |
| 00.91 Total, Operating program | 60 | 551 | 173 |
| Re-estimates: | | | |
| 08.02 Payment of downward re-estimate to receipt account | 23 | | |
| 08.04 Payment of interest on downward re-estimate to receipt account | 16 | | |
| 08.91 Total, Re-estimates | 39 | | |
| 10.00 Total new obligations | 99 | 551 | 173 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 158 | 159 | |
| 22.00 New financing authority (gross) | 287 | 669 | 192 |
| 22.40 Capital transfer to general fund | | -277 | -19 |
| 22.70 Balance of authority to borrow withdrawn | -188 | | |
| 23.90 Total budgetary resources available for obligation | 257 | 551 | 173 |
| 23.95 Total new obligations | -99 | -551 | -173 |
| 24.40 Unobligated balance carried forward, end of year | 159 | | |
| New financing authority (gross), detail: | | | |
| Mandatory: | | | |
| 67.10 Authority to borrow | 235 | 188 | 74 |
| 69.00 Offsetting collections (cash) | 134 | 615 | 254 |
| 69.10 Change in uncollected customer payments from Federal sources (unexpired) | -82 | -134 | -136 |
| 69.90 Spending authority from offsetting collections (total mandatory) | 52 | 481 | 118 |
| 70.00 Total new financing authority (gross) | 287 | 669 | 192 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | -119 | 43 | 85 |
| 73.10 Total new obligations | 99 | 551 | 173 |
| 73.20 Total financing disbursements (gross) | -180 | -643 | -326 |
| 73.40 Adjustments in expired accounts (net) | 162 | | |
| 74.00 Change in uncollected customer payments from Federal sources (unexpired) | 82 | 134 | 136 |
| 74.40 Obligated balance, end of year | 43 | 85 | 68 |
| 87.00 Total financing disbursements (gross) | 180 | 643 | 326 |
| Offsets: | | | |
| Against gross financing authority and financing disbursements: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 Payments from program account | -52 | -480 | -111 |
| 88.25 Interest on uninvested funds | -16 | -1 | -1 |
| Non-Federal sources: | | | |
| 88.40 Interest received on loans | -35 | -60 | -62 |
| 88.40 Principal received on loans | -31 | -74 | -80 |
| 88.90 Total, offsetting collections (cash) | -134 | -615 | -254 |
| Against gross financing authority only: | | | |
| 88.95 Change in receivables from program accounts | 82 | 134 | 136 |
| Net financing authority and financing disbursements: | | | |
| 89.00 Financing authority | 235 | 188 | 74 |

| | | | |
|-------------------------------------|----|----|----|
| 90.00 Financing disbursements | 46 | 28 | 72 |
|-------------------------------------|----|----|----|

Status of Direct Loans (in millions of dollars)

| Identification code 12-4049-0-3-351 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on obligations: | | | |
| 1111 Limitation on direct loans | 160 | 155 | 132 |
| 1121 Limitation available from carry-forward | 259 | 359 | |
| 1143 Unobligated limitation carried forward (P.L. 106-387) (-) | -359 | | |
| 1150 Total direct loan obligations | 60 | 514 | 132 |
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 2,055 | 2,176 | 2,236 |
| 1231 Disbursements: Direct loan disbursements | 180 | 119 | 107 |
| 1251 Repayments: Repayments and prepayments | -59 | -59 | -73 |
| 1290 Outstanding, end of year | 2,176 | 2,236 | 2,270 |

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 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | 17 | 203 | 44 | 44 |
| Investments in US securities: | | | | |
| 1106 Receivables, net | 65 | 64 | 64 | 64 |
| Net value of assets related to post-1991 direct loans receivable: | | | | |
| 1401 Direct loans receivable, gross | 2,055 | 2,176 | 2,236 | 2,270 |
| 1402 Interest receivable | 8 | 24 | 24 | 24 |
| 1405 Allowance for subsidy cost (-) | -1,939 | -1,603 | -1,663 | -1,697 |
| 1499 Net present value of assets related to direct loans | 124 | 597 | 597 | 597 |
| 1901 Other Federal assets: Other assets | 529 | 329 | 329 | 329 |
| 1999 Total assets | 735 | 1,193 | 1,034 | 1,034 |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2101 Accounts payable | 8 | 31 | 31 | 31 |
| 2103 Debt | 518 | 753 | 753 | 753 |
| 2105 Other | 209 | 409 | 250 | 250 |
| 2999 Total liabilities | 735 | 1,193 | 1,034 | 1,034 |
| 4999 Total liabilities and net position | 735 | 1,193 | 1,034 | 1,034 |

DEBT REDUCTION—FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 12-4143-0-3-351 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Payment to liquidating account | 15 | | |
| 00.02 Interest on debt to Treasury | 2 | | |
| 00.91 Direct Program by Activities—Subtotal (1 level) | 17 | | |
| 08.02 Payment of downward re-estimate to receipt account | | 1 | |
| 10.00 Total new obligations | 17 | 1 | |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 20 | 39 | |
| 22.00 New financing authority (gross) | 57 | 35 | 32 |
| 22.40 Capital transfer to general fund | -21 | -31 | -32 |
| 22.60 Portion applied to repay debt | | -42 | |
| 23.90 Total budgetary resources available for obligation | 56 | 1 | |

Credit accounts—Continued

DEBT REDUCTION—FINANCING ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

| Identification code 12-4143-0-3-351 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 23.95 Total new obligations | -17 | -1 | |
| 24.40 Unobligated balance carried forward, end of year | 39 | | |
| New financing authority (gross), detail: | | | |
| Mandatory: | | | |
| 67.10 Authority to borrow | 15 | 1 | |
| Discretionary: | | | |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | 42 | 34 | 32 |
| 70.00 Total new financing authority (gross) | 57 | 35 | 32 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | | -5 | |
| 73.10 Total new obligations | 17 | 1 | |
| 73.20 Total financing disbursements (gross) | -35 | 4 | |
| 73.40 Adjustments in expired accounts (net) | 13 | | |
| 74.40 Obligated balance, end of year | -5 | | |
| 87.00 Total financing disbursements (gross) | 35 | -4 | |
| Offsets: | | | |
| Against gross financing authority and financing disbursements: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 Federal sources | -33 | -27 | -25 |
| 88.25 Interest on uninvested funds | -2 | | |
| 88.40 Non-Federal sources | -7 | -7 | -7 |
| 88.90 Total, offsetting collections (cash) | -42 | -34 | -32 |
| Net financing authority and financing disbursements: | | | |
| 89.00 Financing authority | 15 | 1 | |
| 90.00 Financing disbursements | -7 | -38 | -32 |

Status of Direct Loans (in millions of dollars)

| Identification code 12-4143-0-3-351 | 2001 actual | 2002 est. | 2003 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 | 57 | 132 | 125 |
| 1233 Disbursements: Purchase of loans assets from a liquidating account | 82 | | |
| 1251 Repayments: Repayments and prepayments | -7 | -7 | -7 |
| 1290 Outstanding, end of year | 132 | 125 | 118 |

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 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Net value of assets related to post-1991 direct loans receivable: | | | | |
| 1401 Direct loans receivable, gross | 57 | 132 | 125 | 118 |
| 1405 Allowance for subsidy cost (-) | -24 | -87 | -87 | -87 |
| 1499 Net present value of assets related to direct loans | 33 | 45 | 38 | 31 |
| 1999 Total assets | 33 | 45 | 38 | 31 |
| LIABILITIES: | | | | |
| 2103 Federal liabilities: Debt | 33 | 45 | 38 | 31 |

| | | | | |
|---|----|----|----|----|
| 2999 Total liabilities | 33 | 45 | 38 | 31 |
| 4999 Total liabilities and net position | 33 | 45 | 38 | 31 |

P.L. 480 TITLE I FOOD FOR PROGRESS CREDITS, PROGRAM ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 12-2273-0-1-351 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.05 Re-estimates of subsidy | | 28 | |
| 00.06 Interest on re-estimates | | 17 | |
| 10.00 Total new obligations (object class 41.0) | | 45 | |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | | 45 | |
| 23.95 Total new obligations | | -45 | |
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| 60.00 Appropriation | | 45 | |
| Change in obligated balances: | | | |
| 73.10 Total new obligations | | 45 | |
| 73.20 Total outlays (gross) | | -45 | |
| Outlays (gross), detail: | | | |
| 86.97 Outlays from new mandatory authority | | 45 | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | 45 | |
| 90.00 Outlays | | 45 | |

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

| Identification code 12-2273-0-1-351 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Direct loan subsidy outlays: | | | |
| 134001 Subsidy outlays | | | |
| 134901 Total subsidy outlays | | | |
| Direct loan upward reestimate subsidy budget authority: | | | |
| 135001 Upward reestimates subsidy budget authority | | 45 | |
| 135901 Total upward reestimate budget authority | | 45 | |
| Direct loan upward reestimate subsidy outlays: | | | |
| 136001 Upward reestimates subsidy outlays | | 45 | |
| 136901 Total upward reestimate outlays | | 45 | |
| Administrative expense data: | | | |
| 351001 Budget authority | | | |
| 358001 Outlays from balances | | | |
| 359001 Outlays from new authority | | | |

Sales of U.S. commodities under the credit portion of the Food for Progress were made to Russia in 1993. The assistance is subject to credit reform budgeting. No credit has been issued since.

P.L. 480 TITLE I FOOD FOR PROGRESS CREDITS, FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 12-4078-0-3-351 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.02 Interest to Treasury on borrowings | 12 | 11 | 7 |
| 10.00 Total new obligations | 12 | 11 | 7 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | | 47 | |
| 22.00 New financing authority (gross) | 60 | 129 | 79 |
| 22.40 Capital transfer to general fund | | -165 | -72 |

| | | | | |
|-------|--|-----|-----|----|
| 23.90 | Total budgetary resources available for obligation | 60 | 11 | 7 |
| 23.95 | Total new obligations | -12 | -11 | -7 |
| 24.40 | Unobligated balance carried forward, end of year | 47 | | |

New financing authority (gross), detail:

| | | | | |
|----------------|---|----|-----|----|
| Discretionary: | | | | |
| 47.00 | Authority to borrow | | 11 | 7 |
| 68.00 | Spending authority from offsetting collections: Offsetting collections (cash) | 60 | 118 | 72 |
| 70.00 | Total new financing authority (gross) | 60 | 129 | 79 |

Change in obligated balances:

| | | | | |
|-------|---------------------------------------|-----|-----|----|
| 73.10 | Total new obligations | 12 | 11 | 7 |
| 73.20 | Total financing disbursements (gross) | -12 | -11 | -7 |
| 87.00 | Total financing disbursements (gross) | 12 | 11 | 7 |

Offsets:

| | | | | |
|--|--------------------------------------|-----|------|-----|
| Against gross financing authority and financing disbursements: | | | | |
| Offsetting collections (cash) from: | | | | |
| 88.00 | Federal sources | | -45 | |
| 88.25 | Interest on uninvested funds | -2 | | |
| Non-Federal sources: | | | | |
| 88.40 | Principal collections | -39 | -56 | -56 |
| 88.40 | Interest collections | -19 | -17 | -16 |
| 88.90 | Total, offsetting collections (cash) | -60 | -118 | -72 |

Net financing authority and financing disbursements:

| | | | | |
|-------|-------------------------|-----|------|-----|
| 89.00 | Financing authority | | 11 | 7 |
| 90.00 | Financing disbursements | -47 | -107 | -65 |

Status of Direct Loans (in millions of dollars)

| | | | | |
|--|--|-------------|-----------|-----------|
| Identification code 12-4078-0-3-351 | | 2001 actual | 2002 est. | 2003 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 | 504 | 465 | 409 |
| 1251 | Repayments: Repayments and prepayments | -39 | -56 | -56 |
| 1290 | Outstanding, end of year | 465 | 409 | 353 |

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 12-4078-0-3-351 | | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
| ASSETS: | | | | | |
| Net value of assets related to post-1991 direct loans receivable: | | | | | |
| 1401 | Direct loans receivable, gross | 504 | 465 | 409 | 353 |
| 1402 | Interest receivable | 15 | 19 | 17 | 16 |
| 1405 | Allowance for subsidy cost (-) | -328 | -347 | -347 | -347 |
| 1499 | Net present value of assets related to direct loans | 191 | 137 | 79 | 22 |
| 1999 | Total assets | 191 | 137 | 79 | 22 |
| LIABILITIES: | | | | | |
| 2103 | Federal liabilities: Debt | 191 | 137 | 79 | 22 |
| 2999 | Total liabilities | 191 | 137 | 79 | 22 |
| 4999 | Total liabilities and net position | 191 | 137 | 79 | 22 |

EXPENSES, PUBLIC LAW 480, FOREIGN ASSISTANCE PROGRAMS, AGRICULTURE LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

| | | | | |
|--|--|-------------|-----------|-----------|
| Identification code 12-2274-0-1-151 | | 2001 actual | 2002 est. | 2003 est. |
| Budgetary resources available for obligation: | | | | |
| 21.40 | Unobligated balance carried forward, start of year | 77 | 77 | |
| 22.40 | Capital transfer to general fund | | -77 | |
| 23.90 | Total budgetary resources available for obligation | 77 | | |
| 24.40 | Unobligated balance carried forward, end of year | 77 | | |
| New budget authority (gross), detail: | | | | |
| Mandatory: | | | | |
| Offsetting collections (cash): | | | | |
| 69.00 | Offsetting collections (cash) (Principal and interest) | 460 | 438 | 432 |
| 69.00 | Offsetting collections (cash) (Federal sources) | 26 | 32 | |
| 69.27 | Capital transfer to general fund | -486 | -470 | -432 |
| 69.90 | Spending authority from offsetting collections (total mandatory) | | | |
| Offsets: | | | | |
| Against gross budget authority and outlays: | | | | |
| Offsetting collections (cash) from: | | | | |
| 88.00 | Federal sources—debt reduction | -26 | -32 | |
| 88.40 | Principal and interest collections | -460 | -438 | -432 |
| 88.90 | Total, offsetting collections (cash) | -486 | -470 | -432 |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | -486 | -470 | -432 |
| 90.00 | Outlays | -487 | -470 | -432 |

Status of Direct Loans (in millions of dollars)

| | | | | |
|---|---|-------------|-----------|-----------|
| Identification code 12-2274-0-1-151 | | 2001 actual | 2002 est. | 2003 est. |
| Cumulative balance of direct loans outstanding: | | | | |
| 1210 | Outstanding, start of year | 8,542 | 8,219 | 7,925 |
| Repayments: | | | | |
| Repayments and prepayments: | | | | |
| 1251 | Repayments and prepayments | -297 | -274 | -278 |
| 1251 | Repayments and prepayments—debt reduction | -26 | -20 | |
| 1290 | Outstanding, end of year | 8,219 | 7,925 | 7,647 |

Program Activities

(In millions of dollars)

| | | | |
|---|-------------|-----------|-----------|
| | 2001 actual | 2002 est. | 2003 est. |
| Ocean freight differential (title I) | 119 | 43 | 28 |
| Commodities supplied in connection with dispositions abroad (title II) | 879 | 1,009 | 1,185 |
| Commodities supplied in connection with dispositions abroad (title III) | | | |
| Total program level | 998 | 1,052 | 1,213 |

RECONCILIATION OF PROGRAM LEVEL TO PROGRAM COSTS FUNDED BY P.L. 480

(In millions of dollars)

| | | | |
|---|-------------|-----------|-----------|
| | 2001 actual | 2002 est. | 2003 est. |
| <i>Title I</i> | | | |
| Commodity credits | 59 | 514 | 132 |
| Ocean freight differential and ocean transportation | 119 | 43 | 28 |
| Total program level, current year | 178 | 557 | 160 |
| Prior year obligations financed | 406 | 354 | 266 |
| Obligations financed in succeeding years | -354 | -266 | -107 |
| Administrative costs | 2 | 2 | 2 |
| Total program costs, funded program level | 232 | 647 | 321 |
| <i>Title II</i> | | | |
| Commodity costs | 415 | 486 | 555 |
| Ocean and inland transportation | 464 | 523 | 630 |
| Total program level, current year | 879 | 1,009 | 1,185 |

Credit accounts—ContinuedEXPENSES, PUBLIC LAW 480, FOREIGN ASSISTANCE PROGRAMS,
AGRICULTURE LIQUIDATING ACCOUNT—Continued**RECONCILIATION OF PROGRAM LEVEL TO PROGRAM COSTS FUNDED BY P.L.
480—Continued**

[In millions of dollars]

| | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|------------|--------------|
| Prior year obligations financed | 572 | 539 | 605 |
| Current year obligations financed in succeeding years | -539 | -605 | -727 |
| Total program costs, funded program level | 912 | 943 | 1,063 |
| <i>Title III</i> | | | |
| Prior year obligations financed | 5 | | |
| Total program costs, funded program level | 5 | | |

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. The Corporation may serve as the purchasing or shipping agent, or both, for the importing country or may award contracts for freight agent services on behalf of the Corporation to handle shipping of commodities under P.L. 480.

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.

When U.S.-flag vessels are required to ship commodities under this title, the Corporation will pay the difference between U.S.-flag rates and foreign-flag rates. In limited cases, full transportation costs to port-of-entry or point-of-entry abroad may be included along with the cost of the commodity in the amount financed by CCC in order to ensure that U.S. food aid can reach the most needy recipients.

Financing sales of agricultural commodities for dollars on credit terms (title I).—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.

The following table reflects the composition of the combined appropriations (in millions of dollars):

SALES FOR DOLLARS ON CREDIT TERMS

[In millions of dollars]

| Item: | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|------------|------------|
| Expenses of shipments (Title I): | | | |
| Commodity costs: | | | |
| Long-term credit | 59 | 514 | 132 |
| Total commodity costs | 59 | 514 | 132 |
| Ocean freight and freight differential (support of U.S. Merchant Marine): | | | |
| Long-term credit | 119 | 43 | 28 |
| Total ocean freight and freight differential | 119 | 43 | 28 |
| Total expenses of shipments | 178 | 557 | 160 |
| Appropriation—Title I loan subsidy | 98 | 126 | 99 |
| Appropriation—Ocean freight differential | 41 | 20 | 28 |
| Title I credit not subsidized through appropriation | -39 | 388 | 33 |

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.

The 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks provided for disaster recovery activities and assistance. Title II had received \$95 million from the fund as of December 31, 2001.

The following table reflects the composition of the appropriations (in millions of dollars):

COMMODITIES SUPPLIED IN CONNECTION WITH DISPOSITIONS ABROAD

(TITLE II)

[In millions of dollars]

| Item: | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|--------------|--------------|
| Expenses of shipments: | | | |
| Commodity Credit Corporation stocks and other costs in connection with commodities supplied | 415 | 486 | 555 |
| Ocean transportation | 464 | 523 | 630 |
| Total program costs | 879 | 1,009 | 1,185 |
| Appropriation or estimate | 879 | 1,009 | 1,185 |

Commodities supplied in connection with dispositions abroad (title III).—Under title III, agricultural commodities are furnished to least developed countries as defined in section 302(a). They are provided through foreign governments for direct feeding, development of emergency food reserves or may be sold with the proceeds of such sale used by the recipient country for specific economic development purposes.

The Corporation may pay, in connection with furnishing commodities under title III, the same cost items as authorized under title II. Although no funding is requested for Title III, up to 15 percent of funds from other titles under P.L. 480 may be transferred for this program.

Balance Sheet (in millions of dollars)

| Identification code 12-2274-0-1-151 | 2000 actual | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | |
| 1601 Direct loans, gross | 8,542 | 8,219 | 7,925 | 7,647 |
| 1699 Value of assets related to direct loans | 8,542 | 8,219 | 7,925 | 7,647 |
| 1999 Total assets | 8,542 | 8,219 | 7,925 | 7,647 |
| LIABILITIES: | | | | |
| 2104 Federal liabilities: Resources payable to Treasury | 8,542 | 8,219 | 7,925 | 7,647 |
| 2999 Total liabilities | 8,542 | 8,219 | 7,925 | 7,647 |
| 4999 Total liabilities and net position | 8,542 | 8,219 | 7,925 | 7,647 |

MISCELLANEOUS CONTRIBUTED FUNDS

Unavailable Collections (in millions of dollars)

| Identification code 12-8232-0-7-352 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| 01.99 Balance, start of year | | | |
| Receipts: | | | |
| 02.20 Deposits of miscellaneous contributed funds, International cooperation and development | | 4 | 4 |
| Appropriations: | | | |
| 05.00 Miscellaneous contributed funds | | -4 | -4 |
| 07.99 Balance, end of year | | | |

Program and Financing (in millions of dollars)

| Identification code 12-8232-0-7-352 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 10.00 Total new obligations (object class 41.0) | | 3 | |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 4 | 4 | 5 |
| 22.00 New budget authority (gross) | | 4 | 4 |
| 23.90 Total budgetary resources available for obligation | 4 | 8 | 9 |
| 23.95 Total new obligations | | -3 | |
| 24.40 Unobligated balance carried forward, end of year | 4 | 5 | 9 |
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| 60.26 Appropriation (trust fund) | | 4 | 4 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 3 | 3 | 6 |
| 73.10 Total new obligations | | 3 | |
| 74.40 Obligated balance, end of year | 3 | 6 | 6 |
| Outlays (gross), detail: | | | |
| 86.97 Outlays from new mandatory authority | | 4 | 4 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 4 | 4 | |
| 90.00 Outlays | 4 | 4 | |

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).

FOOD AND NUTRITION SERVICE

Federal Funds

General and special funds:

FOOD PROGRAM ADMINISTRATION

For necessary administrative expenses of the domestic food programs funded under this Act, **[\$127,546,000]** \$155,855,000, of which \$5,000,000 shall be available only for simplifying procedures, reducing overhead costs, tightening regulations, improving food stamp benefit delivery, and assisting in the prevention, identification, and prosecution of fraud and other violations of law and of which not less than **[\$6,500,000]** \$11,000,000 shall be available to improve integrity in the Food Stamp and Child Nutrition programs: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$150,000 shall be available for employment under 5 U.S.C. 3109. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002; additional authorizing legislation required.*)

Note.—The following schedule includes \$2 million provided by section 744, P.L. 106-387, for 2001 and \$2 million provided by section 728, P.L. 107-76, for 2002.

Program and Financing (in millions of dollars)

| Identification code 12-3508-0-1-605 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Direct program: | | | |
| 00.01 Food program administration | 125 | 135 | 156 |
| 00.03 Congressional hunger center fellowships | 2 | 2 | |
| 09.01 Reimbursable administrative services provided to Federal agencies | 1 | | |
| 10.00 Total new obligations | 128 | 137 | 156 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 128 | 137 | 156 |
| 23.95 Total new obligations | -128 | -137 | -156 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 126 | 137 | 156 |
| 42.00 Transferred from other accounts | 1 | | |
| 43.00 Appropriation (total discretionary) | 127 | 137 | 156 |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | 1 | | |
| 70.00 Total new budget authority (gross) | 128 | 137 | 156 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 13 | 15 | 15 |
| 73.10 Total new obligations | 128 | 137 | 156 |
| 73.20 Total outlays (gross) | -126 | -137 | -154 |
| 74.40 Obligated balance, end of year | 15 | 15 | 17 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 114 | 123 | 140 |
| 86.93 Outlays from discretionary balances | 11 | 15 | 14 |
| 87.00 Total outlays (gross) | 126 | 137 | 154 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources | -1 | | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 127 | 137 | 156 |
| 90.00 Outlays | 126 | 137 | 154 |

General and special funds—Continued

FOOD PROGRAM ADMINISTRATION—Continued

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 120 | 130 | 148 |
| 90.00 Outlays | 119 | 130 | 146 |

Food program administration funds the majority of the Federal operating expenses of the Food and Nutrition Service. Funds are provided for additional activities to identify and address error in the Food Stamp and Child Nutrition programs.

Object Classification (in millions of dollars)

| Identification code 12-3508-0-1-605 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 80 | 87 | 95 |
| 11.3 Other than full-time permanent | 1 | 1 | 1 |
| 11.5 Other personnel compensation | 1 | 1 | 1 |
| 11.9 Total personnel compensation | 82 | 89 | 97 |
| 12.1 Civilian personnel benefits | 25 | 27 | 28 |
| 21.0 Travel and transportation of persons | 2 | 2 | 2 |
| 23.1 Rental payments to GSA | 2 | 2 | 11 |
| 23.3 Communications, utilities, and miscellaneous charges | 2 | 2 | 2 |
| 25.2 Other services | 11 | 13 | 14 |
| 26.0 Supplies and materials | 2 | 1 | 1 |
| 31.0 Equipment | 2 | 1 | 1 |
| 41.0 Grants, subsidies, and contributions | 2 | 2 | ..... |
| 99.9 Total new obligations | 128 | 137 | 156 |

Personnel Summary

| Identification code 12-3508-0-1-605 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 1001 Total compensable workyears: Full-time equivalent employment | 1,357 | 1,428 | 1,486 |

FOOD STAMP PROGRAM

For necessary expenses to carry out the Food Stamp Act (7 U.S.C. 2011 et seq.), **[\$22,991,986,000] \$26,249,973,000**, of which \$2,000,000,000 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 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 to exceed \$3,000,000 shall be used to purchase bison meat for the FDPIR from producer-owned cooperative organizations: *Provided further*,] That none of the funds made available under this heading shall be used for studies and evaluations: *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 of funds that may be reserved by the Secretary for allocation to State agencies under section 16(h)(1) of such Act to carry out Employment and Training programs, not more than \$145,000,000 made available in previous years may be obligated in fiscal year 2002:] *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 funds provided under this heading may be used to procure food coupons necessary for program operations in this or subsequent fiscal years until electronic benefit transfer implementation is complete]. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002; additional authorizing legislation required.)

Program and Financing (in millions of dollars)

| Identification code 12-3505-0-1-605 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Direct program: | | | |
| 00.01 Benefits issued | 15,418 | 18,841 | 20,231 |
| 00.02 State administration | 1,994 | 2,042 | 2,098 |
| 00.03 Employment and training program | 297 | 305 | 314 |
| 00.04 Other program costs | 67 | 73 | 59 |
| 00.05 Puerto Rico | 1,296 | 1,351 | 1,377 |
| 00.06 Food distribution program on Indian reservations (Commodities in lieu of food stamps) | 53 | 53 | 56 |
| 00.07 Food distribution program on Indian reservations (Cooperator administrative expense) | 23 | 23 | 26 |
| 00.08 The emergency food assistance program (commodities) | 100 | 100 | 100 |
| 00.09 Modified food stamp program in American Samoa | 5 | 5 | 5 |
| 00.10 Community food project | 3 | 3 | 3 |
| 00.11 Commonwealth of the Northern Marianas Islands | 6 | 6 | 6 |
| 09.01 Reimbursable program | 74 | 125 | 125 |
| 10.00 Total new obligations | 19,336 | 22,927 | 24,400 |

Budgetary resources available for obligation:

| | | | |
|---|---------|---------|---------|
| 21.40 Unobligated balance carried forward, start of year | 92 | 187 | 244 |
| 22.00 New budget authority (gross) | 20,148 | 23,117 | 26,375 |
| 22.10 Resources available from recoveries of prior year obligations | 123 | 77 | 55 |
| 23.90 Total budgetary resources available for obligation | 20,363 | 23,381 | 26,674 |
| 23.95 Total new obligations | -19,336 | -22,927 | -24,400 |
| 23.98 Unobligated balance expiring or withdrawn | -841 | -211 | -2,000 |
| 24.40 Unobligated balance carried forward, end of year | 187 | 244 | 273 |

New budget authority (gross), detail:

| | | | |
|--|--------|--------|--------|
| Discretionary: | | | |
| 40.00 Appropriation | 16 | 17 | 17 |
| Mandatory: | | | |
| 60.00 Appropriation | 20,098 | 22,975 | 26,233 |
| 60.36 Unobligated balance rescinded | -40 | ..... | ..... |
| 62.50 Appropriation (total mandatory) | 20,058 | 22,975 | 26,233 |
| 69.00 Offsetting collections (cash) | 74 | 125 | 125 |
| 70.00 Total new budget authority (gross) | 20,148 | 23,117 | 26,375 |

Change in obligated balances:

| | | | |
|---|---------|---------|---------|
| 72.40 Obligated balance, start of year | 995 | 1,026 | 953 |
| 73.10 Total new obligations | 19,336 | 22,927 | 24,400 |
| 73.20 Total outlays (gross) | -19,170 | -22,923 | -24,329 |
| 73.40 Adjustments in expired accounts (net) | -12 | ..... | ..... |
| 73.45 Recoveries of prior year obligations | -123 | -77 | -55 |
| 74.40 Obligated balance, end of year | 1,026 | 953 | 971 |

Outlays (gross), detail:

| | | | |
|--|--------|--------|--------|
| 86.90 Outlays from new discretionary authority | 8 | 6 | 6 |
| 86.93 Outlays from discretionary balances | 15 | 23 | 11 |
| 86.97 Outlays from new mandatory authority | 18,606 | 21,891 | 23,370 |
| 86.98 Outlays from mandatory balances | 541 | 1,003 | 942 |
| 87.00 Total outlays (gross) | 19,170 | 22,923 | 24,329 |

Offsets:

| | | | |
|---|-----|------|------|
| Against gross budget authority and outlays: | | | |
| 88.40 Offsetting collections (cash) from: Non-Federal sources | -74 | -125 | -125 |

Net budget authority and outlays:

| | | | |
|------------------------|--------|--------|--------|
| 89.00 Budget authority | 20,074 | 22,992 | 26,250 |
| 90.00 Outlays | 19,096 | 22,798 | 24,204 |

Summary of Budget Authority and Outlays

(in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Enacted/requested: | | | |
| Budget Authority | 20,074 | 22,992 | 26,250 |
| Outlays | 19,096 | 22,798 | 24,204 |
| Legislative proposal, subject to PAYGO: | | | |
| Budget Authority | ..... | ..... | -215 |
| Outlays | ..... | ..... | 29 |
| Total: | | | |
| Budget Authority | 20,074 | 22,992 | 26,035 |
| Outlays | 19,096 | 22,798 | 24,233 |

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.

Object Classification (in millions of dollars)

| Identification code 12-3505-0-1-605 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| 11.1 Personnel compensation: Full-time permanent | 3 | 3 | 3 |
| 12.1 Civilian personnel benefits | 1 | 1 | 1 |
| 21.0 Travel and transportation of persons | 1 | 1 | 1 |
| 23.3 Communications, utilities, and miscellaneous charges | 3 | 3 | 3 |
| 24.0 Printing and reproduction | 13 | 19 | 9 |
| 25.2 Other services | 51 | 52 | 56 |
| 26.0 Supplies and materials | 155 | 155 | 157 |
| 31.0 Equipment | 2 | 2 | 2 |
| 41.0 Grants, subsidies, and contributions | 19,033 | 22,566 | 24,043 |
| 99.0 Direct obligations | 19,262 | 22,802 | 24,275 |
| 99.0 Reimbursable obligations | 74 | 125 | 125 |
| 99.9 Total new obligations | 19,336 | 22,927 | 24,400 |

Personnel Summary

| Identification code 12-3505-0-1-605 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 1001 Total compensable workyears: Full-time equivalent employment | 53 | 56 | 56 |

FOOD STAMP PROGRAM
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

| Identification code 12-3505-4-1-605 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Direct program: | | | |
| 00.01 Benefits issued | | | 32 |
| 00.03 Employment and training program | | | -3 |
| 10.00 Total new obligations (object class 41.0) | | | 29 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | | | -215 |
| 23.95 Total new obligations | | | -29 |
| 24.40 Unobligated balance carried forward, end of year | | | -244 |
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| 60.00 Appropriation | | | 29 |
| 60.36 Unobligated balance rescission proposal | | | -244 |
| 62.50 Appropriation (total mandatory) | | | -215 |
| Change in obligated balances: | | | |
| 73.10 Total new obligations | | | 29 |
| 73.20 Total outlays (gross) | | | -29 |
| Outlays (gross), detail: | | | |
| 86.97 Outlays from new mandatory authority | | | 29 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | -215 |
| 90.00 Outlays | | | 29 |

This legislative proposal would reauthorize the Food Stamp Program and modify program rules. The costs under this schedule are net of food stamp savings due to child support enforcement proposals.

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; **[\$10,087,246,000]** \$10,576,722,000, to remain available through September 30, **[2003]** 2004, of which **[\$4,914,788,000]** \$5,382,732,000 is hereby appropriated and **[\$5,172,458,000]** \$5,193,990,000 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: *Provided further*, That of the funds made available under this heading, \$500,000 shall be for a School Breakfast Program startup grant pilot program for the State of Wisconsin: *Provided further*, That up to **[\$4,507,000]** \$5,080,000 shall be available for independent verification of school food service claims. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002; additional authorizing legislation required.*)

Program and Financing (in millions of dollars)

| Identification code 12-3539-0-1-605 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| School lunch program: | | | |
| 00.01 Above 185 of poverty | 392 | 416 | 439 |
| 00.02 130-185 of poverty | 672 | 712 | 753 |
| 00.03 Below 130 of poverty | 4,671 | 4,949 | 5,228 |
| 00.91 Subtotal, school lunch program | 5,735 | 6,077 | 6,420 |
| School breakfast program: | | | |
| 01.01 Above 185 of poverty | 47 | 51 | 54 |
| 01.02 130-185 of poverty | 111 | 119 | 126 |
| 01.03 Below 130 of poverty | 1,310 | 1,404 | 1,481 |
| 01.91 Subtotal, school breakfast program | 1,468 | 1,574 | 1,661 |
| Child and adult care feeding program: | | | |
| 02.01 Above 185 of poverty | 191 | 194 | 205 |
| 02.02 130-185 of poverty | 100 | 104 | 110 |
| 02.03 Below 130 of poverty | 1,427 | 1,475 | 1,562 |
| 02.04 Audits | 24 | 27 | 27 |
| 02.91 Subtotal, child and adult care feeding program | 1,742 | 1,800 | 1,904 |
| Other mandatory activities: | | | |
| 03.01 Summer food service program | 292 | 312 | 335 |
| 03.02 Special milk program | 17 | 17 | 16 |
| 03.03 State administrative expenses | 127 | 130 | 134 |
| 03.04 Commodity procurement | 440 | 389 | 426 |
| 03.91 Subtotal, Other mandatory activities | 876 | 848 | 911 |
| Discretionary activities: | | | |
| 04.01 School meals initiative | 14 | 10 | 10 |
| 04.02 Coordinated review | 4 | 5 | 5 |
| 04.03 Computer support and processing | 8 | 9 | 9 |
| 04.04 School breakfast demonstrations | 8 | | |
| 04.05 Food safety education | 2 | 2 | 1 |
| 04.91 Subtotal, discretionary activities | 36 | 26 | 25 |
| Activities with permanent appropriations: | | | |
| 05.01 Food service management institute and information clearinghouse | 3 | 3 | 3 |
| 05.02 Alternative meal count grants | 1 | | |
| 05.91 Subtotal, activities with permanent appropriations | 4 | 3 | 3 |
| 10.00 Total new obligations | 9,862 | 10,329 | 10,925 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 409 | 384 | 346 |
| 22.00 New budget authority (gross) | 9,624 | 10,091 | 10,580 |
| 22.10 Resources available from recoveries of prior year obligations | 214 | 200 | |
| 23.90 Total budgetary resources available for obligation | 10,247 | 10,675 | 10,926 |
| 23.95 Total new obligations | -9,862 | -10,329 | -10,925 |
| 23.98 Unobligated balance expiring or withdrawn | -1 | | |
| 24.40 Unobligated balance carried forward, end of year | 384 | 346 | 3 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 14 | 8 | 8 |
| Mandatory: | | | |
| 60.00 Appropriation | 4,482 | 4,911 | 5,378 |

General and special funds—Continued

CHILD NUTRITION PROGRAMS—Continued
(INCLUDING TRANSFERS OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

| Identification code 12-3539-0-1-605 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| 62.00 Transferred from other accounts | 5,128 | 5,172 | 5,194 |
| 62.50 Appropriation (total mandatory) | 9,610 | 10,083 | 10,572 |
| 70.00 Total new budget authority (gross) | 9,624 | 10,091 | 10,580 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 1,545 | 1,625 | 1,430 |
| 73.10 Total new obligations | 9,862 | 10,329 | 10,925 |
| 73.20 Total outlays (gross) | -9,561 | -10,324 | -10,836 |
| 73.40 Adjustments in expired accounts (net) | -7 | | |
| 73.45 Recoveries of prior year obligations | -214 | -200 | |
| 74.40 Obligated balance, end of year | 1,625 | 1,430 | 1,519 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 8 | 5 | 5 |
| 86.93 Outlays from discretionary balances | 6 | 5 | 3 |
| 86.97 Outlays from new mandatory authority | 7,593 | 8,500 | 9,401 |
| 86.98 Outlays from mandatory balances | 1,954 | 1,814 | 1,427 |
| 87.00 Total outlays (gross) | 9,561 | 10,324 | 10,836 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 9,624 | 10,091 | 10,580 |
| 90.00 Outlays | 9,560 | 10,324 | 10,836 |

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 9,623 | 10,090 | 10,579 |
| 90.00 Outlays | 9,560 | 10,323 | 10,835 |

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.

Object Classification (in millions of dollars)

| Identification code 12-3539-0-1-605 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| 11.1 Personnel compensation: Full-time permanent | 6 | 7 | 7 |
| 12.1 Civilian personnel benefits | 2 | 2 | 2 |
| 21.0 Travel and transportation of persons | 1 | 1 | 1 |
| 24.0 Printing and reproduction | 5 | 5 | 5 |
| 25.2 Other services | 5 | 5 | 5 |
| 26.0 Supplies and materials (Commodities) | 443 | 389 | 426 |
| 41.0 Grants, subsidies, and contributions | 9,400 | 9,920 | 10,479 |
| 99.9 Total new obligations | 9,862 | 10,329 | 10,925 |

Personnel Summary

| Identification code 12-3539-0-1-605 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 1001 Total compensable workyears: Full-time equivalent employment | 121 | 130 | 130 |

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), **[\$4,348,000,000] \$4,751,000,000**, to remain available through September 30, **[2003] 2004**, of which **\$150,000,000** shall be placed in reserve for use in only such amounts, and in such manner, as the Secretary determines necessary, not withstanding section 17(i) of the Child Nutrition Act, to provide funds to support participation, should costs or participation exceed budget

estimates: Provided, [That none of the funds made available under this heading shall be used for studies and evaluations: *Provided further,* That of the total amount available, the Secretary shall obligate \$10,000,000 for the farmers' market nutrition program within 45 days of the enactment of this Act, and up to an additional \$15,000,000 for the farmers' market nutrition program upon a determination by the Secretary that funds are available to meet caseload requirements: *Provided further,*] That notwithstanding section 17(h)(10)(A) of such Act, **[\$10,000,000] \$14,000,000** shall be available for the purposes specified in section 17(h)(10)(B), and up to an additional \$4,000,000 shall be available for the purposes specified in section 17(h)(10)(B) upon a determination by the Secretary that funds are available to meet caseload requirements: *Provided further,* That \$2,000,000 shall be available for the Food and Nutrition Service to conduct a study of WIC vendor practices: *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 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, 2002.*)

[For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for "Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)", \$39,000,000, to remain available until September 30, 2003, to be obligated from amounts made available in Public Law 107-38: *Provided,* That of the amounts provided in this Act and any amounts available for reallocation in fiscal year 2002, the Secretary shall reallocate funds under section 17(g)(2) of the Child Nutrition Act of 1966 in the manner and under the formula the Secretary deems necessary to respond to the effects of unemployment and other conditions, and starting no later than March 1, 2002, such reallocation shall occur no less frequently than every other month throughout the fiscal year.] (*Emergency Supplemental Act, 2002.*)

Program and Financing (in millions of dollars)

| Identification code 12-3510-0-1-605 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct program | 4,220 | 4,465 | 4,862 |
| 09.01 Reimbursable program | 15 | | |
| 10.00 Total new obligations | 4,235 | 4,465 | 4,862 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 2 | 1 | |
| 22.00 New budget authority (gross) | 4,059 | 4,387 | 4,751 |
| 22.10 Resources available from recoveries of prior year obligations | 176 | 76 | 111 |
| 23.90 Total budgetary resources available for obligation | 4,237 | 4,464 | 4,862 |
| 23.95 Total new obligations | -4,235 | -4,465 | -4,862 |
| 24.40 Unobligated balance carried forward, end of year | 1 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 4,052 | 4,387 | 4,751 |
| 40.77 Reduction pursuant to P.L. 106-554 (0.22 percent) | -9 | | |
| 43.00 Appropriation (total discretionary) | 4,043 | 4,387 | 4,751 |
| Mandatory: | | | |
| 60.00 Appropriation | 1 | | |
| Discretionary: | | | |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | 15 | | |
| 70.00 Total new budget authority (gross) | 4,059 | 4,387 | 4,751 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 364 | 318 | 281 |
| 73.10 Total new obligations | 4,235 | 4,465 | 4,862 |
| 73.20 Total outlays (gross) | -4,092 | -4,426 | -4,727 |
| 73.40 Adjustments in expired accounts (net) | -13 | | |
| 73.45 Recoveries of prior year obligations | -176 | -76 | -111 |
| 74.40 Obligated balance, end of year | 318 | 281 | 305 |

| Outlays (gross), detail: | | | | |
|---|---|--------------|--------------|--------------|
| 86.90 | Outlays from new discretionary authority | 3,889 | 4,080 | 4,418 |
| 86.93 | Outlays from discretionary balances | 203 | 346 | 307 |
| 87.00 | Total outlays (gross) | 4,092 | 4,426 | 4,727 |
| Offsets: | | | | |
| Against gross budget authority and outlays: | | | | |
| 88.00 | Offsetting collections (cash) from: Federal sources | - 15 | | |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | 4,044 | 4,387 | 4,751 |
| 90.00 | Outlays | 4,077 | 4,426 | 4,727 |

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. The proposed contingency fund will ensure that all eligible persons seeking benefits can be served.

| Object Classification (in millions of dollars) | | | | |
|---|--|--------------|--------------|--------------|
| Identification code 12-3510-0-1-605 | | 2001 actual | 2002 est. | 2003 est. |
| 41.0 | Direct obligations: Grants, subsidies, and contributions | 4,220 | 4,465 | 4,862 |
| 99.0 | Reimbursable obligations: Reimbursable obligations | 15 | | |
| 99.9 | Total new obligations | 4,235 | 4,465 | 4,862 |

COMMODITY ASSISTANCE PROGRAM
[(INCLUDING RESCISSION)]

For necessary expenses to carry out 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) and the Emergency Food Assistance Act of 1983, **[\$152,813,000] \$144,991,000**, to remain available through September 30, **[2003] 2004: Provided**, That none of these funds shall be available to reimburse the Commodity Credit Corporation for commodities donated to the program: *Provided further*, That of the total amount available, the Secretary shall provide \$10,000,000 for senior farmers' market activities: *Provided further*, That notwithstanding section 5(a)(2) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93-86; 7 U.S.C. 612c note), \$20,820,000 of this amount shall be available for administrative expenses of the commodity supplemental food program: *Provided further*, That \$3,300,000 of unobligated balances available at the beginning of fiscal year 2002 are hereby rescinded. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002.*)

Program and Financing (in millions of dollars)

| Identification code 12-3507-0-1-605 | | 2001 actual | 2002 est. | 2003 est. |
|--|---|-------------|------------|------------|
| Obligations by program activity: | | | | |
| Commodity supplemental food program: | | | | |
| 00.01 | Commodity procurement | 68 | 81 | 76 |
| 00.02 | Administrative costs | 23 | 23 | 19 |
| 00.91 | Subtotal, commodity supplemental food program | 91 | 104 | 95 |
| The emergency food assistance program: | | | | |
| 02.01 | Administrative costs | 45 | 50 | 50 |
| 03.01 | Senior farmers' market | | 10 | |
| 10.00 | Total new obligations | 136 | 164 | 145 |
| Budgetary resources available for obligation: | | | | |
| 21.40 | Unobligated balance carried forward, start of year | 7 | 15 | |
| 22.00 | New budget authority (gross) | 140 | 150 | 145 |
| 22.10 | Resources available from recoveries of prior year obligations | 4 | | |
| 23.90 | Total budgetary resources available for obligation | 151 | 165 | 145 |
| 23.95 | Total new obligations | - 136 | - 164 | - 145 |
| 24.40 | Unobligated balance carried forward, end of year | 15 | | |

| New budget authority (gross), detail: | | | | |
|--|--|------------|------------|------------|
| Discretionary: | | | | |
| 40.00 | Appropriation | 140 | 153 | 145 |
| 40.36 | Unobligated balance rescinded | | - 3 | |
| 43.00 | Appropriation (total discretionary) | 140 | 150 | 145 |
| Change in obligated balances: | | | | |
| 72.40 | Obligated balance, start of year | 17 | 17 | 19 |
| 73.10 | Total new obligations | 136 | 164 | 145 |
| 73.20 | Total outlays (gross) | - 132 | - 162 | - 145 |
| 73.45 | Recoveries of prior year obligations | - 4 | | |
| 74.40 | Obligated balance, end of year | 17 | 19 | 19 |

| Outlays (gross), detail: | | | | |
|--|--|------------|------------|------------|
| 86.90 | Outlays from new discretionary authority | 108 | 134 | 128 |
| 86.93 | Outlays from discretionary balances | 24 | 28 | 19 |
| 87.00 | Total outlays (gross) | 132 | 162 | 145 |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | 140 | 150 | 145 |
| 90.00 | Outlays | 132 | 162 | 145 |

The Commodity Assistance Program funds the Commodity Supplemental Food Program (CSFP) and the Emergency Food Assistance Program (TEFAP).

The CSFP provides food packages for low-income women, infants, and children as well as low-income elderly persons. It also funds State administrative expenses.

The Emergency Food Assistance Program provides cash to support State administrative activities and maintain the storage and distribution pipeline for USDA and privately donated commodities.

Object Classification (in millions of dollars)

| Identification code 12-3507-0-1-605 | | 2001 actual | 2002 est. | 2003 est. |
|-------------------------------------|--|-------------|------------|------------|
| 26.0 | Supplies and materials (commodities) | 68 | 82 | 76 |
| 41.0 | Grants, subsidies, and contributions | 68 | 82 | 69 |
| 99.9 | Total new obligations | 136 | 164 | 145 |

FOOD DONATIONS PROGRAMS

For necessary expenses to carry out section 4(a) of the Agriculture and Consumer Protection Act of 1973; and special assistance for the nuclear affected islands as authorized by section 103(h)(2) of the Compacts of Free Association Act of 1985; and section 311 of the Older Americans Act of 1965, **\$150,749,000] \$1,081,000**, to remain available through September 30, **[2003] 2004. (7 U.S.C. 612c note; 42 U.S.C. 3030a; 48 U.S.C. 1903 (h)(2); Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002.)**

Program and Financing (in millions of dollars)

| Identification code 12-3503-0-1-605 | | 2001 actual | 2002 est. | 2003 est. |
|--|---|-------------|------------|-----------|
| Obligations by program activity: | | | | |
| Nutrition program for the elderly: | | | | |
| 00.01 | Nutrition program for the elderly | 152 | 151 | |
| 00.02 | Pacific island assistance | 1 | 1 | 1 |
| 10.00 | Total new obligations | 153 | 152 | 1 |
| Budgetary resources available for obligation: | | | | |
| 21.40 | Unobligated balance carried forward, start of year | 1 | 1 | |
| 22.00 | New budget authority (gross) | 151 | 151 | 1 |
| 22.10 | Resources available from recoveries of prior year obligations | 3 | | |
| 23.90 | Total budgetary resources available for obligation | 155 | 152 | 1 |
| 23.95 | Total new obligations | - 153 | - 152 | - 1 |
| 23.98 | Unobligated balance expiring or withdrawn | - 1 | | |
| 24.40 | Unobligated balance carried forward, end of year | 1 | | |
| New budget authority (gross), detail: | | | | |
| Discretionary: | | | | |
| 40.00 | Appropriation | 151 | 151 | 1 |

General and special funds—Continued

FOOD DONATIONS PROGRAMS—Continued

Program and Financing (in millions of dollars)—Continued

| Identification code 12-3503-0-1-605 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 32 | 48 | 45 |
| 73.10 Total new obligations | 153 | 152 | 1 |
| 73.20 Total outlays (gross) | -134 | -155 | -44 |
| 73.45 Recoveries of prior year obligations | -3 | | |
| 74.40 Obligated balance, end of year | 48 | 45 | 2 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 133 | 108 | 1 |
| 86.93 Outlays from discretionary balances | 1 | 47 | 44 |
| 87.00 Total outlays (gross) | 134 | 155 | 44 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 151 | 151 | 1 |
| 90.00 Outlays | 134 | 155 | 44 |

In 2001 and 2002, Food Donations Programs include the Nutrition Services Incentive Program which provides cash and commodities for elderly persons served in senior citizens' centers and similar settings. Beginning in 2003, the budget consolidates this program with elderly meals programs in the Department of Health and Human Services. Assistance is also provided to residents of Nuclear Affected Islands and funds are made available for non-presidentially declared disasters.

Object Classification (in millions of dollars)

| Identification code 12-3503-0-1-605 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 26.0 Supplies and materials (grants of commodities to States) | 3 | 1 | 1 |
| 41.0 Grants, subsidies, and contributions | 150 | 151 | |
| 99.9 Total new obligations | 153 | 152 | 1 |

FOREST SERVICE

Federal Funds

General and special funds:

NATIONAL FOREST SYSTEM

For necessary expenses of the Forest Service, not otherwise provided for, for management, protection, improvement, and utilization of the National Forest System, **[\$1,331,439,000] \$1,430,316,000**, 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 available at the start of fiscal year **[2002] 2003** shall be displayed by budget line item in the fiscal year **[2003] 2004** budget justification: *Provided further*, That the Secretary may authorize the expenditure or transfer of such sums as necessary to the Department of the Interior, Bureau of Land Management for removal, preparation, and adoption of excess wild horses and burros from National Forest System lands: *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 the Secretary may transfer or reimburse not more than \$15,000,000 to the Secretary of the Interior or the Secretary of Commerce, as appropriate, to expedite consultations required under the Endangered Species Act, 16 U.S.C. 1536.* (Department of the Interior and Related Agencies Appropriations Act, 2002; additional authorizing legislation required.)

Program and Financing (in millions of dollars)

| Identification code 12-1106-0-1-302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 National forest system | 1,355 | 1,395 | 1,396 |
| 09.01 Reimbursable program | 100 | 66 | 66 |
| 10.00 Total new obligations | 1,455 | 1,461 | 1,462 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 27 | 264 | 299 |
| 22.00 New budget authority (gross) | 1,637 | 1,496 | 1,496 |
| 22.10 Resources available from recoveries of prior year obligations | 57 | | |
| 23.90 Total budgetary resources available for obligation | 1,721 | 1,760 | 1,795 |
| 23.95 Total new obligations | -1,455 | -1,461 | -1,462 |
| 24.40 Unobligated balance carried forward, end of year | 264 | 299 | 335 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 1,381 | 1,394 | 1,430 |
| 41.00 Transferred to other accounts | -3 | | |
| 42.00 Transferred from other accounts | 142 | 4 | |
| 43.00 Appropriation (total discretionary) | 1,520 | 1,398 | 1,430 |
| Spending authority from offsetting collections: | | | |
| 68.00 Offsetting collections (cash) | 109 | 98 | 66 |
| 68.10 Change in uncollected customer payments from Federal sources (unexpired) | 8 | | |
| 68.90 Spending authority from offsetting collections (total discretionary) | 117 | 98 | 66 |
| 70.00 Total new budget authority (gross) | 1,637 | 1,496 | 1,496 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 244 | 205 | 228 |
| 73.10 Total new obligations | 1,455 | 1,461 | 1,462 |
| 73.20 Total outlays (gross) | -1,435 | -1,438 | -1,491 |
| 73.40 Adjustments in expired accounts (net) | 4 | | |
| 73.45 Recoveries of prior year obligations | -57 | | |
| 74.00 Change in uncollected customer payments from Federal sources (unexpired) | -8 | | |
| 74.10 Change in uncollected customer payments from Federal sources (expired) | 1 | | |
| 74.40 Obligated balance, end of year | 205 | 228 | 199 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 1,241 | 1,296 | 1,291 |
| 86.93 Outlays from discretionary balances | 194 | 142 | 200 |
| 87.00 Total outlays (gross) | 1,435 | 1,438 | 1,491 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 Federal sources | | | -14 |
| 88.40 Non-Federal sources | -109 | -98 | -52 |
| 88.90 Total, offsetting collections (cash) | -109 | -98 | -66 |
| Against gross budget authority only: | | | |
| 88.95 Change in uncollected customer payments from Federal sources (unexpired) | -8 | | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 1,520 | 1,398 | 1,430 |
| 90.00 Outlays | 1,327 | 1,340 | 1,425 |
| Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars) | | | |
| | 2001 actual | 2002 est. | 2003 est. |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 1,460 | 1,335 | 1,366 |
| 90.00 Outlays | 1,267 | 1,277 | 1,361 |

The 156 National Forests, 20 National Grasslands, and nine 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.

To overcome inertia and an excessive decision-making structure, USDA will develop legislation to establish “Charter Forests,” certain forests or portions of forests administered outside the Forest Service structure and reporting to a local trust entity for oversight. The structure would eliminate inefficiencies and focus upon specific strengths. Pilot forests would establish and address land management objectives; comply with all Federal and State environmental laws; include a diverse and balanced group of stakeholders as well as appropriate Federal, tribal, state, county, and municipal government representatives in the design, implementation, and monitoring of the project; incorporate current scientific forest restoration information; and include a multiparty assessment to identify both the existing ecological condition of the proposed project area and the desired future condition.

Furthering the President’s management agenda, the budget includes significant restructuring of the Forest Service to improve performance. The Forest Service will complete 22 service-first collocations with the Bureau of Land Management by the end of 2005. Funds to support this effort are included in the Capital Improvement and Maintenance account. Secondly, the Forest Service will establish a target to reduce indirect expenses by 2005 to one-half its 2002 level, to approximately 10 percent of total spending. The Forest Service will also establish a hiring freeze until the required USDA workforce restructuring plan establishes measures and mileposts in mapping this reduction in indirect expenses and a target fixed-to-variable cost ratio of salary and expenses to total office expenses, including field units.

Lastly, USDA will establish a Field Leadership Decisions Initiative, which will:

- Reduce accounting codes by 20 percent in 2003 and 5 percent each year through 2005, to be accomplished without congressional restructuring of expanded budget line items;
- Increase annual competitive sourcing of commercial activities by 10 percent annually through 2005;
- Increase contract fire readiness resources to 20 percent in 2002 and by 5 percent annually thereafter through 2005;
- Relocate/reassign 500 Washington office and 250 regional office employees, with indirect costs at Washington office capped at 7 percent in 2005;
- Focus attrition of 2,500 FTEs annually through 2005, with half replaced in field locations; and
- Identify a goal level of increasing cost-share resources to leverage from 2 percent to 5 percent of operating program.

The Budget includes an additional \$15 million for expedited endangered species consultations that may be utilized to reimburse responsible consulting federal agencies.

Object Classification (in millions of dollars)

| Identification code 12–1106–0–1–302 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 584 | 610 | 610 |
| 11.3 Other than full-time permanent | 10 | 41 | 41 |
| 11.5 Other personnel compensation | 27 | 29 | 29 |
| 11.8 Special personal services payments | 8 | 5 | 5 |
| 11.9 Total personnel compensation | 629 | 685 | 685 |
| 12.1 Civilian personnel benefits | 217 | 240 | 241 |
| 13.0 Benefits for former personnel | 5 | 7 | 7 |
| 21.0 Travel and transportation of persons | 65 | 58 | 58 |
| 23.1 Rental payments to GSA | 74 | 71 | 71 |
| 24.0 Printing and reproduction | 5 | 4 | 4 |
| 25.2 Other services | 266 | 232 | 232 |
| 26.0 Supplies and materials | 48 | 45 | 45 |
| 31.0 Equipment | 30 | 43 | 43 |
| 32.0 Land and structures | 3 | 2 | 2 |
| 41.0 Grants, subsidies, and contributions | 7 | 3 | 3 |
| 42.0 Insurance claims and indemnities | 4 | 2 | 2 |
| 99.0 Direct obligations | 1,353 | 1,392 | 1,393 |
| 99.0 Reimbursable obligations | 100 | 67 | 67 |
| Allocation Account: | | | |
| 11.1 Personnel compensation: Full-time permanent | 1 | 1 | 1 |
| 25.2 Other services | 1 | 1 | 1 |
| 99.0 Allocation account | 2 | 2 | 2 |
| 99.9 Total new obligations | 1,455 | 1,461 | 1,462 |

Personnel Summary

| Identification code 12–1106–0–1–302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Full-time equivalent employment | 14,865 | 15,251 | 15,261 |
| Reimbursable: | | | |
| 2001 Total compensable workyears: Full-time equivalent employment | 484 | 496 | 497 |
| Allocation account: | | | |
| 3001 Total compensable workyears: Full-time equivalent employment | 31 | 32 | 32 |

CAPITAL IMPROVEMENT AND MAINTENANCE

For necessary expenses of the Forest Service, not otherwise provided for, **[\$546,188,000] \$568,004,000**, to remain available until expended for construction, reconstruction, maintenance, and acquisition of buildings and other facilities, and for construction, reconstruction, repair, 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, of which, **[\$61,000,000] \$50,866,000** is for conservation activities defined in section 250(c)(4)(E) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, for the purposes of such Act: *Provided*, That fiscal year 2001 balances in the Federal Infrastructure Improvement account for the Forest Service shall be transferred to and merged with this appropriation and shall remain available until expended: *Provided further*, 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 to decommission any system road until notice and an opportunity for public comment has been provided on each decommissioning project: *Provided further*, That the Forest Service shall transfer \$300,000, appropriated in Public Law 106–291 within the Capital Improvement and Maintenance appropriation, to the State and Private Forestry appropriation, and shall provide these funds in an advance direct lump sum payment to Purdue University for planning and construction of a hardwood tree improvement and generation facility: *Provided further*, That from funds provided to the Forest Service in Public Law 106–291, \$500,000 is hereby transferred from the Capital Improvement and Maintenance appropriation to the State and Private Forestry appropriation of which \$10,000,000 is to support office collocations between the Forest Service and the Bureau of Land Management solely as a reimbursement for completed activities: *Provided*, That the Secretary may transfer to or reimburse the Secretary of the Interior any portion of this

General and special funds—Continued

CAPITAL IMPROVEMENT AND MAINTENANCE—Continued

amount that the Secretary determines to be most economical and efficient means of completing collocations: Provided further, That these funds are available only after the USDA Chief Financial Officer has approved the streamlining and restructuring plans and cost benefit analyses of the Forest Service. (Department of the Interior and Related Agencies Appropriations Act, 2002; additional authorizing legislation required.)

Program and Financing (in millions of dollars)

| Identification code 12-1103-0-1-302 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Reconstruction and construction | 565 | 587 | 628 |
| 09.01 Reimbursable program | 13 | 4 | 4 |
| 10.00 Total new obligations | 578 | 591 | 632 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 119 | 123 | 107 |
| 22.00 New budget authority (gross) | 568 | 575 | 572 |
| 22.10 Resources available from recoveries of prior year obligations | 15 | | |
| 23.90 Total budgetary resources available for obligation | 702 | 698 | 679 |
| 23.95 Total new obligations | -578 | -591 | -632 |
| 24.40 Unobligated balance carried forward, end of year | 123 | 107 | 47 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 543 | 561 | 568 |
| 41.00 Transferred to other accounts | -50 | | |
| 42.00 Transferred from other accounts | 44 | 10 | |
| 43.00 Appropriation (total discretionary) | 537 | 571 | 568 |
| Spending authority from offsetting collections: | | | |
| 68.00 Offsetting collections (cash) | 3 | 4 | 4 |
| 68.10 Change in uncollected customer payments from Federal sources (unexpired) | 28 | | |
| 68.90 Spending authority from offsetting collections (total discretionary) | 31 | 4 | 4 |
| 70.00 Total new budget authority (gross) | 568 | 575 | 572 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 166 | 231 | 187 |
| 73.10 Total new obligations | 578 | 591 | 632 |
| 73.20 Total outlays (gross) | -470 | -635 | -630 |
| 73.45 Recoveries of prior year obligations | -15 | | |
| 74.00 Change in uncollected customer payments from Federal sources (unexpired) | -28 | | |
| 74.40 Obligated balance, end of year | 231 | 187 | 189 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 335 | 437 | 434 |
| 86.93 Outlays from discretionary balances | 135 | 198 | 196 |
| 87.00 Total outlays (gross) | 470 | 635 | 630 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 Federal sources | -3 | | |
| 88.40 Non-Federal sources | | -4 | -4 |
| 88.90 Total, offsetting collections (cash) | -3 | -4 | -4 |
| Against gross budget authority only: | | | |
| 88.95 Change in uncollected customer payments from Federal sources (unexpired) | -28 | | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 537 | 571 | 568 |
| 90.00 Outlays | 467 | 631 | 626 |

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 522 | 555 | 552 |

| | | | |
|---------------------|-----|-----|-----|
| 90.00 Outlays | 452 | 615 | 610 |
|---------------------|-----|-----|-----|

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. The budget includes funding for facility enhancements for antiterrorism protection and provides \$51 million for deferred maintenance.

\$10 million is provided to support funding workforce and organizational streamlining and restructuring activities. The funds are available for Service-First, the joint effort of expanded customer service and administrative cost savings with the Bureau of Land Management (BLM). Requested funds will support collocating offices with BLM, and other expenses.

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 additional funds are for repair and rehabilitation of existing facilities and roads; funds may not be used for new and expanded facilities or roads.

Object Classification (in millions of dollars)

| Identification code 12-1103-0-1-302 | 2001 actual | 2002 est. | 2003 est. |
|-------------------------------------|-------------|-----------|-----------|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 140 | 142 | 144 |

| | | | | |
|------|--|-----|-----|-----|
| 11.3 | Other than full-time permanent | 16 | 17 | 18 |
| 11.5 | Other personnel compensation | 6 | 7 | 7 |
| 11.8 | Special personal services payments | 2 | 2 | 2 |
| 11.9 | Total personnel compensation | 164 | 168 | 171 |
| 12.1 | Civilian personnel benefits | 61 | 60 | 63 |
| 13.0 | Benefits for former personnel | 2 | 2 | 2 |
| 21.0 | Travel and transportation of persons | 18 | 18 | 15 |
| 23.1 | Rental payments to GSA | 24 | 24 | 23 |
| 25.2 | Other services | 207 | 211 | 244 |
| 26.0 | Supplies and materials | 27 | 30 | 30 |
| 31.0 | Equipment | 10 | 12 | 11 |
| 32.0 | Land and structures | 50 | 60 | 66 |
| 41.0 | Grants, subsidies, and contributions | 1 | 1 | 2 |
| 42.0 | Insurance claims and indemnities | 1 | 1 | 1 |
| 99.0 | Direct obligations | 565 | 587 | 628 |
| 99.0 | Reimbursable obligations | 13 | 4 | 4 |
| 99.9 | Total new obligations | 578 | 591 | 632 |

Personnel Summary

| Identification code 12-1103-0-1-302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Full-time equivalent employment | 3,591 | 3,980 | 3,983 |
| Reimbursable: | | | |
| 2001 Total compensable workyears: Full-time equivalent employment | 13 | 13 | 13 |

FOREST AND RANGELAND RESEARCH

For necessary expenses of forest and rangeland research as authorized by law, **[\$241,304,000]** \$254,125,000, to remain available until expended: *Provided, That the Chief of the Forest Service may make available by outlease agreements with other Federal agencies or non-Federal public or private entities any unused or underused portion or interest in any agency real and related personal property, and may retain and use the proceeds of such agreements in carrying out the research programs of the agency. Property proposed for outlease must not be property otherwise required to be reported excess under the Federal Property and Administrative Services of 1949, as amended. Outleases shall be made competitively, and be based on the fair market value of the property.*

GIFTS, DONATIONS AND BEQUESTS FOR FOREST AND RANGELAND RESEARCH

For expenses authorized by 16 U.S.C. 1643(b), **[\$92,000]** \$106,000, to remain available until expended, to be derived from the fund established pursuant to the above Act. *(Department of the Interior and Related Agencies Appropriations Act, 2002; additional authorizing legislation required.)*

Program and Financing (in millions of dollars)

| Identification code 12-1104-0-1-302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.06 Forest and rangeland research | 237 | 268 | 251 |
| 09.01 Reimbursable program | 41 | 43 | 42 |
| 10.00 Total new obligations | 278 | 311 | 293 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 5 | 75 | 70 |
| 22.00 New budget authority (gross) | 340 | 306 | 278 |
| 22.10 Resources available from recoveries of prior year obligations | 8 | | |
| 22.22 Unobligated balance transferred from other accounts | 1 | | |
| 23.90 Total budgetary resources available for obligation | 354 | 381 | 348 |
| 23.95 Total new obligations | -278 | -311 | -293 |
| 24.40 Unobligated balance carried forward, end of year | 75 | 70 | 55 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 246 | 252 | 254 |
| 42.00 Transferred from other accounts | 11 | 30 | |
| 43.00 Appropriation (total discretionary) | 257 | 282 | 254 |
| Spending authority from offsetting collections: | | | |
| 68.00 Offsetting collections (cash) | 23 | 24 | 24 |

| | | | | |
|-------|--|-----|-----|-----|
| 68.10 | Change in uncollected customer payments from Federal sources (unexpired) | 60 | | |
| 68.90 | Spending authority from offsetting collections (total discretionary) | 83 | 24 | 24 |
| 70.00 | Total new budget authority (gross) | 340 | 306 | 278 |

Change in obligated balances:

| | | | | |
|-------|--|------|------|------|
| 72.40 | Obligated balance, start of year | 76 | 36 | 42 |
| 73.10 | Total new obligations | 278 | 311 | 293 |
| 73.20 | Total outlays (gross) | -250 | -305 | -286 |
| 73.40 | Adjustments in expired accounts (net) | -2 | | |
| 73.45 | Recoveries of prior year obligations | -8 | | |
| 74.00 | Change in uncollected customer payments from Federal sources (unexpired) | -60 | | |
| 74.40 | Obligated balance, end of year | 36 | 42 | 49 |

Outlays (gross), detail:

| | | | | |
|-------|--|-----|-----|-----|
| 86.90 | Outlays from new discretionary authority | 173 | 225 | 205 |
| 86.93 | Outlays from discretionary balances | 77 | 80 | 81 |
| 87.00 | Total outlays (gross) | 250 | 305 | 286 |

Offsets:

| | | | | |
|--|--|-----|-----|-----|
| Against gross budget authority and outlays: | | | | |
| Offsetting collections (cash) from: | | | | |
| 88.00 | Federal sources | -23 | -23 | -22 |
| 88.40 | Non-Federal sources | | -1 | -2 |
| 88.90 | Total, offsetting collections (cash) | -23 | -24 | -24 |
| Against gross budget authority only: | | | | |
| 88.95 | Change in uncollected customer payments from Federal sources (unexpired) | -60 | | |

Net budget authority and outlays:

| | | | | |
|-------|------------------------|-----|-----|-----|
| 89.00 | Budget authority | 257 | 282 | 254 |
| 90.00 | Outlays | 229 | 281 | 262 |

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 246 | 271 | 243 |
| 90.00 Outlays | 218 | 270 | 251 |

The mission of Forest and Rangeland Research is to serve society by developing and communicating the scientific information and technology needed to protect, manage, use, and sustain the natural resources of the Nation's forests and rangelands. Research is the key to sustaining our forest and rangeland productivity and health while addressing natural resource needs. Forest and Rangeland Research is conducted through six Forest and Range Experiment Station headquarters and their research work units, the Forest Products Laboratory, and the International Institute of Tropical Forestry. New authority is requested to outlease space in order to ensure full capacity utilization.

Priority continues on supporting the implementation of forest planning regulations. This includes developing measurement systems for assessing watershed integrity, applying measurement systems for watershed assessment, providing information about compatible forest uses and fire management control strategies. Funds are also included for global climate change research, particularly the use of small diameter trees for biomass energy uses and carbon cycle studies. Finally, work will continue on development of improved quantitative analytical tools to support forest planning goals to maximize net public benefits in a more objective and transparent manner.

The budget includes \$10 million for new priority research, including \$5 million for "Sim Forest," a quantitative and analytic data visualization project and \$5 million for biobased products and bioenergy. The Forest Service will comply with requirements for annualized inventories in the Forest Inven-

General and special funds—Continued

GIFTS, DONATIONS AND BEQUESTS FOR FOREST AND RANGELAND RESEARCH—Continued

tory and Analysis program, providing 100 percent coverage at the end of 2003.

Object Classification (in millions of dollars)

| Identification code 12-1104-0-1-302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 140 | 144 | 144 |
| 11.3 Other than full-time permanent | 2 | 2 | 2 |
| 11.5 Other personnel compensation | 1 | 1 | 1 |
| 11.8 Special personal services payments | 1 | 1 | 1 |
| 11.9 Total personnel compensation | 144 | 148 | 148 |
| 12.1 Civilian personnel benefits | 29 | 30 | 28 |
| 13.0 Benefits for former personnel | 1 | | |
| 21.0 Travel and transportation of persons | 8 | 9 | 11 |
| 23.1 Rental payments to GSA | 7 | 7 | 7 |
| 24.0 Printing and reproduction | 1 | 1 | 1 |
| 25.2 Other services | 33 | 54 | 37 |
| 26.0 Supplies and materials | 6 | 8 | 9 |
| 31.0 Equipment | 5 | 5 | 6 |
| 41.0 Grants, subsidies, and contributions | 3 | 6 | 4 |
| 99.0 Direct obligations | 237 | 268 | 251 |
| 99.0 Reimbursable obligations | 41 | 43 | 42 |
| 99.9 Total new obligations | 278 | 311 | 293 |

Personnel Summary

| Identification code 12-1104-0-1-302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Full-time equivalent employment | 2,509 | 2,240 | 2,241 |
| Reimbursable: | | | |
| 2001 Total compensable workyears: Full-time equivalent employment | 123 | 115 | 115 |

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, cooperative forestry, and education and land conservation activities and conducting an international program as authorized, **[\$291,221,000] \$281,544,000**, to remain available until expended, as authorized by law, of which **[\$65,000,000] \$69,873,000** is for the Forest Legacy Program, **[and \$36,000,000]** to be derived from the land and water conservation fund; **\$36,614,000** is for the Urban and Community Forestry Program, defined in section 250(c)(4)(E) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, for the purposes of such Act: *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 acquisition of lands or interests in lands to be undertaken with such funds: *Provided further*, That notwithstanding any other provision of law, of the funds provided under this heading, \$4,500,000 shall be made available to Kake Tribal Corporation as an advanced direct lump sum payment to implement the Kake Tribal Corporation Land Transfer Act (Public Law 106-283); \$50,536,000, to be derived from the land and water conservation fund, is for the Forest Stewardship Program, defined in section 250(c)(4)(E) of such Act; and up to \$11,968,000 may be used by the Secretary solely for: (1) rapid response to new introductions of non-native or invasive pests or pathogens in which no previous federal funding has been identified to address, or (2) for a limited number of instances in which any pest populations increase at over 150 percent of levels monitored for that species in the immediately preceding fiscal year and failure to suppress those populations would lead to a 10-percent increase of annual forest or stand mortality over ambient mortality levels. (Department of the Interior and Related Agencies Appropriations Act, 2002; additional authorizing legislation required.)

Program and Financing (in millions of dollars)

| Identification code 12-1105-0-1-302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 State and private forestry | 429 | 355 | 347 |
| 09.01 Reimbursable program | 10 | 9 | 8 |
| 10.00 Total new obligations | 439 | 364 | 355 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 17 | 39 | 90 |
| 22.00 New budget authority (gross) | 454 | 415 | 282 |
| 22.10 Resources available from recoveries of prior year obligations | 7 | | |
| 23.90 Total budgetary resources available for obligation | 478 | 454 | 372 |
| 23.95 Total new obligations | -439 | -364 | -355 |
| 24.40 Unobligated balance carried forward, end of year | 39 | 90 | 19 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 291 | 295 | 160 |
| 40.20 Appropriation (special fund) | 34 | | 120 |
| 42.00 Transferred from other accounts | 118 | 118 | |
| 43.00 Appropriation (total discretionary) | 443 | 413 | 280 |
| Spending authority from offsetting collections: | | | |
| 68.00 Offsetting collections (cash) | 6 | 2 | 2 |
| 68.10 Change in uncollected customer payments from Federal sources (unexpired) | 5 | | |
| 68.90 Spending authority from offsetting collections (total discretionary) | 11 | 2 | 2 |
| 70.00 Total new budget authority (gross) | 454 | 415 | 282 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 211 | 372 | 293 |
| 73.10 Total new obligations | 439 | 364 | 355 |
| 73.20 Total outlays (gross) | -265 | -443 | -317 |
| 73.45 Recoveries of prior year obligations | -7 | | |
| 74.00 Change in uncollected customer payments from Federal sources (unexpired) | -5 | | |
| 74.40 Obligated balance, end of year | 372 | 293 | 331 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 208 | 313 | 213 |
| 86.93 Outlays from discretionary balances | 57 | 130 | 102 |
| 87.00 Total outlays (gross) | 265 | 443 | 317 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources | -6 | -2 | -2 |
| Against gross budget authority only: | | | |
| 88.95 Change in uncollected customer payments from Federal sources (unexpired) | -5 | | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 443 | 413 | 280 |
| 90.00 Outlays | 259 | 441 | 315 |
| Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars) | | | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 439 | 409 | 276 |
| 90.00 Outlays | 255 | 437 | 311 |

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 and proposed funding to address emergency pests and pathogens.

Cooperative Fire Protection.—Includes funding to enhance the capacity of States to provide coordinated fire suppression response 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.

Within the Forest stewardship program, \$10 million is provided for a small diameter and underutilized wood biomass cooperating fund to foster enhanced management and utilization of these resources on private lands. Also included is \$6 million to be focused in those priority locations identified by states situated within national priority areas identified by USDA. These focused funds will be allocated competitively on the basis of performance measures that clearly indicate the environmental effect of selected projects upon the landscape.

The Budget does not include funding for the Economic action program (EAP) or the Pacific northwest assistance program (PNW). Increased funding has been provided to rural counties through the new payments to states legislation that offers rural counties payment equal to the higher payments received over the past 15 years. Priority needs for rural development can be addressed through USDA's rural development programs. These programs include Business and Industry (B&I) guaranteed loans and Rural business enterprise grants (RBEG) to encourage the development of jobs in rural communities. USDA also offers small grant and loan programs, such as the Intermediary Relending program (IRP), the Rural Business Opportunity Grant program (RBOG), and Cooperative development grants that can enable farmers to invest in other crops or businesses.

As described under the National Forest System, Forest Service will expand the pool of funds available for contracting out. Also, Forest Service will expand outsourcing opportunities. These efforts will be supplemental by a new section 310 (at the end of the Department of the Interior (DOI) chapter) that would allow DOI and USDA to provide a preference for local contractors in disadvantaged areas for ecosystem restoration and fuels reduction work. This provision is intended to replace preferences provided by Sections 311 and 326 of the 2002 Interior and Related Agencies Appropriations Act, while providing the basis for a broader, national program. The 2002 provisions provided broad waivers of federal procurement laws in order to promote local contracting for watershed restoration and other activities. The proposed change will avoid the appearance of conflicts or potential abuses by reinstated procurement laws and requiring accountable decisionmaking when considering preferences authorized by this section. This change will also promote greater consistency in the use of preferences for local contractors through the application of one, rather than multiple, authorities. One provision will govern local preferences nationwide, rather than separate provisions governing different geographic locations or activities.

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 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 39 | 42 | 42 |
| 11.3 Other than full-time permanent | 3 | 2 | 2 |
| 11.5 Other personnel compensation | 2 | 1 | 1 |
| 11.9 Total personnel compensation | 44 | 45 | 45 |

| | | | |
|---|-----|-----|-----|
| 12.1 Civilian personnel benefits | 13 | 14 | 14 |
| 21.0 Travel and transportation of persons | 9 | 7 | 7 |
| 23.1 Rental payments to GSA | 4 | 3 | 3 |
| 25.2 Other services | 47 | 34 | 33 |
| 26.0 Supplies and materials | 5 | 4 | 4 |
| 31.0 Equipment | 2 | 2 | 2 |
| 41.0 Grants, subsidies, and contributions | 301 | 242 | 235 |
| 42.0 Insurance claims and indemnities | 3 | 3 | 3 |
| 99.0 Direct obligations | 428 | 354 | 346 |
| 99.0 Reimbursable obligations | 10 | 9 | 8 |
| 25.2 Allocation Account: Other services | 1 | 1 | 1 |
| 99.9 Total new obligations | 439 | 364 | 355 |

Personnel Summary

| Identification code 12-1105-0-1-302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Full-time equivalent employment | 808 | 723 | 724 |
| Reimbursable: | | | |
| 2001 Total compensable workyears: Full-time equivalent employment | 21 | 26 | 26 |

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), **[\$5,488,000] \$5,655,000**, to remain available until expended. (*Department of the Interior and Related Agencies Appropriations Act, 2002.*)

Program and Financing (in millions of dollars)

| Identification code 12-1119-0-1-302 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 10.00 Total new obligations (object class 25.2) | 5 | 5 | 6 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | | 1 | 1 |
| 22.00 New budget authority (gross) | 6 | 5 | 6 |
| 23.90 Total budgetary resources available for obligation | 6 | 6 | 7 |
| 23.95 Total new obligations | -5 | -5 | -6 |
| 24.40 Unobligated balance carried forward, end of year | 1 | 1 | 1 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 6 | 5 | 6 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 2 | 5 | 3 |
| 73.10 Total new obligations | 5 | 5 | 6 |
| 73.20 Total outlays (gross) | -2 | -5 | -6 |
| 74.40 Obligated balance, end of year | 5 | 3 | 3 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 2 | 5 | 6 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 6 | 5 | 6 |
| 90.00 Outlays | 2 | 5 | 6 |

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).

WILDLAND FIRE MANAGEMENT

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 fuel reduction on or adjacent to such lands, and for emer-

General and special funds—Continued**WILDLAND FIRE MANAGEMENT—Continued**

gency rehabilitation of burned-over National Forest System lands and water, **[\$1,214,349,000] \$1,425,723,000**, to remain available until expended: *Provided*, That such funds including unobligated balances under this head, are available for repayment of advances from other appropriations accounts previously transferred for such purposes: *[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 2001 shall be transferred, as repayment for past advances that have not been repaid, to the fund established pursuant to section 3 of Public Law 71–319 (16 U.S.C. 576 et seq.):] *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, hazard 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, **[\$209,010,000] \$19,947,000** is for the purchase of fireplain easements or for grants to States to acquire perpetual easements from willing sellers within state-identified fireplain areas within or adjacent to national forest system lands where potential fire suppression costs are estimated to exceed the estimated value of private land upon which the easement is located: *Provided further*, That the Federal government or States shall pay no more than the value of improvements on the land or the fair market value of the land, which ever is less: *Provided further*, That each fireplain area shall be designated only when the development of a fireplain area plan has been coordinated with fire management plans of relevant units of the National Forest System or through other consultations with the Forest Service, as appropriate: *Provided further*, That funding is made available to a State fireplain area in consultation with the Forest Service: *Provided further*, That the Federal share of the purchase price of an easement acquired through a State grant shall not exceed 75 percent, with the balance cost-shared among participating entities: *Provided further*, That the rights under any fireplain easement shall run to the benefit of all or any Federal, state and local governments, and their agencies, contractors and assigns engaged in fire suppression or emergency services, and, under a fireplain easement, the property owner must agree to hold harmless the United States, States and local governments from any and all duties and liability associated with the suppression or non-suppression of fires on the encumbered property **\$234,673,000** is for hazardous fuel treatment, **\$4,644,000** is for rehabilitation and restoration, **[\$10,376,000] \$22,265,000** is for capital improvement and maintenance of fire facilities, **\$21,761,000** 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.), **[\$50,383,000] \$46,456,000** is for state fire assistance, **[\$8,262,000] \$8,246,000** is for volunteer fire assistance **[\$11,974,000] and \$12,107,000** is for forest health activities on state, private, and Federal lands[, and \$12,472,000 is for economic action programs]: *Provided further*, That amounts in this paragraph may be transferred to the “State and Private Forestry,” “National Forest System,” and “Forest and Rangeland Research” [and “Capital Improvement and Maintenance”] accounts to fund state fire assistance, volunteer fire assistance, and forest health management, vegetation and watershed management, heritage site rehabilitation, wildlife and fish habitat management[, trails and facilities maintenance] and restoration: *Provided further*, That notice of transfers of any amounts in excess of those authorized in this paragraph, shall [require approval of] be transmitted to the House and Senate Committees on Appropriations [in compliance with reprogramming procedures contained in House Report No. 105–163]: *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 entering into such grants or cooperative agreements, the Secretary may consider the enhancement of local and small business employment opportunities for rural communities, and that in entering into procurement contracts under this section on a best value basis, the Secretary

may take into account the ability of an entity to enhance local and small business employment opportunities in rural communities, and that the Secretary may award procurement contracts, grants, or cooperative agreements under this section to entities that include local non-profit entities, Youth Conservation Corps or related partnerships with State, local or non-profit youth groups, or small or disadvantaged businesses: *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 Appropriations, 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]:

[(1) In] in expending the funds provided with respect to this Act for hazardous fuels reduction, the Secretary of the Interior and the Secretary of Agriculture may conduct fuel reduction treatments on Federal lands using all contracting and hiring authorities available to the Secretaries applicable to hazardous fuel reduction activities under the wildland fire management accounts. [Notwithstanding Federal government procurement and contracting laws, the Secretaries may conduct fuel reduction treatments on Federal lands using grants and cooperative agreements. Notwithstanding Federal government procurement and contracting laws, in order to provide employment and training opportunities to people in rural communities, the Secretaries may award contracts, including contracts for monitoring activities, to—

- (A) local private, nonprofit, or cooperative entities;
- (B) Youth Conservation Corps crews or related partnerships, with State, local and non-profit youth groups;
- (C) small or micro-businesses; or
- (D) other entities that will hire or train a significant percentage of local people to complete such contracts. The authorities described above relating to contracts, grants, and cooperative agreements are available until all funds provided in this title for hazardous fuels reduction activities in the urban wildland interface are obligated.]

[(2)](A) The Secretary of Agriculture may transfer or reimburse funds to the United States Fish and Wildlife Service of the Department of the Interior, or the National Marine Fisheries Service of the Department of Commerce, for the costs of carrying out their responsibilities under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) to consult and conference as required by section 7 of such Act in connection with wildland fire management activities in fiscal years [2001] 2002 and [2002] 2003.

(B) Only those funds appropriated for fiscal years [2001] 2002 and [2002] 2003 to Forest Service (USDA) for wildland fire management are available to the Secretary of Agriculture for such transfer or reimbursement.

(C) The amount of the transfer of reimbursement shall be as mutually agreed by the Secretary of Agriculture and the Secretary of the Interior or Secretary of Commerce, as applicable, or their designees. The amount shall in no case exceed the actual costs of consultation and conferencing in connection with wildland fire management activities affecting National Forest System lands.

[For an additional amount to cover necessary expenses for emergency rehabilitation, wildfire suppression and other fire operations of the Forest Service, **\$346,000,000**, to remain available until expended, of which **\$200,000,000** is for repayment of prior year advances for other appropriations and accounts within the Wildland Fire appropriation previously transferred for fire suppression, **\$66,000,000** is for wildfire suppression operations, **\$59,000,000** is for land rehabilitation and restoration, **\$5,000,000** 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.), **\$10,000,000** is for capital improvement and maintenance of fire facilities, **\$6,000,000** is for state fire assistance: *Provided*, That the Congress designates the entire amount as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That **\$346,000,000** shall be available only to the extent that an official budget request, that includes designation of the **\$346,000,000** as an emergency requirement as defined in the

Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

For an additional amount, to liquidate obligations previously incurred, \$274,147,000]. (*Department of the Interior and Related Agencies Appropriations Act, 2002; additional authorization legislation required.*)

Program and Financing (in millions of dollars)

| Identification code 12-1115-0-1-302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Fire management | 1,307 | 1,308 | 1,313 |
| 09.01 Reimbursable program | 90 | 16 | 16 |
| 10.00 Total new obligations | 1,397 | 1,324 | 1,329 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | -274 | 96 | 248 |
| 22.00 New budget authority (gross) | 1,694 | 1,476 | 1,452 |
| 22.10 Resources available from recoveries of prior year obligations | 74 | | |
| 23.90 Total budgetary resources available for obligation | 1,494 | 1,572 | 1,700 |
| 23.95 Total new obligations | -1,397 | -1,324 | -1,329 |
| 24.40 Unobligated balance carried forward, end of year | 96 | 248 | 371 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 1,929 | 1,886 | 1,426 |
| 40.48 Portion applied to liquidate deficiencies | | -274 | |
| 41.00 Transferred to other accounts | -314 | -162 | |
| 42.00 Transferred from other accounts | 50 | | |
| 43.00 Appropriation (total discretionary) | 1,665 | 1,450 | 1,426 |
| Spending authority from offsetting collections: | | | |
| 68.00 Offsetting collections (cash) | 139 | 26 | 26 |
| 68.10 Change in uncollected customer payments from Federal sources (unexpired) | -110 | | |
| 68.90 Spending authority from offsetting collections (total discretionary) | 29 | 26 | 26 |
| 70.00 Total new budget authority (gross) | 1,694 | 1,476 | 1,452 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 225 | 376 | 188 |
| 73.10 Total new obligations | 1,397 | 1,324 | 1,329 |
| 73.20 Total outlays (gross) | -1,283 | -1,512 | -1,455 |
| 73.45 Recoveries of prior year obligations | -74 | | |
| 74.00 Change in uncollected customer payments from Federal sources (unexpired) | 110 | | |
| 74.40 Obligated balance, end of year | 376 | 188 | 62 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 1,332 | 1,336 | 1,315 |
| 86.93 Outlays from discretionary balances | -49 | 176 | 140 |
| 87.00 Total outlays (gross) | 1,283 | 1,512 | 1,455 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources | -139 | -26 | -26 |
| Against gross budget authority only: | | | |
| 88.95 Change in uncollected customer payments from Federal sources (unexpired) | 110 | | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 1,665 | 1,450 | 1,426 |
| 90.00 Outlays | 1,143 | 1,486 | 1,429 |
| Memorandum (non-add) entries: | | | |
| 91.90 Unpaid obligations, end of year: Deficiency | 274 | | |
| Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars) | | | |
| | 2001 actual | 2002 est. | 2003 est. |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 1,616 | 1,398 | 1,369 |
| 90.00 Outlays | 1,094 | 1,434 | 1,372 |

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.

The budget places additional emphasis on economic opportunities for rural communities who have experienced job losses from federal timber harvest reductions coupled with an increased threat of wildfire. The budget increases the availability of funds for contracts, expands competitive outsourcing, and provides an expanded authority for local preference.

This year, USDA is working with the Department of the Interior to review fire suppression tactics and expenses to assess why costs have risen so significantly per fire and per acre. The review will determine whether there are ways to restrain costs in firefighting without endangering firefighters or communities.

The budget includes \$20 million for the Forest Service to work with state and local governments in identifying areas to pilot test “fireplain easements.” Under the program, State officials, in consultation with the Secretary, shall identify areas within and adjacent to National Forest System lands where potential fire suppression expenditures may exceed the estimated value of the private land, considering factors relevant to fire suppression strategies including fuels, location, topography, access, and improvements. Within identified areas, and after consultation with the Secretary, State may use grant funds to acquire, on a “willing seller” basis, perpetual easements to permit the implementation of fire suppression strategies, including allowing fires to burn without suppression activities. The goal would be to test the efficacy of avoiding extraordinary protection of outlying structures while providing States an incentive to minimize additional encroachment into such vulnerable areas. The program can help protect firefighters from dangerous situations by relying more on natural contours, while savings fire suppression funding in the process.

This budget provides more than \$234 million for Hazardous Fuels Treatment and directs over 70 percent of funds to the wildland-urban interface as the most effective method to protect communities and lower suppression costs over time.

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.

Fire Operations.—To efficiently suppress wildland fires on or threatening NFS lands or other lands under fire protection agreement. Fire Operations provides funds for all hazardous fuel reduction program activities including planning and implementation, mechanical treatments, prescribed fire, and monitoring of fuel treatment accomplishments. Fuel treatment activities are performed to minimize the potential for large, destructive wildfires.

Fire Operations funds are used to immediately and efficiently rehabilitate severely burned NFS lands to prevent further destruction of natural resources, including soil loss and flooding. Funds are used to increase the level of fire

General and special funds—Continued

WILDLAND FIRE MANAGEMENT—Continued

preparedness when predicted or actual burning conditions exceed normal levels and are also used to support the joint fire sciences program.

The funds provided continue a strong focus on implementation of the National fire plan to protect and manage the impact of wildfires on communities and the environment. In addition to funds specifically for hazardous fuels reduction, fire suppression, and fire readiness additional funding is provided to continue fire research, and rehabilitation activities. Additionally, 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 support Fish and Wildlife Service and National Marine Fisheries Service consultation for project and Endangered Species Act review.

Object Classification (in millions of dollars)

| Identification code 12-1115-0-1-302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 245 | 250 | 250 |
| 11.3 Other than full-time permanent | 47 | 49 | 49 |
| 11.5 Other personnel compensation | 127 | 201 | 201 |
| 11.8 Special personal services payments | 30 | 46 | 46 |
| 11.9 Total personnel compensation | 449 | 546 | 546 |
| 12.1 Civilian personnel benefits | 139 | 143 | 148 |
| 13.0 Benefits for former personnel | 6 | 12 | 12 |
| 21.0 Travel and transportation of persons | 60 | 57 | 57 |
| 23.1 Rental payments to GSA | 32 | 26 | 26 |
| 23.2 Rental payments to others | 6 | | |
| 23.3 Communications, utilities, and miscellaneous charges | 16 | | |
| 24.0 Printing and reproduction | 1 | 1 | 1 |
| 25.2 Other services | 482 | 449 | 449 |
| 26.0 Supplies and materials | 67 | 58 | 58 |
| 31.0 Equipment | 47 | 15 | 15 |
| 32.0 Land and structures | 1 | | |
| 41.0 Grants, subsidies, and contributions | 1 | 1 | 1 |
| 99.0 Direct obligations | 1,307 | 1,308 | 1,313 |
| 99.0 Reimbursable obligations | 90 | 16 | 16 |
| 99.9 Total new obligations | 1,397 | 1,324 | 1,329 |

Personnel Summary

| Identification code 12-1115-0-1-302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Full-time equivalent employment | 9,601 | 8,111 | 6,866 |
| Reimbursable: | | | |
| 2001 Total compensable workyears: Full-time equivalent employment | 11 | 9 | 9 |

SOUTHEAST ALASKA ECONOMIC DISASTER FUND

Program and Financing (in millions of dollars)

| Identification code 12-1108-0-1-451 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 10.00 Total new obligations (object class 41.0) | 12 | 5 | |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 12 | 5 | |
| 22.00 New budget authority (gross) | 5 | | |
| 23.90 Total budgetary resources available for obligation | 17 | 5 | |
| 23.95 Total new obligations | -12 | -5 | |
| 24.40 Unobligated balance carried forward, end of year | 5 | | |

New budget authority (gross), detail:

| | | | |
|---------------------------|---|--|--|
| Discretionary: | | | |
| 40.00 Appropriation | 5 | | |

Change in obligated balances:

| | | | |
|--|----|----|----|
| 72.40 Obligated balance, start of year | | 6 | 6 |
| 73.10 Total new obligations | 12 | 5 | |
| 73.20 Total outlays (gross) | -6 | -7 | -3 |
| 74.40 Obligated balance, end of year | 6 | 6 | 3 |

Outlays (gross), detail:

| | | | |
|--|---|---|---|
| 86.90 Outlays from new discretionary authority | 1 | | |
| 86.93 Outlays from discretionary balances | 5 | 7 | 1 |
| 87.00 Total outlays (gross) | 6 | 7 | 3 |

Net budget authority and outlays:

| | | | |
|------------------------------|---|---|---|
| 89.00 Budget authority | 5 | | |
| 90.00 Outlays | 6 | 7 | 3 |

Public Law 104-134 established this appropriation, for the period 1996 through 2002, to provide assistance to employ former timber workers in Wrangell and Sitka and for related community development projects in Sitka, Wrangell, Ketchikan, and selected organized boroughs in Southeast Alaska. The program established direct payments to these and other localities in Southeast Alaska. Distribution to the unorganized boroughs was based on the proportion of 1995 timber receipts from each borough. No funding was appropriated for 2002 and none is requested for 2003.

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 and Related Agencies Appropriations Act, 2002.*)

Unavailable Collections (in millions of dollars)

| Identification code 12-5207-0-2-302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 01.99 Balance, start of year | 2 | 2 | 2 |
| Receipts: | | | |
| 02.20 Cooperative range improvements | 3 | 3 | 3 |
| 04.00 Total: Balances and collections | 5 | 5 | 5 |
| Appropriations: | | | |
| 05.00 Range betterment fund | -3 | -3 | -3 |
| 07.99 Balance, end of year | 2 | 2 | 2 |

Program and Financing (in millions of dollars)

| Identification code 12-5207-0-2-302 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 10.00 Total new obligations | 3 | 3 | 3 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 2 | 1 | 1 |
| 22.00 New budget authority (gross) | 3 | 3 | 3 |
| 23.90 Total budgetary resources available for obligation | 5 | 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:

| | | | |
|--|---|---|---|
| Discretionary: | | | |
| 40.20 Appropriation (special fund) | 3 | 3 | 3 |

Change in obligated balances:

| | | | |
|--|----|----|----|
| 72.40 Obligated balance, start of year | 1 | 1 | 1 |
| 73.10 Total new obligations | 3 | 3 | 3 |
| 73.20 Total outlays (gross) | -3 | -3 | -3 |

| | | | | |
|--|--|---|---|---|
| 74.40 | Obligated balance, end of year | 1 | 1 | 1 |
| Outlays (gross), detail: | | | | |
| 86.90 | Outlays from new discretionary authority | 2 | 2 | 2 |
| 86.93 | Outlays from discretionary balances | 1 | 1 | 1 |
| 87.00 | Total outlays (gross) | 3 | 3 | 3 |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | 3 | 3 | 3 |
| 90.00 | Outlays | 3 | 3 | 3 |

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 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| 11.1 Personnel compensation: Full-time permanent | 1 | 1 | 1 |
| 25.2 Other services | 1 | 1 | 1 |
| 26.0 Supplies and materials | 1 | 1 | 1 |
| 99.9 Total new obligations | 3 | 3 | 3 |

Personnel Summary

| Identification code 12-5207-0-2-302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 1001 Total compensable workyears: Full-time equivalent employment | 29 | 33 | 33 |

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, **[\$149,742,000]** \$131,104,000, to be derived from the Land and Water Conservation Fund, to remain available until expended, and to be for the conservation activities defined in section 250(c)(4)(E) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, for the purposes of such Act.

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, 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 pursuant to the Act of December 4, 1967, as amended (16 U.S.C. 484a), to remain available until expended. (16 U.S.C. 4601-4-11, 4601-516-617a, 555a; P.L. 96-586; P.L. 76-589, 76-591; 78-310, and 16 U.S.C. 484a; Department of the Interior and Related Agencies Appropriations Act, 2002; additional authorizing legislation required.)

Note.—Title VIII of the Department of the Interior and Related Agencies Appropriations Act, 2001, includes an additional \$49 million for land acquisition.

Unavailable Collections (in millions of dollars)

| Identification code 12-9923-0-2-302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 01.99 Balance, start of year | | 1 | 1 |
| Receipts: | | | |
| 02.20 Offsetting receipts (proprietary) | 3 | 1 | 1 |
| 04.00 Total: Balances and collections | 3 | 2 | 2 |
| Appropriations: | | | |
| 05.00 Land acquisition | -2 | -1 | -1 |

| | | | | |
|-------|----------------------------|---|---|---|
| 07.99 | Balance, end of year | 1 | 1 | 1 |
|-------|----------------------------|---|---|---|

Program and Financing (in millions of dollars)

| Identification code 12-9923-0-2-302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Land acquisition | 118 | 130 | 120 |
| 10.00 Total new obligations | 119 | 131 | 121 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 99 | 126 | 147 |
| 22.00 New budget authority (gross) | 149 | 152 | 132 |
| 22.10 Resources available from recoveries of prior year obligations | 2 | | |
| 23.90 Total budgetary resources available for obligation | 250 | 278 | 279 |
| 23.95 Total new obligations | -119 | -131 | -121 |
| 23.98 Unobligated balance expiring or withdrawn | -5 | | |
| 24.40 Unobligated balance carried forward, end of year | 126 | 147 | 158 |

New budget authority (gross), detail:

| | | | | |
|--------------------------------------|--|-----|-----|-----|
| Discretionary: | | | | |
| 40.00 | Appropriation | 50 | 1 | 1 |
| Appropriation (special fund): | | | | |
| 40.20 | Appropriation (Conservation) | 98 | 150 | 130 |
| 40.20 | Appropriation (special act) | 2 | 1 | 1 |
| 42.00 | Transferred from other accounts | 3 | | |
| 43.00 | Appropriation (total discretionary) | 153 | 152 | 132 |
| 68.10 | Spending authority from offsetting collections: Change in uncollected customer payments from Federal sources (unexpired) | -4 | | |
| 70.00 | Total new budget authority (gross) | 149 | 152 | 132 |

Change in obligated balances:

| | | | | |
|-------|--|------|------|------|
| 72.40 | Obligated balance, start of year | 7 | 10 | 40 |
| 73.10 | Total new obligations | 119 | 131 | 121 |
| 73.20 | Total outlays (gross) | -117 | -101 | -138 |
| 73.45 | Recoveries of prior year obligations | -2 | | |
| 74.00 | Change in uncollected customer payments from Federal sources (unexpired) | 4 | | |
| 74.40 | Obligated balance, end of year | 10 | 40 | 23 |

Outlays (gross), detail:

| | | | | |
|-------|--|-----|-----|-----|
| 86.90 | Outlays from new discretionary authority | 97 | 101 | 88 |
| 86.93 | Outlays from discretionary balances | 20 | | 51 |
| 87.00 | Total outlays (gross) | 117 | 101 | 138 |

Offsets:

| | | | | |
|---|--|---|--|--|
| Against gross budget authority only: | | | | |
| 88.95 | Change in uncollected customer payments from Federal sources (unexpired) | 4 | | |

Net budget authority and outlays:

| | | | | |
|-------|------------------------|-----|-----|-----|
| 89.00 | Budget authority | 153 | 152 | 132 |
| 90.00 | Outlays | 117 | 101 | 138 |

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. | |
|--|------------------------|-----------|-----------|-----|
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | 152 | 151 | 131 |
| 90.00 | Outlays | 116 | 100 | 137 |

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-

General and special funds—Continued

LAND ACQUISITION—Continued

ACQUISITION OF LANDS TO COMPLETE LAND EXCHANGES—Continued

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.

Object Classification (in millions of dollars)

| Identification code 12–9923–0–2–302 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| 11.1 Personnel compensation: Full-time permanent | 6 | 7 | 7 |
| 12.1 Civilian personnel benefits | 2 | 2 | 2 |
| 23.1 Rental payments to GSA | 1 | 1 | 1 |
| 25.2 Other services | 2 | 1 | 1 |
| 32.0 Land and structures | 108 | 120 | 110 |
| 99.9 Total new obligations | 119 | 131 | 121 |

Personnel Summary

| Identification code 12–9923–0–2–302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 1001 Total compensable workyears: Full-time equivalent employment | 108 | 111 | 111 |

FOREST SERVICE PERMANENT APPROPRIATIONS

Unavailable Collections (in millions of dollars)

| Identification code 12–9921–0–2–999 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 01.99 Balance, start of year | 278 | | 13 |
| Receipts: | | | |
| 02.20 National forests fund, Agriculture | –194 | | |
| 02.21 Payments to states | 207 | 384 | 389 |
| 02.22 Timber roads, purchaser elections | 12 | 2 | 2 |
| 02.23 Road and trails for States, National forest fund | 43 | 45 | 45 |
| 02.24 Timber salvage sales | 60 | 68 | 65 |
| 02.25 Deposits, brush disposal | 12 | 15 | 15 |
| 02.26 Rents and charges for quarters | 8 | 8 | 8 |
| 02.27 Timber sales pipeline restoration fund | 4 | 2 | 3 |
| 02.28 Recreational fee demonstration program | 31 | 38 | 40 |
| 02.29 Midwin national tallgrass prairie rental fees | 1 | 1 | 1 |
| 02.30 National grasslands | –12 | 6 | 6 |
| 02.31 Miscellaneous special funds, Forest Service | 3 | 2 | 2 |
| 02.32 National forests fund, Interior | 11 | 10 | 10 |
| 02.34 Miscellaneous collections | | | 1 |
| 02.35 Charges, user fees, and natural resource utilization | 6 | 4 | 4 |
| 02.80 Forest Service permanent appropriations, offsetting collections | 7 | | |
| 02.99 Total receipts and collections | 199 | 585 | 591 |
| 04.00 Total: Balances and collections | 477 | 585 | 604 |
| Appropriations: | | | |
| 05.00 Forest Service permanent appropriations | –477 | –572 | –581 |
| 05.99 Total appropriations | –477 | –572 | –581 |
| 07.99 Balance, end of year | | 13 | 23 |

Program and Financing (in millions of dollars)

| Identification code 12–9921–0–2–999 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Direct program: | | | |
| 00.01 Payments to States, National forest fund | 78 | 13 | 13 |
| 00.02 Payment to Minnesota | 2 | 1 | 1 |
| 00.03 Payments to counties, National grasslands | | 6 | 6 |
| 00.04 Recreation fee collection costs | 1 | 1 | 1 |
| 00.05 Recreation fee demonstration project | 29 | 29 | 29 |
| 00.06 Timber purchaser roads constructed by Forest Service | 25 | 6 | 6 |
| 00.07 Timber salvage sales | 63 | 116 | 119 |
| 00.08 Roads and trails for States | 19 | 30 | 32 |
| 00.09 Expenses, brush disposal | 13 | 20 | 21 |
| 00.10 Restoration of forest lands and improvements | 11 | 4 | 4 |
| 00.11 Operation and maintenance of quarters | 7 | 7 | 7 |
| 00.12 Miscellaneous special funds | 1 | 1 | 1 |
| 00.13 Pipeline restoration fund | –6 | 6 | 6 |
| 00.14 Land between the lakes | | 4 | 4 |
| 00.16 Payments to States, Spotted owl | 111 | | |
| 00.17 Full community stabilization payments | | 371 | 371 |
| 00.18 Accrued Federal employee pensions and annuitant health benefits | 8 | 8 | 8 |
| 09.01 Reimbursable program | 4 | | |
| 10.00 Total new obligations | 366 | 623 | 629 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 236 | 362 | 326 |
| 22.00 New budget authority (gross) | 483 | 587 | 582 |
| 22.10 Resources available from recoveries of prior year obligations | 9 | | |
| 23.90 Total budgetary resources available for obligation | 728 | 949 | 908 |
| 23.95 Total new obligations | –366 | –623 | –629 |
| 24.40 Unobligated balance carried forward, end of year | 362 | 326 | 281 |
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| 60.20 Appropriation (special fund) | 478 | 580 | 581 |
| 62.00 Transferred from other accounts | 9 | 7 | 1 |
| 62.50 Appropriation (total mandatory) | 487 | 587 | 582 |
| 69.00 Offsetting collections (cash) | 7 | | |
| 69.10 Change in uncollected customer payments from Federal sources (unexpired) | –11 | | |
| 69.90 Spending authority from offsetting collections (total mandatory) | –4 | | |
| 70.00 Total new budget authority (gross) | 483 | 587 | 582 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 47 | 6 | 38 |
| 73.10 Total new obligations | 366 | 623 | 629 |
| 73.20 Total outlays (gross) | –409 | –591 | –584 |
| 73.45 Recoveries of prior year obligations | –9 | | |
| 74.00 Change in uncollected customer payments from Federal sources (unexpired) | 11 | | |
| 74.40 Obligated balance, end of year | 6 | 38 | 83 |
| Outlays (gross), detail: | | | |
| 86.97 Outlays from new mandatory authority | 353 | 550 | 547 |
| 86.98 Outlays from mandatory balances | 56 | 41 | 37 |
| 87.00 Total outlays (gross) | 409 | 591 | 584 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources | –7 | | |
| Against gross budget authority only: | | | |
| 88.95 Change in uncollected customer payments from Federal sources (unexpired) | 11 | | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 487 | 587 | 582 |
| 90.00 Outlays | 402 | 591 | 584 |

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 479 | 579 | 574 |
| 90.00 Outlays | 394 | 583 | 576 |

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 demonstration program.—Pursuant to Sec. 315 of Title III—General Provisions, Omnibus Consolidated Recissions and Appropriations Act of 1996, Public Law 104–134 of April 26, 1996 as amended, amounts collected at fee demonstration areas, sites, or projects are available for maintenance and development of recreation facilities.

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 Section 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)).

Recreation fee collection costs.—Under authority of Section 10002(b) of the Omnibus Budget Reconciliation Act of 1993 (P.L. 103–66), which amended Section 4(i)(1) of the L&WCF Act, the Secretaries of Agriculture and Interior are authorized to withhold a portion of all recreation fees collected (not to exceed 15 percent), to be available during the current fiscal year, without further appropriation to cover fee collection costs.

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.

Object Classification (in millions of dollars)

| Identification code 12–9921–0–2–999 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 78 | 68 | 68 |
| 11.3 Other than full-time permanent | 12 | 9 | 9 |
| 11.5 Other personnel compensation | 5 | 4 | 4 |
| 11.9 Total personnel compensation | 95 | 81 | 81 |
| 12.1 Civilian personnel benefits | 29 | 26 | 26 |
| 13.0 Benefits for former personnel | 1 | 1 | 1 |
| 21.0 Travel and transportation of persons | 4 | 7 | 7 |
| 23.1 Rental payments to GSA | 8 | 7 | 7 |
| 24.0 Printing and reproduction | 1 | 1 | 1 |
| 25.2 Other services | 65 | 41 | 43 |
| 26.0 Supplies and materials | 10 | 10 | 10 |
| 31.0 Equipment | 2 | 4 | 4 |
| 32.0 Land and structures | 13 | 9 | 9 |
| 41.0 Grants, subsidies, and contributions | 134 | 436 | 440 |

General and special funds—Continued

FOREST SERVICE PERMANENT APPROPRIATIONS—Continued

Object Classification (in millions of dollars)—Continued

| Identification code 12-9921-0-2-999 | 2001 actual | 2002 est. | 2003 est. |
|-------------------------------------|-------------|-----------|-----------|
| 99.0 Direct obligations | 362 | 623 | 629 |
| 99.0 Reimbursable obligations | 4 | | |
| 99.9 Total new obligations | 366 | 623 | 629 |

Personnel Summary

| Identification code 12-9921-0-2-999 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 1001 Total compensable workyears: Full-time equivalent employment | 2,028 | 2,519 | 2,521 |

FOREST SERVICE PERMANENT APPROPRIATIONS

(Legislative proposal, subject to PAYGO)

A Recreation Fee Program is proposed, generally consistent with the existing recreation fee demonstration program, that would permanently authorize the direct expenditure of recreation fees collected by the Forest Service and the Department of the Interior agencies beginning in 2005.

A proposal to enhance timber sale competition would amend the National Forest Management Act to require the use of sealed bids, rather than open bids for timber sales. This will encourage consistency across the National Forest System—both the eastern and southern U.S. use sealed bidding for timber sales—and increased competition in bidding. Increased funds collected are available for repayment of the KV fund borrowings. Reinstates the original requirements in National Forest Management Act for sealed bids.

This proposal would permit non-timber interests, such as environmental, or recreation groups to bid on timber sales, and to not harvest the trees if successful in their bid. This reform would open up the bidding process, increasing the timber sales competition, and increasing receipts to the government. The proposal would amend the National Forest Management Act to alter the requirement that winning bids must proceed to harvest within a short period of time—winning non-timber interest bids would be permitted to limit timber harvests over the course of the normal rotational period described in the forest plan. Receipts collected from winning bids by non-timber interests may be used for local forest restoration projects targeted to generate local employment.

Consistent with the Government-wide goals to receive market value for the use of government assets (see OMB Circular A-25), a proposal would require the receipt of fair market value from use and occupancy of ski resorts on national forest lands. The proposal would amend the Omnibus Parks and Public Lands Management Act (P.L. 104-333), which established a new fee schedule for ski resorts on National Forest System lands. The amendment would adjust percentages of gross revenue that determine fees to the government. Increased funds collected are available for forest restoration of landscapes impacted by ski resorts.

Intragovernmental funds:

WORKING CAPITAL FUND

Program and Financing (in millions of dollars)

| Identification code 12-4605-0-4-302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 10.00 Total new obligations | 278 | 157 | 134 |

Budgetary resources available for obligation:

| | | | |
|---|------|------|------|
| 21.40 Unobligated balance carried forward, start of year | 99 | 23 | |
| 22.00 New budget authority (gross) | 195 | 134 | 134 |
| 22.10 Resources available from recoveries of prior year obligations | 6 | | |
| 23.90 Total budgetary resources available for obligation | 300 | 157 | 134 |
| 23.95 Total new obligations | -278 | -157 | -134 |
| 24.40 Unobligated balance carried forward, end of year | 23 | | |

New budget authority (gross), detail:

| | | | |
|--|-----|-----|-----|
| Mandatory: | | | |
| 69.00 Offsetting collections (cash) | 193 | 134 | 134 |
| 69.10 Change in uncollected customer payments from Federal sources (unexpired) | 2 | | |
| 69.90 Spending authority from offsetting collections (total mandatory) | 195 | 134 | 134 |

Change in obligated balances:

| | | | |
|--|------|------|------|
| 72.40 Obligated balance, start of year | 74 | 110 | 133 |
| 73.10 Total new obligations | 278 | 157 | 134 |
| 73.20 Total outlays (gross) | -234 | -134 | -134 |
| 73.45 Recoveries of prior year obligations | -6 | | |
| 74.00 Change in uncollected customer payments from Federal sources (unexpired) | -2 | | |
| 74.40 Obligated balance, end of year | 110 | 133 | 133 |

Outlays (gross), detail:

| | | | |
|--|-----|-----|-----|
| 86.97 Outlays from new mandatory authority | 135 | 134 | 134 |
| 86.98 Outlays from mandatory balances | 99 | | |
| 87.00 Total outlays (gross) | 234 | 134 | 134 |

Offsets:

| | | | |
|--|------|------|------|
| Against gross budget authority and outlays: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources | -193 | -134 | -134 |
| 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 | 41 | | |

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.

Computer Services.—The Fund provides computer hardware, software, and radio equipment.

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 operators at cost.

Object Classification (in millions of dollars)

| Identification code 12-4605-0-4-302 | 2001 actual | 2002 est. | 2003 est. |
|-------------------------------------|-------------|-----------|-----------|
| 25.2 Other services | 104 | 75 | 65 |
| 31.0 Equipment | 174 | 82 | 69 |
| 99.9 Total new obligations | 278 | 157 | 134 |

Note.—Personnel totals are included with personnel totals of all other Forest Service programs.

Trust Funds

FOREST SERVICE TRUST FUNDS

Unavailable Collections (in millions of dollars)

| Identification code 12-9974-0-7-302 | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| 01.99 Balance, start of year | | | |
| Receipts: | | | |
| 02.00 Transfers from general fund of amounts equal to certain customs duties | 30 | 30 | 30 |
| 02.20 Forest Service cooperative fund | 94 | 155 | 163 |
| 02.40 Transfer from TVA for land between the lakes trust fund | | 1 | 1 |
| 02.80 Forest Service trust funds, offsetting collections | 23 | | |
| 02.99 Total receipts and collections | 147 | 186 | 194 |
| Appropriations: | | | |
| 05.00 Forest Service trust funds | -147 | -186 | -194 |
| 05.99 Total appropriations | -147 | -186 | -194 |
| 07.99 Balance, end of year | | | |

Program and Financing (in millions of dollars)

| Identification code 12-9974-0-7-302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct program | 137 | 231 | 231 |
| 09.00 Reimbursable program | 21 | | |
| 10.00 Total new obligations | 158 | 231 | 231 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 142 | 143 | 102 |
| 22.00 New budget authority (gross) | 150 | 191 | 194 |
| 22.10 Resources available from recoveries of prior year obligations | 10 | | |
| 23.90 Total budgetary resources available for obligation | 302 | 334 | 296 |
| 23.95 Total new obligations | -158 | -231 | -231 |
| 24.40 Unobligated balance carried forward, end of year | 143 | 102 | 65 |

New budget authority (gross), detail:

| Mandatory: | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| 60.26 Appropriation (trust fund) | 129 | 191 | 194 |
| 69.00 Offsetting collections (cash) | 23 | | |
| 69.10 Change in uncollected customer payments from Federal sources (unexpired) | -2 | | |

| | | | |
|--|-----|-----|-----|
| 69.90 Spending authority from offsetting collections (total mandatory) | 21 | | |
| 70.00 Total new budget authority (gross) | 150 | 191 | 194 |

Change in obligated balances:

| | | | |
|--|------|------|------|
| 72.40 Obligated balance, start of year | 282 | 29 | 53 |
| 73.10 Total new obligations | 158 | 231 | 231 |
| 73.20 Total outlays (gross) | -403 | -207 | -193 |
| 73.45 Recoveries of prior year obligations | -10 | | |
| 74.00 Change in uncollected customer payments from Federal sources (unexpired) | 2 | | |
| 74.40 Obligated balance, end of year | 29 | 53 | 91 |

Outlays (gross), detail:

| | | | |
|--|-----|-----|-----|
| 86.97 Outlays from new mandatory authority | 150 | 154 | 156 |
| 86.98 Outlays from mandatory balances | 252 | 53 | 37 |
| 87.00 Total outlays (gross) | 403 | 207 | 193 |

Offsets:

| | | | |
|--|-----|--|--|
| Against gross budget authority and outlays: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources | -23 | | |
| 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 | 129 | 191 | 194 |
| 90.00 Outlays | 380 | 207 | 193 |

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 124 | 186 | 189 |
| 90.00 Outlays | 375 | 202 | 188 |

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 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 49 | 61 | 61 |
| 11.3 Other than full-time permanent | 5 | 9 | 9 |
| 11.5 Other personnel compensation | 3 | 4 | 4 |
| 11.8 Special personal services payments | 1 | 1 | 1 |
| 11.9 Total personnel compensation | 58 | 75 | 75 |
| 12.1 Civilian personnel benefits | 15 | 22 | 22 |
| 13.0 Benefits for former personnel | 1 | 2 | 2 |
| 21.0 Travel and transportation of persons | 2 | 3 | 3 |
| 23.1 Rental payments to GSA | 5 | 4 | 4 |
| 25.2 Other services | 36 | 122 | 122 |
| 26.0 Supplies and materials | 13 | 2 | 2 |
| 31.0 Equipment | 1 | 1 | 1 |
| 32.0 Land and structures | 6 | | |
| 99.0 Direct obligations | 137 | 231 | 231 |
| 99.0 Reimbursable obligations | 21 | | |
| 99.9 Total new obligations | 158 | 231 | 231 |

Personnel Summary

| Identification code 12-9974-0-7-302 | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 1001 Total compensable workyears: Full-time equivalent employment | 1,168 | 1,731 | 1,733 |

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 not to exceed [132] 113 passenger motor vehicles, of which [eight] 10 will be used primarily for law enforcement purposes and of which [130] 113 shall be for replacement; acquisition of 25 passenger motor vehicles from excess sources, and hire of such vehicles; operation and maintenance of aircraft, the purchase of not to exceed seven for replacement only, and acquisition of sufficient aircraft from excess sources] to maintain the operable fleet at 195 aircraft 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 [if and only if all previously appropriated emergency contingent funds under the heading “Wildland Fire Management” have been released by the President and appropriated].

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 unless the proposed transfer is approved in advance by the House and Senate Committees on Appropriations in compliance with the reprogramming procedures contained in House Report No. 105–163.]

[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 procedures contained in House Report No. 105–163.]

[No funds available to the Forest Service shall be transferred to the Working Capital Fund of the Department of Agriculture that exceed the total amount transferred during fiscal year 2000 for such purposes without the advance approval of the House and Senate Committees on Appropriations.]

Funds available to the Forest Service shall be available to conduct a program of not less than \$2,000,000 for high priority projects within the scope of the approved budget which shall be carried out by the Youth Conservation Corps, defined in section 250(c)(4)(E) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, for the purposes of such Act.

Of the funds available to the Forest Service, \$2,500 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, up to \$2,250,000 may be advanced in a lump sum as Federal financial assistance to the National Forest Foundation, without regard to when the Foundation incurs expenses, for administrative expenses or projects on or benefitting National Forest System lands or related to Forest Service programs: *Provided*, [That of the Federal funds made available to the Foundation, no more than \$400,000 shall be available for administrative expenses: *Provided further*, That section 403(a) of the National Forest Foundation Act (16 U.S.C. 583j–1(a)) is amended by inserting after the first sentence the following new sentence: “At the discretion of the Secretary of Agriculture, the Secretary may increase the number of Directors to not more than twenty.”: *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 [hereafter, the National Forest Foundation may hold Federal funds made available but not immediately disbursed and may use any interest or other investment income earned (before, on, or after the date of the enactment of this Act) on Federal funds to carry out the purposes of Public Law 101–593: *Provided further*, That such] *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 available for matching funds to the National Fish and Wildlife Foundation, as authorized by 16 U.S.C. 3701–3709, and may be advanced in a lump sum as Federal financial assistance, without regard to when expenses are incurred, for projects on or benefitting National Forest System lands or related to Forest Service programs: *Provided*, 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 advanced 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.

Funds appropriated to the Forest Service shall be available for interactions with and providing technical assistance to rural communities for sustainable rural development purposes.

[Notwithstanding any other provision of law, 80 percent of the funds appropriated to the Forest Service in the “National Forest System” and “Capital Improvement and Maintenance” accounts and planned to be allocated to activities under the “Jobs in the Woods” program for projects on National Forest land in the State of Washington may be granted directly to the Washington State Department of Fish and Wildlife for accomplishment of planned projects. Twenty percent of said funds shall be retained by the Forest Service for planning and administering projects. Project selection and prioritization shall be accomplished by the Forest Service with such consultation with the State of Washington as the Forest Service deems appropriate.]

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.

The Secretary of Agriculture is authorized to enter into grants, contracts, and cooperative agreements as appropriate with the Pinchot Institute for Conservation, as well as with public and other private agencies, organizations, institutions, and individuals, to provide for the development, administration, maintenance, or restoration of land, facilities, or Forest Service programs, at the Grey Towers National Historic Landmark: *Provided*, That, subject to such terms and conditions as the Secretary of Agriculture may prescribe, any such public or private agency, organization, institution, or individual

may solicit, accept, and administer private gifts of money and real or personal property for the benefit of, or in connection with, the activities and services at the Grey Towers National Historic Landmark: *Provided further*, That such gifts may be accepted notwithstanding the fact that a donor conducts business with the Department of Agriculture in any capacity.

Funds appropriated to the Forest Service shall be available, as determined by the Secretary, for payments to Del Norte County, California, pursuant to sections 13(e) and 14 of the Smith River National Recreation Area Act (Public Law 101-612).

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), Department 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.]

The Forest Service shall fund indirect expenses, that is expenses not directly related to specific programs or to the accomplishment of specific [work] on-the-ground work, from any funds available to the Forest Service: *Provided*, That the Forest Service shall implement and adhere to the definitions of indirect expenditures established pursuant to Public Law 105-277 on a nationwide basis without flexibility for modification by any organizational level except the Washington Office, and when changed by the Washington Office, such changes in definition shall be reported in budget requests submitted by the Forest Service: *Provided further*, That the Forest Service shall provide in all future budget justifications, planned indirect expenditures in accordance with the definitions, summarized and displayed to the Regional, Station, Area, and detached unit office level. The justification shall display the estimated source and amount of indirect expenditures, by [expanded] budget line item, of funds in the agency's annual budget justification. The display shall include appropriated funds and the Knutson-Vandenberg, Brush Disposal, Cooperative Work-Other, and Salvage Sale funds. [Changes between estimated and actual indirect expenditures shall be reported in subsequent budget justifications: *Provided*, That during fiscal year 2002 the Secretary shall limit total annual indirect obligations from the Brush Disposal, Knutson-Vandenberg, Reforestation, Salvage Sale, and Roads and Trails funds to 20 percent of the total obligations from each fund. Obligations in excess of 20 percent which would otherwise be charged to the above funds may be charged to appropriated funds available to the Forest Service subject to notification of the Committees on Appropriations of the House and Senate.]

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 \$750,000].

The Secretary of Agriculture may authorize the sale of excess buildings, facilities, and other properties owned by the Forest Service and located on the Green Mountain National Forest, the revenues of which shall be retained by the Forest Service and available to the Secretary without further appropriation and until expended for maintenance and rehabilitation activities on the Green Mountain National Forest. (*Department of the Interior and Related Agencies Appropriations Act, 2002.*)

GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. |
|--|-------------|-----------|-----------|
| Offsetting receipts from the public: | | | |
| 12-181100 National grasslands | 18 | 20 | 21 |
| 12-222100 National forest fund | 88 | 108 | 108 |
| Legislative proposal, subject to PAYGO | | | |
| 12-270110 Agriculture credit insurance, Negative subsidies | 2 | 2 | 2 |
| 12-270130 Agriculture credit insurance, Downward reestimates of subsidies | 923 | 49 | |
| 12-270210 Rural electrification and telephone loans, Negative subsidies | 19 | 17 | 20 |
| 12-270230 Rural electrification and telephone loans, Downward reestimates of subsidies | 410 | | |

| | | | |
|---|-------|-----|-----|
| 12-270330 Rural water and waste disposal, Downward reestimates of subsidies | 108 | | |
| 12-270530 Rural community facility, Downward reestimates of subsidies | 20 | | |
| 12-270630 Rural housing insurance, Downward reestimates of subsidies | 334 | | |
| 12-270710 Rural business and industry, Negative subsidies | 2 | | |
| 12-270730 Rural business and industry, Downward reestimates of subsidies | 26 | | |
| 12-270830 P.L. 480 loan program, Downward reestimates of subsidies | 39 | | |
| 12-271030 Rural development loans, Downward reestimates of subsidies | 4 | | |
| 12-271130 Rural telephone bank loans, Downward reestimates of subsidies | 6 | | |
| 12-271330 Economic development loans, Downward reestimates of subsidies | 3 | | |
| 12-275430 Apple loan program, downward reestimates of subsidies | 1 | | |
| 12-275630 Farm storage facility loans, Downward reestimate of subsidies | 2 | | |
| 12-275730 Commodity Credit Corporation export guarantee financing, Downward reestimate of subsidies | 126 | | |
| General Fund Offsetting receipts from the public | 2,002 | 325 | 151 |

OTHER CONSOLIDATED RECEIPT ACCOUNTS

(in millions of dollars)

| | 2001 actual | 2002 est. | 2003 est. |
|---|-------------|-----------|-----------|
| 12-977210 Miscellaneous contributed funds | 1 | 1 | 1 |

TITLE VII—GENERAL PROVISIONS

SEC. 701. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department of Agriculture for fiscal year [2002] 2003 under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed [379] 374 passenger motor vehicles, of which [378] 372 shall be for replacement only, and for the hire of such vehicles.

SEC. 702. Funds in this Act available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by law (5 U.S.C. 5901-5902).

SEC. 703. Not less than \$1,500,000 of the appropriations of the Department of Agriculture in this Act for research and service work authorized by sections 1 and 10 of the Act of June 29, 1935 (7 U.S.C. 427, 427i; commonly known as the Bankhead-Jones Act), subtitle A of title II and section 302 of the Act of August 14, 1946 (7 U.S.C. 1621 et seq.), and chapter 63 of title 31, United States Code, shall be available for contracting in accordance with such Acts and chapter.

SEC. 704. 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 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 of] *advance notice transmitted* to the Committees on Appropriations of both Houses of Congress.

SEC. 705. New obligatory 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, fruit fly program, emerging plant pests, integrated systems acquisition project, boll weevil program, up to 25 percent of the screwworm program, and up to \$2,000,000 for costs associated with collocating regional offices; Food Safety and Inspection Service, field automation and information management project; Cooperative State Research, Education, and Extension Serv-

ice, funds for competitive research grants (7 U.S.C. 450i(b)), funds for the Research, Education and Economics Information System (REEIS), and funds for the Native American 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. 706. 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. Not to exceed \$50,000 of the appropriations available to the Department of Agriculture in this Act 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. 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 restrict the authority of the Commodity Credit Corporation to lease space for its own use or to lease space on behalf of other agencies of the Department of Agriculture when such space will be jointly occupied.

SEC. 710. 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 19 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. 711. Notwithstanding any other provision of this Act, all loan levels provided in this Act shall be considered estimates, not limitations.

SEC. 712. Appropriations to the Department of Agriculture for the cost of direct and guaranteed loans made available in fiscal year [2002] 2003 shall remain available until expended to cover obligations made in fiscal year [2002] 2003 for the following accounts: the Rural Development Loan Fund program account; the Rural Telephone Bank program account; the Rural Electrification and Telecommunications Loans program account; [the Local Television Loan Guarantee program;] the Rural Housing Insurance Fund program account; and the Rural Economic Development Loans program account.

SEC. 713. Notwithstanding chapter 63 of title 31, United States Code, marketing services of the Agricultural Marketing Service; the Grain Inspection, Packers and Stockyards Administration; the Animal and Plant Health Inspection Service; and the food safety activities of the Food Safety and Inspection Service may use cooperative agreements to reflect a relationship between the Agricultural Marketing Service; the Grain Inspection, Packers and Stockyards Administration; the Animal and Plant Health Inspection Service; or the Food Safety and Inspection Service and a state or cooperator to carry out agricultural marketing programs, to carry out programs to protect the nation's animal and plant resources, or to carry out educational programs or special studies to improve the safety of the nation's food supply.

[SEC. 714. 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 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. 715. 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. [716] 714. 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. 717. 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. 718. None of the funds appropriated or otherwise made available to the Department of Agriculture shall be used to transmit or otherwise make available to any non-Department of Agriculture employee questions or responses to questions that are a result of information requested for the appropriations hearing process.]

SEC. [719] 715. 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 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 prior [approval] notification of the Committees on Appropriations of both Houses of Congress.

[SEC. 720. (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 fiscal year 2002, 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 fiscal year 2002, 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 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. [721] 716. With the exception of funds needed to administer and conduct oversight of grants awarded and obligations incurred prior to [enactment of this Act] November 28, 2001, 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 section 793 of Public Law 104-127, the Fund for Rural America (7 U.S.C. 2204f).

SEC. [722] 717. With the exception of funds needed to administer and conduct oversight of grants awarded and obligations incurred prior to [enactment of this Act] November 28, 2001, 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. 723. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel to carry out a conservation farm option program, as authorized by section 1240M of the Food Security Act of 1985 (16 U.S.C. 3839bb).]

[SEC. 724. None of the funds made available to the Food and Drug Administration by this Act shall be used to reduce the Detroit, Michigan, Food and Drug Administration District Office below the operating and full-time equivalent staffing level of July 31, 1999; or to change the Detroit District Office to a station, residence post or similarly modified office; or to reassign residence posts assigned to the Detroit District Office: *Provided*, That this section shall not apply to Food and Drug Administration field laboratory facilities or operations currently located in Detroit, Michigan, except that field laboratory personnel shall be assigned to locations in the general vicinity of Detroit, Michigan, pursuant to cooperative agreements between the Food and Drug Administration and other laboratory facilities associated with the State of Michigan.]

[SEC. 725. None of the funds appropriated by this Act 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 2003 appropriations Act.]

[SEC. 726. None of the funds made available by this Act 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. 727. 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. 728. In addition to amounts otherwise appropriated or made available by this Act, \$2,496,000 is appropriated for the purpose of providing Bill Emerson and Mickey Leland Hunger Fellowships through the Congressional Hunger Center.]

[SEC. 729. Hereafter, refunds or rebates received on an on-going basis from a credit card services provider under the Department of Agriculture's charge card programs may be deposited to and retained without fiscal year limitation in the Department's Working Capital Fund established under 7 U.S.C. 2235 and used to fund management initiatives of general benefit to the Department of Agriculture bureaus and offices as determined by the Secretary of Agriculture or the Secretary's designee.]

SEC. [730] 718. 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. 731. Section 375(e)(6)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008j(e)(6)(B)) is amended by striking "\$25,000,000" and inserting "\$26,000,000".]

[SEC. 732. None of the funds appropriated or made available by this Act shall be used to issue a proposed rule for which the comment period would close prior to September 30, 2002, final, or interim final rule pursuant to notice and comment rulemaking in relation to any change or modification of the definition of "animal" in existing regulations pursuant to the Animal Welfare Act.]

[SEC. 733. Notwithstanding any other provision of law, the City of Cabot, Arkansas, the City of Berlin, New Hampshire, and the City of Coachella, California, shall be eligible for loans and grants provided through the Rural Community Advancement Program.]

[SEC. 734. Notwithstanding any other provision of law, the Secretary shall consider the City of Casa Grande, Arizona, as meeting the requirements of a rural area in section 520 of the Housing Act of 1949 (42 U.S.C. 1490).]

[SEC. 735. 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 \$5,000,000 for administrative costs associated with the distribution of commodities.]

[SEC. 736. Notwithstanding any other provision of law, the Secretary may transfer up to \$13,000,000 in funds provided for the Environmental Quality Incentives Program authorized by chapter 4, subtitle D, title XII of the Food Security Act of 1985, for technical assistance to implement the Conservation Reserve Program authorized by subchapter B, chapter 1, title XII of the Food Security Act of 1985, with funds to remain available until expended.]

[SEC. 737. Notwithstanding any other provision of law, the City of St. Joseph, Missouri, shall be eligible for grants and loans administered by the rural development mission area of the Department of Agriculture relating to an application submitted to the Department by a farmer-owned cooperative, a majority of whose members reside in a rural area, as determined by the Secretary, and for the purchase and operation of a facility beneficial to the purpose of the cooperative.]

[SEC. 738. Notwithstanding any other provision of law, the Secretary of Agriculture shall consider the City of Hollister, California, as meeting the requirements of a rural area for the purposes of housing programs in the rural development mission areas of the Department of Agriculture.]

[SEC. 739. None of the funds appropriated or otherwise made available by this Act may be used to maintain, modify, or implement any assessment against agricultural producers as part of a commodity promotion, research, and consumer information order, known as a check-off program, that has not been approved by the affected producers in accordance with the statutory requirements applicable to the order.]

[SEC. 740. 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 Drug Analysis (recently renamed the Division of Pharmaceutical Analysis) in St. Louis, Missouri, except that funds could be used to plan a possible relocation of this Division within the city limits of St. Louis, Missouri.]

[SEC. 741. MARKET LOSS ASSISTANCE FOR APPLE PRODUCERS (a) ASSISTANCE AVAILABLE.—The Secretary of Agriculture shall use \$75,000,000 of funds of the Commodity Credit Corporation to make payments as soon as possible after the date of the enactment of this Act to apple producers to provide relief for the loss of markets for their 2000 crop.

(b) PAYMENT BASIS.—The amount of the payment to a producer under subsection (a) shall be made on a per pound basis equal to each qualifying producer's 2000 production of apples, except that the Secretary shall not make payments for that amount of a particular farm's apple production that is in excess of 20,000,000 pounds.

(c) DUPLICATIVE PAYMENTS.—A producer shall be ineligible for payments under this section with respect to a market loss for apples to the extent of that amount that the producer received as compensation or assistance for the same loss under any other Federal program, other than under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.).

(d) OTHER TERMS AND CONDITIONS.—The Secretary shall not establish any terms or conditions for producer eligibility, such as limits based upon gross income, other than those specified in this section.

(e) APPLICABILITY.—This section applies only with respect to the 2000 crop of apples and producers of that crop.]

SEC. [742.] 719. No funds appropriated or otherwise made available under this Act shall be made available to any person or entity that has been convicted of violating the Act of March 3, 1933 (41 U.S.C. 10a–10c; popularly known as the “Buy American Act”).

[SEC. 743. Section 17(a)(2)(B) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766(a)(2)(B)) is amended by striking “2001” and inserting “2002”.]

[SEC. 744. Notwithstanding any other provision of law, the Natural Resources Conservation Service shall provide financial and technical assistance in the amount of \$150,000 to the Mallard Pointe project in Madison County, Mississippi.]

[SEC. 745. Notwithstanding any other provision of law, the Secretary of Agriculture shall, in cooperation with the State of Illinois, develop and implement a pilot project utilizing conservation programs of the Department of Agriculture for soil, water, wetlands, and wildlife habitat enhancement in the Illinois River Basin: *Provided*, That no funds shall be made available to carry out this section unless they are expressly provided for a program in this Act or any other Act for obligation in fiscal year 2002: *Provided further*, That any conservation reserve program enrollments made pursuant to this section shall be subject to section 734 of this Act.]

[SEC. 746. Notwithstanding any other provision of law, the Natural Resources Conservation Service shall provide \$250,000 for a wetlands restoration and water conservation project in the vicinity of Jamestown, Rhode Island.]

[SEC. 747. Notwithstanding any other provision of law, \$3,000,000 shall be made available from funds under the rural business and cooperative development programs of the Rural Community Advancement Program for a grant for an integrated ethanol plant, feedlot, and animal waste digestion unit, to the extent matching funds from the Department of Energy are provided if a commitment for such matching funds is made prior to July 1, 2002: *Provided*, That such funds shall be released to the project after the farmer-owned cooperative equity is in place, and a formally executed commitment from a qualified lender based upon receipt of necessary permits, contract, and other appropriate documentation has been secured by the project.]

[SEC. 748. Hereafter, notwithstanding any other provision of law, the Administrator of the Rural Utilities Service shall use the authorities provided in the Rural Electrification Act of 1936 to finance the acquisition of existing generation, transmission and distribution systems and facilities serving high cost, predominantly rural areas by entities capable of and dedicated to providing or improving service in such areas in an efficient and cost effective manner.]

[SEC. 749. Notwithstanding subsection (f) of section 156 of the Agricultural Market Transition Act (7 U.S.C. 7272(f)), any assessment imposed under that subsection for marketings of raw cane sugar or beet sugar for the 2002 fiscal year shall not be required to be remitted to the Commodity Credit Corporation before September 2, 2002.]

[SEC. 750. Notwithstanding any other provision of law, the Secretary of Agriculture, acting through the Natural Resources Conservation Service, shall provide financial assistance from available funds from the Emergency Watershed Protection Program in Arkansas, in an amount not to exceed \$400,000 for completion of the current construction phase of the Kuhn Bayou (Point Remove) Project.]

[SEC. 751. (a) TEMPORARY USE OF EXISTING PAYMENTS TO STATES TABLE.—Notwithstanding section 101(a)(1) of the Secure Rural Schools and Community Self-Determination Act of 2000 (Public Law 106–393; 16 U.S.C. 500 note), for the purpose of making the fiscal year 2001 payments under section 102 of such Act to eligible States and eligible counties, the full payment amount for each eligible State and eligible county shall be deemed to be equal to the full payment amount calculated for that eligible State or eligible county in the Forest Service document entitled “P.L. 106–393, Secure Rural Schools and Community Self-Determination Act” and dated July 31, 2001, subject to the adjustment required by section 101(b) of such Act.

(b) REVISION OF TABLE.—For the purpose of making payments under section 102 of such Act to eligible States and eligible counties for fiscal years 2002 through 2006, as required by section 101(a)(1) of such Act, the Secretary of Agriculture shall revise the table referred to in subsection (a) to accurately reflect, to the maximum extent practicable, each eligible State’s and eligible county’s historic share of the 25-percent payments and safety net payments made for the fiscal years of the eligibility period.

(c) REPORTING REQUIREMENT.—Not later than March 1, 2002, the Secretary of Agriculture shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Agri-

culture of the House of Representatives a report containing the revisions made to the table referred to in subsection (a), as required by subsection (b).

(d) ADDITIONAL ELIGIBLE COUNTY ELECTION.—Notwithstanding section 102(b)(2) of such Act, if the revision pursuant to subsection (b) of the table referred to in subsection (a) results in a reduced full payment amount for an eligible county that elected under section 102(b) of such Act to receive the full payment amount, the eligible county shall have a 90-day period, beginning on the date the revised table is first available to the public, during which to reconsider and change its election. The eligible county shall notify the Secretary of Agriculture of any change in its election before the end of such period. If an eligible county elects under this subsection to receive the 25-percent payment in place of the full payment amount, the election shall be effective for 1 year.

(e) TREATMENT OF CERTAIN MINERAL LEASING RECEIPTS.—(1) An eligible county that elects under section 102(b) of such Act to receive its share of an eligible State’s full payment amount shall continue to receive its share of any payments made to that State from a lease for mineral resources issued by the Secretary of the Interior under the last paragraph under the heading “FOREST SERVICE.” in the Act of March 4, 1917 (Chapter 179; 16 U.S.C. 520).

(2) Section 6(b) of the Mineral Leasing Act for Acquired Lands (30 U.S.C. 355(b)) is amended by inserting after the first sentence the following new sentence: “The preceding sentence shall also apply to any payment to a State derived from a lease for mineral resources issued by the Secretary of the Interior under the last paragraph under the heading ‘FOREST SERVICE.’ in the Act of March 4, 1917 (Chapter 179; 16 U.S.C. 520).”

(f) DEFINITIONS.—In this section, the terms “eligible State”, “eligible county”, “eligibility period”, “full payment amount”, “25-percent payment”, and “safety net payments” have the meanings given such terms in section 3 of such Act, and the term “such Act” means the Secure Rural Schools and Community Self-Determination Act of 2000 (Public Law 106–393; 16 U.S.C. 500 note).]

[SEC. 752. ALASKA PERMANENT FUND. Section 501(b) of the Housing Act of 1949 (42 U.S.C. 1471) is amended in paragraph (5)—

(1) by striking “(5)” and inserting “(5)(A)”; and

(2) by adding at the end the following:

“(B) For purposes of this title, for fiscal years 2002 and 2003, the term ‘income’ does not include dividends received from the Alaska Permanent Fund by a person who was under the age of 18 years when that person qualified for the dividend.”.]

[SEC. 753. Hereafter, any provision of any Act of Congress relating to colleges and universities eligible to receive funds under the Act of August 30, 1890, including Tuskegee University, shall apply to West Virginia State College at Institute, West Virginia: *Provided*, That the Secretary may waive the matching funds’ requirement under section 1449 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222d) for fiscal year 2002 for West Virginia State College if the Secretary determines the State of West Virginia will be unlikely to satisfy the matching requirement.]

[SEC. 754. Notwithstanding any other provision of law, the Secretary, acting through the Natural Resources Conservation Service, shall provide financial and technical assistance relating to the Tanana River bordering the Big Delta State Historical Park.]

[SEC. 755. None of the funds appropriated or otherwise made available by this Act to the Food and Drug Administration shall be used to allow admission of fish or fish products labeled wholly or in part as “catfish” unless the products are taxonomically from the family Ictaluridae.]

[SEC. 756. The Secretary of Agriculture is authorized to accept any unused funds transferred to the Alaska Railroad Corporation for avalanche control and retransfer up to \$499,000 of such funds as a direct lump sum payment to the City of Valdez to construct an avalanche control wall to protect a public school.]

[SEC. 757. The Secretary of Agriculture may use not more than \$5,000,000 of funds of the Commodity Credit Corporation to pay claims of crop damage, upon consultation with the Secretary of the Interior, that resulted from the Bureau of Land Management’s use of herbicides during the 2001 calendar year in the State of Idaho: *Provided*, That if the amount provided in this section is not sufficient to pay all approved claims the Secretary of Agriculture shall reduce all approved claims on a pro rata basis related to the degree of loss in production: *Provided further*, That nothing in this section shall be construed to constitute an admission of liability by the United States arising from the use by the Bureau of Land Manage-

ment of the herbicide Oust: *Provided further*, That the issuance of regulations promulgated pursuant to this section shall be made without regard to: (1) the notice and comment provisions of section 553 of title 5, United States Code; (2) 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 (3) chapter 35 of title 44, United States Code (commonly known as the "Paperwork Reduction Act"): *Provided further*, That in carrying out this section, the Secretary shall use the authority provided under section 808 of title 5, United States Code.】

【SEC. 758. PILOT PROGRAM FOR ENROLLMENT OF WETLAND AND BUFFER ACREAGE IN CONSERVATION RESERVE. (a) IN GENERAL.—Section 1231(h)(4)(B) of the Food Security Act of 1985 (16 U.S.C. 3831(h)(4)(B)) is amended by inserting "(which may include emerging vegetation in water)" after "vegetative cover".

(b) CONFORMING AMENDMENT.—Section 1232(a)(4) of the Food Security Act of 1985 (16 U.S.C. 3832(a)(4)) is amended by inserting "(which may include emerging vegetation in water)" after "vegetative cover".】

【SEC. 759. SPECIALITY CROPS. (a) GRADING OF TOBACCO.—

(1) IN GENERAL.—Not later than March 31, 2002, the Secretary of Agriculture (referred to in this section as the "Secretary") shall conduct referenda among producers of each kind of tobacco that is eligible for price support under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) to determine whether such producers favor the mandatory grading of that kind of tobacco by the Secretary.

(2) MANDATORY GRADING.—

(A) IN GENERAL.—If the Secretary determines that mandatory grading is favored by a majority of the producers of a kind of tobacco voting in the referendum, the Secretary is authorized and directed to ensure that the kind of tobacco is graded at the time of sale effective for the 2002 and subsequent marketing years.

(B) FEES.—To the maximum extent practicable, the Secretary shall establish, collect, and use fees for the grading of tobacco required under this subsection in the same manner as user fees for the grading of tobacco sold at auction authorized under the Tobacco Inspection Act (7 U.S.C. 511 et seq.).

(3) JUDICIAL REVIEW.—A determination by the Secretary under this subsection shall not be subject to judicial review.

(b) QUOTA REDUCTION FOR CONSERVATION RESERVE ACREAGE.—

(1) IN GENERAL.—Section 1236 of the Food Security Act of 1985 (16 U.S.C. 3836) is amended—

(A) by striking subsection (a);

(B) by redesignating subsections (b), (c), and (d) as subsections (a), (b), and (c), respectively;

(C) in subsection (b) (as so redesignated), by striking "subsection (b)" and inserting "subsection (a)"; and

(D) in subsection (c) (as so redesignated), by striking "subsection (c)" and inserting "subsection (b)".

(2) CONFORMING AMENDMENT.—Section 1232(a)(5) of the Food Security Act of 1985 (16 U.S.C. 3832(a)(5)) is amended by striking "section 1236(d)" and inserting "section 1236(c)".

(3) APPLICATION.—The amendments made by this subsection shall apply beginning with the 2002 crop.

(c) HORSE BREEDER LOANS.—

(1) DEFINITION OF HORSE BREEDER.—In this subsection, the term "horse breeder" means a person that, as of the date of enactment of this Act, derives more than 70 percent of the income of the person from the business of breeding, boarding, raising, training, or selling horses, during the shorter of—

(A) the 5-year period ending on January 1, 2001; or

(B) the period the person has been engaged in such business.

(2) LOAN AUTHORIZATION.—The Secretary shall make loans to eligible horse breeders to assist the horse breeders for losses suffered as a result of mare reproductive loss syndrome.

(3) ELIGIBILITY.—A horse breeder shall be eligible for a loan under this subsection if the Secretary determines that, as a result of mare reproductive loss syndrome—

(A) during the period beginning January 1 and ending October 1 of any of calendar years 2000, 2001, or 2002—

(i) 30 percent or more of the mares owned by the horse breeder failed to conceive, miscarried, aborted, or otherwise failed to produce a live healthy foal; or

(ii) 30 percent or more of the mares boarded on a farm owned, operated, or leased by the horse breeder failed to conceive, miscarried, aborted, or otherwise failed to produce a live healthy foal;

(B) the horse breeder is unable to meet the financial obligations, or pay the ordinary and necessary expenses, of the horse breeder incurred in connection with breeding, boarding, raising, training, or selling horses; and

(C) the horse breeder is not able to obtain sufficient credit elsewhere, in accordance with subtitle C of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961 et seq.).

(4) AMOUNT.—

(A) IN GENERAL.—Subject to subparagraph (B), the amount of a loan made to a horse breeder under this subsection shall be determined by the Secretary on the basis of the amount of losses suffered by the horse breeder, and the financial needs of the horse breeder, as a result of mare reproductive loss syndrome.

(B) MAXIMUM AMOUNT.—The amount of a loan made to a horse breeder under this subsection shall not exceed the maximum amount of an emergency loan under section 324(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1964(a)).

(5) TERM.—

(A) IN GENERAL.—Subject to subparagraph (B), the term for repayment of a loan made to a horse breeder under this subsection shall be determined by the Secretary based on the ability of the horse breeder to repay the loan.

(B) MAXIMUM TERM.—The term of a loan made to a horse breeder under this subsection shall not exceed 20 years.

(6) INTEREST RATE.—The interest rate for a loan made to a horse breeder under this subsection shall be the interest rate for emergency loans prescribed under section 324(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1964(b)(1)).

(7) SECURITY.—A loan to a horse breeder under this subsection shall be made on the security required for emergency loans under section 324(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1964(d)).

(8) APPLICATION.—To be eligible to obtain a loan under this subsection, a horse breeder shall submit an application for the loan to the Secretary not later than September 30, 2002.

(9) FUNDING.—The Secretary shall carry out this subsection using funds made available to make emergency loans under subtitle C of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961 et seq.).

(10) TERMINATION.—The authority provided by this subsection to make a loan terminates effective September 30, 2003.】

【SEC. 760. During fiscal year 2002, subsection (a)(2) of section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) shall be applied as though the term "and potatoes" read as follows: ", potatoes, and sweet potatoes".】

【SEC. 761. CITRUS CANKER ERADICATION. (a) IN GENERAL.—Section 810 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (114 Stat. 1549A-52) is amended—

(1) in subsection (a) by striking "The" and inserting "Subject to subsection (e), the"; and

(2) in subsection (c), by striking "2001" and inserting "2002".

(b) EFFECTIVE DATE.—The amendments in subsection (a) shall take effect as if enacted on September 30, 2001.】

【SEC. 762. Section 306(a)(20) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(20)) is amended by adding at the end the following new subparagraph:

"(E) RURAL BROADBAND.—Notwithstanding subparagraph (C), the Secretary may make grants to state agencies for use by regulatory commissions in states with rural communities without local dial-up Internet access or broadband service to establish a competitively, technologically neutral grant program to telecommunications carriers or cable operators that establish common carrier facilities and services which, in the commission's determination, will result in the long-term availability to such communities of affordable broadband services which are used for the provision of high speed Internet access."】

【SEC. 763. In accordance with the Farmland Protection Program, a total of \$720,000 shall be made available to purchase conservation easements or other interests in land, not to exceed 235 acres, in Adair, Green, and Taylor Counties, Kentucky: *Provided*, That \$490,000 of this amount shall be from funds made available to the Conservation Reserve Enhancement Program for the State of Kentucky.】

【SEC. 764. Notwithstanding any other provision of law, the City of Caldwell, Idaho, shall be eligible for grants and loans administered

by the Rural Housing Service of the United States Department of Agriculture for a period not to exceed 1 year from the date of enactment of this Act.]

【SEC. 765. Section 8(c)(1) of the Agricultural Marketing Agreement Act of 1937 is amended by adding the following provision at the end of the penultimate sentence:

“The Secretary is authorized to implement a producer allotment program and a handler withholding program under the cranberry marketing order in the same crop year through informal rule-making based on a recommendation and supporting economic analysis submitted by the Cranberry Marketing Committee. Such recommendation and analysis shall be submitted by the Committee no later than March 1 of each year.”.]

【SEC. 766. Section 11(f) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1759a(f)) is amended by—

(1) in paragraph (1)(E), by striking “2001” and inserting “2003”; and

(2) in paragraph (2)—

(A) by striking subparagraph (A) and inserting the following:

“(A) IN GENERAL.—The Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate—

“(i) not later than January 1, 2003, an interim report on the activities of the State agencies receiving grants under this subsection; and

“(ii) not later than January 1, 2004, a final report on the activities of the State agencies receiving grants under this subsection.”; and

(B) in subparagraph (B), by striking “report” and inserting “reports”.]

【SEC. 767. Notwithstanding any other provision of law, the City of Mt. Vernon, Washington, shall be eligible for grants and loans administered by the Rural Housing Service of the United States Department of Agriculture for a period not to exceed 1 year from the date of enactment of this Act.]

【SEC. 768. Notwithstanding any other provision of law, the Natural Resources Conservation Service shall provide financial and technical assistance to DuPage County, Illinois, from funds available for the Watershed and Flood Prevention Operations program, not to exceed \$1,400,000.]

【SEC. 769. Notwithstanding any other provision of law, from funds previously appropriated for Watershed and Flood Prevention Operations of the Natural Resource and Conservation Service, the Secretary of Agriculture shall provide technical and financial assistance, but not to exceed \$1,000,000, in connection with a lake level stabilization project carried out as part of local efforts to restore and repair watersheds damaged by the 2001 tornado and storms in Burnett and Washburn Counties, Wisconsin: *Provided*, That the Secretary shall waive the cost share requirement of the local sponsors of such efforts in Burnett and Washburn Counties, Wisconsin.】

【SEC. 770. Notwithstanding any other provision of law, from the funds appropriated to the Rural Utilities Service by this Act, any current Rural Utilities Service borrower within 100 miles of New York City shall be eligible for additional financing, refinancing, collateral flexibility, and deferrals on an expedited basis without regard to population limitations for any financially feasible telecommunications, energy or water project that assists endeavors related to the rehabilitation, prevention, relocation, site preparation, or relief efforts resulting from the terrorist events of September 11, 2001.】

【SEC. 771. Section 17(r)(5) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766(r)(5)) is amended—

(1) by striking “six” and inserting “seven”;

(2) by striking “four” and inserting “five”; and

(3) by inserting “Illinois,” after the first instance of “States shall be”.]

【SEC. 772. (a) EXTENSION.—Section 141 of the Agricultural Market Transition Act (7 U.S.C. 7251) is amended—

(1) in subsection (b), by adding at the end the following new paragraph:

“(5) During the period beginning on January 1, 2002, and ending on May 31, 2002, \$9.90.”; and

(2) in subsection (h), by striking “December 31, 2001” both places it appears and inserting “May 31, 2002”.

(b) CONFORMING AMENDMENT.—Section 142 of the Agricultural Market Transition Act (7 U.S.C. 7252) is repealed.】

【SEC. 773. The Secretary shall transfer to the Southern Minnesota Beet Sugar Co-op, refined sugar, acquired by the Commodity Credit Corporation, in the amount of 10,000 tons to compensate sugar pro-

ducers in Minnesota for losses incurred beyond those that may be compensated under existing programs administered by the Secretary: *Provided*, That this amount of sugar shall be provided in installments starting on the day that is 30 days after the date of enactment of this Act and on the first day of each of the following 7 months after that day.】

【SEC. 774. (a) DEFINITIONS.—In this section:

(1) The term “eligible person” means a person that—

(A) owns a farm for which, irrespective of temporary transfers or undermarketings, a basic quota or allotment for eligible tobacco is established for the 2001 crop year under part I of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1311 et seq.);

(B) controls the farm from which, under the quota or allotment for the relevant period, eligible tobacco is marketed, could have been marketed, or can be marketed, taking into account temporary transfers; or

(C) grows, could have grown, or can grow eligible tobacco that is marketed, could have been marketed, or can be marketed under the quota or allotment for the 2001 crop year, taking into account temporary transfers.

(2) The term “eligible tobacco” means each of the following kinds of tobacco:

(A) Fire-cured tobacco, comprising types 22 and 23.

(B) Dark air-cured tobacco, comprising types 35 and 36.

(C) Virginia sun-cured tobacco, comprising type 37.

(b) PAYMENTS.—Not later than March 31, 2002, the Secretary of Agriculture (referred to in this section as the “Secretary”) shall use funds of the Commodity Credit Corporation to make payments under this section.

(c) POUNDAGE PAYMENT QUANTITIES.—For the purposes of this section, in the case of each kind of eligible tobacco, individual tobacco quotas and allotments shall be converted to poundage payment quantities by multiplying—

(1) the number of acres that may, irrespective of temporary transfers or undermarketings, be devoted, without penalty, to the production of the kind of tobacco under the allotment under part I of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1311 et seq.) for the 2001 crop year; by

(2)(A) in the case of fire-cured tobacco (types 22 and 23), 2,601 pounds per acre;

(B) in the case of dark air-cured tobacco (types 35 and 36), 2,337 pounds per acre; and

(C) in the case of Virginia sun-cured tobacco (type 37), 1,512 pounds per acre.

(d) AVAILABLE PAYMENT AMOUNTS.—In the case of each kind of eligible tobacco, the available payment amount for pounds of a payment quantity under subsection (c) shall be equal to 10 cents per pound.

(e) DIVISION OF PAYMENTS AMONG ELIGIBLE PERSONS.—Payments available with respect to a pound of payment quantity, as determined under subsection (d), shall be made available to eligible persons in accordance with this subsection. In the case of payments made available in a State under this section for each kind of eligible tobacco, the Secretary shall distribute (as determined by the Secretary)—

(1) 33⅓ percent of the payments to eligible persons that are owners described in subsection (a)(1)(A);

(2) 33⅓ percent of the payments to eligible persons that are controllers described in subsection (a)(1)(B); and

(3) 33⅓ percent of the payments to eligible persons that are growers described in subsection (a)(1)(C).

(f) STANDARDS.—In carrying out this section, the Secretary shall use, to the maximum extent practicable, the same standards for payments that were used for making payments under section 204(b) of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1421 note; Public Law 106–224).

(g) JUDICIAL REVIEW.—A determination by the Secretary under this section shall not be subject to judicial review.

(h) REGULATIONS.—As soon as practicable after the date of enactment of this Act, the Secretary and the Commodity Credit Corporation, as appropriate, shall promulgate such regulations as are necessary to implement this section. The promulgation of the regulations and administration of this section shall be made without regard to—

(1) the notice and comment provisions of section 553 of title 5, United States Code;

(2) 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

(3) chapter 35 of title 44, United States Code (commonly known as the “Paperwork Reduction Act”).

(i) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out subsection (h), the Secretary shall use the authority provided under section 808 of title 5, United States Code.】

【SEC. 775. The Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i) is amended:

(1) in subsection (b)(3) by adding at the end the following:

“(G) Grants may be awarded to improve research capabilities in States (as defined in the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended) in which institutions have been less successful in receiving funding under this subsection, based on a three-year rolling average of funding levels.”; and

(2) in subsections (b)(10)(C) by striking “and (F) of paragraph (3) for awarding grants in” and inserting “, (F), and (G) of paragraph (3) for”.]

【SEC. 776. None of the funds made available in this Act may be used to pay the salaries of personnel of the Department of Agriculture who carry out the programs authorized by section 524(a) of the Federal Crop Insurance Act (7 U.S.C. 1524) in excess of a total of \$4,000,000 for all such programs for fiscal year 2002.】

【SEC. 777. Section 501 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1737) is amended—

(1) in the section heading, by inserting “john ogonowski” before “farmer-to-farmer program”; and

(2) by adding at the end the following new subsection:

“(d) DESIGNATION OF PROGRAM.—The program of farmer-to-farmer assistance authorized by this section shall be known and designated as the ‘John Ogonowski Farmer-to-Farmer Program’.”】

SEC. 720. 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 only for infestations that were not funded in the previous fiscal year.

“(d) DEFINITIONS.—For purposes of this section, an “emergency” is an unanticipated event that requires a necessary expenditure that is sudden, urgent, and unforeseen.”.

SEC. 721. The Administrator of the Agricultural Research Service may make available by outlease agreements with other Federal agencies or non-Federal public or private entities any unused or underused portion or interest of or interest in any agency real and related personal property, and may retain and use the proceeds of such agreements in carrying out the programs of the agency. Property proposed for outlease must not be property otherwise required to be reported excess under the Federal Property and Administrative Services Act of 1949, as amended. Outleases shall be made competitively, and be based on the fair market value of the property.

SEC. 722. Section 508(k) of the Federal Crop Insurance Act (7 U.S.C. 1508 et seq.) is amended by adding the following new paragraph at the end:

“(8) Underwriting Gains.—The terms and conditions of the Corporation’s Standard Reinsurance Agreement for the 2003 and succeeding reinsurance years, shall be adjusted such that the expected ratio of overall underwriting gains to retained net book premium for all reinsured companies combined shall not exceed 12.5 percent. For purposes of section 148 of the Agriculture Risk Protection Act of 2000, application of this paragraph shall not constitute the renegotiation of the Standard Reinsurance Agreement.”. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002.)