

DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY

Federal Funds

General and special funds:

OFFICE OF THE SECRETARY

For necessary expenses of the Office of the Secretary of Agriculture, **[\$5,092,000] \$5,185,000: Provided**, That not to exceed \$11,000 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

For necessary salaries and expenses of the Office of the Assistant Secretary for Administration, **[\$673,000] \$808,000**.

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, **[\$3,796,000] \$4,263,000: Provided**, That these funds may be transferred to agencies of the Department of Agriculture funded by this Act to maintain personnel at the agency level: *Provided further*, That no funds made available by this appropriation may be obligated after 30 days from the date of enactment of this Act, unless the Secretary has notified the Committees on Appropriations of both Houses of Congress on the allocation of these funds by USDA agency: *Provided further*, That no other funds appropriated to the Department by this Act shall be available to the Department for support of activities of congressional relations.

OFFICE OF THE UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS

For necessary salaries and expenses of the Office of the Under Secretary for Research, Education and Economics to administer the laws enacted by the Congress for the Economic Research Service, the National Agricultural Statistics Service, the Agricultural Research Service, and the Cooperative State Research, Education, and Extension Service, **[\$596,000] \$805,000**.

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; **[\$725,000] \$804,000**.

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, **[\$599,000] \$803,000**.

OFFICE OF THE UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES

For necessary salaries and expenses of the Office of the Under Secretary for Farm and Foreign Agricultural Services to administer the laws enacted by Congress for the Farm Service Agency, the Foreign Agricultural Service, the Risk Management Agency, and the Commodity Credit Corporation, **[\$635,000] \$933,000**.

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, **[\$745,000] \$936,000**.

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, **[\$636,000] \$929,000**.

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

For necessary salaries and expenses of the Office of the Under Secretary for Food, Nutrition and Consumer Services to administer the laws enacted by the Congress for the Food and Nutrition Service, **[\$599,000] \$799,000**. (7 U.S.C. 2201-2202.)

OFFICE OF THE ASSISTANT SECRETARY FOR CIVIL RIGHTS

For necessary salaries and expenses of the Office of the Assistant Secretary for Civil Rights, **[\$808,000] \$819,000**. (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-9913-0-1-352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Office of the Secretary	4	3	4
00.02 Under/Assistant Secretaries	7	10	11
00.03 Trade Negotiations and Biotechnology Resources	2	2	2
00.04 Info Share (CCE/HS)	28	.....	.....
09.01 Homeland Security Reimbursable	14	.....	.....
10.00 Total new obligations	53	15	17
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	38	10	10
22.00 New budget authority (gross)	25	15	17
23.90 Total budgetary resources available for obligation	63	25	27
23.95 Total new obligations	-53	-15	-17
23.98 Unobligated balance expiring or withdrawn	-1	.....	.....
24.40 Unobligated balance carried forward, end of year	10	10	10
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	13	15	17
41.00 Transferred to other accounts	-2	.....	.....
43.00 Appropriation (total discretionary)	11	15	17
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	2	.....	.....
68.10 Change in uncollected customer payments from Federal sources (unexpired)	12	.....	.....
68.90 Spending authority from offsetting collections (total discretionary)	14	.....	.....
70.00 Total new budget authority (gross)	25	15	17
Change in obligated balances:			
72.40 Obligated balance, start of year	46	29	32
73.10 Total new obligations	53	15	17
73.20 Total outlays (gross)	-58	-12	-16
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-12	.....	.....
74.40 Obligated balance, end of year	29	32	33
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	25	12	13
86.93 Outlays from discretionary balances	33	.....	3
87.00 Total outlays (gross)	58	12	16
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-2	.....	.....
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-12	.....	.....

General and special funds—Continued

OFFICE OF THE ASSISTANT SECRETARY FOR CIVIL RIGHTS—
Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-9913-0-1-352	2003 actual	2004 est.	2005 est.
Net budget authority and outlays:			
89.00 Budget authority	11	15	17
90.00 Outlays	56	12	16

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

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

Object Classification (in millions of dollars)

Identification code 12-9913-0-1-352	2003 actual	2004 est.	2005 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	6	9	10
12.1 Civilian personnel benefits	1	2	3
25.2 Other services	32	4	4
99.0 Direct obligations	39	15	17
99.0 Reimbursable obligations	14		
99.9 Total new obligations	53	15	17

Personnel Summary

Identification code 12-9913-0-1-352	2003 actual	2004 est.	2005 est.
1001 Total compensable workyears: Civilian full-time equivalent employment	70	87	87

FUND FOR RURAL AMERICA

Program and Financing (in millions of dollars)

Identification code 12-0012-0-1-999	2003 actual	2004 est.	2005 est.
Change in obligated balances:			
72.40 Obligated balance, start of year	23	14	
73.20 Total outlays (gross)	-8	-14	
73.40 Adjustments in expired accounts (net)	-1		
74.40 Obligated balance, end of year	14		
Outlays (gross), detail:			
86.98 Outlays from mandatory balances	8	14	
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	8	14	

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

Trust Funds

GIFTS AND BEQUESTS

Unavailable Receipts (in millions of dollars)

Identification code 12-8203-0-7-352	2003 actual	2004 est.	2005 est.
01.99 Balance, start of year			
Receipts:			
02.00 Gifts and bequests, Departmental Administration	1	1	1
04.00 Total: Balances and collections	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	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct Program Activity	1	1	1
10.00 Total new obligations (object class 99.5)	1	1	1
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	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), **[\$8,707,000] \$14,949,000.**

NATIONAL APPEALS DIVISION

For necessary expenses of the National Appeals Division, **[\$13,670,000] \$14,826,000.**

OFFICE OF BUDGET AND PROGRAM ANALYSIS

For necessary expenses of the Office of Budget and Program Analysis, **[\$7,740,000] \$8,146,000.**

HOMELAND SECURITY STAFF

For necessary expenses of the Homeland Security Staff, **[\$499,000] \$1,491,000.** (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-0705-0-1-352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Chief Economist	11	9	15
00.03 National Appeals Division	14	14	15
00.04 Budget and Program Analysis	7	8	8
00.05 Homeland Security Staff			1
09.01 Reimbursable program	1	1	1
10.00 Total new obligations	33	32	40
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	32	34	42
23.95 Total new obligations	-33	-32	-40
23.98 Unobligated balance expiring or withdrawn	-1		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	29	30	38
40.00 Appropriation			1
43.00 Appropriation (total discretionary)	29	30	39
Mandatory:			
61.00 Transferred to other accounts	-1		
62.00 Transferred from other accounts	2	2	2
62.50 Appropriation (total mandatory)	1	2	2
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	1	1	1
68.10 Change in uncollected customer payments from Federal sources (unexpired)	1	1	
68.90 Spending authority from offsetting collections (total discretionary)	2	2	1
70.00 Total new budget authority (gross)	32	34	42
Change in obligated balances:			
72.40 Obligated balance, start of year	5	7	5
73.10 Total new obligations	33	32	40
73.20 Total outlays (gross)	-30	-32	-41
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-1	-1	
74.10 Change in uncollected customer payments from Federal sources (expired)	-1		
74.40 Obligated balance, end of year	7	5	5
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	28	28	35
86.93 Outlays from discretionary balances	1	2	4
86.97 Outlays from new mandatory authority	1	2	2
87.00 Total outlays (gross)	30	32	41
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources Against gross budget authority only:	-1	-1	-1
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-1	-1	
Net budget authority and outlays:			
89.00 Budget authority	30	32	41
90.00 Outlays	29	31	40

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

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

WORKLOAD INDICATORS

	2003 actual	2004 est.	2005 est.
World Agricultural Supply and Demand Estimates Reports issued	12	12	12
Weekly Weather and Crop Bulletin issued	52	52	52

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

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

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

Object Classification (in millions of dollars)

Identification code 12-0705-0-1-352	2003 actual	2004 est.	2005 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	20	20	24
12.1 Civilian personnel benefits	5	5	7
21.0 Travel and transportation of persons	1	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
24.0 Printing and reproduction		1	1
25.2 Other services	4	2	4
31.0 Equipment	1	1	1
99.0 Direct obligations	32	31	39
99.0 Reimbursable obligations	1	1	1
99.9 Total new obligations	33	32	40

Personnel Summary

Identification code 12-0705-0-1-352	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	232	267	275
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	4	4	4

OFFICE OF THE CHIEF FINANCIAL OFFICER

For necessary expenses of the Office of the Chief Financial Officer, **[\$5,684,000: Provided, That the Chief Financial Officer shall actively market and expand cross-servicing activities of the National Finance Center: Provided further, That no funds made available by this appropriation may be obligated for FAIR Act or Circular A-76 activities until the Secretary has submitted to the Committees on Appropriations of both Houses of Congress a report on the Department's contracting out policies, including agency budgets for contracting out]** \$8,063,000. (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-0014-0-1-352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct program	6	6	8
09.01 Reimbursable program	9	2	2
10.00 Total new obligations	15	8	10
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	16	8	10
23.95 Total new obligations	-15	-8	-10

General and special funds—Continued

Personnel Summary

OFFICE OF THE CHIEF FINANCIAL OFFICER—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-0014-0-1-352	2003 actual	2004 est.	2005 est.
New budget authority (gross), detail:			
Discretionary:			
40.00	6	6	8
Spending authority from offsetting collections:			
68.00	2	2	2
68.10	8		
68.90	10	2	2
70.00	16	8	10
Change in obligated balances:			
72.40		-6	
73.10	15	8	10
73.20	-11	-3	-10
73.40	-2		
74.00	-8		
74.40	-6		
Outlays (gross), detail:			
86.90	11	8	10
86.93		-5	
87.00	11	3	10
Offsets:			
Against gross budget authority and outlays:			
88.00	-2	-2	-2
Against gross budget authority only:			
88.95	-8		
Net budget authority and outlays:			
89.00	6	6	8
90.00	8	1	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

	2003 actual	2004 est.	2005 est.
Achieve an unqualified opinion on the USDA financial statements	Unqualified	Unqualified	Unqualified
Anti-deficiency violations	No	No	No

Object Classification (in millions of dollars)

Identification code 12-0014-0-1-352	2003 actual	2004 est.	2005 est.
Direct obligations:			
11.1	3	4	5
12.1	1	1	1
25.2	1	1	1
99.0	5	6	7
99.0	9	2	2
99.5	1		1
99.9	15	8	10

Identification code 12-0014-0-1-352	2003 actual	2004 est.	2005 est.
Direct:			
1001	47	62	76
Reimbursable:			
2001	11	13	13

OFFICE OF THE CHIEF INFORMATION OFFICER

For necessary expenses of the Office of the Chief Information Officer, **[\$15,493,000] \$22,093,000.** (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-0013-0-1-352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01	15	15	22
09.01	23	6	6
10.00	38	21	28
Budgetary resources available for obligation:			
22.00	39	21	28
23.95	-38	-21	-28
23.98	-1		
New budget authority (gross), detail:			
Discretionary:			
40.00	15	15	22
Spending authority from offsetting collections:			
68.00	10	6	6
68.10	14		
68.90	24	6	6
70.00	39	21	28
Change in obligated balances:			
72.40		-3	
73.10	38	21	28
73.20	-41	-19	-28
73.40	-1		
74.00	-14		
74.10	16	3	
74.40	-3		
Outlays (gross), detail:			
86.90	25	21	28
86.93	16	-2	
87.00	41	19	28
Offsets:			
Against gross budget authority and outlays:			
88.00	-26	-6	-6
Against gross budget authority only:			
88.95	-14		
88.96	16		
Net budget authority and outlays:			
89.00	15	15	22
90.00	14	13	22

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

The CIO serves as the primary advisor to the Secretary and Mission Area Heads in these areas. OCIO provides lead-

ership for the Department's information and information technology (IT) management activities in support of USDA's program delivery.

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

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

OCIO also has direct management responsibility for the IT 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 supporting the Farm Service Agency, the Natural Resources Conservation Service, and Rural Development.

PERFORMANCE MEASURES

	FY 2003	FY 2004	FY 2005
Percent of all paper transactions identified for conversion to electronic access that will be completed by milestones	35%	74%	100%
Percent of USDA IT Systems that are certified, accredited, or otherwise authorized as being properly secured	n.a.	15%	100%
Percentage of USDA IT projects that are within costs/schedule/performance	n.a.	Est. Baseline	100%

Object Classification (in millions of dollars)

Identification code 12-0013-0-1-352	2003 actual	2004 est.	2005 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	6	7	7
12.1 Civilian personnel benefits	1	1	1
25.2 Other services	5	4	10
25.3 Other purchases of goods and services from Government accounts	3	3	3
99.0 Direct obligations	15	15	21
99.0 Reimbursable obligations	22	6	6
99.5 Below reporting threshold	1		1
99.9 Total new obligations	38	21	28

Personnel Summary

Identification code 12-0013-0-1-352	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	69	72	72
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	5	5	5

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, **[\$119,289,000]** \$136,736,000, 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. (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-0113-0-1-352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct Program Activity	113	141	152
09.01 Reimbursable program	31	15	15
10.00 Total new obligations	144	156	167
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	9	37	15
22.00 New budget authority (gross)	172	134	152
23.90 Total budgetary resources available for obligation	181	171	167
23.95 Total new obligations	-144	-156	-167
24.40 Unobligated balance carried forward, end of year	37	15	
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	133	119	137
40.35 Appropriation permanently reduced	-1		
43.00 Appropriation (total discretionary)	132	119	137
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	9	15	15
68.10 Change in uncollected customer payments from Federal sources (unexpired)	31		
68.90 Spending authority from offsetting collections (total discretionary)	40	15	15
70.00 Total new budget authority (gross)	172	134	152
Change in obligated balances:			
72.40 Obligated balance, start of year	42	62	42
73.10 Total new obligations	144	156	167
73.20 Total outlays (gross)	-93	-176	-159
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-31		
74.40 Obligated balance, end of year	62	42	50
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	57	121	138
86.93 Outlays from discretionary balances	36	55	21
87.00 Total outlays (gross)	93	176	159
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-9	-15	-15
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	132	119	137
90.00 Outlays	84	161	144

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

General and special funds—Continued

COMMON COMPUTING ENVIRONMENT—Continued

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. 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.

Object Classification (in millions of dollars)

Identification code 12-0113-0-1-352	2003 actual	2004 est.	2005 est.
Direct obligations:			
25.2 Other services	52	51	68
25.3 Other purchases of goods and services from Government accounts	13	16	16
26.0 Supplies and materials	15	20	20
31.0 Equipment	33	53	47
99.0 Direct obligations	113	140	151
99.0 Reimbursable obligations	31	15	15
99.5 Below reporting threshold		1	1
99.9 Total new obligations	144	156	167

Intragovernmental funds:

WORKING CAPITAL FUND

For the acquisition of disaster recovery and continuity of operations technology of the National Finance Center's data, \$12,850,000, to remain available until expended.

Program and Financing (in millions of dollars)

Identification code 12-4609-0-4-352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
Operating expenses:			
09.01 Administration	25	25	26
09.02 Communications	7	5	5
09.03 Finance and management	169	204	216
09.04 Information technology	73	88	90
09.05 Executive secretariat	2	3	3
09.06 Corporate systems	63	87	76
09.09 Subtotal, operating expenses	339	412	416
Purchase of equipment:			
09.12 Finance and management	3	3	4
09.13 Information technology	5	5	8
09.15 Corporate systems	9	27	27
09.19 Subtotal, purchase of equipment	17	35	39
10.00 Total new obligations	356	447	455
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	63	82	47
22.00 New budget authority (gross)	371	412	429
22.22 Unobligated balance transferred from other accounts	4		
23.90 Total budgetary resources available for obligation	438	494	476
23.95 Total new obligations	-356	-447	-455
24.40 Unobligated balance carried forward, end of year	82	47	21
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	12		13
42.00 Transferred from other accounts	2		
43.00 Appropriation (total discretionary)	14		13
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	335	412	416

68.10 Change in uncollected customer payments from Federal sources (unexpired)	22		
68.90 Spending authority from offsetting collections (total discretionary)	357	412	416
70.00 Total new budget authority (gross)	371	412	429
Change in obligated balances:			
72.40 Obligated balance, start of year	16	4	54
73.10 Total new obligations	356	447	455
73.20 Total outlays (gross)	-346	-397	-429
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-22		
74.40 Obligated balance, end of year	4	54	80
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	292	356	373
86.93 Outlays from discretionary balances	54	41	56
87.00 Total outlays (gross)	346	397	429
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-335	-412	-416
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-22		
Net budget authority and outlays:			
89.00 Budget authority	14		13
90.00 Outlays	11	-15	13

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, 2002. 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.

In FY 2005, the budget request will enable the National Finance Center to design and implement point-in-time remote backup capability and to equip and implement a secondary backup data center.

Object Classification (in millions of dollars)

Identification code 12-4609-0-4-352	2003 actual	2004 est.	2005 est.
Personnel compensation:			
11.1 Full-time permanent	108	126	134
11.3 Other than full-time permanent	2	2	2
11.5 Other personnel compensation	6	4	4
11.9 Total personnel compensation	116	132	140
12.1 Civilian personnel benefits	28	33	35
21.0 Travel and transportation of persons	3	2	2
22.0 Transportation of things	1	1	1
23.1 Rental payments to GSA	6	6	6
23.2 Rental payments to others	4	2	3
23.3 Communications, utilities, and miscellaneous charges	37	47	48
24.0 Printing and reproduction	1	2	1
25.2 Other services	127	174	168
26.0 Supplies and materials	9	9	9
31.0 Equipment	24	39	42
99.9 Total new obligations	356	447	455

Personnel Summary

Identification code 12-4609-0-4-352	2003 actual	2004 est.	2005 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	2,039	2,297	2,365

OFFICE OF CIVIL RIGHTS

Federal Funds

General and special funds:

OFFICE OF CIVIL RIGHTS
(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of Civil Rights, **[\$17,450,000]** \$22,283,000. (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-3800-0-1-751	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Office of Civil Rights		18	22
09.01 Reimbursable program		5	5
10.00 Total new obligations		23	27
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		23	27
23.95 Total new obligations		-23	-27
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation		18	22
68.00 Spending authority from offsetting collections: Offsetting collections (cash)		5	5
70.00 Total new budget authority (gross)		23	27
Change in obligated balances:			
73.10 Total new obligations		23	27
73.20 Total outlays (gross)		-23	-27
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority		23	27
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources		-5	-5
Net budget authority and outlays:			
89.00 Budget authority		18	22
90.00 Outlays		18	22

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

Object Classification (in millions of dollars)

Identification code 12-3800-0-1-751	2003 actual	2004 est.	2005 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent		14	15
12.1 Civilian personnel benefits		3	3
25.2 Other services		1	2
25.3 Other purchases of goods and services from Government accounts			1
99.0 Direct obligations		18	21
99.0 Reimbursable obligations		3	4
99.5 Below reporting threshold		2	2
99.9 Total new obligations		23	27

Personnel Summary

Identification code 12-3800-0-1-751	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment		181	184
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment		10	10

DEPARTMENTAL ADMINISTRATION

Federal Funds

General and special funds:

DEPARTMENTAL ADMINISTRATION
(INCLUDING TRANSFERS OF FUNDS)

For Departmental Administration, **[\$23,031,000]** \$26,361,000, to provide for necessary expenses for management support services to offices of the Department and for general administration, security, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department: *Provided*, That this appropriation shall be reimbursed from applicable appropriations in this Act for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551-558. (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-0120-0-1-352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.08 Direct program	38	22	26
09.01 Reimbursable program	19	12	12
10.00 Total new obligations	57	34	38
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	57	34	38
23.95 Total new obligations	-57	-34	-38
23.98 Unobligated balance expiring or withdrawn	-1		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	38	22	26
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	7	12	12
68.10 Change in uncollected customer payments from Federal sources (unexpired)	12		
68.90 Spending authority from offsetting collections (total discretionary)	19	12	12
70.00 Total new budget authority (gross)	57	34	38
Change in obligated balances:			
72.40 Obligated balance, start of year	-10	-5	9
73.10 Total new obligations	57	34	38
73.20 Total outlays (gross)	-56	-20	-38
73.40 Adjustments in expired accounts (net)	1		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-12		
74.10 Change in uncollected customer payments from Federal sources (expired)	16		
74.40 Obligated balance, end of year	-5	9	9
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	54	32	36
86.93 Outlays from discretionary balances	2	-12	2
87.00 Total outlays (gross)	56	20	38
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-18	-12	-12
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-12		
88.96 Portion of offsetting collections (cash) credited to expired accounts	11		
Net budget authority and outlays:			
89.00 Budget authority	38	22	26
90.00 Outlays	36	8	26

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 management, ethics, occupational safety and health management, real and personal property management, procurement, contracting, motor vehicle and aircraft management, supply management, participation of small and disadvantaged businesses, emergency preparedness, and the regulatory hearing and ad-

General and special funds—Continued

DEPARTMENTAL ADMINISTRATION—Continued
(INCLUDING TRANSFERS OF FUNDS)—Continued

ministrative 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	2003 actual	2004 est.	2005 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	26	17	17
12.1 Civilian personnel benefits	5	4	4
23.3 Communications, utilities, and miscellaneous charges	1		
25.2 Other services	2		2
25.3 Other purchases of goods and services from Government accounts	2	1	2
26.0 Supplies and materials	1		
99.0 Direct obligations	37	22	25
99.0 Reimbursable obligations	17	11	11
99.5 Below reporting threshold	3	1	2
99.9 Total new obligations	57	34	38

Personnel Summary

Identification code 12-0120-0-1-352	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	344	228	225
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	65	67	67

HAZARDOUS MATERIALS MANAGEMENT

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Department of Agriculture, to comply with the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9601 et seq.) and the Resource Conservation and Recovery Act (42 U.S.C. 6901 et seq.), **[\$15,611,000] \$15,730,000**, 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.; Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-0500-0-1-304	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct program	12	16	16
10.00 Total new obligations	12	16	16
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	3	1
22.00 New budget authority (gross)	16	16	16
23.90 Total budgetary resources available for obligation	17	19	17
23.95 Total new obligations	-12	-16	-16
24.40 Unobligated balance carried forward, end of year	3	1	1
Net budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	16	16	16

Change in obligated balances:

72.40 Obligated balance, start of year	18	15	15
73.10 Total new obligations	12	16	16
73.20 Total outlays (gross)	-15	-15	-17
74.40 Obligated balance, end of year	15	15	15

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	14	14	14
86.93 Outlays from discretionary balances	1	1	3
87.00 Total outlays (gross)	15	15	17

Net budget authority and outlays:

89.00 Budget authority	16	16	16
90.00 Outlays	14	15	17

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

PERFORMANCE INDICATORS

	2003 actual	2004 est.	2005 est.
Number of non-mine CERCLA cleanups	26	7	15
Number of mine CERCLA cleanups	24	29	21
Number of sites assessed/characterized on need for cleanup	48	99	53
Number of cleanup plans	96	65	20
Number of agreements reached with potentially responsible parties (PRPs)	26	10	10
Estimated value of cleanup/restoration work performed by PRP's (\$ millions)	\$8	\$5	\$5

Object Classification (in millions of dollars)

Identification code 12-0500-0-1-304	2003 actual	2004 est.	2005 est.
25.2 Direct obligations: Other services	11	15	15
99.5 Below reporting threshold	1	1	1
99.9 Total new obligations	12	16	16

Personnel Summary

Identification code 12-0500-0-1-304	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	6	7	7

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

(INCLUDING TRANSFERS OF FUNDS)

For payment of space rental and related costs pursuant to Public Law 92-313, including authorities pursuant to the 1984 delegation of authority from the Administrator of General Services to the Department of Agriculture under 40 U.S.C. 486, for programs and activities of the Department which are included in this Act, and for alterations and other actions needed for the Department and its agencies to consolidate unneeded space into configurations suitable for release to the Administrator of General Services, and for the operation, maintenance, improvement, and repair of Agriculture buildings and facilities, and for related costs, **[as follows: for payments to the General Services Administration, \$123,910,000, and for buildings operations and maintenance, \$32,559,000] \$203,938,000**, to remain available until expended: *Provided*, That not to exceed 5 percent of amounts which are made available for space rental and related costs for the Department of Agriculture in this Act may be transferred between such appropriations to cover the costs of new or replacement space 15 days after notice thereof is transmitted to the Appropriations Committees of both Houses of Congress. (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-0117-0-1-352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Rental payments to GSA: Non-recurring repairs	138	124	128
00.02 Building operations and maintenance	32	32	42
00.04 Strategic space plan	25	.....	34
09.02 Reimbursable program	3	2	2
10.00 Total new obligations	198	158	206
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	40	44	44
22.00 New budget authority (gross)	198	158	206
22.10 Resources available from recoveries of prior year obligations	4	2	2
23.90 Total budgetary resources available for obligation	242	204	252
23.95 Total new obligations	-198	-158	-206
24.40 Unobligated balance carried forward, end of year	44	44	44
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	197	156	204
40.35 Appropriation permanently reduced	-1	.....	.....
43.00 Appropriation (total discretionary)	196	156	204
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)	198	158	206
Change in obligated balances:			
72.40 Obligated balance, start of year	25	24	21
73.10 Total new obligations	198	158	206
73.20 Total outlays (gross)	-194	-158	-206
73.45 Recoveries of prior year obligations	-4	-2	-2
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-1	.....	.....
74.40 Obligated balance, end of year	24	21	21
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	192	156	204
86.93 Outlays from discretionary balances	2	2	2
87.00 Total outlays (gross)	194	158	206
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	196	156	204
90.00 Outlays	193	156	204

This account finances the General Services Administration's fees for rental of space and related services. The appropriation covers all fees for all regular appropriated accounts within the Department of Agriculture with the exception of the Forest Service. This account also finances the operation and maintenance of four buildings in the Headquarters area.

Beginning in 1995, the account included funds for USDA's strategic space plan. Since then, funds were made available for the construction and occupancy of an office facility at the Beltsville Agricultural Research Center and the design and implementation of a long-term program to renovate and modernize the South Building.

Object Classification (in millions of dollars)

Identification code 12-0117-0-1-352	2003 actual	2004 est.	2005 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	6	6	6
12.1 Civilian personnel benefits	2	2	2
23.1 Rental payments to GSA	138	123	128
23.3 Communications, utilities, and miscellaneous charges	5	5	5
25.2 Other services	44	20	63

99.0 Direct obligations	195	156	204
99.0 Reimbursable obligations	3	2	2
99.9 Total new obligations	198	158	206

Personnel Summary

Identification code 12-0117-0-1-352	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	85	95	95

OFFICE OF COMMUNICATIONS

Federal Funds

General and special funds:

OFFICE OF COMMUNICATIONS

For necessary expenses to carry out services relating to the coordination of programs involving public affairs, for the dissemination of agricultural information, and the coordination of information, work, and programs authorized by Congress in the Department, **[\$9,228,000] \$10,288,000: Provided,** That not to exceed \$2,000,000 may be used for farmers' bulletins. (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-0150-0-1-352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Public affairs	9	9	10
09.01 Reimbursable program .....	.....	1	1
10.00 Total new obligations	9	10	11
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	9	10	11
23.95 Total new obligations	-9	-10	-11
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	9	9	10
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	.....	1	1
70.00 Total new budget authority (gross)	9	10	11
Change in obligated balances:			
73.10 Total new obligations	9	10	11
73.20 Total outlays (gross)	-8	-10	-11
73.40 Adjustments in expired accounts (net) .....	.....	1	1
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	8	9	10
86.93 Outlays from discretionary balances .....	.....	1	1
87.00 Total outlays (gross)	8	10	11
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-1	-1	-1
Against gross budget authority only:			
88.96 Portion of offsetting collections (cash) credited to expired accounts	1	.....	.....
Net budget authority and outlays:			
89.00 Budget authority	9	9	10
90.00 Outlays	8	9	10

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

General and special funds—Continued

OFFICE OF COMMUNICATIONS—Continued

Object Classification (in millions of dollars)

Identification code 12-0150-0-1-352	2003 actual	2004 est.	2005 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	6	7	7
12.1 Civilian personnel benefits	1	2	2
23.3 Communications, utilities, and miscellaneous charges	1		
25.2 Other services	1		
99.0 Direct obligations	9	9	9
99.0 Reimbursable obligations		1	1
99.5 Below reporting threshold			1
99.9 Total new obligations	9	10	11

Personnel Summary

Identification code 12-0150-0-1-352	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	77	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 Inspector General Act of 1978, [\$77,281,000] \$78,392,000, including such sums as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(9) of the Inspector General Act of 1978, and including not to exceed \$125,000 for certain confidential operational expenses, including the payment of informants, to be expended under the direction of the Inspector General pursuant to Public Law 95-452 and section 1337 of Public Law 97-98. (7 U.S.C. 450b, 2201, 2202, 2220, 2270; Public Law 100-504; Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-0900-0-1-352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct program	74	77	78
09.01 Reimbursable program	4	3	3
10.00 Total new obligations	78	80	81
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3	3	3
22.00 New budget authority (gross)	79	79	80
23.90 Total budgetary resources available for obligation	82	82	83
23.95 Total new obligations	-78	-80	-81
24.40 Unobligated balance carried forward, end of year	3	3	2
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	74	77	78
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	1	2	2
68.10 Change in uncollected customer payments from Federal sources (unexpired)	4		
68.90 Spending authority from offsetting collections (total discretionary)	5	2	2
70.00 Total new budget authority (gross)	79	79	80
Change in obligated balances:			
72.40 Obligated balance, start of year		-1	3
73.10 Total new obligations	78	80	81
73.20 Total outlays (gross)	-76	-75	-80
73.40 Adjustments in expired accounts (net)	1		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-4		

74.40 Obligated balance, end of year	-1	3	4
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	71	72	73
86.93 Outlays from discretionary balances	5	3	7
87.00 Total outlays (gross)	76	75	80
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)	-4		
Net budget authority and outlays:			
89.00 Budget authority	74	77	78
90.00 Outlays	75	73	78

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	2003 actual	2004 est.	2005 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	46	47	49
12.1 Civilian personnel benefits	13	13	13
21.0 Travel and transportation of persons	4	5	5
23.3 Communications, utilities, and miscellaneous charges	2	2	2
25.2 Other services	4	4	4
25.3 Other purchases of goods and services from Government accounts	1	1	1
26.0 Supplies and materials	1	1	1
31.0 Equipment	2	3	3
99.0 Direct obligations	73	76	78
99.0 Reimbursable obligations	4	3	3
99.5 Below reporting threshold	1	1	
99.9 Total new obligations	78	80	81

Personnel Summary

Identification code 12-0900-0-1-352	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	621	721	721

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, [\$34,700,000] \$38,589,000. (7 U.S.C. 2201; 2202, 2214a; Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-2300-0-1-352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct program	35	34	38
09.00 Reimbursable program	1	1	1
10.00 Total new obligations	36	35	39
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	36	35	40
23.95 Total new obligations	-36	-35	-39
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	35	35	39
40.35 Appropriation permanently reduced		-1	
43.00 Appropriation (total discretionary)	35	34	39
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	1	1	1
70.00 Total new budget authority (gross)	36	35	40
Change in obligated balances:			
72.40 Obligated balance, start of year	2	3	2
73.10 Total new obligations	36	35	39
73.20 Total outlays (gross)	-36	-35	-40
74.40 Obligated balance, end of year	3	2	2
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	34	33	38
86.93 Outlays from discretionary balances	2	2	2
87.00 Total outlays (gross)	36	35	40
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	35	34	39
90.00 Outlays	33	34	39

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

Object Classification (in millions of dollars)

Identification code 12-2300-0-1-352	2003 actual	2004 est.	2005 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	26	26	29
12.1 Civilian personnel benefits	6	6	7
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	1	1	1
26.0 Supplies and materials	1		
99.0 Direct obligations	35	34	38
99.0 Reimbursable obligations	1	1	1
99.9 Total new obligations	36	35	39

Personnel Summary

Identification code 12-2300-0-1-352	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	311	330	345
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	8	8	8

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, **[\$71,402,000] \$80,032,000.** (7 U.S.C. 292, 411, 427, 1441a, 1704, 1761-68, 2201, 2202, 2225, 3103, 3291, 3311, 3504; 22 U.S.C. 3101; 42 U.S.C. 1891-93; 44 U.S.C. 3501-11; 50 U.S.C. 2061 et seq., 2251 et seq.; Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-1701-0-1-352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct program	69	71	80
09.00 Reimbursable program	2	3	3
10.00 Total new obligations	71	74	83
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	71	74	83
23.95 Total new obligations	-71	-74	-83
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	69	71	80
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	2	3	3
70.00 Total new budget authority (gross)	71	74	83
Change in obligated balances:			
72.40 Obligated balance, start of year	23	23	23
73.10 Total new obligations	71	74	83
73.20 Total outlays (gross)	-72	-74	-82
73.40 Adjustments in expired accounts (net)	1		
74.10 Change in uncollected customer payments from Federal sources (expired)	1		
74.40 Obligated balance, end of year	23	23	25
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	59	65	73
86.93 Outlays from discretionary balances	13	9	9
87.00 Total outlays (gross)	72	74	82
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	71	80
90.00 Outlays	70	71	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 2005 request includes funding for costs associated with the development of an integrated and comprehensive data and analysis framework to provide a basis for understanding, monitoring, tracking, and identifying changes in food supply and consumption patterns.

Object Classification (in millions of dollars)

Identification code 12-1701-0-1-352	2003 actual	2004 est.	2005 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	36	38	39
11.3 Other than full-time permanent	1	1	1
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	38	40	41
12.1 Civilian personnel benefits	8	8	9

General and special funds—Continued

ECONOMIC RESEARCH SERVICE—Continued

Object Classification (in millions of dollars)—Continued

Identification code 12-1701-0-1-352	2003 actual	2004 est.	2005 est.
21.0 Travel and transportation of persons	1	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	4	4	11
25.3 Other purchases of goods and services from Government accounts	9	9	9
25.5 Research and development contracts	5	5	5
26.0 Supplies and materials	1	1	1
31.0 Equipment	1	1	1
41.0 Grants, subsidies, and contributions	1	1	1
99.0 Direct obligations	69	71	80
99.0 Reimbursable obligations	2	3	3
99.9 Total new obligations	71	74	83

Personnel Summary

Identification code 12-1701-0-1-352	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	455	497	503
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	7	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 and 2204g, and other laws, **[\$128,922,000]** \$137,594,000, of which up to **[\$25,279,000]** \$22,520,000 shall be available until expended for the Census of Agriculture. (7 U.S.C. 411, 411a, 411b, 427, 471, 475, 476, 501, 951, 953, 955-57, 2201, 2202, 2204, 2225, 2248, 3103, 3311, 3504; 18 U.S.C. 1902, 1905, 2072; 42 U.S.C. 1891-93; 44 U.S.C. 3501-11; 50 U.S.C. 2061 et seq., 2251 et seq.; Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-1801-0-1-352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
Direct program:			
00.01 Agricultural estimates	94	98	110
00.02 Statistical research and service	4	5	5
00.03 Census of Agriculture	40	27	23
09.01 Reimbursable program	18	21	21
10.00 Total new obligations	156	151	159
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		2	
22.00 New budget authority (gross)	156	149	159
23.90 Total budgetary resources available for obligation	156	151	159
23.95 Total new obligations	-156	-151	-159
24.40 Unobligated balance carried forward, end of year	2		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	139	129	138
40.35 Appropriation permanently reduced	-1	-1	
43.00 Appropriation (total discretionary)	138	128	138
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	9	21	21

68.10 Change in uncollected customer payments from Federal sources (unexpired)	9		
68.90 Spending authority from offsetting collections (total discretionary)	18	21	21
70.00 Total new budget authority (gross)	156	149	159
Change in obligated balances:			
72.40 Obligated balance, start of year	6	10	16
73.10 Total new obligations	156	151	159
73.20 Total outlays (gross)	-147	-145	-159
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-9		
74.10 Change in uncollected customer payments from Federal sources (expired)	5		
74.40 Obligated balance, end of year	10	16	16
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	137	135	144
86.93 Outlays from discretionary balances	10	10	15
87.00 Total outlays (gross)	147	145	159
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-14	-18	-18
88.40 Non-Federal sources		-3	-3
88.90 Total, offsetting collections (cash)	-14	-21	-21
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-9		
88.96 Portion of offsetting collections (cash) credited to expired accounts	5		
Net budget authority and outlays:			
89.00 Budget authority	138	128	138
90.00 Outlays	134	124	138

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 2005 program includes funding to continue restoration and modernization of the Agricultural Estimates program and the continuing development of a locality based agricultural county estimates/small area estimation program. It also includes funding to support government-wide and departmental e-government initiatives.

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 decrease of \$3.1 million reflects a \$0.1 million decrease due to cyclical activities and a \$3.0 million offset to support the restoration and modernization of the Agricultural Estimates program.

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

Object Classification (in millions of dollars)

Identification code 12-1801-0-1-352	2003 actual	2004 est.	2005 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	61	64	66
11.3 Other than full-time permanent	1	1	1
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	63	66	68
12.1 Civilian personnel benefits	15	17	18
21.0 Travel and transportation of persons	2	2	2
22.0 Transportation of things	1	1	1
23.3 Communications, utilities, and miscellaneous charges	7	5	5
25.2 Other services	24	22	25
25.3 Other purchases of goods and services from Government accounts	18	8	9
25.7 Operation and maintenance of equipment	3	3	3
26.0 Supplies and materials	1	1	2
31.0 Equipment	4	4	5
99.0 Direct obligations	138	129	138
99.0 Reimbursable obligations	18	20	20
99.5 Below reporting threshold		2	1
99.9 Total new obligations	156	151	159

Personnel Summary

Identification code 12-1801-0-1-352	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	1,001	1,262	1,269
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	106	106	106

AGRICULTURAL RESEARCH SERVICE

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For necessary expenses to enable the Agricultural Research Service to perform agricultural research and demonstration relating to production, utilization, marketing, and distribution (not otherwise provided for); home economics or nutrition and consumer use including the acquisition, preservation, and dissemination of agricultural information; and for acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed \$100, and for land exchanges where the lands exchanged shall be of equal value or shall be equalized by a payment of money to the grantor which shall not exceed 25 percent of the total value of the land or interests transferred out of Federal ownership, **[\$1,088,892,000] \$987,597,000: Provided,** That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed one for replacement only: *Provided further,* That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building shall not exceed \$375,000, except for headhouses or greenhouses which shall each be limited to \$1,200,000, and except for 10 buildings to be constructed or improved at a cost not to exceed \$750,000 each, and the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building or \$375,000, whichever is greater: *Provided further,* That the limitations on alterations contained in this Act shall not apply to modernization or replacement of existing facilities at Beltsville, Maryland: *Provided further,* That appropriations hereunder shall be available for granting easements at the Beltsville Agricultural Research Center: *Provided further,* That the foregoing limitations shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a): *Provided further,* That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing or operating any research facility or research project of the Agricultural Research Service, as authorized by law: *Provided further,* That all rights and title of the United

States in the 1.0664-acre parcel of land including improvements, as recorded at Book 1320, Page 253, records of Larimer County, State of Colorado, shall be conveyed to the Board of Governors of the Colorado State University for the benefit of Colorado State University.

None of the funds appropriated under this heading shall be available to carry out research related to the production, processing or marketing of tobacco or tobacco products. (7 U.S.C. 328, 427, 427i, 1281 note, 1621, 2201, 2204, 2225, 3101 note; 10 U.S.C. 2306; 16 U.S.C. 590(a)-590(b), 590(k); 18 U.S.C. 1114; 19 U.S.C. 1306(a), 1306(c); 20 U.S.C. 191-194; 21 U.S.C. 114c, 114e-131; 42 U.S.C. 1476(e), 1483; Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-1400-0-1-352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
Direct program:			
00.01 Product Quality/Value Added	105	108	99
00.02 Livestock Production	92	97	80
00.03 Crop Production	172	181	153
00.04 Food Safety	93	95	90
00.05 Livestock Protection	59	65	61
00.06 Crop Protection	174	178	151
00.07 Human nutrition research	81	82	81
00.08 Environmental Stewardship	211	216	182
00.09 National Agricultural Library	23	21	24
00.10 Repair and maintenance of facilities	18	18	18
00.11 Collaborative research program	11	14	
00.12 Homeland security	23	21	49
00.13 Construction/Miscellaneous Fees		3	
09.00 Reimbursable program	62	65	65
10.00 Total new obligations	1,124	1,164	1,053
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	39	17	
22.00 New budget authority (gross)	1,105	1,147	1,053
23.90 Total budgetary resources available for obligation	1,144	1,164	1,053
23.95 Total new obligations	-1,124	-1,164	-1,053
23.98 Unobligated balance expiring or withdrawn	-4		
24.40 Unobligated balance carried forward, end of year	17		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,044	1,089	988
40.35 Appropriation permanently reduced	-7	-7	
42.00 Transferred from other accounts	6		
43.00 Appropriation (total discretionary)	1,043	1,082	988
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	28	65	65
68.10 Change in uncollected customer payments from Federal sources (unexpired)	34		
68.90 Spending authority from offsetting collections (total discretionary)	62	65	65
70.00 Total new budget authority (gross)	1,105	1,147	1,053
Change in obligated balances:			
72.40 Obligated balance, start of year	303	325	368
73.10 Total new obligations	1,124	1,164	1,053
73.20 Total outlays (gross)	-1,096	-1,121	-1,070
73.40 Adjustments in expired accounts (net)	2		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-34		
74.10 Change in uncollected customer payments from Federal sources (expired)	27		
74.40 Obligated balance, end of year	325	368	351
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	843	931	855
86.93 Outlays from discretionary balances	253	190	215
87.00 Total outlays (gross)	1,096	1,121	1,070
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-57	-65	-65
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-34		
88.96 Portion of offsetting collections (cash) credited to expired accounts	29		
Net budget authority and outlays:			
89.00 Budget authority	1,043	1,082	988

General and special funds—Continued

SALARIES AND EXPENSES—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1400-0-1-352	2003 actual	2004 est.	2005 est.
90.00 Outlays	1,039	1,056	1,005

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 2005, the Service proposes increased emphases for critical research needs in agriculture, such as: support for homeland security efforts to protect the Nation's food supply (emerging and exotic diseases of plants and animals, food safety, and the national plant disease recovery system); sequencing and bioinformatics; nutrition and obesity; genetic resources; controlling invasive species; climate change; agricultural information services and cyber security. Consistent with the 2004 budget, the 2005 budget also proposes to eliminate funding for unrequested Congressional earmarks added to the Service since 2001. In 2003, the Service submitted 67 new patent applications, participated in 55 new Cooperative research and development agreements (CRADAs), licensed 27 new products, and developed 61 new plant varieties to release to industry for further development and marketing.

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

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

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

Food Safety.—For the Nation to have affordable and safe food, the food system must be protected at each step from production to consumption. The production and distribution system for food in the United States has been a diverse, extensive, and easily accessible system. This open system is vulnerable to the introduction of pathogens and toxins

through natural processes, global commerce, and by intentional means. Thus, the food supply must be protected during production, processing, and preparation from pathogens, toxins, and chemical contamination that cause disease in humans.

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

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

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

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

Library and Information Services.—Timely, relevant information is an essential raw material for the research process as well as for effective policy development and decision-making. Targeted information services are also required to support specialized USDA audiences such as inspectors, regulators, nutritionists, and others, as well as their peers, cus-

tomers and stakeholders nationwide. The general public requires information on a very broad set of agriculture-related topics, ranging from small business development to gardening to nutrition to food safety to farming to textiles to statistics and beyond. And, the permanent preservation of USDA's and the Nation's agricultural intellectual heritage is a key national responsibility. The National Agricultural Library (NAL) is mandated to fulfill these roles and is a national resource for all users of agricultural information. NAL's work in collecting, preserving and ensuring access to agricultural information is fundamental to the continued wellbeing and growth of U.S. agriculture, and the development of food supplies for the nation and world.

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

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

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

Object Classification (in millions of dollars)

Identification code 12-1400-0-1-352	2003 actual	2004 est.	2005 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	439	455	462
11.3 Other than full-time permanent	19	20	20
11.5 Other personnel compensation	13	13	13
11.9 Total personnel compensation	471	488	495
12.1 Civilian personnel benefits	117	122	124
21.0 Travel and transportation of persons	18	18	18
22.0 Transportation of things	1	1	1
23.2 Rental payments to others	1	2	1
23.3 Communications, utilities, and miscellaneous charges	36	37	28
24.0 Printing and reproduction	2	2	1
25.1 Advisory and assistance services	1	1	1
25.2 Other services	4	7	3
25.3 Other purchases of goods and services from Government accounts	4	5	4
25.4 Operation and maintenance of facilities	26	32	20
25.5 Research and development contracts	179	179	101
25.7 Operation and maintenance of equipment	7	7	6
25.8 Subsistence and support of persons	1	1	1
26.0 Supplies and materials	99	101	95
31.0 Equipment	63	64	60
32.0 Land and structures	9	9	7
41.0 Grants, subsidies, and contributions	23	23	22
99.0 Direct obligations	1,062	1,099	988
99.0 Reimbursable obligations	62	65	65
99.9 Total new obligations	1,124	1,164	1,053

Personnel Summary

Identification code 12-1400-0-1-352	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	8,235	8,314	8,314
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	172	172	172

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, **[\$63,810,000]** \$178,000,000, to remain available until expended. (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-1401-0-1-352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Building and facilities projects	81	124	134
10.00 Total new obligations	81	124	134
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	256	403	342
22.00 New budget authority (gross)	228	63	178
23.90 Total budgetary resources available for obligation	484	466	520
23.95 Total new obligations	-81	-124	-134
24.40 Unobligated balance carried forward, end of year	403	342	386
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	229	64	178
40.35 Appropriation permanently reduced	-1	-1	
43.00 Appropriation (total discretionary)	228	63	178
Change in obligated balances:			
72.40 Obligated balance, start of year	63	83	109
73.10 Total new obligations	81	124	134
73.20 Total outlays (gross)	-61	-98	-116
74.40 Obligated balance, end of year	83	109	127
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	24	10	27
86.93 Outlays from discretionary balances	37	88	89
87.00 Total outlays (gross)	61	98	116
Net budget authority and outlays:			
89.00 Budget authority	228	63	178
90.00 Outlays	61	98	116

This account provides funds for the acquisition of land, construction, repair, improvement, extension, alterations, and purchases of fixed equipment or facilities of or used by the Agricultural Research Service. The 2005 request provides for the full funding required for the accelerated completion of the department's animal research and diagnostic facilities at Ames, IA.

Object Classification (in millions of dollars)

Identification code 12-1401-0-1-352	2003 actual	2004 est.	2005 est.
25.2 Other services	75	115	125
32.0 Land and structures	6	9	9
99.9 Total new obligations	81	124	134

Trust Funds

MISCELLANEOUS CONTRIBUTED FUNDS

Unavailable Receipts (in millions of dollars)

Identification code 12-8214-0-7-352	2003 actual	2004 est.	2005 est.
01.99 Balance, start of year			
Receipts:			
02.20 Deposits of miscellaneous contributed funds, Science and Education	24	23	23
04.00 Total: Balances and collections	24	23	23
Appropriations:			
05.00 Miscellaneous contributed funds	-24	-23	-23
07.99 Balance, end of year			

General and special funds—Continued

MISCELLANEOUS CONTRIBUTED FUNDS—Continued

Program and Financing (in millions of dollars)

Identification code 12-8214-0-7-352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Miscellaneous contributed funds	21	23	23
10.00 Total new obligations	21	23	23
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	17	20	20
22.00 New budget authority (gross)	24	23	23
23.90 Total budgetary resources available for obligation	41	43	43
23.95 Total new obligations	-21	-23	-23
24.40 Unobligated balance carried forward, end of year	20	20	20
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)	24	23	23
Change in obligated balances:			
72.40 Obligated balance, start of year	12	8	7
73.10 Total new obligations	21	23	23
73.20 Total outlays (gross)	-25	-24	-23
74.40 Obligated balance, end of year	8	7	7
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	17	12	12
86.98 Outlays from mandatory balances	8	12	11
87.00 Total outlays (gross)	25	24	23
Net budget authority and outlays:			
89.00 Budget authority	24	23	23
90.00 Outlays	25	24	23

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	2003 actual	2004 est.	2005 est.
11.1 Personnel compensation: Full-time permanent	6	6	6
12.1 Civilian personnel benefits	1	1	1
21.0 Travel and transportation of persons	1	1	1
25.2 Other services	7	7	7
25.5 Research and development contracts	2	3	3
26.0 Supplies and materials	3	4	4
31.0 Equipment	1	1	1
99.9 Total new obligations	21	23	23

Personnel Summary

Identification code 12-8214-0-7-352	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian 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 grants programs, including necessary administrative expenses, **[\$50,493,000]** \$76,865,000, as follows: for competitive grants programs authorized under section 406 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626), **[\$39,793,000]** \$41,852,000, including **[\$11,598,000]** \$12,971,000 for the water quality program, **[\$13,384,000]** \$14,967,000 for the food safety program, **[\$4,052,000]** \$4,531,000 for the regional pest management centers program, **[\$4,371,000]** \$4,889,000 for the Food Quality Protection Act risk mitigation program for major food crop systems,

[\$1,338,000] \$1,497,000 for the crops affected by Food Quality Protection Act implementation, **[\$3,150,000]** \$2,498,000 for the methyl bromide transition program, and **[\$1,900,000]** \$499,000 for the organic transition program; for a competitive international science and education grants program authorized under section 1459A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3292b), to remain available until expended, **[\$900,000]** \$1,000,000; for grants programs authorized under section 2(c)(1)(B) of Public Law 89-106, as amended, **[\$1,800,000]** \$4,013,000, including **[\$447,000]** \$2,500,000, to remain available until September 30, **[2005]** 2006 for the critical issues program, and **[\$1,353,000]** \$1,513,000 for the regional rural development centers program; and **[\$8,000,000]** \$30,000,000 for the homeland security program authorized under section 1484 of the National Agricultural Research, Extension, and Teaching Act of 1977, to remain available until September 30, **[2005]** 2006. (7 U.S.C. 450i(c)(1)(B), 3292b, 3351, 7626; Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-1502-0-1-352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
Direct program:			
00.20 Water quality	13	12	13
00.30 Food safety	15	13	15
00.40 Regional pest management centers	5	4	4
00.50 Crops at risk from Food Quality Protection Act implementation	1	1	1
00.60 Food Quality Protection Act risk mitigation program	4	4	5
00.70 Methyl bromide transition program	3	3	3
00.71 Homeland Security	8	8	30
00.86 International science and education grants	1	1	1
00.87 Rural development centers	1	1	2
00.88 Organic transition	2	2	1
00.89 Critical issues—plant and animal diseases	1	1	2
10.00 Total new obligations	46	50	77
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	46	50	77
23.95 Total new obligations	-46	-50	-77
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	47	50	77
40.35 Appropriation permanently reduced	-1		
43.00 Appropriation (total discretionary)	46	50	77
Change in obligated balances:			
72.40 Obligated balance, start of year	97	108	119
73.10 Total new obligations	46	50	77
73.20 Total outlays (gross)	-31	-39	-62
73.40 Adjustments in expired accounts (net)	-4		
74.40 Obligated balance, end of year	108	119	134
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	2	6	17
86.93 Outlays from discretionary balances	29	33	45
87.00 Total outlays (gross)	31	39	62
Net budget authority and outlays:			
89.00 Budget authority	46	50	77
90.00 Outlays	31	39	62

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 pes-

ticides 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.

Homeland security program.—This program provides support to an unified network of public agricultural institutions to identify and respond to high risk biological pathogens in the food and agricultural system. The FY 2005 budget includes an increase to enhance agricultural defense.

Object Classification (in millions of dollars)

Identification code 12-1502-0-1-352	2003 actual	2004 est.	2005 est.
11.1 Personnel compensation: Full-time permanent	1	1	1
41.0 Grants, subsidies, and contributions	45	49	76
99.9 Total new obligations	46	50	77

Personnel Summary

Identification code 12-1502-0-1-352	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	8	8	8

INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS

Program and Financing (in millions of dollars)

Identification code 12-1503-0-1-352	2003 actual	2004 est.	2005 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year			120
22.00 New budget authority (gross)		120	-120
23.90 Total budgetary resources available for obligation		120	
24.40 Unobligated balance carried forward, end of year		120	
New budget authority (gross), detail:			
Discretionary:			
40.35 Appropriation permanently reduced			-140

40.36 Unobligated balance permanently reduced			-120
43.00 Appropriation (total discretionary)			-260
Mandatory:			
62.00 Transferred from other accounts		120	140
70.00 Total new budget authority (gross)		120	-120
Change in obligated balances:			
72.40 Obligated balance, start of year	172	113	47
73.20 Total outlays (gross)	-59	-66	-41
74.40 Obligated balance, end of year	113	47	6
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			-13
86.97 Outlays from new mandatory authority			7
86.98 Outlays from mandatory balances	59	66	47
87.00 Total outlays (gross)	59	66	41
Net budget authority and outlays:			
89.00 Budget authority		120	-120
90.00 Outlays	59	66	41

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. The Farm Security and Rural Investment Act of 2002 authorizes \$120 million for 2004 and \$140 million in 2005. 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 and 2004 budgets include language that would block implementation of the program during 2003 and 2004. This action is continued in the FY 2005 budget. The FY 2005 budget proposes to cancel FY 2004 and FY 2005 funding because adequate funding for similar research is proposed through other USDA research programs.

RESEARCH AND EDUCATION ACTIVITIES

For payments to agricultural experiment stations, for cooperative forestry and other research, for facilities, and for other expenses, **[\$621,447,000] \$501,540,000**, as follows: to carry out the provisions of the Hatch Act of 1887 (7 U.S.C. 361a-i), \$180,148,000; for grants for cooperative forestry research (16 U.S.C. 582a through a-7), \$21,884,000; for payments to the 1890 land-grant colleges, including Tuskegee University and West Virginia State College (7 U.S.C. 3222), \$36,000,000, 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)), **[\$111,312,000] \$3,341,000**; for special grants for agricultural research on improved pest control (7 U.S.C. 450i(c)), **[\$13,675,000] \$15,006,000**; for competitive research grants (7 U.S.C. 450i(b)), **[\$165,000,000] \$180,000,000**; for the support of animal health and disease programs (7 U.S.C. 3195), **[\$4,559,000]** for supplemental and alternative crops and products (7 U.S.C. 3319d), \$1,069,000; for grants for research pursuant to the Critical Agricultural Materials Act (7 U.S.C. 178 et seq.), \$1,118,000, to remain available until expended **\$5,098,000**; for the 1994 research grants program for 1994 institutions pursuant to section 536 of Public Law 103-382 (7 U.S.C. 301 note), **[\$1,093,000] \$998,000**, to remain available until expended; **[\$900,000]** for higher education graduate fellowship grants (7 U.S.C. 3152(b)(6)), **[\$2,900,000] \$4,500,000**, to remain available until expended (7 U.S.C. 2209b); for higher education challenge grants (7 U.S.C. 3152(b)(1)), **[\$4,888,000] \$5,500,000**; for a higher education multicultural scholars program (7 U.S.C. 3152(b)(5)), **[\$992,000] \$998,000**, to remain available until expended (7 U.S.C. 2209b); for a higher education agrosecurity education program (7 U.S.C. 3351), \$5,000,000, to remain available until expended; for an education grants program for Hispanic-serving Institutions (7 U.S.C. 3241), **[\$4,673,000] \$4,645,000**; for noncompetitive grants for the purpose of carrying out all provisions of 7 U.S.C. 3242 (section 759 of Public Law 106-78) to individual eligible institutions or consortia of eligible institutions in Alaska and in Hawaii, with funds awarded equally to each of the States of Alaska and Hawaii, **[\$3,150,000] \$2,997,000**; for a secondary agriculture education program and 2-year post-secondary education (7

General and special funds—Continued

RESEARCH AND EDUCATION ACTIVITIES—Continued

U.S.C. 3152(j)), **[\$895,000]** \$1,000,000; for aquaculture grants (7 U.S.C. 3322), **[\$4,024,000]** \$3,996,000; for sustainable agriculture research and education (7 U.S.C. 5811), **[\$12,295,000]** \$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 and West Virginia State College, **[\$11,479,000]** \$11,411,000, 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, **[\$1,689,000]** \$2,250,000; and for necessary expenses of Research and Education Activities, **[\$37,704,000]** \$7,538,000.

None of the funds appropriated under this heading shall be available to carry out research related to the production, processing or marketing of tobacco or tobacco products: *Provided*, That this paragraph shall not apply to research on the medical, biotechnological, food, and industrial uses of tobacco. (7 U.S.C. 301 note, 321–26, 328, 361a–i, 450i(b)–(c), 2209b, 3152(b)(1) and (4)–(6), 3152(j), 3195, 3222, 3241, 3322, 3351, 5811; 16 U.S.C. 582–a7; Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND

For the Native American Institutions Endowment Fund authorized by Public Law 103–382 (7 U.S.C. 301 note), **[\$9,000,000]** \$12,000,000. (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Unavailable Receipts (in millions of dollars)

Identification code 12–1500–0–1–352	2003 actual	2004 est.	2005 est.
01.99 Balance, start of year	39	46	55
Receipts:			
02.40 Federal payment, Native American institutions endowment fund	7	9	12
02.41 Earnings on investments, Native American institutions endowment	2	3	3
02.99 Total receipts and collections	9	12	15
04.00 Total: Balances and collections	48	58	70
Appropriations:			
05.00 Research and education activities	–2	–3	–3
07.99 Balance, end of year	46	55	67

Program and Financing (in millions of dollars)

Identification code 12–1500–0–1–352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
Direct program:			
00.01 Payments under the Hatch Act	179	179	180
00.02 Cooperative forestry research	22	22	22
00.03 Payments to 1890 colleges and Tuskegee Univ. and West Virginia State College	35	36	36
00.04 Special research grants	149	145	32
00.05 National research initiative competitive grants	121	209	180
00.06 Animal health and disease research	5	5	5
00.07 Federal administration	30	37	8
00.08 Higher education	28	33	38
00.09 Native American Institutions Endowment Fund	9	11	15
09.00 Reimbursable program	13	16	16
10.00 Total new obligations	591	693	532
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	92	140	92
22.00 New budget authority (gross)	639	645	532
23.90 Total budgetary resources available for obligation	731	785	624
23.95 Total new obligations	–591	–693	–532
24.40 Unobligated balance carried forward, end of year	140	92	92
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	628	630	513
40.20 Appropriation (special fund)	2	3	3
40.35 Appropriation permanently reduced	–4	–4	
41.00 Transferred to other accounts	–3		
42.00 Transferred from other accounts	3		
43.00 Appropriation (total discretionary)	626	629	516
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)		16	16

68.10 Change in uncollected customer payments from Federal sources (unexpired)	13		
68.90 Spending authority from offsetting collections (total discretionary)	13	16	16
70.00 Total new budget authority (gross)	639	645	532
Change in obligated balances:			
72.40 Obligated balance, start of year	537	565	701
73.10 Total new obligations	591	693	532
73.20 Total outlays (gross)	–546	–557	–527
73.40 Adjustments in expired accounts (net)	–9		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	–13		
74.10 Change in uncollected customer payments from Federal sources (expired)	4		
74.40 Obligated balance, end of year	565	701	707
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	207	338	281
86.93 Outlays from discretionary balances	334	217	246
86.98 Outlays from mandatory balances	5	2	
87.00 Total outlays (gross)	546	557	527
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	–13	–16	–16
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	–13		
88.96 Portion of offsetting collections (cash) credited to expired accounts	13		
Net budget authority and outlays:			
89.00 Budget authority	626	629	516
90.00 Outlays	533	541	511
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities:			
Par value	30	41	
92.02 Total investments, end of year: Federal securities:			
Par value	41		

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

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 2005 budget eliminates funding for unrequested earmarks.

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

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-one 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. Funding is proposed in the 2005 budget for a Higher Education Agrosecurity Program to provide educational and professional development for

personnel in securing the Nation's agriculture and food supply.

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

Native American Institutions Endowment Fund.—This program provides for an endowment for the 1994 land-grant institutions (31 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. The 2005 budget includes an increase for the endowment fund.

Object Classification (in millions of dollars)

Identification code 12-1500-0-1-352	2003 actual	2004 est.	2005 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	14	16	17
12.1 Civilian personnel benefits	5	6	7
21.0 Travel and transportation of persons	2	1	1
25.1 Advisory and assistance services	1	1	1
25.2 Other services	2	2	2
25.4 Operation and maintenance of facilities	1	1	1
25.5 Research and development contracts	2	2	2
25.8 Subsistence and support of persons	1	1	1
26.0 Supplies and materials	1	1	1
31.0 Equipment	1	1	1
41.0 Grants, subsidies, and contributions	549	645	482
99.0 Direct obligations	578	677	516
99.0 Reimbursable obligations	13	16	16
99.9 Total new obligations	591	693	532

Personnel Summary

Identification code 12-1500-0-1-352	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	192	216	216
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	9	9	9

BUILDINGS AND FACILITIES

Program and Financing (in millions of dollars)

Identification code 12-1501-0-1-352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct Program Activity	-3		
10.00 Total new obligations (object class 41.0)	-3		
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3	5	3
22.00 New budget authority (gross)	-1		
23.90 Total budgetary resources available for obligation	2	5	3
23.95 Total new obligations	3		
24.40 Unobligated balance carried forward, end of year	5	3	3
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	-1		
Change in obligated balances:			
72.40 Obligated balance, start of year	17	4	4
73.10 Total new obligations	-3		
73.20 Total outlays (gross)	-10		
74.40 Obligated balance, end of year	4	4	4
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	10		
Net budget authority and outlays:			
89.00 Budget authority	-1		

General and special funds—Continued

BUILDINGS AND FACILITIES—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1501-0-1-352	2003 actual	2004 est.	2005 est.
90.00 Outlays	10		

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 2005.

EXTENSION ACTIVITIES

For payments to States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, Micronesia, Northern Marianas, and American Samoa, **[\$441,731,000] \$421,174,000**, 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, **[\$279,390,000] \$275,940,000**; payments for extension work at the 1994 Institutions under the Smith-Lever Act (7 U.S.C. 343(b)(3)), **[\$2,946,000] \$3,273,000**; payments for the nutrition and family education program for low-income areas under section 3(d) of the Act, **[\$52,366,000] \$57,909,000**; payments for the pest management program under section 3(d) of the Act, **[\$9,620,000]**; payments for the farm safety program under section 3(d) of the Act, **[\$4,940,000] \$10,759,000**; payments to upgrade research, extension, and teaching facilities at the 1890 land-grant colleges, including Tuskegee University and West Virginia State College, as authorized by section 1447 of Public Law 95-113 (7 U.S.C. 3222b), **[\$15,000,000] \$14,912,000**, to remain available until expended; payments for youth-at-risk programs under section 3(d) of the Smith-Lever Act, **[\$7,583,000] \$8,481,000**; for youth farm safety education and certification extension grants, to be awarded competitively under section 3(d) of the Act, **[\$446,000] \$499,000**; payments for carrying out the provisions of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1671 et seq.), **[\$4,064,000] \$4,093,000**; payments for Indian reservation agents under section 3(d) of the Smith-Lever Act, **[\$1,785,000] \$1,996,000**; payments for sustainable agriculture programs under section 3(d) of the Act, **[\$4,359,000]**; payments for rural health and safety education as authorized by section 502(i) of Public Law 92-419 (7 U.S.C. 2662(i)), **[\$2,345,000] \$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 and West Virginia State College, **[\$31,908,000] \$32,117,000**, of which \$1,724,884 shall be made available only for the purpose of ensuring that each institution shall receive no less than \$1,000,000; **[for grants to youth organizations pursuant to section 7630 of title 7, United States Code, \$2,683,000;] and for necessary expenses of Extension Activities, [\$22,296,000] \$7,403,000.** (7 U.S.C. 343(b)(3), 7 U.S.C. 3222(b), 16 U.S.C. 1671 et seq.; 7 U.S.C. 321-326 and 328; Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-0502-0-1-352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
Direct program:			
00.01 Smith-Lever Act, 3(b) and 3(c)	279	278	276
00.02 Youth at risk	8	7	8
00.04 Expanded food and nutrition education program (EFNEP)	58	52	58
00.05 Pest management	11	9	11
00.06 Farm Safety	5	5	
00.09 Indian reservation extension agents	2	2	2
00.13 Payments to 1890 colleges and Tuskegee Univ. and West Virginia State College	32	32	32
00.15 Renewable resources extension act	5	4	4
00.16 Federal administration	21	22	7
00.19 1890 facilities (section 1447)	29	15	15
00.21 Sustainable agriculture	5	4	4
00.22 1994 institutions activities	3	3	3
00.23 Youth Farm Safety Program	1	1	1

00.24 Rural Health and Safety Education	3	2	
00.25 Grants to Youth Serving Organizations	3	3	
00.26 Risk Management Education	5		
09.00 Reimbursable program	25	25	25
10.00 Total new obligations	490	464	446
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	15	6	6
22.00 New budget authority (gross)	481	464	446
23.90 Total budgetary resources available for obligation	496	470	452
23.95 Total new obligations	-490	-464	-446
24.40 Unobligated balance carried forward, end of year	6	6	6
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	453	442	421
40.35 Appropriation permanently reduced	-3	-3	
43.00 Appropriation (total discretionary)	450	439	421
Mandatory:			
62.00 Transferred from other accounts	6		
62.50 Appropriation (total mandatory)	6		
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	1	25	25
68.10 Change in uncollected customer payments from Federal sources (unexpired)	24		
68.90 Spending authority from offsetting collections (total discretionary)	25	25	25
70.00 Total new budget authority (gross)	481	464	446
Change in obligated balances:			
72.40 Obligated balance, start of year	202	294	307
73.10 Total new obligations	490	464	446
73.20 Total outlays (gross)	-442	-451	-448
73.40 Adjustments in expired accounts (net)	24		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-24		
74.10 Change in uncollected customer payments from Federal sources (expired)	44		
74.40 Obligated balance, end of year	294	307	307
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	272	288	278
86.93 Outlays from discretionary balances	169	163	170
86.98 Outlays from mandatory balances	1		
87.00 Total outlays (gross)	442	451	448
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-23	-25	-25
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-24		
88.96 Portion of offsetting collections (cash) credited to expired accounts	22		
Net budget authority and outlays:			
89.00 Budget authority	456	439	421
90.00 Outlays	418	426	423

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

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

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

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

In 2005 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	2003 actual	2004 est.	2005 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	9	10	10
12.1 Civilian personnel benefits	2	2	1
21.0 Travel and transportation of persons	1	1	1
23.3 Communications, utilities, and miscellaneous charges	12	1	1
25.2 Other services	1	1	1
25.4 Operation and maintenance of facilities	1	1	1
25.5 Research and development contracts	1	1	1
41.0 Grants, subsidies, and contributions	438	422	405
99.0 Direct obligations	465	439	421
99.0 Reimbursable obligations	25	25	25
99.9 Total new obligations	490	464	446

Personnel Summary			
Identification code 12-0502-0-1-352	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	193	215	215

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), **[\$5,970,000]** \$5,935,000, to remain available until expended. (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)			
Identification code 12-0601-0-1-351	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.10 Direct Program Activity	7	6	6
10.00 Total new obligations (object class 41.0)	7	6	6
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	4		
22.00 New budget authority (gross)	3	6	6
23.90 Total budgetary resources available for obligation	7	6	6
23.95 Total new obligations	-7	-6	-6

New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	3	6	6
Change in obligated balances:			
72.40 Obligated balance, start of year	2	7	3
73.10 Total new obligations	7	6	6
73.20 Total outlays (gross)	-2	-10	-9
74.40 Obligated balance, end of year	7	3	
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	2	6	6
86.93 Outlays from discretionary balances		4	3
87.00 Total outlays (gross)	2	10	9
Net budget authority and outlays:			
89.00 Budget authority	3	6	6
90.00 Outlays	1	10	9

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

Personnel Summary

Identification code 12-0601-0-1-351	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	3	3	3

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

Federal Funds

General and special funds:

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For expenses, not otherwise provided for, necessary to prevent, control, and eradicate pests and plant and animal diseases; to carry out inspection, quarantine, and regulatory activities; and to protect the environment, as authorized by law, **[\$720,580,000]** \$828,361,000, of which **[\$4,112,000]** \$4,119,000 shall be available for the control of outbreaks of insects, plant diseases, animal diseases and for control of pest animals and birds to the extent necessary to meet emergency conditions; of which **[\$51,000,000]** \$17,322,000 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 the operation and maintenance of aircraft and the purchase of not to exceed four, of which two shall be for replacement only: *Provided further*, That, in addition, **[in emergencies]** for sudden, urgent, and unforeseen circumstances which threaten any segment of the agricultural production industry of this country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as may be deemed necessary, to be available only in such emergencies for the arrest and eradication of contagious or infectious disease or pests of animals, poultry, or plants, and for expenses in accordance with sections 10411 and 10417 of the Animal Health Protection Act (7 U.S.C. 8310 and 8316) and sections 431 and 442 of the Plant Protection Act (7 U.S.C. 7751 and 7772), and any unexpended balances of funds transferred for such emergency purposes in the preceding fiscal year shall be merged with such transferred amounts: *Provided further*, That appropriations hereunder shall be available pursuant to law (7 U.S.C. 2250) for the repair and alteration of leased buildings and improvements, but unless otherwise provided the cost of altering any one building during the fiscal year shall

General and special funds—Continued

SALARIES AND EXPENSES—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

not exceed 10 percent of the current replacement value of the building.

In fiscal year [2004] 2005, 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. (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Unavailable Receipts (in millions of dollars)

Identification code 12-1600-0-1-352	2003 actual	2004 est.	2005 est.
01.99 Balance, start of year	185	143	76
Receipts:			
02.00 1990 food, agricultural quarantine inspection fees	231	260	274
04.00 Total: Balances and collections	416	403	350
Appropriations:			
05.00 Salaries and expenses	-273	-327	-344
07.99 Balance, end of year	143	76	6

Program and Financing (in millions of dollars)

Identification code 12-1600-0-1-352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
Direct program:			
00.01 Pest and disease exclusion	351	285	313
00.02 Plant and animal health monitoring	134	138	219
00.03 Pest and disease management programs	315	331	316
00.04 Animal care	17	17	17
00.05 Scientific and technical services	61	70	87
00.06 Contingencies	3	4	4
00.07 Emergency program funding	411	174	40
00.08 Information Technology Infrastructure	4	4	5
00.09 Supplemental Appropriations	60	6	
00.10 Physical/Operational Security			7
01.00 Total direct program	1,356	1,029	1,008
09.01 Reimbursable program	79	82	83
10.00 Total new obligations	1,435	1,111	1,091
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	408	283	103
22.00 New budget authority (gross)	1,269	931	1,051
22.10 Resources available from recoveries of prior year obligations	41		
22.21 Unobligated balance transferred to other accounts	-1		
23.90 Total budgetary resources available for obligation	1,717	1,214	1,154
23.95 Total new obligations	-1,435	-1,111	-1,091
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance carried forward, end of year	283	103	63
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	688	721	828
40.35 Appropriation permanently reduced	-5	-5	
41.00 Transferred to other accounts	-143		
42.00 Transferred from other accounts	521		
43.00 Appropriation (total discretionary)	1,061	716	828
Mandatory:			
60.20 Appropriation (special fund)	273	327	344
61.00 Transferred to other accounts	-154	-194	-204
62.50 Appropriation (total mandatory)	119	133	140
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	74	82	83
68.10 Change in uncollected customer payments from Federal sources (unexpired)	15		

68.90	Spending authority from offsetting collections (total discretionary)	89	82	83
70.00	Total new budget authority (gross)	1,269	931	1,051
Change in obligated balances:				
72.40	Obligated balance, start of year	156	403	221
73.10	Total new obligations	1,435	1,111	1,091
73.20	Total outlays (gross)	-1,153	-1,293	-1,126
73.40	Adjustments in expired accounts (net)	-1		
73.45	Recoveries of prior year obligations	-41		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-15		
74.10	Change in uncollected customer payments from Federal sources (expired)	22		
74.40	Obligated balance, end of year	403	221	186
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	872	691	787
86.93	Outlays from discretionary balances	145	470	199
86.97	Outlays from new mandatory authority	101	126	133
86.98	Outlays from mandatory balances	35	6	7
87.00	Total outlays (gross)	1,153	1,293	1,126
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-89	-82	-83
Against gross budget authority only:				
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	1,180	849	968
90.00	Outlays	1,064	1,211	1,043

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

Pest and disease exclusion.—The Agency develops protocols for trade and travel to prevent the entry of plant or animal pests and diseases into the United States and conducts quarantines and treatments of regulated products. APHIS develops and conducts preclearance programs to ensure that agricultural products destined for U.S. ports-of-entry do not present a risk to U.S. agriculture. APHIS engages in cooperative programs in foreign countries to control pests of imminent concern to the United States. APHIS also certifies plants and plant products for export and regulates imports and exports of designated endangered plant species. The 2005 budget proposes significant increases to enhance overseas surveillance and eradication efforts and to identify exotic animal diseases more effectively.

Plant and animal health monitoring.—The Agency conducts programs to assess animal and plant health and to detect endemic and exotic diseases and pests. The plant and animal health monitoring programs are primarily cooperative efforts of the Federal and State governments, and industry. The Agency also carries out surveys in cooperation with the States to detect harmful plant and animal pests and diseases and to determine if there is a need for pest eradication programs. The FY 2005 budget includes significant increases in monitoring programs to enhance agricultural defense. The request includes approximately \$36 million in these programs to respond to the recent discovery of a BSE-positive cow.

Pest and disease management programs.—The Agency carries out programs to control and eradicate infestations and animal diseases that threaten the United States; to reduce agricultural losses caused by predatory animals, birds, and rodents; to provide technical assistance to States, counties, farmer or rancher groups, and foundations; and to ensure

compliance with interstate movement and disease control regulations. Interstate shipments of plants, livestock, and related materials are monitored and regulated to prevent the spread of disease. APHIS protects agriculture from detrimental animal predators through identification, demonstration, and application of the most appropriate methods of control. The budget implements a consistent set of cost-share criteria among Federal and non-Federal partners to respond to a plant and animal infestation. In addition, the 2005 budget includes increases related to diseases such as citrus canker, emerald ash borer, low pathogenic avian influenza, scrapie and tuberculosis.

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.

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. The FY 2005 budget includes funding to enhance agricultural defense and for biotech regulatory services.

The 2005 budget also proposes significant increases to continue enhanced biosecurity efforts and laboratory network activities implemented with 2002 emergency supplemental funds in response to the September 11, 2001, terrorist attacks.

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

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	2003 actual	2004 est.	2005 est.
Budget Authority	1,178	849	968
Outlays	1,062	1,211	1,043
Legislative proposal, not subject to PAYGO:			
Budget Authority			-11
Outlays			-11
Total:			
Budget Authority	1,178	849	957
Outlays	1,062	1,211	1,032

Object Classification (in millions of dollars)

Identification code 12-1600-0-1-352	2003 actual	2004 est.	2005 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	337	209	290
11.3 Other than full-time permanent	5	5	2
11.5 Other personnel compensation	28	28	36
11.9 Total personnel compensation	370	242	328
12.1 Civilian personnel benefits	81	86	98
13.0 Benefits for former personnel	1	1	1
21.0 Travel and transportation of persons	40	42	29
22.0 Transportation of things	8	8	8
23.1 Rental payments to GSA	7	3	3
23.2 Rental payments to others	9	10	7
23.3 Communications, utilities, and miscellaneous charges	19	20	17
24.0 Printing and reproduction	2	2	1

25.2 Other services	500	308	294
26.0 Supplies and materials	83	81	69
31.0 Equipment	59	48	46
32.0 Land and structures	1	1	1
41.0 United States-Colombia Commission to Prevent Foot-and-Mouth Disease	2	1	1
41.0 Joint Screwworm eradication programs	13	9	9
41.0 Joint Commission on the Mediterranean Fruit Fly	17	6	6
41.0 Other grants, subsidies, and contributions	40	56	42
42.0 Other insurance claims and indemnities	104	105	48
99.0 Direct obligations	1,356	1,029	1,008
99.0 Reimbursable obligations	79	82	83
99.9 Total new obligations	1,435	1,111	1,091

Personnel Summary

Identification code 12-1600-0-1-352	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	6,517	5,334	5,551
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	795	822	833

SALARIES AND EXPENSES

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12-1600-2-1-352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
Direct program:			
00.04 Animal care			-11
01.00 Total direct program			-11
09.01 Reimbursable program			11
10.00 Total new obligations			
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation			-11
68.00 Spending authority from offsetting collections: Offsetting collections (cash)			11
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			-11
Net budget authority and outlays:			
89.00 Budget authority			-11
90.00 Outlays			-11

Object Classification (in millions of dollars)

Identification code 12-1600-2-1-352	2003 actual	2004 est.	2005 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent			-5
11.3 Other than full-time permanent			-4
11.5 Other personnel compensation			-2
11.9 Total personnel compensation			-11
99.0 Reimbursable obligations: Reimbursable obligations			11
99.9 Total new obligations			

Personnel Summary

Identification code 12-1600-2-1-352	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment			-107

General and special funds—Continued

SALARIES AND EXPENSES—Continued

Personnel Summary—Continued

Identification code 12-1600-2-1-352	2003 actual	2004 est.	2005 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment			107

BUILDINGS AND FACILITIES

For plans, construction, repair, preventive maintenance, environmental support, improvement, extension, alteration, and purchase of fixed equipment or facilities, as authorized by 7 U.S.C. 2250, and acquisition of land as authorized by 7 U.S.C. 428a, \$4,996,000, to remain available until expended. (*Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.*)

Program and Financing (in millions of dollars)

Identification code 12-1601-0-1-352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct Program Activity	2	15	15
10.00 Total new obligations (object class 25.2)	2	15	15
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	12	20	10
22.00 New budget authority (gross)	10	5	5
22.22 Unobligated balance transferred from other accounts	1		
23.90 Total budgetary resources available for obligation	23	25	15
23.95 Total new obligations	-2	-15	-15
24.40 Unobligated balance carried forward, end of year	20	10	
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	10	5	5
Change in obligated balances:			
72.40 Obligated balance, start of year	16	5	16
73.10 Total new obligations	2	15	15
73.20 Total outlays (gross)	-13	-4	-15
74.40 Obligated balance, end of year	5	16	16
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	6	1	1
86.93 Outlays from discretionary balances	7	3	14
87.00 Total outlays (gross)	13	4	15
Net budget authority and outlays:			
89.00 Budget authority	10	5	5
90.00 Outlays	13	4	15

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 2005 budget proposes \$5 million for this program, which consists of repairs, alterations, preventive maintenance, and renovations for currently owned APHIS facilities.

Trust Funds

MISCELLANEOUS TRUST FUNDS

Unavailable Receipts (in millions of dollars)

Identification code 12-9971-0-7-352	2003 actual	2004 est.	2005 est.
01.99 Balance, start of year			
Receipts:			
02.20 Deposits of miscellaneous contributed funds, APHIS	15	14	14
04.00 Total: Balances and collections	15	14	14
Appropriations:			
05.00 Miscellaneous trust funds	-15	-14	-14

07.99 Balance, end of year			
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Program and Financing (in millions of dollars)

Identification code 12-9971-0-7-352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct Program Activity	14	14	14
10.00 Total new obligations	14	14	14
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	8	10	8
22.00 New budget authority (gross)	15	14	14
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	24	24	22
23.95 Total new obligations	-14	-14	-14
24.40 Unobligated balance carried forward, end of year	10	8	8
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)	15	14	14
Change in obligated balances:			
72.40 Obligated balance, start of year	2	2	2
73.10 Total new obligations	14	14	14
73.20 Total outlays (gross)	-14	-13	-13
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	2	2	2
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	9	8	8
86.98 Outlays from mandatory balances	5	5	5
87.00 Total outlays (gross)	14	13	13
Net budget authority and outlays:			
89.00 Budget authority	15	14	14
90.00 Outlays	14	13	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 co-operative 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	2003 actual	2004 est.	2005 est.
Personnel compensation:			
11.1 Full-time permanent	5	5	5
11.3 Other than full-time permanent	1		
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	7	6	6
12.1 Civilian personnel benefits	2	3	3
21.0 Travel and transportation of persons	2	2	2
25.2 Other services	1	1	1
26.0 Supplies and materials	1	1	1
31.0 Equipment	1	1	1
99.9 Total new obligations	14	14	14

Personnel Summary

Identification code 12-9971-0-7-352	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	150	150	150

FOOD SAFETY AND INSPECTION SERVICE

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For necessary expenses to carry out services authorized by the Federal Meat Inspection Act, the Poultry Products Inspection Act, and the Egg Products Inspection Act, including not to exceed \$50,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), **[\$784,511,000]** \$838,660,000, of which no less than **[\$701,823,000]** \$758,702,000 shall be available for Federal food safety inspection; and in addition, \$1,000,000 may be credited to this account from fees collected for the cost of laboratory accreditation as authorized by section 1327 of the Food, Agriculture, Conservation and Trade Act of 1990 (7 U.S.C. 138f): *Provided*, [That no fewer than 50 full time equivalent positions above the fiscal year 2002 level shall be employed during fiscal year 2004 for purposes dedicated solely to inspections and enforcement related to the Humane Methods of Slaughter Act: *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; Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-3700-0-1-554	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct program	756	792	836
09.01 Reimbursable program	103	108	110
10.00 Total new obligations	859	900	946
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	29	27	10
22.00 New budget authority (gross)	863	883	949
23.90 Total budgetary resources available for obligation	892	910	959
23.95 Total new obligations	-859	-900	-946
23.98 Unobligated balance expiring or withdrawn	-6		
24.40 Unobligated balance carried forward, end of year	27	10	13
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	760	785	839
40.35 Appropriation permanently reduced	-5	-5	
40.36 Unobligated balance permanently reduced		-5	
41.00 Transferred to other accounts	-1		
43.00 Appropriation (total discretionary)	754	775	839
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	89	108	110
68.10 Change in uncollected customer payments from Federal sources (unexpired)	20		
68.90 Spending authority from offsetting collections (total discretionary)	109	108	110
70.00 Total new budget authority (gross)	863	883	949
Change in obligated balances:			
72.40 Obligated balance, start of year	73	88	104
73.10 Total new obligations	859	900	946
73.20 Total outlays (gross)	-838	-884	-947
73.40 Adjustments in expired accounts (net)	-5		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-20		
74.10 Change in uncollected customer payments from Federal sources (expired)	19		
74.40 Obligated balance, end of year	88	104	103
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	792	854	918
86.93 Outlays from discretionary balances	46	30	29
87.00 Total outlays (gross)	838	884	947
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-2		

88.40	Non-Federal sources	-104	-108	-110
88.90	Total, offsetting collections (cash)	-106	-108	-110
	Against gross budget authority only:			
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-20		
88.96	Portion of offsetting collections (cash) credited to expired accounts	17		
Net budget authority and outlays:				
89.00	Budget authority	754	775	839
90.00	Outlays	731	776	837

The primary objectives of the Food Safety and Inspection Service (FSIS) are to ensure that meat, poultry, shell egg, and egg products are wholesome, unadulterated, and properly labeled and packaged, as required by the Federal Meat Inspection Act, the Poultry Products Inspection Act, and the Egg Products Inspection Act. Providing adequate resources for Federal food safety agencies is a priority of the Administration, and the 2005 budget proposes a \$59 million increase for inspection of meat, poultry, shell egg and egg products. This increase will cover pay cost increases for Federal and State inspection programs, and initiatives for: food and agriculture defense and workforce training.

Legislation will be proposed to charge user fees to reimburse all inspection beyond a primary 8 hour shift at all establishments inspected by the Food Safety and Inspection Service (FSIS). Currently, fees to reimburse the cost of overtime inspection required at some FSIS inspected establishments, but not at others. The Federal government would continue to pay the full costs for a primary, eight hour inspection shift.

FEDERALLY FUNDED INSPECTION ACTIVITIES

	2003 actual	2004 est.	2005 est.
Federally inspected establishments:			
Slaughter plants	133	128	125
Processing plants	4,180	4,165	4,157
Combination slaughter and processing plants	954	975	960
Talmadge-Aiken plants	359	365	360
Import establishments	115	115	115
Egg plants	72	72	70
Other plants	620	610	608
Federally inspected and passed production (millions of pounds):			
Meat slaughter	43,563	45,000	45,000
Poultry slaughter	49,242	50,000	50,000
Egg products	3,700	3,800	3,900
Import/export activity (millions of pounds):			
Meat and poultry imported	3,773	3,750	3,750
Meat and poultry exported	11,800	12,000	12,200
Inspection Review:			
Consumer safety officer assessments	2,000	2,500	3,000
In-depth verification reviews	23	25	25
States and territories with cooperative programs: ^a			
Intrastate inspection	28	28	28
Talmadge-Aiken inspection	9	9	9
Number of slaughter and/or processing plants (excludes exempt plants)	2,100	2,100	2,100
Pounds inspected slaughter (millions)	500	500	500
Compliance activities:			
Corrective action reviews	29,000	30,000	30,000
Corrective actions completed	500	500	500
Product Testing (samples analyzed):			
Food chemistry	2,652	2,700	2,700
Food microbiology	83,620	93,600	105,000
Chemical residues	38,191	39,000	39,000
Antibiotic residues	255,559	256,000	256,000
Pathology samples	5,592	6,000	6,000
Egg Products:			
Food microbiology	1,720	1,700	1,700
Chemical residues	1,860	1,900	1,900
Consumer Education and public outreach:			
Meat and poultry hotline calls received	86,000	86,500	87,000
Website visits	982,000	983,000	984,000
Electronic messages received	7,000	7,100	7,200
Publication subscriptions	17,400	17,500	17,600
Epidemiological Investigations:			
Cooperative efforts with State and public health offices	30	32	34
Illnesses reported and treated ^b	583	580	570

General and special funds—Continued

SALARIES AND EXPENSES—Continued

FEDERALLY FUNDED INSPECTION ACTIVITIES—Continued

	2003 actual	2004 est.	2005 est.
Field Automation and Information Management Project:			
Number of computers to be provided to federal field inspection staff	800	700	700
Number of computers to be provided to state field inspection staff	100	100	100

^aStates with cooperative agreements which are operating programs.
^bData must be collected over a number of years to chart national trends and estimate the incidence of foodborne illness and treatment.

Summary of Budget Authority and Outlays

(in millions of dollars)

	2003 actual	2004 est.	2005 est.
Enacted/requested:			
Budget Authority	754	775	839
Outlays	732	776	837
Legislative proposal, not subject to PAYGO:			
Budget Authority			-124
Outlays			-124
Total:			
Budget Authority	754	775	715
Outlays	732	776	713

Object Classification (in millions of dollars)

Identification code 12-3700-0-1-554	2003 actual	2004 est.	2005 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	421	442	460
11.3 Other than full-time permanent	16	16	17
11.5 Other personnel compensation	22	22	22
11.9 Total personnel compensation	459	480	499
12.1 Civilian personnel benefits	141	148	159
13.0 Benefits for former personnel	1	1	1
21.0 Travel and transportation of persons	28	28	34
22.0 Transportation of things	5	6	6
23.1 Rental payments to GSA	1	1	1
23.2 Rental payments to others	1	1	2
23.3 Communications, utilities, and miscellaneous charges	9	9	5
24.0 Printing and reproduction	1	1	1
25.2 Other services	14	18	28
25.3 Other purchases of goods and services from Government accounts	33	33	31
25.4 Operation and maintenance of facilities	1	1	1
25.5 Research and development contracts			3
25.7 Operation and maintenance of equipment	1		
26.0 Supplies and materials	11	11	13
31.0 Equipment	7	10	4
41.0 Grants, subsidies, and contributions	43	44	45
99.0 Direct obligations	756	792	833
99.0 Reimbursable obligations	102	108	110
99.5 Below reporting threshold	1		3
99.9 Total new obligations	859	900	946

Personnel Summary

Identification code 12-3700-0-1-554	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	9,208	9,557	9,629
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	243	243	243

SALARIES AND EXPENSES

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12-3700-2-1-554	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct program			-124

09.01 Reimbursable program			124
10.00 Total new obligations			
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation			-124
68.00 Spending authority from offsetting collections: Offsetting collections (cash)			124
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			-124
Net budget authority and outlays:			
89.00 Budget authority			-124
90.00 Outlays			-124

Object Classification (in millions of dollars)

Identification code 12-3700-2-1-554	2003 actual	2004 est.	2005 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent			-70
11.3 Other than full-time permanent			-3
11.5 Other personnel compensation			-3
11.9 Total personnel compensation			-76
12.1 Civilian personnel benefits			-21
21.0 Travel and transportation of persons			-5
23.3 Communications, utilities, and miscellaneous charges			-2
25.2 Other services			-10
25.3 Other purchases of goods and services from Government accounts			-4
26.0 Supplies and materials			-3
31.0 Equipment			-3
99.0 Direct obligations			-124
99.0 Reimbursable obligations			124
99.9 Total new obligations			

Personnel Summary

Identification code 12-3700-2-1-554	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment			-1,592
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment			1,592

Trust Funds

EXPENSES AND REFUNDS, INSPECTION AND GRADING OF FARM PRODUCTS

Unavailable Receipts (in millions of dollars)

Identification code 12-8137-0-7-352	2003 actual	2004 est.	2005 est.
01.99 Balance, start of year			
Receipts:			
02.20 Deposits of fees, inspection and grading of farm products, Food	4	3	3
04.00 Total: Balances and collections	4	3	3
Appropriations:			
05.00 Expenses and refunds, inspection and grading of farm products	-4	-3	-3
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 12-8137-0-7-352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct Program Activity	3	3	3
10.00 Total new obligations	3	3	3
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	2	2
22.00 New budget authority (gross)	4	3	3
23.90 Total budgetary resources available for obligation	5	5	5
23.95 Total new obligations	-3	-3	-3
24.40 Unobligated balance carried forward, end of year	2	2	2
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)	4	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	3	3	3
Net budget authority and outlays:			
89.00 Budget authority	4	3	3
90.00 Outlays	3	3	3

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

Object Classification (in millions of dollars)

Identification code 12-8137-0-7-352	2003 actual	2004 est.	2005 est.
Personnel compensation:			
11.1 Full-time permanent	1	1	1
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	2	2	2
12.1 Civilian personnel benefits	1	1	1
99.9 Total new obligations	3	3	3

Personnel Summary

Identification code 12-8137-0-7-352	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	28	28	28

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, **[\$35,890,000]** \$44,150,000: *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; Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-2400-0-1-352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Standardization	4	4	6
00.02 Compliance	5	6	7
00.03 Methods development	5	7	7
00.04 Packers and stockyards program	19	23	24
10.00 Total new obligations	33	40	44
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		4	
22.00 New budget authority (gross)	38	36	44
23.90 Total budgetary resources available for obligation	38	40	44
23.95 Total new obligations	-33	-40	-44
24.40 Unobligated balance carried forward, end of year	4		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	40	36	44
41.00 Transferred to other accounts	-2		
43.00 Appropriation (total discretionary)	38	36	44
Change in obligated balances:			
72.40 Obligated balance, start of year	5	6	6
73.10 Total new obligations	33	40	44
73.20 Total outlays (gross)	-32	-40	-43
74.40 Obligated balance, end of year	6	6	7
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	27	30	37
86.93 Outlays from discretionary balances	5	10	6
87.00 Total outlays (gross)	32	40	43
Net budget authority and outlays:			
89.00 Budget authority	38	36	44
90.00 Outlays	32	40	43

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

General and special funds—Continued

SALARIES AND EXPENSES—Continued

by prohibiting the introduction and reintroduction of dockage and foreign material to grain.

For 2005, 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

	2003 actual	2004 est.	2005 est.
U.S. standards in effect at end of year	19	19	19
Standards reviews in progress	3	3	3
Standards reviews completed	3	3	3
Inspection techniques developed	103	76	18
On-site investigations	1	5	5
Designations renewed	18	19	19
Registration certificates issued	92	90	90
Investigations	1,742	1,550	1,550
Market agencies/dealers registered	5,827	5,800	5,775
Stockyards posted	1,429	1,425	1,420
Slaughtering and processing packers subject to the Act (estimated)	6,000	6,000	6,000
Distributors, brokers, and dealers subject to the Act (estimated)	6,800	6,800	6,800
Poultry operations subject to the Act	202	202	202

Summary of Budget Authority and Outlays

(in millions of dollars)

	2003 actual	2004 est.	2005 est.
Enacted/requested:			
Budget Authority	38	36	44
Outlays	32	40	43
Legislative proposal, not subject to PAYGO:			
Budget Authority			-29
Outlays			-29
Total:			
Budget Authority	38	36	15
Outlays	32	40	14

Object Classification (in millions of dollars)

Identification code 12-2400-0-1-352	2003 actual	2004 est.	2005 est.
11.1 Personnel compensation: Full-time permanent	20	22	23
12.1 Civilian personnel benefits	5	5	6
21.0 Travel and transportation of persons	1	1	2
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	4	8	8
26.0 Supplies and materials	1	1	1
31.0 Equipment	1	2	3
99.9 Total new obligations	33	40	44

Personnel Summary

Identification code 12-2400-0-1-352	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	325	354	354

SALARIES AND EXPENSES

(Legislative proposal, not subject to PAYGO)

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.

Program and Financing (in millions of dollars)

Identification code 12-2400-2-1-352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Standardization			-6
00.04 Packers and Stockyards			-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)			
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			-29
Net budget authority and outlays:			
89.00 Budget authority			-29
90.00 Outlays			-29

Object Classification (in millions of dollars)

Identification code 12-2400-2-1-352	2003 actual	2004 est.	2005 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent			-15
12.1 Civilian personnel benefits			-5
21.0 Travel and transportation of persons			-1
23.3 Communications, utilities, and miscellaneous charges			-1
25.2 Other services			-5
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	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment			-231
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment			231

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; Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-4050-0-3-352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
09.00 Reimbursable program	36	42	42
10.00 Total new obligations	36	42	42
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	4	4	4
22.00 New budget authority (gross)	36	42	42
23.90 Total budgetary resources available for obligation	40	46	46
23.95 Total new obligations	-36	-42	-42
24.40 Unobligated balance carried forward, end of year	4	4	4
New budget authority (gross), detail:			
Discretionary:			
42.00 Transferred from other accounts	2		
Mandatory:			
69.00 Offsetting collections (cash)	34	42	42
70.00 Total new budget authority (gross)	36	42	42
Change in obligated balances:			
72.40 Obligated balance, start of year	-4	-2	-2
73.10 Total new obligations	36	42	42
73.20 Total outlays (gross)	-34	-42	-42
74.40 Obligated balance, end of year	-2	-2	-2
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	34	42	42
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-34	-42	-42
Net budget authority and outlays:			
89.00 Budget authority	2		
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 7 delegated States and 49 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).

	2003 actual	2004 est.	2005 est.
Export grain inspected and/or weighed (million metric tons):			
By Federal personnel	71.6	80.3	81.3
By delegated States	24.9	27.9	28.3
Quantity of grain inspected (all official inspections) domestically million metric tons	125.8	132.6	136.7
Number of inspections and reinspections:			
By Federal personnel	93,795	90,000	90,000
By delegated state/official agency licenses	1,713,364	1,700,000	1,700,000
Number of appeals	3,781	3,700	3,700
Number of appeals carried to the Board of Appeals and Review	528	525	525
Quantity of rice inspected (million metric tons)	3.7	3.4	3.8
Quantity of rice exports (million metric tons)	4.0	3.0	3.1

Object Classification (in millions of dollars)

Identification code 12-4050-0-3-352	2003 actual	2004 est.	2005 est.
Personnel compensation:			
11.1 Full-time permanent	19	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	25	29	29
12.1 Civilian personnel benefits	5	6	6
21.0 Travel and transportation of persons	1	1	1
23.1 Rental payments to GSA	1	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	3	3	3
26.0 Supplies and materials	1	1	1
99.9 Total new obligations	36	42	42

Personnel Summary

Identification code 12-4050-0-3-352	2003 actual	2004 est.	2005 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	382	406	406

AGRICULTURAL MARKETING SERVICE

Federal Funds

General and special funds:

MARKETING SERVICES

For necessary expenses to carry out services related to consumer protection, agricultural marketing and distribution, transportation, and regulatory programs, as authorized by law, and for administration and coordination of payments to States, **[\$75,430,000]** \$85,998,000, 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: *Provided further*, That, in the case of the term of protection for the variety for which certificate number 8200179 was issued, on the date of enactment of this Act, the Secretary of Agriculture shall issue a new certificate for a term of protection of 10 years for the variety, except that the Secretary may terminate the certificate (at the end of any calendar year that is more than 5 years after the date of issuance of the certificate) if the Secretary determines that a new variety of seed (that is substantially based on the genetics of the variety for which the certificate was issued) is commercially viable and available in sufficient quantities to meet market demands].

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 **[\$62,577,000]** \$64,459,000 (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, 511-511g, 511r; Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-2500-0-1-352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
Direct program:			
00.01 Market news service	30	30	31
00.02 Inspection and standardization	7	7	7
00.03 Market protection and promotion	31	32	42
00.04 Wholesale market development	3	3	3
00.05 Transportation services	3	3	3
09.01 Reimbursable program	37	66	67
10.00 Total new obligations	111	141	153

General and special funds—Continued

MARKETING SERVICES—Continued

LIMITATION ON ADMINISTRATIVE EXPENSES LEVEL—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-2500-0-1-352	2003 actual	2004 est.	2005 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	17	27	27
22.00 New budget authority (gross)	120	141	153
23.90 Total budgetary resources available for obligation	137	168	180
23.95 Total new obligations	-111	-141	-153
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance carried forward, end of year	27	27	27
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	76	75	86
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	44	66	67
70.00 Total new budget authority (gross)	120	141	153
Change in obligated balances:			
72.40 Obligated balance, start of year	11	18	15
73.10 Total new obligations	111	141	153
73.20 Total outlays (gross)	-102	-145	-152
73.40 Adjustments in expired accounts (net)	-1	2	2
74.10 Change in uncollected customer payments from Federal sources (expired)	1	-1	-1
74.40 Obligated balance, end of year	18	15	17
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	103	132	143
86.93 Outlays from discretionary balances	-1	13	9
87.00 Total outlays (gross)	102	145	152
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-44	-66	-67
Net budget authority and outlays:			
89.00 Budget authority	76	75	86
90.00 Outlays	58	79	85
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities:			
Par value	13		
92.02 Total investments, end of year: Federal securities:			
Par value			

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

The individual Marketing Services activities include:

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

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

	2003 actual	2004 est.	2005 est.
Percentage of reports released on time	95%	95%	95%

COTTON AND TOBACCO USER FEE PROGRAM

	2003 actual	2004 est.	2005 est.
Cotton classed (samples in millions)	17.3	17.8	17.8
Tobacco graded at auction markets and contract delivery stations (million pounds)	858	804	769
Imported tobacco inspected at markets and ports of entry (million kilograms)	367	385	380

FEDERALLY FUNDED INSPECTION AND PROCUREMENT ACTIVITIES

	2003 actual	2004 est.	2005 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

	2003 actual	2004 est.	2005 est.
International and U.S. standards in effect, end of fiscal year	603	604	605
Number of commodities covered	226	226	227

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, lamb, 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

	2003 actual	2004 est.	2005 est.
Pesticide data program:			
Number of analyses performed	99,500	98,000	98,000
Percentage of sampling and analysis goal	100%	100%	100%
Pesticide recordkeeping:			
Number of State/Federal Inspections conducted	4,900	4,800	4,900
Percentage of sampling goal attained	100%	100%	100%
Seed Act:			
Interstate investigations:			
Completed	269	450	500
Pending	676	575	550
Seed samples tested	2440	2650	2900
Percentage of cases submitted that are completed	85%	90%	92%
Plant Variety Protection Act:			
Percentage of application processing goal completed	100%	100%	100%
Number of applications received	350	250	250
Certificates of protection issued	340	300	300
Research and promotion collections (dollars in millions)	436	437	439
Percentage of board budgets and marketing plans approved within time frame goal	93%	92%	92%

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

	2003 actual	2004 est.	2005 est.
Number of projects completed	10	10	9

TRANSPORTATION SERVICES ACTIVITIES

	2003 actual	2004 est.	2005 est.
Number of projects completed	8	8	9

Object Classification (in millions of dollars)

Identification code 12-2500-0-1-352	2003 actual	2004 est.	2005 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	29	29	29
11.3 Other than full-time permanent	1	2	2
11.9 Total personnel compensation	30	31	31
12.1 Civilian personnel benefits	7	8	8
21.0 Travel and transportation of persons	2	2	2
23.2 Rental payments to others	2	1	1
23.3 Communications, utilities, and miscellaneous charges	2	2	2
25.2 Other services	5	6	16
25.3 Other purchases of goods and services from Government accounts	21	20	20
25.7 Operation and maintenance of equipment	1	1	1
26.0 Supplies and materials	1	1	2
31.0 Equipment	3	3	3
99.0 Direct obligations	74	75	86
99.0 Reimbursable obligations	37	66	67
99.9 Total new obligations	111	141	153

Personnel Summary

Identification code 12-2500-0-1-352	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	542	562	564
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	597	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)), [**\$3,338,000**, of which not less than \$2,000,000 shall be used to make noncompetitive grants under this heading] **\$1,347,000**. (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-2501-0-1-352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct Program Activity	1	3	1
10.00 Total new obligations (object class 41.0)	1	3	1
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	1	3	1
23.95 Total new obligations	-1	-3	-1
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1	3	1
Change in obligated balances:			
72.40 Obligated balance, start of year	3	2	1
73.10 Total new obligations	1	3	1
73.20 Total outlays (gross)	-1	-2	-2
74.40 Obligated balance, end of year	2	1	1
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1		

86.93 Outlays from discretionary balances	1	1	2
87.00 Total outlays (gross)	1	2	2
Net budget authority and outlays:			
89.00 Budget authority	1	3	1
90.00 Outlays	1	2	2

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 Receipts (in millions of dollars)

Identification code 12-5070-0-2-352	2003 actual	2004 est.	2005 est.
01.99 Balance, start of year			
Receipts:			
02.00 Deposits, Perishable Agricultural Commodities Act fund	6	8	8
04.00 Total: Balances and collections	6	8	8
Appropriations:			
05.00 Perishable Agricultural Commodities Act fund	-6	-8	-8
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 12-5070-0-2-352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct Program Activity	-10	9	9
10.00 Total new obligations	-10	9	9
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	10	27	26
22.00 New budget authority (gross)	6	8	8
23.90 Total budgetary resources available for obligation	16	35	34
23.95 Total new obligations	10	-9	-9
24.40 Unobligated balance carried forward, end of year	27	26	25
New budget authority (gross), detail:			
Mandatory:			
60.20 Appropriation (special fund)	6	8	8
Change in obligated balances:			
72.40 Obligated balance, start of year	2	2	2
73.10 Total new obligations	-10	9	9
73.20 Total outlays (gross)	11	-8	-8
74.40 Obligated balance, end of year	2	2	2
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	-6	8	8
86.98 Outlays from mandatory balances	-5		
87.00 Total outlays (gross)	-11	8	8
Net budget authority and outlays:			
89.00 Budget authority	6	8	8
90.00 Outlays	-11	8	8
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities: Par value	12		

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

General and special funds—Continued

PERISHABLE AGRICULTURAL COMMODITIES ACT FUND—Continued

two parties, (b) formal decisions involving payment of reparation awards, and/or (c) suspension or revocation of license and/or publication of the facts. Beginning October 1, 1994, an additional fee was instituted for the filing of formal and informal complaints of violations of the Act. The November 1995 amendments to the Perishable Agricultural Commodities Act: (1) increased the license fee and phased out fees for wholesale grocers and retailers by 1999; (2) provided permanent authority to the Secretary of Agriculture to set license and reparation complaint filing fees; and (3) repealed the 25 percent maximum funding reserve cap.

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

PERISHABLE AGRICULTURAL COMMODITIES ACT ACTIVITIES

	2003 actual	2004 est.	2005 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	2003 actual	2004 est.	2005 est.
11.1 Personnel compensation: Full-time permanent	6	6	6
12.1 Civilian personnel benefits	2	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.3 Other purchases of goods and services from Government accounts	1	1	1
33.0 Investments and loans	-20		
99.9 Total new obligations	-10	9	9

Personnel Summary

Identification code 12-5070-0-2-352	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	94	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 **[\$15,392,000]** \$15,800,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937 and the Agricultural Act of 1961. (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Unavailable Receipts (in millions of dollars)

Identification code 12-5209-0-2-605	2003 actual	2004 est.	2005 est.
01.99 Balance, start of year	10,084	10,348	10,935
Receipts:			
02.00 30 percent of customs duties, funds for strengthening markets, income, and supply	6,062	6,513	6,682
02.40 General fund payment, Funds for strengthening markets, income, and supply		1	1
02.99 Total receipts and collections	6,062	6,514	6,683
04.00 Total: Balances and collections	16,146	16,862	17,618
Appropriations:			
05.00 Funds for strengthening markets, income, and supply (section 32)	-5,798	-5,927	-6,200

07.99 Balance, end of year	10,348	10,935	11,418
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Program and Financing (in millions of dollars)

Identification code 12-5209-0-2-605	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
Direct program:			
Commodity program payments:			
00.01 Child nutrition program purchases	200	400	400
00.02 Emergency surplus removal	222	501	415
00.03 Livestock Compensation Program	867		
00.04 State option contract	1	5	5
00.05 Removal of defective commodities	1	1	1
00.07 Direct Payments	8		
00.08 Deobligations of Prior Year Obligations	-40		
00.91 Subtotal, Commodity program payments	1,259	907	821
01.01 Administrative expenses	26	26	28
01.92 Total direct program	1,285	933	849
09.11 Reimbursable program	1	1	1
10.00 Total new obligations	1,286	934	850
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	193	134	349
22.00 New budget authority (gross)	1,227	1,148	801
23.90 Total budgetary resources available for obligation	1,420	1,282	1,150
23.95 Total new obligations	-1,286	-934	-850
24.40 Unobligated balance carried forward, end of year	134	349	300
New budget authority (gross), detail:			
Mandatory:			
60.20 Appropriation (special fund)	5,798	5,927	6,200
61.00 Transferred to other accounts	-4,821	-4,780	-5,400
62.00 Transferred from other accounts	250		
62.50 Appropriation (total mandatory)	1,227	1,147	800
69.00 Offsetting collections (cash)	1	1	1
70.00 Total new budget authority (gross)	1,228	1,148	801
Change in obligated balances:			
72.40 Obligated balance, start of year	35	41	42
73.10 Total new obligations	1,286	934	850
73.20 Total outlays (gross)	-1,280	-933	-850
74.40 Obligated balance, end of year	41	42	42
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	1,052	758	760
86.98 Outlays from mandatory balances	228	175	90
87.00 Total outlays (gross)	1,280	933	850
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	1,226	1,147	800
90.00 Outlays	1,279	932	849

Under section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), an amount equal to 30 percent of customs receipts collected during each calendar year is automatically appropriated for expanding outlets for perishable, non-price supported commodities. An amount equal to 30 percent of receipts collected on fishery products is transferred to the Department of Commerce. 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	2003 actual	2004 est.	2005 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	11	13	14
12.1 Civilian personnel benefits	3	3	4
21.0 Travel and transportation of persons		1	1

22.0	Transportation of things	1	1	1
23.3	Communications, utilities, and miscellaneous charges	1	1	1
25.2	Other services	5	4	4
25.3	Other purchases of goods and services from Government accounts	3	2	2
25.7	Operation and maintenance of equipment	2	1	1
26.0	Supplies and materials: Grants of commodities to States	1,258	906	820
31.0	Equipment	1	1	1
99.0	Direct obligations	1,285	933	849
99.0	Reimbursable obligations	1	1	1
99.9	Total new obligations	1,286	934	850

Personnel Summary

Identification code 12-5209-0-2-605	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	173	179	180
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	13	13	13

Trust Funds

EXPENSES AND REFUNDS, INSPECTION AND GRADING OF FARM PRODUCTS

Unavailable Receipts (in millions of dollars)

Identification code 12-8015-0-7-352	2003 actual	2004 est.	2005 est.
01.99 Balance, start of year	2	4	4
Receipts:			
02.20 Deposits of fees, inspection and grading of farm products, AMS	126	118	118
02.40 Payments from general fund, Wool research, development, and prom	2	2	2
02.99 Total receipts and collections	128	120	120
04.00 Total: Balances and collections	130	124	124
Appropriations:			
05.00 Expenses and refunds, inspection and grading of farm products	-126	-120	-120
07.99 Balance, end of year	4	4	4

Program and Financing (in millions of dollars)

Identification code 12-8015-0-7-352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Dairy products	4	6	6
00.02 Fruits and vegetables	37	54	54
00.03 Meat grading	19	23	23
00.04 Poultry products	26	25	25
00.05 Miscellaneous agricultural commodities	10	12	12
10.00 Total new obligations	96	120	120
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	19	49	49
22.00 New budget authority (gross)	126	120	120
23.90 Total budgetary resources available for obligation	145	169	169
23.95 Total new obligations	-96	-120	-120
24.40 Unobligated balance carried forward, end of year	49	49	49
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)	126	120	120
Change in obligated balances:			
72.40 Obligated balance, start of year	24	17	17
73.10 Total new obligations	96	120	120
73.20 Total outlays (gross)	-103	-120	-120
74.40 Obligated balance, end of year	17	17	17
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	96	115	115

86.98	Outlays from mandatory balances	7	5	5
87.00	Total outlays (gross)	103	120	120
Net budget authority and outlays:				
89.00	Budget authority	126	120	120
90.00	Outlays	103	120	120
Memorandum (non-add) entries:				
92.01	Total investments, start of year: Federal securities:			
	Par value	36		

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

WORKLOAD INDICATORS

	2003 actual	2004 est.	2005 est.
Weighted average cost per cwt. (1990 index)	\$0.08	\$0.09	\$0.09

Object Classification (in millions of dollars)

Identification code 12-8015-0-7-352	2003 actual	2004 est.	2005 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	63	60	60
11.1 Full-time permanent			
11.3 Other than full-time permanent	6	5	5
11.5 Other personnel compensation	11	9	9
11.9 Total personnel compensation	80	74	74
12.1 Civilian personnel benefits	22	17	17
13.0 Benefits for former personnel	1	1	1
21.0 Travel and transportation of persons	9	7	7
22.0 Transportation of things	1		
23.2 Rental payments to others	1	2	2
23.3 Communications, utilities, and miscellaneous charges	3	2	2
24.0 Printing and reproduction	1	1	1
25.2 Other services	9	10	10
25.3 Other purchases of goods and services from Government accounts	5	2	2
26.0 Supplies and materials	2	2	2
31.0 Equipment	2	2	2
99.0 Direct obligations	136	120	120
33.0 Allocation Account: Investments and loans	-40		
99.9 Total new obligations	96	120	120

Personnel Summary

Identification code 12-8015-0-7-352	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	1,499	1,511	1,511

MILK MARKET ORDERS ASSESSMENT FUND

Program and Financing (in millions of dollars)

Identification code 12-8412-0-8-351	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
09.01 Administration	33	39	39
09.02 Marketing service	7	5	5
10.00 Total new obligations	40	44	44

MILK MARKET ORDERS ASSESSMENT FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-8412-0-8-351	2003 actual	2004 est.	2005 est.
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	40	44	44
23.95 Total new obligations	-40	-44	-44
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	40	44	44
Change in obligated balances:			
73.10 Total new obligations	40	44	44
73.20 Total outlays (gross)	-40	-44	-44
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	40	44	44
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-40	-44	-44
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	2		
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities:			
Par value	1	2	
92.02 Total investments, end of year: Federal securities:			
Par value	2		
93.01 Unobligated balance, start of year: Contract authority			

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 non-Federal funds are collected locally, deposited in local banks, and disbursed directly by the market administrator.

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

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

Object Classification (in millions of dollars)

Identification code 12-8412-0-8-351	2003 actual	2004 est.	2005 est.
11.1 Personnel compensation: Full-time permanent	26	28	28
12.1 Civilian personnel benefits	5	6	6
21.0 Travel and transportation of persons	2	2	2
23.2 Rental payments to others	2	3	3
23.3 Communications, utilities, and miscellaneous charges	2	2	2
25.2 Other services	1	1	1
26.0 Supplies and materials	1	1	1

31.0 Equipment	1	1	1
99.9 Total new obligations	40	44	44

Personnel Summary

Identification code 12-8412-0-8-351	2003 actual	2004 est.	2005 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	443	443	443

RISK MANAGEMENT AGENCY

Federal Funds

General and special funds:

ADMINISTRATIVE AND OPERATING EXPENSES

For administrative and operating expenses, as authorized by section 226A of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6933), **[\$71,422,000] \$91,582,000: Provided,** That not to exceed \$1,000 shall be available for official reception and representation expenses, as authorized by 7 U.S.C. 1506(i). (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-2707-0-1-351	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct Program Activity	70	71	92
10.00 Total new obligations	70	71	92
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	71	71	92
23.95 Total new obligations	-70	-71	-92
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	71	71	92
Change in obligated balances:			
72.40 Obligated balance, start of year	24	19	21
73.10 Total new obligations	70	71	92
73.20 Total outlays (gross)	-77	-69	-85
73.40 Adjustments in expired accounts (net)	2		
74.40 Obligated balance, end of year	19	21	28
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	54	50	64
86.93 Outlays from discretionary balances	23	19	21
87.00 Total outlays (gross)	77	69	85
Net budget authority and outlays:			
89.00 Budget authority	71	71	92
90.00 Outlays	77	69	85

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

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

Object Classification (in millions of dollars)

Identification code 12-2707-0-1-351	2003 actual	2004 est.	2005 est.
Personnel compensation:			
11.1 Full-time permanent	36	37	40
11.3 Other than full-time permanent	1	1	1

11.9	Total personnel compensation	37	38	41
12.1	Civilian personnel benefits	8	8	8
21.0	Travel and transportation of persons	2	2	2
23.2	Rental payments to others	1	1	1
23.3	Communications, utilities, and miscellaneous charges	1	1	1
25.2	Other services	20	17	35
26.0	Supplies and materials	1	2	2
31.0	Equipment	1	2	2
99.9	Total new obligations	70	71	92

Personnel Summary

Identification code 12-2707-0-1-351	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	515	568	598

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. (*Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.*)

Public enterprise funds:

FEDERAL CROP INSURANCE CORPORATION FUND

For payments as authorized by section 516 of the Federal Crop Insurance Act (7 U.S.C. 1516), such sums as may be necessary, to remain available until expended. (*Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.*)

Program and Financing (in millions of dollars)

Identification code 12-4085-0-3-351	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Indemnities	1,278	4,545	2,821
00.02 A&O Reimbursements	743	802	783
00.03 ARPA Obligations	49	77	77
09.01 Reimbursable Program—Indemnities	832	1,032	994
10.00 Total new obligations	2,902	6,456	4,675
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1,017	1,854	195
22.00 New budget authority (gross)	3,738	4,797	5,089
23.90 Total budgetary resources available for obligation	4,755	6,651	5,284
23.95 Total new obligations	-2,902	-6,456	-4,675
24.40 Unobligated balance carried forward, end of year	1,854	195	609
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	2,911	3,765	4,095
61.00 Transferred to other accounts	-5		
62.50 Appropriation (total mandatory)	2,906	3,765	4,095
69.00 Offsetting collections (cash)	832	1,032	994
70.00 Total new budget authority (gross)	3,738	4,797	5,089
Change in obligated balances:			
72.40 Obligated balance, start of year	1,305	120	1,579
73.10 Total new obligations	2,902	6,456	4,675
73.20 Total outlays (gross)	-4,087	-4,997	-4,679
74.40 Obligated balance, end of year	120	1,579	1,575
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	3,070	3,398	3,500
86.98 Outlays from mandatory balances	1,017	1,599	1,179
87.00 Total outlays (gross)	4,087	4,997	4,679
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-832	-1,032	-994

Net budget authority and outlays:			
89.00 Budget authority	2,906	3,765	4,095
90.00 Outlays	3,254	3,965	3,685

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.

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

Additional coverage is available to producers who wish to insure crops above the 50 percent coverage level/55 percent price level. Policyholders can elect to be paid up to 100 percent of the market price established by FCIC for each unit of production their actual yield is less than the individual yield guarantee. Premium rates for additional coverage depend on the level of 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. A Group Risk Income Protection plan provides 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.

The Adjusted Gross Revenue-Lite (AGR-Lite) insurance plan was approved in late 2002 and offered for sale in 2003. This product was submitted to FCIC through Section 508(h) of the Act and was authorized by ARPA. AGR-Lite is available

Public enterprise funds—Continued

FEDERAL CROP INSURANCE CORPORATION FUND—Continued

in most of Pennsylvania and covers whole farm revenue up to \$100,000, including revenue from animals and animal products. AGR-Lite covers the adjusted gross revenue from the whole farm based on five years of tax forms and a farm plan. AGR-Lite initially began as a pilot in Pennsylvania and was expanded to include selected counties of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, Vermont, and West Virginia.

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 2003, RMA awarded over \$24 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, 2003. 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 cover swine in the State of Iowa and were 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 2003, 218.6 million acres were insured, with an estimated \$3,430 million in total premium income, including \$2,041 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 2005. Amounts in the 2003 column are as of September 30, 2003, and pertain to the 2003 crop year.

	2003 crop year estimate	2004 crop year estimate	2005 crop year estimate
Number of States	50	50	50
Number of counties	3,067	3,067	3,067
Insurance in force (millions)	40,586	42,735	42,051
Insured acreage (millions)	219	221	221
Producer premium (millions) ¹	1,389	1,451	1,371
Premium subsidy (millions) ¹	2,041	2,142	2,127
Total premium (millions) ¹	3,430	3,593	3,498
Indemnities (million) ¹	3,825	3,972	3,869
Loss ratio	1.12	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]		
	2003 fiscal year actual	2004 fiscal year estimate	2005 fiscal year estimate
Premiums:			
Additional coverage premium subsidy	1,612	1,819	1,915
Catastrophic coverage—Reinsurance premium subsidy	248	225	226
Subtotal, premium subsidy	1,860	2,044	2,141
Producer premium	1,072	1,432	1,415
Total premiums	2,932	3,476	3,556
Indemnities:			
Additional coverage	3,485	3,666	3,566
Catastrophic coverage—Reinsurance	283	253	249
Total indemnities	3,768	3,919	3,815

For crop years 1948 through 2002, indemnities (\$30,485 million) exceeded premium income (\$27,129 million) by \$3,356 million; the loss ratio for the period was 1.13.

The following table summarizes the insurance operations for 2003, 2004, and 2005:

NET INCOME OR LOSS (–) ON INSURANCE OPERATIONS

	[In millions of dollars]		
	2003 fiscal year est.	2004 fiscal year est.	2005 fiscal year est.
Producer premium less indemnities	–2,696	–2,487	–2,400
Interest expense, net	0	0	0
Delivery expenses ¹	–743	–801	–782
Other income or expense, net	51	49	49
ARPA costs	–49	–77	–77
Reinsurance underwriting gain (+) or loss (–)	52	–450	–471
Net income or loss (–)	–3,385	–3,766	–3,681

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

Balance Sheet (in millions of dollars)

Identification code 12–4085–0–3–351	2002 actual	2003 actual	2004 est.	2005 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	2,567	1,974		
1206 Non-Federal assets: Receivables, net	750	1,152		
1803 Other Federal assets: Property, plant and equipment, net	1	100		
1999 Total assets	3,318	3,226		
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable	1			
2105 Other	175	3		
Non-Federal liabilities:				
2201 Accounts payable	70	112		
2207 Other	1,750	3,562		
2999 Total liabilities	1,996	3,677		
NET POSITION:				
3100 Appropriated capital	700	342		
3300 Cumulative results of operations	622	–793		
3999 Total net position	1,322	–451		
4999 Total liabilities and net position	3,318	3,226		

Note: Consistent with Government-wide practice, information for 2004 and 2005 was not required to be collected.

Object Classification (in millions of dollars)

Identification code 12-4085-0-3-351	2003 actual	2004 est.	2005 est.
Direct obligations:			
25.2 Other services-ARPA requirements	49	77	77
25.2 Other services	743	802	783
42.0 Insurance claims and indemnities (reinsured buyup)	1,278	4,545	2,821
99.0 Direct obligations	2,070	5,424	3,681
42.0 Reimbursable obligations: Insurance claims and indemnities	832	1,032	994
99.9 Total new obligations	2,902	6,456	4,675

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, **[\$988,768,000] \$1,007,877,000: 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. (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-0600-0-1-351	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Farm Income Support	773	762	794
00.02 Conservation Programs	140	151	144
00.05 Commodity Operations	58	70	70
03.00 Subtotal, direct program	971	983	1,008
Reimbursable program:			
09.01 Farm loans	277	281	305
09.02 Other programs	197	106	111
09.99 Subtotal, reimbursable program	474	387	416
10.00 Total new obligations	1,445	1,370	1,424
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2	1	.....
22.00 New budget authority (gross)	1,445	1,370	1,424
22.10 Resources available from recoveries of prior year obligations	1	.....	.....
23.90 Total budgetary resources available for obligation	1,448	1,371	1,424
23.95 Total new obligations	-1,445	-1,370	-1,424
24.40 Unobligated balance carried forward, end of year	1	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	977	989	1,008
40.35 Appropriation permanently reduced	-6	-6	.....
43.00 Appropriation (total discretionary)	971	983	1,008
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	459	387	416
68.10 Change in uncollected customer payments from Federal sources (unexpired)	15	.....	.....
68.90 Spending authority from offsetting collections (total discretionary)	474	387	416
70.00 Total new budget authority (gross)	1,445	1,370	1,424
Change in obligated balances:			
72.40 Obligated balance, start of year	180	211	158
73.10 Total new obligations	1,445	1,370	1,424
73.20 Total outlays (gross)	-1,408	-1,423	-1,425
73.40 Adjustments in expired accounts (net)	-9	.....	.....
73.45 Recoveries of prior year obligations	-1	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-15	.....	.....

74.10 Change in uncollected customer payments from Federal sources (expired)	19	.....	.....
74.40 Obligated balance, end of year	211	158	157
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1,276	1,269	1,320
86.93 Outlays from discretionary balances	132	154	105
87.00 Total outlays (gross)	1,408	1,423	1,425
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-478	-359	-386
88.40 Non-Federal sources .....	.....	-28	-30
88.90 Total, offsetting collections (cash)	-478	-387	-416
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-15	.....	.....
88.96 Portion of offsetting collections (cash) credited to expired accounts	19	.....	.....
Net budget authority and outlays:			
89.00 Budget authority	971	983	1,008
90.00 Outlays	930	1,036	1,009

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

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

This budget proposes changes that will allow the agencies to operate together more efficiently within the current organi-

General and special funds—Continued

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

zational constraints. Specifically, the Administration proposes that FSA and RD streamline their systems for processing and servicing loans, where appropriate, to capitalize on improvements made in information technology and organizational structures. Continued focus will also be placed on eliminating redundant IT efforts and improving e-government services.

Farm programs.—These programs provide an economic safety net through farm income support to eligible producers, cooperatives, and associations to help improve the economic stability and viability of the agricultural sector and to ensure the production of an adequate and reasonably priced supply of food and fiber. Objectives of the Agency include providing direct and counter-cyclical payments, providing marketing assistance loans and loan deficiency payments enabling recipients to continue farming operations without marketing their product immediately after harvest, stabilizing the price and production of tobacco, and providing a financial assistance safety net to eligible producers when natural disasters result in a catastrophic loss of production or prevent planting of noninsured crops, and timely approval of crop prices, average yields, and payment factors for the Noninsured Crop Disaster Assistance Program (NAP).

Farm program activities include the following functions dealing with the administration of programs carried out through the farmer committee system of the FSA: (a) developing program regulations and procedures; (b) collecting and compiling basic data for individual farms; (c) establishing individual farm allotments for tobacco and farm planting history; (d) notifying producers of established allotments and farm planting histories; (e) determining farm marketing quotas for tobacco; (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 direct and counter-cyclical 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, procure-

ment, storage, and distribution activities to support domestic and international food assistance programs and administering the U.S. Warehouse Act (USWA). The Agency provides for the examination of warehouses licensed under the USWA and non-licensed warehouses storing CCC-owned or pledged commodities. Examiners perform periodic examinations of the facilities and the warehouse records to ensure protection of depositors against potential losses of the stored commodities and to ensure compliance with the USWA and any CCC storage agreements.

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

Other reimbursable activities.—FSA collects a fee or is reimbursed for performing a variety of services for other Federal 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	2003 actual	2004 est.	2005 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	162	175	180
11.3 Other than full-time permanent	3	2	3
11.5 Other personnel compensation	5	6	6
11.9 Total personnel compensation	170	183	189
12.1 Civilian personnel benefits	40	45	46
21.0 Travel and transportation of persons	7	12	9
22.0 Transportation of things	3	3	3
23.3 Communications, utilities, and miscellaneous charges	8	16	15
24.0 Printing and reproduction	1	1	1
25.2 Other services	97	71	67
26.0 Supplies and materials	4	4	5
31.0 Equipment	9	8	7
41.0 Grants, subsidies, and contributions	631	639	665
42.0 Insurance claims and indemnities	1	1	1
99.0 Direct obligations	971	983	1,008
99.0 Reimbursable obligations	474	387	416
99.9 Total new obligations	1,445	1,370	1,424

Personnel Summary

Identification code 12-0600-0-1-351	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	2,510	2,466	2,448
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	3,395	3,451	3,569

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), **[\$3,974,000] \$4,000,000.** (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-0170-0-1-351	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 State Mediation grants	4	4	4
10.00 Total new obligations (object class 41.0)	4	4	4
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	4	4	4
23.95 Total new obligations	-4	-4	-4
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	4	4	4
Change in obligated balances:			
72.40 Obligated balance, start of year	2	3	4
73.10 Total new obligations	4	4	4
73.20 Total outlays (gross)	-3	-3	-4
74.40 Obligated balance, end of year	3	4	4
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1	1	1
86.93 Outlays from discretionary balances	2	2	3
87.00 Total outlays (gross)	3	3	4
Net budget authority and outlays:			
89.00 Budget authority	4	4	4
90.00 Outlays	3	3	4

This grant program is authorized by Title V of the Agricultural Credit Act of 1987, P.L. 100-233, as amended. Originally designed to address agricultural credit disputes, the program was expanded by the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (P.L. 103-354) to include other agricultural issues such as wetland determinations, conservation compliance, rural water loan programs, grazing on National Forest System lands, and pesticide use. Grants are made to States whose agricultural mediation programs have been certified by the Farm Service Agency. A grant will not exceed 70 percent of the total fiscal year funds that a qualifying State requires to operate and administer its agricultural mediation program. In no case will the total amount of a grant exceed \$500,000 annually.

GRANT OBLIGATIONS

	2003 actual	2004 est.	2005 est.
Number of States receiving grants	30	33	36
Amount of grants (in millions of dollars)	3.9	3.9	4

TREE ASSISTANCE PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-2701-0-1-351	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Tree Assistance Payments		13	
10.00 Total new obligations (object class 41.0)		13	
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		13	
23.95 Total new obligations		-13	
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation		13	
Change in obligated balances:			
72.40 Obligated balance, start of year	5		10
73.10 Total new obligations		13	
73.20 Total outlays (gross)		-3	-2
73.40 Adjustments in expired accounts (net)	-5		
74.40 Obligated balance, end of year		10	8
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority		3	
86.93 Outlays from discretionary balances			2
87.00 Total outlays (gross)		3	2
Net budget authority and outlays:			
89.00 Budget authority		13	

90.00 Outlays	3	2
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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. No outlays occurred during 2003. The 1998 TAP expired at the end of 2003, and the 1999 TAP will expire at the end of 2004.

The Farm Security and Rural Investment Act of 2002 reauthorized the program, with some modifications.

For FY 2004, Division H of H.R. 2673 appropriates \$12.5 million for the program in southern California. Division A provides \$5 million in Commodity Credit Corporation (CCC) funding for eligible producers in New York for losses as a result of an ice storm April 4-6, 2003. In addition, P.L. 108-83, the Legislative Branch Appropriations Act, provides \$9.7 million in CCC funding to compensate eligible orchardists in Michigan for losses due to fire blight since January 1, 2000.

No funding is requested for 2005.

CONSERVATION RESERVE PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3319-0-1-302	2003 actual	2004 est.	2005 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		2	
22.21 Unobligated balance transferred to other accounts		-2	
23.90 Total budgetary resources available for obligation			
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

The Conservation Reserve Program (CRP) was originally mandated by the Food Security Act of 1985. The Federal Agriculture Improvement and Reform Act of 1996 and the Farm Security and Rural Investment Act of 2002 reauthorized the program but changed the funding source from direct appropriation to the Commodity Credit Corporation. Annual rental payments, cost-share payments, and technical assistance for acres enrolled in the program are paid through the CCC. Just under \$2 million in unobligated appropriated funds were available at the beginning of FY 2003. Approximately \$1.8 million was transferred to the USDA Working Capital Fund account in FY 2003, leaving an end-of-year balance of just over \$100 thousand.

CRP program payment information is included under the Commodity Credit Corporation account.

AGRICULTURAL CONSERVATION PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3315-0-1-302	2003 actual	2004 est.	2005 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	2	6
22.10 Resources available from recoveries of prior year obligations	2	4	
22.21 Unobligated balance transferred to other accounts	-2		

General and special funds—Continued

AGRICULTURAL CONSERVATION PROGRAM—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-3315-0-1-302	2003 actual	2004 est.	2005 est.
23.90 Total budgetary resources available for obligation	1	6	6
24.40 Unobligated balance carried forward, end of year	2	6	6
Change in obligated balances:			
72.40 Obligated balance, start of year	7	4	
73.45 Recoveries of prior year obligations	-2	-4	
74.40 Obligated balance, end of year	4		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

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

The primary 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 2003, there were \$4.048 million in unliquidated obligations for ACP agreements.

EMERGENCY CONSERVATION PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3316-0-1-453	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 ECP payments	27	46	
10.00 Total new obligations (object class 41.0)	27	46	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	73	46	12
22.00 New budget authority (gross)		12	
23.90 Total budgetary resources available for obligation	73	58	12
23.95 Total new obligations	-27	-46	
24.40 Unobligated balance carried forward, end of year	46	12	12
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation		12	
Change in obligated balances:			
72.40 Obligated balance, start of year	29	9	
73.10 Total new obligations	27	46	
73.20 Total outlays (gross)	-47	-55	
74.40 Obligated balance, end of year	9		
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	47	55	
Net budget authority and outlays:			
89.00 Budget authority		12	
90.00 Outlays	47	55	

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. No funding was provided in 2002 or 2003 for ECP. However, the program continued to operate using unobligated funds carried forward from 2001 and recoveries throughout the two fiscal years. Under the 2003 program, cost-sharing and technical assistance were provided in 38 States and one territory

to treat farmlands damaged by drought, floods, ice storms, tornadoes, and other natural disasters. For FY 2004, Division H of H.R. 2673 provides \$12 million to repair damage caused by wildfire in southern California.

The 2005 budget proposes no funding 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 farm ownership (7 U.S.C. 1922 et seq.) and operating (7 U.S.C. 1941 et seq.) loans, Indian tribe land acquisition loans (25 U.S.C. 488), and boll weevil loans (7 U.S.C. 1989), to be available from funds in the Agricultural Credit Insurance Fund, as follows: farm ownership loans, **[\$1,079,158,000] \$1,600,000,000**, of which **[\$950,000,000] \$1,400,000,000** shall be for guaranteed loans and **[\$129,158,000] \$200,000,000** shall be for direct loans; operating loans, **[\$2,083,752,000] \$2,116,253,000**, of which \$1,200,000,000 shall be for unsubsidized guaranteed loans, **[\$266,249,000] \$266,253,000** shall be for subsidized guaranteed loans and **[\$617,503,000] \$650,000,000** shall be for direct loans; Indian tribe land acquisition loans, \$2,000,000; *emergency insured loans*, \$25,000,000 to meet the needs resulting from natural disasters; and for boll weevil eradication program loans, **[\$100,000,000] \$60,000,000**.

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, **[\$33,648,000] \$18,120,000**, of which **[\$5,130,000] \$7,420,000** shall be for guaranteed loans, and **[\$28,518,000] \$10,700,000** shall be for direct loans; operating loans, **[\$163,004,000] \$139,783,000**, of which **[\$39,960,000] \$38,760,000** shall be for unsubsidized guaranteed loans, **[\$34,000,000] \$35,438,000** shall be for subsidized guaranteed loans, and **[\$89,044,000] \$65,585,000** shall be for direct loans; *Indian tribe land acquisition loans*, \$105,000; and *emergency insured loans to meet the needs resulting from natural disasters*, \$3,235,000.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, **[\$290,968,000] \$313,011,000**, of which **[\$283,020,000] \$305,011,000** 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). (*Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.*)

Program and Financing (in millions of dollars)

Identification code 12-1140-0-1-351	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct loan subsidy	158	143	80
00.02 Guaranteed loan subsidy	91	81	82
00.05 Reestimates of direct loan subsidy	214		
00.06 Interest on reestimates of direct loan subsidy	25		
00.07 Reestimates of guaranteed loan subsidy	5	9	
00.08 Interest on reestimate of guaranteed loan subsidy	2		
00.09 Administrative expenses—salaries and expenses	284	289	313
00.10 reimbursement of lapsed funds	12		
10.00 Total new obligations	791	522	475
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	68	30	
22.00 New budget authority (gross)	759	493	474

22.10	Resources available from recoveries of prior year obligations	1		
23.90	Total budgetary resources available for obligation	828	523	474
23.95	Total new obligations	-791	-522	-475
23.98	Unobligated balance expiring or withdrawn	-6		
24.40	Unobligated balance carried forward, end of year	30		
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	515	488	474
40.35	Appropriation permanently reduced	-3	-3	
43.00	Appropriation (total discretionary)	512	485	474
Mandatory:				
60.00	Appropriation	247	8	
70.00	Total new budget authority (gross)	759	493	474
Change in obligated balances:				
72.40	Obligated balance, start of year	12	20	39
73.10	Total new obligations	791	522	475
73.20	Total outlays (gross)	-768	-502	-499
73.40	Adjustments in expired accounts (net)	-13		
73.45	Recoveries of prior year obligations	-1		
74.40	Obligated balance, end of year	20	39	15
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	509	468	457
86.93	Outlays from discretionary balances	12	26	42
86.97	Outlays from new mandatory authority	247	8	
87.00	Total outlays (gross)	768	502	499
Net budget authority and outlays:				
89.00	Budget authority	759	493	474
90.00	Outlays	768	502	499

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

Identification code 12-1140-0-1-351	2003 actual	2004 est.	2005 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Farm ownership	169	129	200
115002 Farm operating	690	601	650
115003 Emergency disaster	96		
115004 Indian tribe land acquisition		2	2
115005 Boll weevil eradication	99	100	60
115006 Seed cotton			
115901 Total direct loan levels	1,054	832	912
Direct loan subsidy (in percent):			
132001 Farm ownership	11.61	22.08	5.35
132002 Farm operating	17.25	14.42	10.09
132003 Emergency disaster	20.39	13.83	12.94
132004 Indian tribe land acquisition	8.95	-0.78	5.27
132005 Boll weevil eradication	-2.70	-6.07	-5.68
132006 Seed cotton	0.00	0.00	0.00
132901 Weighted average subsidy rate	14.71	13.10	8.11
Direct loan subsidy budget authority:			
133001 Farm ownership	20	28	11
133002 Farm operating	119	87	66
133003 Emergency disaster	19		
133004 Indian tribe land acquisition			
133005 Boll weevil eradication	-3	-6	-3
133006 Seed cotton			
133901 Total subsidy budget authority	155	109	74
Direct loan subsidy outlays:			
134001 Farm ownership	17	27	10
134002 Farm operating	109	86	63
134003 Emergency disaster	18	26	3
134004 Indian tribe land acquisition			
134005 Boll weevil eradication	-5	-4	-4
134006 Seed cotton			
134901 Total subsidy outlays	139	135	72
Direct loan upward reestimate subsidy budget authority:			
135001 Farm ownership	130		
135002 Farm operating	57		
135003 Emergency disaster	12		
135004 Indian tribe land acquisition			
135005 Boll weevil eradication	30		
135006 Seed cotton	10		
135007 Soil and water			
135008 Farm ownership credit sales			

135901 Total upward reestimate budget authority	239		
Direct loan downward reestimate subsidy budget authority:			
137001 Farm ownership	-5	-291	
137002 Farm operating	-146	-440	
137003 Emergency disaster	-6	-35	
137004 Indian tribe land acquisition	-4		
137005 Boll weevil eradication	-43	-117	
137006 Seed cotton		-2	
137007 Soil and water	-4		
137008 Farm ownership credit sales	-87	-48	
137901 Total downward reestimate budget authority	-295	-933	
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Farm ownership, unsubsidized	1,231	950	1,400
215002 Farm operating, unsubsidized	1,013	1,200	1,200
215003 Farm operating, subsidized	418	266	266
215901 Total loan guarantee levels	2,662	2,416	2,866
Guaranteed loan subsidy (in percent):			
232001 Farm ownership, unsubsidized	0.75	0.54	0.53
232002 Farm operating, unsubsidized	3.17	3.33	3.23
232003 Farm operating, subsidized	11.80	12.77	13.31
232901 Weighted average subsidy rate	3.38	3.27	2.83
Guaranteed loan subsidy budget authority:			
233001 Farm ownership, unsubsidized	9	5	7
233002 Farm operating, unsubsidized	32	40	39
233003 Farm operating, subsidized	49	34	35
233901 Total subsidy budget authority	90	79	81
Guaranteed loan subsidy outlays:			
234001 Farm ownership, unsubsidized	9	5	7
234002 Farm operating, unsubsidized	32	40	37
234003 Farm operating, subsidized	49	33	34
234901 Total subsidy outlays	90	78	78
Guaranteed loan upward reestimate subsidy budget authority:			
235001 Farm ownership, unsubsidized	1		
235002 Farm operating, unsubsidized		1	
235003 Farm operating, subsidized	6	7	
235901 Total upward reestimate budget authority	7	8	
Guaranteed loan downward reestimate subsidy budget authority:			
237001 Farm ownership, unsubsidized	-16	-6	
237002 Farm operating, unsubsidized	-36	-26	
237003 Farm operating, subsidized	-3	-23	
237901 Total downward reestimate subsidy budget authority	-55	-55	
Administrative expense data:			
351001 Budget authority	287	290	290
358001 Outlays from balances			
359001 Outlays from new authority	272	279	302

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

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

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

Under the Dairy indemnity program (DIP), payments are made to farmers and manufacturers of dairy products who are directed to remove their milk or milk products from commercial markets because they contain residues of chemicals that have been registered and approved by the Federal Government, other chemicals, nuclear radiation, or nuclear fall-

Credit accounts—Continued

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

out. Indemnification may also be paid for cows producing such milk.

In 2003, \$393 thousand was paid to producers who filed claims under the program.

The 2005 budget requests \$100 thousand for this program.

Object Classification (in millions of dollars)

Identification code 12-1140-0-1-351	2003 actual	2004 est.	2005 est.
25.3 Other purchases of goods and services from Government accounts	284	289	264
41.0 Grants, subsidies, and contributions	507	233	211
99.9 Total new obligations	791	522	475

AGRICULTURAL CREDIT INSURANCE FUND DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4212-0-3-351	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct Loan Obligations	1,058	1,035	937
00.02 Advances on Behalf of Borrowers	1	3	3
00.03 Collateral acquired by default	1	4	4
00.04 Interest Paid to Treasury	342	310	315
00.91 Direct Program by Activities—Subtotal (1 level)	1,402	1,352	1,259
08.01 Negative Subsidy	5	4	3
08.02 Downward Reestimate	204	701	.....
08.04 Interest on downward reestimate	91	232	.....
08.91 Direct Program by Activities—Subtotal (1 level)	300	937	3
10.00 Total new obligations	1,702	2,289	1,262
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2,534	2,132	.....
22.00 New financing authority (gross)	3,253	3,413	2,454
22.10 Resources available from recoveries of prior year obligations	21	.....	.....
22.40 Capital transfer to general fund .....	.....	937	.....
22.60 Portion applied to repay debt	-1,974	-2,319	-1,192
23.90 Total budgetary resources available for obligation	3,834	2,289	1,262
23.95 Total new obligations	-1,702	-2,289	-1,262
24.40 Unobligated balance carried forward, end of year	2,132	.....	.....
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	1,586	2,084	1,183
69.00 Offsetting collections (cash)	1,659	1,329	1,271
69.10 Change in uncollected customer payments from Federal sources (unexpired)	8	.....	.....
69.90 Spending authority from offsetting collections (total mandatory)	1,667	1,329	1,271
70.00 Total new financing authority (gross)	3,253	3,413	2,454
Change in obligated balances:			
72.40 Obligated balance, start of year	165	108	115
73.10 Total new obligations	1,702	2,289	1,262
73.20 Total financing disbursements (gross)	-1,729	-2,282	-1,249
73.45 Recoveries of prior year obligations	-21	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-8	.....	.....
74.40 Obligated balance, end of year	108	115	128
87.00 Total financing disbursements (gross)	1,729	2,282	1,249
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal Sources: Reestimate payment from program account	-239	.....	.....
88.00 Federal Sources: Subsidy payment from program account	-144	-139	-76
88.25 Federal Sources: Interest on uninvested funds	-189	-115	-115

88.40	Repayments of principal	-891	-895	-900
88.40	Repayments of interest	-179	-180	-180
88.40	Interest and principal repayments—judgements	-4	.....	.....
88.40	Proceeds from sale of acquired property	-3	.....	.....
88.40	Undistributed/miscellaneous	-10	.....	.....
88.90	Total, offsetting collections (cash)	-1,659	-1,329	-1,271
Against gross financing authority only:				
88.95	Change in receivables from program accounts	-8	.....	.....
Net financing authority and financing disbursements:				
89.00	Financing authority	1,586	2,084	1,183
90.00	Financing disbursements	69	953	-22

Status of Direct Loans (in millions of dollars)

Identification code 12-4212-0-3-351	2003 actual	2004 est.	2005 est.	
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans	1,006	844	937
1121	Limitation available from carry-forward	243	191	.....
1143	Unobligated limitation carried forward (P.L. 106-113)	-191	.....	.....
1150	Total direct loan obligations	1,058	1,035	937
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	4,560	4,545	4,565
Disbursements:				
1231	Direct loan disbursements	1,094	1,035	937
1232	Purchase of loans assets from the public	6	.....	.....
1251	Repayments: Repayments and prepayments	-900	-961	-980
Write-offs for default:				
1263	Direct loans	-62	-54	-57
1264	Other adjustments, net	-153	.....	.....
1290	Outstanding, end of year	4,545	4,565	4,465

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	2002 actual	2003 actual	2004 est.	2005 est.
ASSETS:				
Federal assets:				
1101	Fund balances with Treasury	2,601	1,416	.....
Investments in US securities:				
1106	Receivables, net	243	.....	.....
Net value of assets related to post-1991 direct loans receivable:				
1401	Direct loans receivable, gross	4,416	4,545	.....
1402	Interest receivable	181	122	.....
1403	Accounts receivable from foreclosed property	4	16	.....
1405	Allowance for subsidy cost (-)	-1,526	-738	.....
1499	Net present value of assets related to direct loans	3,075	3,945	.....
1603	Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Allowance for estimated uncollectible loans and interest (-)	-81	.....	.....
1999	Total assets	5,838	5,361	.....
LIABILITIES:				
Federal liabilities: Resources payable to Treasury				
2104	.....	5,544	4,428	.....
2207	Non-Federal liabilities: Other	294	933	.....
2999	Total liabilities	5,838	5,361	.....
NET POSITION:				
3999	Total net position .....	.....	.....	.....
4999	Total liabilities and net position	5,838	5,361	.....

Note: Consistent with Government-wide practice, information for 2004 and 2005 was not required to be collected.

AGRICULTURAL CREDIT INSURANCE FUND GUARANTEED LOAN
FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4213-0-3-351	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Default Claims	55	55	55
00.02 Interest Assistance	107	110	110
00.03 Guaranteed Debt Offset/Purchases/Settlement Expense	5	5	5
00.04 Interest to Treasury	1	2	2
00.91 Direct Program by Activities—Subtotal (1 level)	168	172	172
08.02 Downward reestimate of subsidy	41	41	.....
08.04 Downward reestimate of subsidy-interest	14	14	.....
08.91 Subtotal, reestimates	55	55	.....
10.00 Total new obligations	223	227	172
Budgetary resources available for obligation:			
21.00 Unobligated balance carried forward, start of year	190	180	91
22.00 New financing authority (gross)	151	138	130
22.10 Resources available from recoveries of prior year obligations	61	.....	.....
23.90 Total budgetary resources available for obligation	402	318	221
23.95 Total new obligations	-223	-227	-172
24.40 Unobligated balance carried forward, end of year	180	91	49
New financing authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	151	138	130
Change in obligated balances:			
72.40 Obligated balance, start of year	414	404	488
73.10 Total new obligations	223	227	172
73.20 Total financing disbursements (gross)	-172	-143	-143
73.45 Recoveries of prior year obligations	-61	.....	.....
74.40 Obligated balance, end of year	404	488	517
87.00 Total financing disbursements (gross)	172	143	143
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payments from program account	-97	-86	-78
88.25 Interest on uninvested funds	-31	-25	-25
88.40 Fees and premiums	-23	-27	-27
88.90 Total, offsetting collections (cash)	-151	-138	-130
Net financing authority and financing disbursements:			
89.00 Financing authority .....	.....	.....	.....
90.00 Financing disbursements	20	5	13

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4213-0-3-351	2003 actual	2004 est.	2005 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	2,766	2,401	2,866
2121 Limitation available from carry-forward	88	60	.....
2143 Uncommitted limitation carried forward	-60	.....	.....
2150 Total guaranteed loan commitments	2,794	2,461	2,866
2199 Guaranteed amount of guaranteed loan commitments	2,515	2,215	2,579
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	9,378	10,086	10,570
2231 Disbursements of new guaranteed loans	2,592	2,461	2,866
2251 Repayments and prepayments	-1,789	-1,900	-2,250
Adjustments:			
2261 Terminations for default that result in loans receivable	-1	-2	-2
2263 Terminations for default that result in claim payments	-91	-75	-78
2264 Other adjustments, net	-3	.....	.....
2290 Outstanding, end of year	10,086	10,570	11,106
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	9,079	9,515	9,997

Addendum:

Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	10	9	9
2331 Disbursements for guaranteed loan claims	1	2	2
2351 Repayments of loans receivable	-1	-1	-1
2361 Write-offs of loans receivable	-1	-1	-1
2390 Outstanding, end of year	9	9	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 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	2002 actual	2003 actual	2004 est.	2005 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	604	583	.....	.....
Investments in US securities:				
1106 Receivables, net	14	9	.....	.....
1206 Non-Federal assets: Receivables, net .....	.....	3	.....	.....
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
1501 Defaulted guaranteed loans receivable, gross	10	9	.....	.....
1502 Interest receivable	1	.....	.....	.....
1505 Allowance for subsidy cost (-)	-9	-10	.....	.....
1599 Net present value of assets related to defaulted guaranteed loans	2	-1	.....	.....
1999 Total assets	620	594	.....	.....
LIABILITIES:				
Federal liabilities:				
2104 Resources payable to Treasury	6	6	.....	.....
2105 Other	56	55	.....	.....
Non-Federal liabilities:				
2201 Accounts payable	414	404	.....	.....
2204 Liabilities for loan guarantees	144	129	.....	.....
2999 Total liabilities	620	594	.....	.....
4999 Total liabilities and net position	620	594	.....	.....

Note: Consistent with Government-wide practice, information for 2004 and 2005 was not required to be collected.

AGRICULTURAL CREDIT INSURANCE FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4140-0-3-351	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.08 Loan recoverable costs	6	6	6
00.09 Minor Capital Improvements	1	1	1
00.10 Costs incident to acquisition of property	1	1	1
00.91 Direct Program by Activities—Subtotal (1 level)	8	8	8
01.08 Administrative expenses—Department of Justice fees	1	1	1
01.13 Interest assistance—guaranteed loans	6	2	2
01.14 Loss settlement expenses guaranteed loans	1	1	1
01.17 Unclassified costs .....	.....	1	1
01.18 Civil rights settlements	8	4	4
01.91 Total operating expenses	16	9	9
10.00 Total new obligations	24	17	17
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	24	17	17
22.10 Resources available from recoveries of prior year obligations	19	.....	.....
22.40 Capital transfer to general fund	-19	.....	.....
23.90 Total budgetary resources available for obligation	24	17	17
23.95 Total new obligations	-24	-17	-17

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	2003 actual	2004 est.	2005 est.
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	846	672	635
69.27 Capital transfer to general fund	-822	-655	-618
69.90 Spending authority from offsetting collections (total mandatory)	24	17	17
Change in obligated balances:			
72.40 Obligated balance, start of year	30	18	18
73.10 Total new obligations	24	17	17
73.20 Total outlays (gross)	-16	-16	-16
73.45 Recoveries of prior year obligations	-19		
74.40 Obligated balance, end of year	18	18	20
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	16	16	16
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-6	-6	-6
88.40 Rent on acquired property	-1	-1	-1
88.40 Guaranteed loans purchased from holders—principal	-1	-1	-1
88.40 Interest on loans	-227	-176	-166
88.40 Guaranteed loss recoveries	-3	-3	-3
88.40 Interest on judgments	-1	-2	-2
88.40 Repayments on loans—principal	-562	-440	-415
88.40 Interest shared appreciation	-2	-2	-2
88.40 Judgments—principal	-9	-9	-9
88.40 Shared appreciation recapture	-21	-19	-17
88.40 Sale of acquired property/chattels	-10	-10	-10
88.40 Undistributed receipts	-3	-3	-3
88.90 Total, offsetting collections (cash)	-846	-672	-635
Net budget authority and outlays:			
89.00 Budget authority	-822	-655	-618
90.00 Outlays	-830	-656	-619

Status of Direct Loans (in millions of dollars)

Identification code 12-4140-0-3-351	2003 actual	2004 est.	2005 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	3,783	3,249	2,759
Repayments:			
1251 Repayments and prepayments	-560	-405	-385
1252 Proceeds from loan asset sales to the public or discounted	-16		
1261 Adjustments: Capitalized interest	133	12	11
Write-offs for default:			
1263 Direct loans	-96	-97	-83
1264 Other adjustments, net ¹	5		
1290 Outstanding, end of year	3,249	2,759	2,302

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	2003 actual	2004 est.	2005 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	297	223	188
2251 Repayments and prepayments	-74	-35	-30
2264 Adjustments: Other adjustments, net			
2290 Outstanding, end of year	223	188	158
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	222	169	142

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 obli-

gated, loan guarantees committed, and grants made prior to 1992. New loan activity in 1992 and beyond (including credit sales of acquired property that resulted from obligations or commitments in any year) is recorded in corresponding program and financing accounts. Payments to settle certain discrimination claims against USDA may also be made from this account.

Balance Sheet (in millions of dollars)

Identification code 12-4140-0-3-351	2002 actual	2003 actual	2004 est.	2005 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	30	18		
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	3,783	3,249		
1602 Interest receivable	628	573		
1603 Allowance for estimated uncollectible loans and interest (-)	-777	-541		
1604 Direct loans and interest receivable, net	3,634	3,281		
1605 Accounts receivable/judgments receivable	189	112		
1606 Foreclosed property	44	32		
1699 Value of assets related to direct loans	3,867	3,425		
1701 Defaulted guaranteed loans, gross	13	11		
1999 Total assets	3,910	3,454		
LIABILITIES:				
2104 Federal liabilities: Resources payable to Treasury	3,866	3,427		
Non-Federal liabilities:				
2201 Accounts payable	22	9		
2204 Liabilities for loan guarantees	13	8		
2207 Other	9	10		
2999 Total liabilities	3,910	3,454		
4999 Total liabilities and net position	3,910	3,454		

Note: Consistent with Government-wide practice, information for 2004 and 2005 was not required to be collected.

Object Classification (in millions of dollars)

Identification code 12-4140-0-3-351	2003 actual	2004 est.	2005 est.
25.2 Other services	16	8	8
33.0 Investments and loans	8	5	5
43.0 Interest and dividends		4	4
99.9 Total new obligations	24	17	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. (*Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.*)

Federal Funds

Public enterprise funds:

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

For [the current] fiscal year 2005, 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).

HAZARDOUS WASTE MANAGEMENT
(LIMITATION ON EXPENSES)

For [the current] fiscal year 2005, 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). (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-4336-0-3-999	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Commodity purchases and related inventory transactions	4,668	2,337	2,561
00.02 Storage, transportation and other obligations	124	292	235
00.03 Export enhancement program	28	28	28
00.04 Market access program	103	119	122
00.05 Dairy export incentive program	52	22	53
00.07 Foreign market development cooperative	32	35	35
00.08 Quality Samples Program	1	3	3
00.10 Feed grains	2,666	3,779	4,397
00.11 Wheat	1,308	1,840	3,094
00.12 Rice	1,111	1,105	966
00.13 Cotton	2,777	695	832
00.14 Dairy Program	1,851	1,443	900
00.15 Tobacco Program	51		
00.16 Peanut Program	1,591	277	272
00.17 Wool and Mohair Program	19	14	14
00.19 Lentils Program	2	1	2
00.21 Dry Peas Program	11	13	26
00.22 Crop Option Pilot Program	1		
00.23 Non-Insured Assistance Program	237	302	324
00.24 Oilseeds Payment Program	1,259	322	624
00.25 Marketing Loan Writeoffs	190	124	166
00.27 Crop Disaster Program	1,867	383	
00.28 Other Market Loss Assistance Payments	168	1	
00.32 Livestock Assistance	251	106	
00.33 State Payment Transfers	34		
00.35 Conservation reserve program (CRP)	1,787	1,879	1,956
00.46 Agricultural Management Assistance Program		6	5
00.47 Reimbursable Agreement/Transfers to State and Federal Agencies	54	56	56
00.48 Treasury	167	161	283
00.49 Other Interest	9	9	10
00.52 Technical Assistance	7	5	4
00.57 Agricultural Management Assistance Program Technical Assistance	19	9	9
00.58 Section 416b/FFP/GFEI/BEHT ocean transportation	480	123	113
01.92 Total support and related programs	22,897	15,489	17,090
09.01 Commodity loans	10,718	8,284	9,209
09.02 Commodities Procured—PL480 Titles II / III Commodity Costs		601	558
09.04 P. L. 480 ocean transportation	334	642	597
09.09 Subtotal, reimbursable programs	11,052	9,527	10,364
10.00 Total new obligations	33,949	25,016	27,454
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	32,737	25,016	27,389
22.10 Resources available from recoveries of prior year obligations	1,192		
22.21 Unobligated balance transferred to other accounts	-20		
22.22 Unobligated balance transferred from other accounts		20	
22.60 Portion applied to repay debt	40	-20	65
23.90 Total budgetary resources available for obligation	33,949	25,016	27,454
23.95 Total new obligations	-33,949	-25,016	-27,454
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	309		
40.35 Appropriation permanently reduced			-65
41.00 Transferred to other accounts	-378		
42.00 Transferred from other accounts	69		
43.00 Appropriation (total discretionary)			-65
Mandatory:			
60.00 Appropriation	17,375	22,937	16,452

60.47 Portion applied to repay debt	-15,619	-20,782	-13,996
61.00 Transferred to other accounts	-1,756	-2,155	-2,456
62.50 Appropriation (total mandatory)			
67.10 Authority to borrow	18,279	13,827	14,749
69.00 Offsetting collections (cash)	13,322	11,069	12,610
69.10 Change in uncollected customer payments from Federal sources (unexpired)	711		
69.10 MARAD Cargo Preference Reimbursements	425	120	95
69.90 Spending authority from offsetting collections (total mandatory)	14,458	11,189	12,705
70.00 Total new budget authority (gross)	32,737	25,016	27,389
Change in obligated balances:			
72.40 Obligated balance, start of year	3,529	4,596	3,487
73.10 Total new obligations	33,949	25,016	27,454
73.20 Total outlays (gross)	-30,554	-26,005	-27,760
73.45 Recoveries of prior year obligations	-1,192		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-711		
74.00 MARAD Cargo Preference Reimbursements	-425	-120	-95
74.40 Obligated balance, end of year	4,596	3,487	3,086
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			-65
86.97 Outlays from new mandatory authority	26,137	21,132	14,896
86.98 Outlays from mandatory balances	4,417	4,873	12,929
87.00 Total outlays (gross)	30,554	26,005	27,760
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Sales to special activities	-748	-601	-558
88.00 Advances from Foreign Assistance Programs (P.L. 480)	-1,518	-1,213	-1,208
88.00 Other Revenue	-1,615		
88.40 Sales and other proceeds	-370	-200	-49
88.40 Interest Revenue	-78	-75	-122
88.40 Loans Repaid	-6,074	-7,789	-9,179
88.40 Commodity Certificates Redeemed	-2,871	-1,137	-1,433
88.40 Export Credit Sales Program Repayments	-22	-29	-39
88.40 Interest Revenue	-26	-25	-22
88.90 Total, offsetting collections (cash)	-13,322	-11,069	-12,610
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-1,136	-120	-95
Net budget authority and outlays:			
89.00 Budget authority	18,279	13,827	14,684
90.00 Outlays	17,232	14,936	15,150

Status of Direct Loans (in millions of dollars)

Identification code 12-4336-0-3-999	2003 actual	2004 est.	2005 est.
SHORT TERM CREDIT LOANS			
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	334	312	283
1231 Disbursements: Direct loan disbursements			
1251 Repayments: Repayments and prepayments	-22	-29	-39
1290 Outstanding, end of year	312	283	244
COMMODITY LOANS			
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	10,718	8,284	9,209
1150 Total direct loan obligations	10,718	8,284	9,209
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1,600	1,644	2,114
1231 Disbursements: Direct loan disbursements	10,718	8,284	9,209
1251 Repayments: Repayments and prepayments	-10,485	-7,789	-9,179
1264 Write-offs for default: Other adjustments, net	-189	-25	-22
1290 Outstanding, end of year	1,644	2,114	2,122

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.

Public enterprise funds—Continued

HAZARDOUS WASTE MANAGEMENT—Continued
(LIMITATION ON EXPENSES)—Continued

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 2004 and 2005 budget estimates: (a) national income will rise both in 2004 and 2005 from the present level; (b) 2004 crop production will decrease from 2003 crop levels for some commodities; (c) generally, exports of agricultural commodities in 2005 are expected to be lower than 2004 levels; (d) yields for the 2004 crops are based on recent averages adjusted for trends; and (e) acreage allotments and marketing quotas will be in effect for the 2004 crops of certain kinds of tobacco.

It is difficult to accurately forecast requirements for the year ending September 30, 2005, since the projections are subject to complex and unpredictable factors such as weather, other factors which affect the volume of production of crops not yet planted, feed and food needs here and overseas, and available dollar exchange.

In 2003, USDA announced it had reserved 2 million Conservation Reserve Program acres for the continuous signup program and would make a special effort to help enhance wildlife habitat and sequester carbon by setting aside 500 thousand acres for bottomland hardwood tree planting. During 2003, about 430 thousand acres were signed up for continuous practices in signups 25 and 27. Together with the 2 million acres already enrolled, this maintains the 4-million-acre goal for continuous signup.

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

A general signup was held in FY 2003. Approximately 2 million acres were accepted in the program.

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

2004 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	8,284	1,891	0
Feed grain payments	3,779	3,779	3,779
Wheat payments	1,840	1,840	1,840
Rice payments	1,105	869	1,105
Cotton payments	695	1,043	695
Export enhancement program	28	28	28
Other support and related	5,744	2,776	4,916
Other items not distributed by program:			
Interest	170	72	69
All other	244	503	246
Total, farm income, marketing assistance loans, and price-support programs	21,889	12,801	12,678
Conservation programs:			
Conservation reserve program	1,884	1,884	2,204
Environmental quality incentives program		198	1,173
Wetlands reserve program		48	328
Farmland protection program		3	115
Soil and water conservation program		2	2
Other conservation programs		0	249
Total, conservation programs	1,884	2,135	4,071
Total, Commodity Credit Corporation	23,773	14,936	16,749

PROGRAMS OF THE CORPORATION

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

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

One method of providing support is loans to and purchases from producers. With limited exceptions, loans made on commodities are nonrecourse. The commodities serve as collateral for the loan and on maturity the producer may deliver or forfeit such collateral to satisfy the loan obligation without further payment.

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

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

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

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

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

Marketing assistance loans. The 2002 Farm Bill authorized producers of eligible crops to receive non-recourse marketing assistance loans from the government for any quantity of a loan commodity produced on the farm by pledging their production as loan collateral. This loan shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made. The loan cannot

be extended. As a condition of the receipt of a marketing assistance loan, the producer shall comply with applicable conservation requirements under subtitle B of title XII of the Food Security Act of 1985 and applicable wetland protection requirements under subtitle C of title XII of the Act during the term of the loan. Producers of eligible commodities can repay a marketing assistance loan at a rate that is the lesser of (1) the loan rate established for the commodity plus interest; or (2) a rate that the Secretary determines. Special rules apply to upland cotton, rice, and extra long staple cotton. Crops eligible for marketing assistance loans include wheat, corn, barley, oats, grain sorghum, rice, upland cotton, soybeans, extra long staple cotton, other oilseeds, dry peas, lentils, small chickpeas, honey, wool, and mohair.

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

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

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

Tobacco program. The Appropriations Act of 2002 defines "eligible tobacco" as fire-cured tobacco types 22 and 23, dark air-cured tobacco types 35 and 36, and Virginia sun-cured tobacco type 37. It also directed the Secretary to use CCC funds to make payments based on individual tobacco quotas and allotments. USDA is authorized to provide ongoing support to tobacco producers through price support programs and the allotment and quota program. Legislative authority for these activities originated in the Agricultural Act of 1949 and the Agricultural Adjustment Act of 1938, respectively. These payments will be calculated and the total distributed with one-third going to the person that owns the qualifying acres, one-third to the person that controls the qualifying acres, and one-third to the person that grows, could have grown or can grow on the qualifying acres. The same standards of payments will be used as set forth in the Agricultural Risk Protection Act of 2000. No changes to the program were made under the 2002 Farm Bill.

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

Bill did not resume the sugar marketing assessment collections but authorized marketing allotments. The 2002 Act provides assistance for sugar donations in the amount of 10,000 tons to compensate sugar producers who suffer losses incurred beyond existing CCC administered programs.

Dairy program. Dairy qualifies for milk price supports, recourse loans, and dairy market loss payments. The 2002 Act extended the Dairy Price Support Program from January 1, 2002 to May 31, 2002. The 2002 Farm Bill extended the Dairy Price Support Program from June 1, 2002 through December 31, 2007 at a rate of \$9.90 per hundredweight for milk containing 3.67% butterfat. The support program is carried out through the purchase of butter, nonfat dry milk, and cheese at prices that enable processors to pay dairy farmers, on average, the support price for milk. As under previous law, the Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that minimizes CCC expenditures or other objectives, as the Secretary considers appropriate. Cash CCC inventory sales (with some exceptions) shall be at any price that the Secretary determines will maximize CCC returns. The 2002 Farm Bill repealed all legislative authority for the Dairy Recourse Loan Program but established a new Milk Income Loss Contract Program, under which the Secretary may contract with eligible producers up to September 30, 2005, to make monthly payments when milk prices fall below specified levels.

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

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

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

Bioenergy Program. The 2005 President's Budget assumes CCC will continue to make incentive payments, under the Bioenergy Program, to ethanol, biodiesel, and other bioenergy producers to expand production of bio-based fuels. Payments shall be made on a portion of the increase in agricultural commodities purchased for expanded bioenergy production, with smaller and cooperatively-owned facilities receiving higher payment rates. This program is authorized by the CCC Charter Act. The 2002 Farm Bill extends the program

Public enterprise funds—Continued

HAZARDOUS WASTE MANAGEMENT—Continued

PROGRAMS OF THE CORPORATION—Continued

through FY 2006 at the program level of \$150 million per year. The 2005 budget assumes a reduction in funding to \$100 million.

Foreign Market Development and Food Assistance Programs.—

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

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

Market Access Program (MAP). Under the MAP, CCC Funds are used to reimburse participating organizations for a portion of the costs of carrying out overseas marketing and promotional activities. The 2002 Farm Bill continued the authority for the MAP program and increased the funding as follows: \$100 million for FY 2002, \$110 million for FY 2003, \$125 million for FY 2004, \$140 million for FY 2005, and \$200 million for FY 2006 and 2007. The 2005 Budget assumes funding \$125 million for FY 2005.

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

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

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

The Bill Emerson Humanitarian Trust. The Bill Emerson Humanitarian Trust (BEHT) is a commodity reserve that was established to ensure that the United States can meet its international food aid commitments. Commodities authorized for the 4-million-ton reserve include wheat, corn, grain sorghum, and rice. The Secretary is authorized to release up

to 500,000 metric tons for urgent humanitarian relief in disasters in the case of unanticipated need and to release an additional 500,000 metric tons of eligible commodities that could have been released but were not released in previous years. The Secretary is authorized to release eligible commodities from the reserve when supplies are so limited that eligible commodities cannot be made available for programming under P.L. 480. The 2002 Farm Bill extended the authorization to replenish the BEHT through FY 2007. CCC is authorized to hold funds as well as commodities in the reserve.

Conservation programs.—Title II of the Farm Security and Rural Investment Act of 2002, P.L. 107–171, authorizes funding for new and existing conservation programs implemented by the Farm Service Agency or the Natural Resources Conservation Service and funded through the Commodity Credit Corporation. The bill provides \$7 billion through 2007 to help farmers adopt and maintain conservation systems that protect water quality, reduce soil erosion, protect and enhance wildlife habitat and wetlands, conserve water, and sequester carbon. One such program is the Conservation Reserve Program administered by FSA.

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

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

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

The Agricultural Risk Protection Act of 2000 authorized CCC funding of \$10 million for 2001 and subsequent years for the Agricultural Management Assistance Program (AMAP). AMAP provides cost-share assistance to producers in not less than 10, nor more than 15, States in which the Federal Crop Insurance Program is historically low as determined by the Secretary of Agriculture. The 2002 Farm Bill increased CCC funding to \$20 million annually. The Secretary delegated authority to Natural Resources Conservation Service, Risk Management Agency, and the Agricultural Marketing Service.

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

[In millions of dollars]			
Item	2003 actual	2004 est.	2005 est.
Loans outstanding, gross, start of year:			
Commodity Credit Corporation	1,600	1,644	2,114
Additional loans made	10,718	8,284	9,209
Deduct:			
Loans repaid	-10,485	-7,789	-9,179
Acquisition of loan collateral	-149	-25	-22
Write-offs	-40		
Total loans outstanding, gross, end of year	1,644	2,114	2,122

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

AGRICULTURAL COMMODITIES

[In millions of dollars]			
Item	2003 actual	2004 est.	2005 est.
On hand, start of year, gross	2,487	1,984	1,009
Acquisitions:			
Forfeiture of loan collateral	150	25	22
Excess of collateral acquired over loans canceled	9	1	1
Purchases	5,609	2,282	2,521
Transfers and exchanges	-14	0	0
Carrying charges:			
Charges to inventory	53	54	39
Storage and handling (non-add)	87	73	77
Transportation (non-add)	26	29	20
Total acquisitions	5,807	2,362	2,583
Dispositions:			
Domestic donations to:			
Families	41	53	27
Institutions	79	105	31
School lunch	0	0	9
Total domestic donations	120	158	67
Export donations	610	304	304
Sales and transfers:			
Special programs: Title II, Public Law 480	748	601	558
Title III, Public Law 480	0		
Other sales	3,241	1,337	1,482
Net loss or gain (–) on sales and transfers	1,590	937	491
Total sales and transfers	5,579	2,875	2,531
Total dispositions	6,310	3,337	2,902
On hand, end of year, gross	1,984	1,009	690
Allowances for losses	-1,708	-869	-594
On hand, end of year, net	276	140	96

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	2003 actual	2004 est.	2005 est.
Loans made	10,718	8,284	9,209
Loans repaid	10,485	7,789	9,179
Loan collateral forfeited	150	25	22
Loans outstanding, end of year	1,644	2,114	2,122
Acquisitions	5,807	2,361	2,583
Cost of commodities sold	5,579	2,875	2,531
Cost of commodities donated	730	462	371
Inventory, end of year	1,984	1,009	690
Investment in loans and inventory, end of year	3,628	3,123	2,811
Direct producer payments	14,333	12,958	13,568
Net expenditures	17,422	15,482	15,523
Realized losses	22,937	16,749	17,375

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 en-

gaged in the Corporation's activities; and the Office of the Inspector General for audit functions. Additional expenses are incurred by FSA county offices for work related to programs of the Corporation, other FSA expenses offset by revenue, custodian, and agency expenses of the Federal Reserve banks and lending agencies, and miscellaneous costs.

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

Section 161 of the 1996 Act amended Section 11 of the CCC Charter Act to limit the use of CCC funds for the transfer and allotment of funds to State and Federal agencies. The Section 11 cap of \$56 million including FSA loan service fees remains at \$56 million in fiscal year 2004.

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

FINANCING

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

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

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

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

POSITION WITH RESPECT TO BORROWING AUTHORITY, END OF YEAR

[In millions of dollars]			
Item	2003 actual	2004 est.	2005 est.
Statutory borrowing authority	30,000	30,000	30,000
Deduct: Borrowings from Treasury	18,634	18,998	18,992
Net statutory borrowing authority available	11,366	11,002	11,008

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.

Public enterprise funds—Continued

HAZARDOUS WASTE MANAGEMENT—Continued

FINANCING—Continued

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)	2003 actual	2004 est.
Realized losses, 1933 to 2003, inclusive			380,556
Reimbursements by the Treasury:			
Reimbursements of realized losses:			
Appropriations (64 times)		354,461	
Note cancellations (6 times)		2,698	
Less dividends paid to Treasury (4 times)		-138	
Total reimbursements for net realized losses		357,021	
Other reimbursements:			
Appropriations (2 times)		542	
Note cancellation (1 time)		56	
Total other reimbursements		598	
Total			357,619
Realized deficit as of September 30, 2003, support and related programs			22,937

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

Balance Sheet (in millions of dollars)

Identification code 12-4336-0-3-999	2002 actual	2003 actual	2004 est.	2005 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	-1,093	-1,495		
Investments in US securities:				
1106 Receivables, net	545	1,657		
1107 Advances and prepayments	19	6		
Non-Federal assets:				
1206 Receivables, net	38	103		
1207 Advances and prepayments	105	81		

Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	1,964	1,998		
1602 Interest receivable	143	138		
1603 Allowance for estimated uncollectible loans and interest (-)	-200	-72		
1604 Direct loans and interest receivable, net	1,907	2,064		
1699 Value of assets related to direct loans	1,907	2,064		
Other Federal assets:				
1802 Inventories and related properties	723	276		
1803 Property, plant and equipment, net	19	29		
1999 Total assets	2,263	2,721		
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable	518	1,565		
2102 Interest payable	65	91		
2103 Debt	17,666	18,653		
2105 Other	920	1,212		
Non-Federal liabilities:				
2201 Accounts payable	2	485		
2207 Other	2,645	5,513		
2999 Total liabilities	21,816	27,519		
NET POSITION:				
3300 Cumulative results of operations	-19,553	-24,798		
3999 Total net position	-19,553	-24,798		
4999 Total liabilities and net position	2,263	2,721		

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

Object Classification (in millions of dollars)

Identification code 12-4336-0-3-999	2003 actual	2004 est.	2005 est.
Direct obligations:			
22.0 Transportation of things	510	152	132
25.2 Other services	37	318	208
25.2 Other services: Storage and handling	87	72	77
26.0 Supplies and materials: Costs of commodities sold or donated	4,657	2,337	2,561
41.0 Grants, subsidies, and contributions	17,431	12,440	13,819
43.0 Interest and dividends	175	170	293
99.0 Direct obligations	22,897	15,489	17,090
Reimbursable obligations:			
22.0 Transportation of things: P. L. 480 ocean transportation	334	642	598
26.0 Supplies and materials—Cost of Commodities Procured/Donated—PL 480		601	557
33.0 Investments and loans	10,718	8,284	9,209
99.0 Reimbursable obligations	11,052	9,527	10,364
99.9 Total new obligations	33,949	25,016	27,454

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, **[\$4,152,000] \$4,473,000**; 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 **[\$3,306,000] \$3,440,000** may be transferred to and merged with the appropriation for “Foreign Agricultural Service, Salaries and Expenses”, and of which **[\$846,000] \$1,033,000** may be transferred to and merged with the appropriation for “Farm Service Agency, Salaries and Expenses”. (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-1336-0-1-351	2003 actual	2004 est.	2005 est.	
Obligations by program activity:				
00.02	Guaranteed loan subsidy	170	289	309
00.07	Reestimates of subsidy	376	60	.....
00.08	Interest on reestimates	173	9	.....
00.09	Administrative expenses	4	4	4
10.00	Total new obligations	723	362	313
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	627	384	91
22.00	New budget authority (gross)	780	362	313
22.10	Resources available from recoveries of prior year obligations .....	.....	91	.....
22.40	Capital transfer to general fund	-300	-384	-91
23.90	Total budgetary resources available for obligation	1,107	453	313
23.95	Total new obligations	-723	-362	-313
24.40	Unobligated balance carried forward, end of year	384	91	.....
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	4	4	4
Mandatory:				
60.00	Appropriation	227	289	309
60.00	Appropriation—upward reestimate	549	69	.....
62.50	Appropriation (total mandatory)	776	358	309
70.00	Total new budget authority (gross)	780	362	313
Change in obligated balances:				
72.40	Obligated balance, start of year	69	154	87
73.10	Total new obligations	723	362	313
73.20	Total outlays (gross)	-638	-338	-307
73.45	Recoveries of prior year obligations .....	.....	-91	.....
74.40	Obligated balance, end of year	154	87	93
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	4	4	4
86.97	Outlays from new mandatory authority	613	271	216
86.98	Outlays from mandatory balances	21	63	87
87.00	Total outlays (gross)	638	338	307
Net budget authority and outlays:				
89.00	Budget authority	780	362	313
90.00	Outlays	638	338	307

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

Identification code 12-1336-0-1-351	2003 actual	2004 est.	2005 est.	
Guaranteed loan levels supportable by subsidy budget authority:				
215001	Export guarantee program	4,146	4,155	4,528
215901	Total loan guarantee levels	4,146	4,155	4,528
Guaranteed loan subsidy (in percent):				
232001	Export guarantee program	4.10	6.96	6.82
232901	Weighted average subsidy rate	4.10	6.96	6.82
Guaranteed loan subsidy budget authority:				
233001	Export guarantee program	170	289	309
233901	Total subsidy budget authority	170	289	309
Guaranteed loan subsidy outlays:				
234001	Export guarantee program	85	265	303
234901	Total subsidy outlays	85	265	303
Guaranteed loan upward reestimate subsidy budget authority:				
235001	Export guarantee program	549	69	.....
235901	Total upward reestimate budget authority	549	69	.....
Guaranteed loan downward reestimate subsidy budget authority:				
237001	Export guarantee program	-552	-856	.....
237901	Total downward reestimate subsidy budget authority	-552	-856	.....
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 guarantees export financing for capital goods and services to improve handling, marketing, processing, storage, or distribution of imported agricultural commodities and products.

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

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the credit guarantees committed in 1992 and beyond (including modifications of credit guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis. The 2005 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	2003 actual	2004 est.	2005 est.	
25.3	Other purchases of goods and services from Government accounts	4	4	4
41.0	Grants, subsidies, and contributions	719	358	309
99.9	Total new obligations	723	362	313

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION EXPORT GUARANTEE FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4337-0-3-351	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Default claims	102	172	184
00.02 Interest on debt to Treasury	84	141	151
00.91 Subtotal, new loans	186	313	335
08.02 Reestimates of guaranteed loan subsidy	389	491	
08.04 Interest on reestimates of guaranteed loan subsidy	163	365	
08.91 Subtotal, reestimates	552	856	
10.00 Total new obligations	738	1,169	335
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1,004	1,109	459
22.00 New financing authority (gross)	939	623	525
22.60 Portion applied to repay debt	-96	-104	-78
23.90 Total budgetary resources available for obligation	1,847	1,628	906
23.95 Total new obligations	-738	-1,169	-335
24.00 Unobligated balance carried forward, end of year	1,109	459	571
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	1		
69.00 Offsetting collections (cash)	897	623	525
69.10 Receivable from Federal sources	41		
69.90 Spending authority from offsetting collections (total mandatory)	938	623	525
70.00 Total new financing authority (gross)	939	623	525
Change in obligated balances:			
72.40 Obligated balance, start of year	-62	-100	-97
73.10 Total new obligations	738	1,169	335
73.20 Total financing disbursements (gross)	-736	-1,166	-334
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-41		
74.40 Obligated balance, end of year	-100	-97	-96
87.00 Total financing disbursements (gross)	736	1,166	334
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payments from program account	-634	-334	-303
88.25 Interest on uninvested funds	-56	-62	-46
88.40 Loan origination fee	-20	-20	-22
88.40 Principal collections	-77	-85	-63
88.40 Interest collections	-110	-122	-91
88.90 Total, offsetting collections (cash)	-897	-623	-525
Against gross financing authority only:			
88.95 Change in receivables from program accounts	-41		
Net financing authority and financing disbursements:			
89.00 Financing authority	1		
90.00 Financing disbursements	-161	543	-191

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4337-0-3-351	2003 actual	2004 est.	2005 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	4,225	4,155	4,528
2150 Total guaranteed loan commitments	4,225	4,155	4,528
2199 Guaranteed amount of guaranteed loan commitments	4,090	4,022	4,383
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	4,762	3,808	5,198
2231 Disbursements of new guaranteed loans	2,388	4,155	4,528
2251 Repayments and prepayments	-3,240	-2,593	-3,517
2261 Adjustments: Terminations for default that result in loans receivable	-102	-172	-184
2290 Outstanding, end of year	3,808	5,198	6,025

Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	3,656	5,165	5,897
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	779	1,801	1,888
2331	Disbursements for guaranteed loan claims	102	172	184
2351	Repayments of loans receivable	-77	-85	-63
2364	Other adjustments, net	997		
2390	Outstanding, end of year	1,801	1,888	2,009

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	2002 actual	2003 actual	2004 est.	2005 est.
ASSETS:				
Federal assets:				
1101	Fund balances with Treasury	942	1,009	
1101	Accounts Receivable, net	291	449	
1101	Adjustments			
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
1501	Defaulted guaranteed loans receivable, gross	1,759	1,800	
1502	Interest receivable	47	27	
1505	Allowance for subsidy cost (-)	-770	-1,161	
1599	Net present value of assets related to defaulted guaranteed loans	1,036	666	
1999	Total assets	2,269	2,124	
LIABILITIES:				
Federal liabilities:				
2101	Accounts payable	61	101	
2103	Debt	1,568	1,475	
2105	Other	229	526	
2204	Non-Federal liabilities: Liabilities for loan guarantees	411	22	
2999	Total liabilities	2,269	2,124	
4999	Total liabilities and net position	2,269	2,124	

Note: Consistent with Government-wide practice, information for 2004 and 2005 was not required to be collected.

COMMODITY CREDIT CORPORATION GUARANTEED LOANS LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4338-0-3-351	2003 actual	2004 est.	2005 est.	
Obligations by program activity:				
00.01	Operating Expenses	2	1	1
10.00	Total new obligations (object class 25.3)	2	1	1
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	80	86	
22.00	New budget authority (gross)	449	442	455
22.40	Capital transfer to general fund	-441	-527	-454
23.90	Total budgetary resources available for obligation	88	1	1
23.95	Total new obligations	-2	-1	-1
24.40	Unobligated balance carried forward, end of year	86		
New budget authority (gross), detail:				
Mandatory:				
69.00	Offsetting collections (cash)	449	442	455
Change in obligated balances:				
72.40	Obligated balance, start of year	1	1	1
73.10	Total new obligations	2	1	1
73.20	Total outlays (gross)	-1	-1	-1
74.40	Obligated balance, end of year	1	1	1
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	1	1	1

Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.40	Repayments of principal	-227	-241	-272
88.40	Interest received on loans	-213	-201	-183
88.40	Other Non-Federal	-9		
88.90	Total, offsetting collections (cash)	-449	-442	-455
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	-448	-441	-454

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	2003 actual	2004 est.	2005 est.	
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	3,785	4,943	4,702
2351	Repayments of loans receivable	-227	-241	-272
2364	Other adjustments, net	1,385		
2390	Outstanding, end of year	4,943	4,702	4,430

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

Balance Sheet (in millions of dollars)

Identification code 12-4338-0-3-351	2002 actual	2003 actual	2004 est.	2005 est.
ASSETS:				
Federal assets:				
1101	Fund balances with Treasury	81	88	
1101	Undeposited Collections			
1206	Non-Federal assets: Foreign Loans Receivables	5,171	4,943	
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1702	Interest receivable	165	176	
1703	Allowance for estimated uncollectible loans and interest (-)	-2,704	-2,324	
1799	Value of assets related to loan guarantees	-2,539	-2,148	
1999	Total assets	2,713	2,883	
LIABILITIES:				
Federal liabilities:				
2101	Accounts payable	1	1	
2104	Resources payable to Treasury	2,681	2,843	
2207	Non-Federal liabilities: Other	31	39	
2999	Total liabilities	2,713	2,883	
4999	Total liabilities and net position	2,713	2,883	

Note: Consistent with Government-wide practice, information for 2004 and 2005 was not required to be collected.

FARM STORAGE FACILITY LOANS PROGRAM ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-3301-0-1-351	2003 actual	2004 est.	2005 est.	
Obligations by program activity:				
00.01	Farm Storage Loan Subsidy	1	1	
00.05	Reestimates of direct loan subsidy		3	
00.10	Administrative Expenses—non-recoverable costs			1
10.00	Total new obligations	1	4	1
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	12	1	
22.00	New budget authority (gross)	2	4	1
22.40	Capital transfer to general fund	-12		

23.90	Total budgetary resources available for obligation	2	5	1
23.95	Total new obligations	-1	-4	-1
24.40	Unobligated balance carried forward, end of year	1		
New budget authority (gross), detail:				
Mandatory:				
60.00	Appropriation	2	4	1
Change in obligated balances:				
72.40	Obligated balance, start of year	1	1	
73.10	Total new obligations	1	4	1
73.20	Total outlays (gross)	-1	-4	-1
74.40	Obligated balance, end of year	1		
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	1	4	1
Net budget authority and outlays:				
89.00	Budget authority	2	4	1
90.00	Outlays	1	4	1

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

Identification code 12-3301-0-1-351	2003 actual	2004 est.	2005 est.	
Direct loan levels supportable by subsidy budget authority:				
115001	Farm Storage facility loans	125	60	60
115002	Sugar Storage Facility Loans	22	22	22
115901	Total direct loan levels	147	82	82
Direct loan subsidy (in percent):				
132001	Farm Storage facility loans	1.28	1.22	-1.43
132002	Sugar Storage Facility Loans	1.26	-3.87	-5.25
132901	Weighted average subsidy rate	1.28	0.46	-2.44
Direct loan subsidy budget authority:				
133001	Farm Storage facility loans	2	1	-1
133002	Sugar Storage Facility Loans		-1	-1
133901	Total subsidy budget authority	2		-2
Direct loan subsidy outlays:				
134001	Farm Storage facility loans	1	1	-1
134002	Sugar Storage Facility Loans		-1	-1
134901	Total subsidy outlays	1		-2
Direct loan upward reestimate subsidy budget authority:				
135001	Farm Storage facility loans		3	
135901	Total upward reestimate budget authority		3	
Direct loan downward reestimate subsidy budget authority:				
137001	Farm Storage facility loans	-8	-12	
137901	Total downward reestimate budget authority	-8	-12	
Administrative expense data:				
351001	Budget authority			1
359001	Outlays from new authority			1

Farm Storage Facility Loan (FSFL) Program. The FSFL program was established by CCC in 1949 to offer low-cost financing to producers for the construction or upgrade of on-farm storage facilities. The program was discontinued in the early 1980's when studies showed sufficient storage space was available. The FSFL was re-established in 2000 due to a severe shortage of sufficient available storage. The program was implemented in 2000 by CCC under Section 504(c) of the Federal Credit Reform Act of 1990. The program provides producers financing with five- to ten-year repayment terms and low interest rates. The program gives producers greater marketing flexibility when farm storage is limited and/or transportation difficulties cause storage problems, allows farmers to benefit from new marketing and technological advances, and maximizes their returns through identity-preserved marketing.

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

Public enterprise funds—Continued

FARM STORAGE FACILITY LOANS PROGRAM ACCOUNT—Continued

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

Object Classification (in millions of dollars)

Identification code 12-3301-0-1-351	2003 actual	2004 est.	2005 est.
25.3 Other purchases of goods and services from Government accounts			1
41.0 Grants, subsidies, and contributions	1	4	
99.9 Total new obligations	1	4	1

FARM STORAGE FACILITY DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4158-0-3-351	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct loans—FSFL	63	60	60
00.02 Direct Loans—SSFL		22	22
00.03 Interest to Treasury	14	3	6
00.91 Direct Program by Activities—Subtotal (1 level)	77	85	88
08.01 Payment of negative subsidy to receipt account		1	2
08.02 Payment of downward re-estimate to receipt account	7	11	
08.04 Payment of interest on downward re-estimate to receipt account	1	1	
08.91 Direct Program by Activities—Subtotal (1 level)	8	13	2
10.00 Total new obligations	85	98	90
Budgetary resources available for obligation:			
21.00 Unobligated balance carried forward, start of year	81	68	
22.00 New financing authority (gross)	83	168	156
22.10 Resources available from recoveries of prior year obligations	8		
22.60 Portion applied to repay debt	-19	-136	-66
23.90 Total budgetary resources available for obligation	153	100	90
23.95 Total new obligations	-85	-98	-90
24.00 Unobligated balance carried forward, end of year	68		
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	72	98	90
69.00 Payments from program account	1	4	
69.00 Other Federal collections)	-1		
69.00 Interest from Treasury	8		
69.00 Principal	29	43	43
69.00 Interest	8	23	23
69.47 Portion applied to repay debt	-34		
69.90 Spending authority from offsetting collections (total mandatory)	11	70	66
70.00 Total new financing authority (gross)	83	168	156
Change in obligated balances:			
72.40 Obligated balance, start of year	38	49	
73.10 Total new obligations	85	98	90
73.20 Total financing disbursements (gross)	-66	-148	-90
73.45 Recoveries of prior year obligations	-8		
74.40 Obligated balance, end of year	49		
87.00 Total financing disbursements (gross)	66	148	90
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payments from Program Account	-1	-4	
88.00 Other Federal sources	1		
88.25 Interest on uninvested funds	-8		
88.40 Principal collections	-29	-43	-43
88.40 Interest collections	-8	-23	-23
88.90 Total, offsetting collections (cash)	-45	-70	-66

Net financing authority and financing disbursements:			
89.00 Financing authority	38	98	90
90.00 Financing disbursements	20	78	24

Status of Direct Loans (in millions of dollars)

Identification code 12-4158-0-3-351	2003 actual	2004 est.	2005 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	63	60	60
1131 Direct loan obligations exempt from limitation		22	22
1150 Total direct loan obligations	63	60	60
1150 Total direct loan obligations		22	22
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	122	160	207
Disbursements:			
1231 Direct loan disbursements	45	69	62
1231 Direct loan disbursements		22	22
1251 Repayments: Repayments and prepayments	-29	-43	-43
Write-offs for default:			
1263 Direct loans		-1	-1
1264 Other adjustments, net	22		
1290 Outstanding, end of year	160	207	247

Balance Sheet (in millions of dollars)

Identification code 12-4158-0-3-351	2002 actual	2003 actual	2004 est.	2005 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	118	117		
Investments in US securities:				
1106 Receivables, net		4		
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	144	160		
1402 Interest receivable	10	7		
1405 Allowance for subsidy cost (-)	-3	4		
1499 Net present value of assets related to direct loans	151	171		
1999 Total assets	269	292		
LIABILITIES:				
Federal liabilities:				
2104 Resources payable to Treasury	261	280		
2105 Other	8	12		
2999 Total liabilities	269	292		
4999 Total liabilities and net position	269	292		

Note: Consistent with Government-wide practice, information for 2004 and 2005 was not required to be collected.

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	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.05 Upward Reestimates of direct loan subsidy	1		
10.00 Total new obligations (object class 41.0)	1		
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	1		
23.95 Total new obligations	-1		
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	1		

Change in obligated balances:			
73.10	Total new obligations	1	
73.20	Total outlays (gross)	- 1	
Outlays (gross), detail:			
86.97	Outlays from new mandatory authority	1	
Net budget authority and outlays:			
89.00	Budget authority	1	
90.00	Outlays	1	

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

Identification code 12-3302-0-1-351	2003 actual	2004 est.	2005 est.
Direct loan levels supportable by subsidy budget authority:			
115001	Apple loan program		
115901	Total direct loan levels		
Direct loan subsidy (in percent):			
132001	Apple loan program	0.00	
132901	Weighted average subsidy rate	0.00	
Direct loan subsidy budget authority:			
133001	Apple loan program		
133901	Total subsidy budget authority		
Direct loan subsidy outlays:			
134001	Apple loan program		
134901	Total subsidy outlays		
Direct loan upward reestimate subsidy budget authority:			
135001	Apple loan program	1	
135901	Total upward reestimate budget authority	1	
Direct loan downward reestimate subsidy budget authority:			
137001	Apple loan program		
137901	Total downward reestimate budget authority		
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. Although the program is funded through CCC, program management is performed through farm loan programs. No further funding is requested for this program.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated in 1992 and beyond (including modifications of direct loans or loan guarantees 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	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.02	Payment to Treasury—Interest	1	1
10.00	Total new obligations	1	1
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	12	5
22.00	New financing authority (gross)	4	4
22.60	Portion applied to repay debt	- 10	- 8
23.90	Total budgetary resources available for obligation	6	1
23.95	Total new obligations	- 1	- 1

24.40	Unobligated balance carried forward, end of year	5	
New financing authority (gross), detail:			
Discretionary:			
47.00	Authority to borrow	- 2	
Spending authority from offsetting collections:			
68.00	Payments from program account	1	
68.00	Interest on uninvested funds and Loan interest	1	1
68.00	Principal repayments	4	3

68.90	Spending authority from offsetting collections (total discretionary)	6	4	2
70.00	Total new financing authority (gross)	4	4	2

Change in obligated balances:

73.10	Total new obligations	1	1	1
73.20	Total financing disbursements (gross)	- 1	- 1	- 1
87.00	Total financing disbursements (gross)	1	1	1

Offsets:

Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Payments from program account	- 1		
88.25	Interest on uninvested funds and Loan interest	- 1	- 1	- 1
88.40	Principal repayments	- 4	- 3	- 1
88.90	Total, offsetting collections (cash)	- 6	- 4	- 2

Net financing authority and financing disbursements:

89.00	Financing authority	- 2		
90.00	Financing disbursements	- 5	- 3	- 1

Status of Direct Loans (in millions of dollars)

Identification code 12-4211-0-3-351	2003 actual	2004 est.	2005 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	9	4	1
1251	Repayments: Repayments and prepayments	- 4	- 3	- 1
1264	Write-offs for default: Other adjustments, net	- 1		
1290	Outstanding, end of year	4	1	

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	2002 actual	2003 actual	2004 est.	2005 est.
ASSETS:				
Federal assets:				
1101	Fund balances with Treasury	10	5	
Investments in US securities:				
1106	Receivables, net	1		
Net value of assets related to post-1991 direct loans receivable:				
1401	Direct loans receivable, gross	8	4	
1405	Allowance for subsidy cost (-)	1	1	
1499	Net present value of assets related to direct loans	9	5	
1999	Total assets	20	10	
LIABILITIES:				
2104	Federal liabilities: Resources payable to Treasury	20	10	
2999	Total liabilities	20	10	
4999	Total liabilities and net position	20	10	

Note: Consistent with Government-wide practice, information for 2004 and 2005 was not required to be collected.

Public enterprise funds—Continued

EMERGENCY BOLL WEEVIL PROGRAM ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-3303-0-1-351	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.05 Reestimates of direct loan subsidy	1		
10.00 Total new obligations (object class 41.0)	1		
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	1		
23.95 Total new obligations	-1		
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	1		
Change in obligated balances:			
73.10 Total new obligations	1		
73.20 Total outlays (gross)	-1		
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	1		
Net budget authority and outlays:			
89.00 Budget authority	1		
90.00 Outlays	1		

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

Identification code 12-3303-0-1-351	2003 actual	2004 est.	2005 est.
Direct loan subsidy (in percent):			
132001 Emergency boll weevil loans	0.00		
132901 Weighted average subsidy rate	0.00		
133901 Total subsidy budget authority			
Direct loan upward reestimate subsidy budget authority:			
135001 Emergency boll weevil loans	1		
135901 Total upward reestimate budget authority	1		
Administrative expense data:			
351001 Budget authority			
358001 Outlays from balances			
359001 Outlays from new authority			

EMERGENCY BOLL WEEVIL DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4221-0-4-351	2003 actual	2004 est.	2005 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		1	1
22.00 New financing authority (gross)	1	1	1
22.40 Capital transfer to general fund		-1	-1
23.90 Total budgetary resources available for obligation	1	1	1
24.40 Unobligated balance carried forward, end of year	1	1	1
New financing authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	1	1	1
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-1		
88.40 Non-Federal sources		-1	-1
88.90 Total, offsetting collections (cash)	-1	-1	-1
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements	-1	-1	-1

Status of Direct Loans (in millions of dollars)

Identification code 12-4221-0-4-351	2003 actual	2004 est.	2005 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1150 Total direct loan obligations			
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	10	10	9
1251 Repayments: Repayments and prepayments		-1	-1
1263 Write-offs for default: Direct loans			
1290 Outstanding, end of year	10	9	8

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	2002 actual	2003 actual	2004 est.	2005 est.
ASSETS:				
Investments in US securities:				
1106 Federal assets: Receivables, net	1			
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	10	10		
1405 Allowance for subsidy cost (-)	-7	-7		
1499 Net present value of assets related to direct loans	3	3		
1999 Total assets	4	3		
LIABILITIES:				
2103 Federal liabilities: Debt	4	3		
2999 Total liabilities	4	3		
4999 Total liabilities and net position	4	3		

Note: Consistent with Government-wide practice, information for 2004 and 2005 was not required to be collected.

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, **[\$853,004,000] \$710,412,000**, to remain available until expended (7 U.S.C. 2209b), of which not less than **[\$9,250,000] \$8,915,000** is for snow survey and water forecasting, and not less than **[\$11,500,000] \$10,454,000** is for operation and establishment of the plant materials centers, and of which not less than **[\$23,500,000] \$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 appropria-

tion shall be available for technical assistance and related expenses to carry out programs authorized by section 202(c) of title II of the Colorado River Basin Salinity Control Act of 1974 (43 U.S.C. 1592(c)); *Provided further*, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the Service; *Provided further*, That none of the funds made available under this paragraph by this or any other appropriations Act may be used to provide technical assistance with respect to programs listed in section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)). (7 U.S.C. 2201-02; 16 U.S.C. 590e-2, 1101-5; 33 U.S.C. 7016-11; Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-1000-0-1-302	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Technical assistance	712	763	604
00.02 Soil surveys	84	89	87
00.03 Snow survey and water forecasting	9	10	9
00.04 Plant materials centers	10	12	11
09.00 Reimbursable program	53	67	53
10.00 Total new obligations	868	941	764
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	17	29	3
22.00 New budget authority (gross)	868	915	763
22.10 Resources available from recoveries of prior year obligations	12		
23.90 Total budgetary resources available for obligation	897	944	766
23.95 Total new obligations	-868	-941	-764
24.40 Unobligated balance carried forward, end of year	29	3	3
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	825	853	710
40.35 Appropriation permanently reduced	-5	-5	
43.00 Appropriation (total discretionary)	820	848	710
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	56	67	53
68.10 Change in uncollected customer payments from Federal sources (unexpired)	-8		
68.90 Spending authority from offsetting collections (total discretionary)	48	67	53
70.00 Total new budget authority (gross)	868	915	763
Change in obligated balances:			
72.40 Obligated balance, start of year	147	204	287
73.10 Total new obligations	868	941	764
73.20 Total outlays (gross)	-806	-858	-768
73.45 Recoveries of prior year obligations	-12		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	8		
74.40 Obligated balance, end of year	204	287	282
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	729	813	678
86.93 Outlays from discretionary balances	77	45	90
87.00 Total outlays (gross)	806	858	768
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-56	-50	-36
88.40 Non-Federal sources		-17	-17
88.90 Total, offsetting collections (cash)	-56	-67	-53
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	820	848	710
90.00 Outlays	751	791	715

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

on the land, including design, layout, installation, and consultation services.

MAIN WORKLOAD FACTORS

	2003 Actual	2004 est.	2005 est.
Customers served, number	3.8 million	4.0 million	4.0 million
Customers receiving technical assistance for planning & application number	527,000	550,000	550,000
Conservation systems planned, acres	35.1 million	36.8 million	36.8 million
Erosion reduction applied on cropland	6.6 million	6.9 million	6.9 million
Conservation practices applied on grazing land	19.8 million	20.8 million	20.8 million

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

	2003 actual	2004 est.	2005 est.
Acres mapped annually (millions)	21.7	22	22
Soil surveys released for public use, (million acres) ..	49.3	55	130

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

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

Object Classification (in millions of dollars)

Identification code 12-1000-0-1-302	2003 actual	2004 est.	2005 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	408	427	347
11.3 Other than full-time permanent	10	11	9
11.5 Other personnel compensation	6	6	5
11.9 Total personnel compensation	424	444	361
12.1 Civilian personnel benefits	112	119	98
21.0 Travel and transportation of persons	15	15	12
22.0 Transportation of things	5	5	4
23.2 Rental payments to others	24	24	19
23.3 Communications, utilities, and miscellaneous charges	32	33	27
24.0 Printing and reproduction	3	3	3
25.2 Other services	141	170	137
26.0 Supplies and materials	15	16	13
31.0 Equipment	43	44	36
42.0 Insurance claims and indemnities	1	1	1
99.0 Direct obligations	815	874	711
99.0 Reimbursable obligations	53	67	53

CONSERVATION OPERATIONS—Continued

Object Classification (in millions of dollars)—Continued

Identification code 12-1000-0-1-302	2003 actual	2004 est.	2005 est.
99.9 Total new obligations	868	941	764

Personnel Summary

Identification code 12-1000-0-1-302	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	7,942	7,998	6,359
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	297	351	300

FARM BILL TECHNICAL ASSISTANCE

For necessary expenses of the Natural Resources Conservation Service in providing technical assistance and administrative support for the conservation reserve and wetlands reserve programs authorized under subchapters B and C, chapter 1, subtitle D of title XII of the Food Security Act of 1985, \$92,024,000.

Program and Financing (in millions of dollars)

Identification code 12-1006-0-1-302	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Farm Bill Technical Assistance			92
10.00 Total new obligations			92
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			92
23.95 Total new obligations			-92
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation			92
Change in obligated balances:			
73.10 Total new obligations			92
73.20 Total outlays (gross)			-81
74.40 Obligated balance, end of year			11
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			81
Net budget authority and outlays:			
89.00 Budget authority			92
90.00 Outlays			81

The Farm Bill Technical Assistance account funds the technical assistance costs of the Wetlands Reserve Program (WRP) and the Conservation Reserve Program (CRP) authorized by the Farm Security and Rural Investment Act of 2002 (P.L. 107-171). The financial assistance for WRP is provided from the Farm Security and Rural Investment Programs account, while the financial assistance for CRP is provided from the Commodity Credit Corporation.

The Farm Bill Technical Assistance account will fund the technical assistance needed to plan, design, layout, and install conservation systems funded by the 2002 Farm Bill for WRP and CRP. This will include both NRCS's technical assistance costs, as well as the costs for certified, non-federal technical service providers to provide technical assistance to farmers and ranchers for WRP and CRP.

Object Classification (in millions of dollars)

Identification code 12-1006-0-1-302	2003 actual	2004 est.	2005 est.
Personnel compensation:			
11.1 Full-time permanent			44
11.3 Other than full-time permanent			1
11.9 Total personnel compensation			45
12.1 Civilian personnel benefits			12
21.0 Travel and transportation of persons			3

23.2 Rental payments to others			3
23.3 Communications, utilities, and miscellaneous charges			3
24.0 Printing and reproduction			1
25.2 Other services			17
26.0 Supplies and materials			1
31.0 Equipment			7
99.9 Total new obligations			92

Personnel Summary

Identification code 12-1006-0-1-302	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment			934

FARM SECURITY AND RURAL INVESTMENT PROGRAMS

Program and Financing (in millions of dollars)

Identification code 12-1004-0-1-302	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Wetlands Reserve Program	309	299	295
00.02 Environmental Quality Incentives Program	643	888	985
00.03 Ground and Surface Water Conservation	54	68	81
00.04 Klamath Basin	12	12	11
00.05 Wildlife Habitat Incentives Program	24	33	59
00.06 Farmland Protection Program	78	84	120
00.07 Conservation Security Program		41	209
00.08 Grassland Reserve Program	38	101	82
00.09 Conservation Reserve Program	55	100	
10.00 Total new obligations	1,213	1,626	1,842
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	1,242	1,626	1,842
23.95 Total new obligations	-1,213	-1,626	-1,842
23.98 Unobligated balance expiring or withdrawn	-29		
New budget authority (gross), detail:			
Discretionary:			
40.35 Appropriation permanently reduced			-265
Mandatory:			
60.35 Appropriation permanently reduced		-80	
62.00 Transferred from other accounts	1,242	1,706	2,107
62.50 Appropriation (total mandatory)	1,242	1,626	2,107
70.00 Total new budget authority (gross)	1,242	1,626	1,842
Change in obligated balances:			
72.40 Obligated balance, start of year	341	660	486
73.10 Total new obligations	1,213	1,626	1,842
73.20 Total outlays (gross)	-889	-1,800	-1,986
73.40 Adjustments in expired accounts (net)	-6		
74.40 Obligated balance, end of year	660	486	342
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			-72
86.97 Outlays from new mandatory authority	757	1,319	1,606
86.98 Outlays from mandatory balances	132	481	452
87.00 Total outlays (gross)	889	1,800	1,986
Net budget authority and outlays:			
89.00 Budget authority	1,242	1,626	1,842
90.00 Outlays	889	1,800	1,986

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

Conservation Security Program, and Grassland Reserve Program. In 2005, the technical assistance costs for the Conservation Reserve Program and Wetlands Reserve Program are funded from the Farm Bill Technical Assistance account.

The following programs are funded in this account.

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

Environmental Quality Incentives Program (EQIP) was reauthorized in the Farm Security and Rural Investment Act of 2002. Funding is authorized at \$5.8 billion over 6 years with \$400 million in FY 2002 increasing to \$1.3 billion in FY 2007. The purpose of the program is to promote agricultural production and environmental quality as compatible national goals.

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

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

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

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

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

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

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

Object Classification (in millions of dollars)

Identification code 12-1004-0-1-302	2003 actual	2004 est.	2005 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	143	173	152
11.3 Other than full-time permanent	1	1	1
11.5 Other personnel compensation	2	2	2
11.9 Total personnel compensation	146	176	155
12.1 Civilian personnel benefits	36	45	40
21.0 Travel and transportation of persons	5	7	6
22.0 Transportation of things		1	1
23.2 Rental payments to others	7	10	9
23.3 Communications, utilities, and miscellaneous charges	8	12	10
24.0 Printing and reproduction	1	1	1
25.2 Other services	60	93	84
26.0 Supplies and materials	4	6	6
31.0 Equipment	12	18	15
32.0 Land and structures	290	364	353
41.0 Grants, subsidies, and contributions	642	893	1,162
99.0 Direct obligations	1,211	1,626	1,842
99.5 Below reporting threshold	2		
99.9 Total new obligations	1,213	1,626	1,842

Personnel Summary

Identification code 12-1004-0-1-302	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	2,579	3,660	3,161

WATERSHED SURVEYS AND PLANNING

For necessary expenses to conduct research, investigation, and surveys of watersheds of rivers and other waterways, and for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001-1009), **[\$10,562,000: Provided, That none of the funds made available under this paragraph by this or any other appropriations Act may be used to provide technical assistance with respect to programs listed in section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a))]** **[\$5,032,000] \$5,083,000. (7 U.S.C. 2201-02; 16 U.S.C. 1101-5; 33 U.S.C. 7016-11; Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)**

Program and Financing (in millions of dollars)

Identification code 12-1066-0-1-301	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct program	11	11	5
10.00 Total new obligations	11	11	5
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	11	11	5
23.95 Total new obligations	-11	-11	-5
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	11	11	5
Change in obligated balances:			
72.40 Obligated balance, start of year	2	2	
73.10 Total new obligations	11	11	5
73.20 Total outlays (gross)	-10	-11	-6
74.40 Obligated balance, end of year	2		
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	9	9	4
86.93 Outlays from discretionary balances	1	2	2
87.00 Total outlays (gross)	10	11	6
Net budget authority and outlays:			
89.00 Budget authority	11	11	5
90.00 Outlays	10	11	6

Under the authorities of Public Law 83-566, watershed planning assistance is provided to States and communities

WATERSHED SURVEYS AND PLANNING—Continued

to address specific resource problems on a watershed scale. The funds are used to cooperate with other agencies and the States in providing local decision makers with resource data, derived from cooperative river basin surveys and flood-plain management studies, for use in decision making. Watershed plans are used to develop the small watershed projects.

Watershed work plans are prepared by sponsoring local organizations with the Department's assistance or through State and local resources. After work plans are approved by the Department or Congress (projects where the estimated Federal contribution will exceed \$5 million require congressional approval), financial assistance is provided for specific works of improvements. Since 1944, the Federal government has invested over \$8.5 billion to develop a watershed infrastructure through the Small Watershed program. The investment yields annual benefits estimated at \$922 million primarily to local areas and private landowners.

Object Classification (in millions of dollars)

Identification code 12-1066-0-1-301	2003 actual	2004 est.	2005 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	6	6	3
12.1 Civilian personnel benefits	2	1	1
25.2 Other services	1	1	
99.0 Direct obligations	9	8	4
99.5 Below reporting threshold	2	3	1
99.9 Total new obligations	11	11	5

Personnel Summary

Identification code 12-1066-0-1-301	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	105	97	46
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	1	2	1

WATERSHED AND FLOOD PREVENTION OPERATIONS

For necessary expenses to carry out preventive measures, including but not limited to research, engineering operations, methods of cultivation, the growing of vegetation, rehabilitation of existing works and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001-1005 and 1007-1009), the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), and in accordance with the provisions of laws relating to the activities of the Department, **[\$87,000,000] \$40,173,000**, to remain available until expended; of which up to \$10,000,000 may be available for the watersheds authorized under the Flood Control Act (33 U.S.C. 701 and 16 U.S.C. 1006a); *Provided*, That not to exceed **[\$40,000,000] \$20,173,000** of this appropriation shall be available for technical assistance: *Provided further*, That not to exceed \$1,000,000 of this appropriation is available to carry out the purposes of the Endangered Species Act of 1973 (Public Law 93-205), including cooperative efforts as contemplated by that Act to relocate endangered or threatened species to other suitable habitats as may be necessary to expedite project construction; *Provided further*, That none of the funds made available under this paragraph by this or any other appropriations Act may be used to provide technical assistance with respect to programs listed in section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)). (7 U.S.C. 2209b, 2225; 16 U.S.C. 1001-1005, 1007-1009; Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-1072-0-1-301	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
Direct program:			
00.01 Watershed operations (P.L. 534)	12	11	
00.03 Emergency watershed protection operations	63	197	
00.04 Small watershed operations (P.L. 566)	109	80	40
09.01 Reimbursable program	17	23	4
10.00 Total new obligations	201	311	44
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	119	53	1
22.00 New budget authority (gross)	119	259	44
22.10 Resources available from recoveries of prior year obligations	16		
23.90 Total budgetary resources available for obligation	254	312	45
23.95 Total new obligations	-201	-311	-44
24.40 Unobligated balance carried forward, end of year	53	1	1
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	110	237	40
40.35 Appropriation permanently reduced	-1	-1	
43.00 Appropriation (total discretionary)	109	236	40
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	17	23	4
68.10 Change in uncollected customer payments from Federal sources (unexpired)	-7		
68.90 Spending authority from offsetting collections (total discretionary)	10	23	4
70.00 Total new budget authority (gross)	119	259	44
Change in obligated balances:			
72.40 Obligated balance, start of year	214	244	216
73.10 Total new obligations	201	311	44
73.20 Total outlays (gross)	-162	-339	-138
73.45 Recoveries of prior year obligations	-16		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	7		
74.40 Obligated balance, end of year	244	216	122
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	91	183	31
86.93 Outlays from discretionary balances	71	156	107
87.00 Total outlays (gross)	162	339	138
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-17	-23	-4
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	7		
Net budget authority and outlays:			
89.00 Budget authority	109	236	40
90.00 Outlays	145	316	134

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. In order to improve the environmental and economic benefits of these projects, NRCS intends to focus on developing and funding non-structural flood prevention measures.

Emergency watershed protection.—This program authorizes the Secretary of Agriculture to undertake such emergency measures for runoff retardation and soil erosion prevention as may be needed to safeguard life and property from floods and the products of erosion on any watershed whenever natural elements or forces cause a sudden impairment of that watershed. An emergency is considered to exist when a water-

shed is suddenly impaired by flood, fire, wind, earthquake, drought or other natural causes and consequently life and property are endangered by floodwater, erosion, or sediment discharge. The emergency area need not be declared a national disaster area to be eligible for emergency watershed protection. Emergency watershed protection is applicable to small scale, localized disasters as well as large scale disasters. State environmental, natural resource, fish and game, and other agencies participate in planning and coordinating emergency work. Funding for the emergency watershed protection program is typically provided through emergency supplemental appropriations. To the extent financial resources are available, funding provided for the Watershed and Flood Prevention Operations account can be used to meet these types of emergency needs should they occur in 2005.

To improve the delivery and defensibility of the program, NRCS published a draft programmatic environmental impact statement and proposed regulations for public review and comment to assess various program alternatives. Through the public feedback and information gathering process, NRCS ultimately will be able to make the program more beneficial to communities and the environment.

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

Given the program's low economic returns and environmental benefits, no funding is proposed for 2005.

Small watershed operations authorized by Public Law 83-566.—The Department provides technical and financial assistance to local organizations to install measures for watershed protection, flood prevention, agricultural water management, recreation, and fish and wildlife enhancement. At least 50 percent of the funding provided will be used for financial assistance.

Funding provided to the Watershed Surveys and Planning program will be used to address one of the most critical strategic objectives of the NRCS Government Performance and Results Act (GPRA) Strategic Plan: "Restoring healthy watersheds, providing clean and abundant water supplies for people and environment." Program activities reflect high priority natural resource concerns such as: agriculture-induced water quality impacts, wetlands restoration, and flood damage risk reduction.

Loans through the Agricultural Credit Insurance Fund have been made in previous years to the local sponsors in order to fund the local cost of Public Law 83-566 or 78-534 projects. No funding for these loans is assumed in 2005.

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

MAIN WORKLOAD FACTORS

Status of operational projects:	2003 actual	2004 est.	2005 est.
Projects receiving land treatment	194	196	199
Structural projects	262	267	269
Land treatment and structural	67	70	71
Subtotal active projects	523	533	539
Projects continuing post-installation assistance	984	974	964
Inactive projects	25	25	25
Project life completed	43	53	63
Deauthorized projects	159	159	159
Total operational projects	1,734	1,744	1,750
New projects approved during year	1	10	6

Object Classification (in millions of dollars)

Identification code 12-1072-0-1-301	2003 actual	2004 est.	2005 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	30	44	11
11.5 Other personnel compensation	1	2	
11.9 Total personnel compensation	31	46	11
12.1 Civilian personnel benefits	8	12	3
21.0 Travel and transportation of persons	1	2	
23.2 Rental payments to others	1	2	1
23.3 Communications, utilities, and miscellaneous charges	2	4	1
25.2 Other services	9	12	3
25.2 Other services	68	104	12
26.0 Supplies and materials	1	2	
31.0 Equipment	2	3	1
41.0 Grants, subsidies, and contributions	59	101	8
99.0 Direct obligations	182	288	40
99.0 Reimbursable obligations	15	21	4
99.5 Below reporting threshold	4	2	
99.9 Total new obligations	201	311	44

Personnel Summary

Identification code 12-1072-0-1-301	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	568	796	190
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	42	40	17

WATERSHED REHABILITATION PROGRAM

For necessary expenses to carry out rehabilitation of structural measures, in accordance with section 14 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012), and in accordance with the provisions of laws relating to the activities of the Department, **[\$29,805,000] \$10,091,000**, to remain available until expended: *Provided*, That none of the funds made available under this paragraph by this or any other appropriations Act may be used to provide technical assistance with respect to programs listed in section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)). (16 U.S.C. 1001 et seq.; Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-1002-0-1-301	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct Program Activity	29	30	10
10.00 Total new obligations	29	30	10
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		1	95
22.00 New budget authority (gross)	30	125	-85
23.90 Total budgetary resources available for obligation	30	126	10
23.95 Total new obligations	-29	-30	-10
24.40 Unobligated balance carried forward, end of year	1	95	
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	30	30	10
40.35 Appropriation permanently reduced			-150
43.00 Appropriation (total discretionary)	30	30	-140
Mandatory:			
62.00 Transferred from other accounts		95	55
70.00 Total new budget authority (gross)	30	125	-85
Change in obligated balances:			
72.40 Obligated balance, start of year	4	24	26
73.10 Total new obligations	29	30	10
73.20 Total outlays (gross)	-10	-26	85
74.40 Obligated balance, end of year	24	26	121

WATERSHED REHABILITATION PROGRAM—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1002-0-1-301	2003 actual	2004 est.	2005 est.
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	8	20	-95
86.93 Outlays from discretionary balances	2	6	10
87.00 Total outlays (gross)	10	26	-85
Net budget authority and outlays:			
89.00 Budget authority	30	125	-85
90.00 Outlays	10	26	-85

Under the authorities of section 14 of the Watershed Protection and Flood Prevention Act assistance is provided to communities to address concerns about local aging dams. NRCS may provide technical and financial assistance for the planning, design, and implementation of rehabilitation projects that may include upgrading or removing the dams.

Object Classification (in millions of dollars)

Identification code 12-1002-0-1-301	2003 actual	2004 est.	2005 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	6	5	2
12.1 Civilian personnel benefits	1	1	.....
25.2 Other services	6	8	2
31.0 Equipment	2	2	1
41.0 Grants, subsidies, and contributions	13	13	5
99.0 Direct obligations	28	29	10
99.5 Below reporting threshold	1	1	.....
99.9 Total new obligations	29	30	10

Personnel Summary

Identification code 12-1002-0-1-301	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	91	80	26

RESOURCE CONSERVATION AND DEVELOPMENT

For necessary expenses in planning and carrying out projects for resource conservation and development and for sound land use pursuant to the provisions of sections 31 and 32 of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1010-1011; 76 Stat. 607); the Act of April 27, 1935 (16 U.S.C. 590a-f); and subtitle H of title XV of the Agriculture and Food Act of 1981 (16 U.S.C. 3451-3461), **[\$51,947,000] \$50,760,000**, to remain available until expended: *Provided*, That none of the funds made available under this paragraph by this or any other appropriations Act may be used to provide technical assistance with respect to programs listed in section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)); *Provided further*, That the Secretary shall enter into a cooperative or contribution agreement with a national association regarding a Resource Conservation and Development program and such agreement shall contain the same matching, contribution requirements, and funding level, set forth in a similar cooperative or contribution agreement with a national association in fiscal year 2002: *Provided further*, That not to exceed \$3,504,300, the same amount as in the budget, shall be available for national headquarters activities]. (7 U.S.C. 2225; Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-1010-0-1-302	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.02 Technical assistance	50	53	51
09.01 Reimbursable program .....	.....	1	1
10.00 Total new obligations	50	54	52

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	1	2	.....
22.00 New budget authority (gross)	51	52	51
23.90 Total budgetary resources available for obligation	52	54	51
23.95 Total new obligations	-50	-54	-52
24.40 Unobligated balance carried forward, end of year	2	.....	.....

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	51	52	51
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	.....	1	1
70.00 Total new budget authority (gross)	51	53	52

Change in obligated balances:

72.40 Obligated balance, start of year	8	9	9
73.10 Total new obligations	50	54	52
73.20 Total outlays (gross)	-49	-54	-51
74.40 Obligated balance, end of year	9	9	8

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	46	48	47
86.93 Outlays from discretionary balances	3	6	4
87.00 Total outlays (gross)	49	54	51

Offsets:

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

Net budget authority and outlays:

89.00 Budget authority	51	53	50
90.00 Outlays	49	52	50

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

Designated RC&D areas are provided technical assistance to help States and local units of government prepare plans for resource development and economic improvement and to plan and install community-related conservation projects. Financial contributions, loans, and other Federal assistance may be used to help carry out projects specified in RC&D area plans. Program financial resources are focused on the RC&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&D areas authorized to receive technical and financial assistance.

MAIN WORKLOAD FACTORS

	2003 actual	2004 est.	2005 est.
Areas authorized at beginning of year	368	375	375
Areas authorized at end of year	375	375	375
Project plans adopted	2,084	2,500	2,500
Projects completed	4,254	3,000	3,000

Object Classification (in millions of dollars)

Identification code 12-1010-0-1-302	2003 actual	2004 est.	2005 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	29	31	29
11.3 Other than full-time permanent	1	1	1

11.9	Total personnel compensation	30	32	30
12.1	Civilian personnel benefits	7	8	7
21.0	Travel and transportation of persons	1	1	1
23.2	Rental payments to others	1	1	1
23.3	Communications, utilities, and miscellaneous charges	2	2	2
25.2	Other services	7	7	7
26.0	Supplies and materials	1	1	1
31.0	Equipment	1	1	1
99.0	Direct obligations	50	53	50
99.0	Reimbursable obligations		1	1
99.5	Below reporting threshold			1
99.9	Total new obligations	50	54	52

Personnel Summary

Identification code 12-1010-0-1-302	2003 actual	2004 est.	2005 est.	
Direct:				
1001	Total compensable workyears: Civilian full-time equivalent employment	511	540	498
Reimbursable:				
2001	Total compensable workyears: Civilian full-time equivalent employment	2	5	5

BIOMASS RESEARCH AND DEVELOPMENT

Program and Financing (in millions of dollars)

Identification code 12-1003-0-1-271	2003 actual	2004 est.	2005 est.	
Obligations by program activity:				
00.01	Biomass Research and Development	14	14	14
10.00	Total new obligations (object class 41.0)	14	14	14
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	14	14	14
23.95	Total new obligations	-14	-14	-14
New budget authority (gross), detail:				
Mandatory:				
62.00	Transferred from other accounts	14	14	14
Change in obligated balances:				
72.40	Obligated balance, start of year		14	
73.10	Total new obligations	14	14	14
73.20	Total outlays (gross)		-28	-14
74.40	Obligated balance, end of year	14		
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority		14	14
86.98	Outlays from mandatory balances		14	
87.00	Total outlays (gross)		28	14
Net budget authority and outlays:				
89.00	Budget authority	14	14	14
90.00	Outlays		28	14

Biomass Research and Development is authorized by the Biomass Research and Development Act of 2000. The program provides competitive grants for research, development, and demonstration to encourage innovation and development related to biomass, and improved commercialization of bio-based products and energy. USDA and the Department of Energy jointly administer the program.

Current priorities focus on the following: feedstock development and production; biobased products emphasizing environmental and economic performance; biomass focused forest management training, in support of Title II of the Healthy Forest Restoration Act of 2003; and effective and targeted incentive systems for biomass commercialization and adoption.

GREAT PLAINS CONSERVATION PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-2268-0-1-302	2003 actual	2004 est.	2005 est.	
Obligations by program activity:				
00.01	Direct Program Activity		1	
10.00	Total new obligations (object class 99.5)		1	
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	1	1	
23.95	Total new obligations		-1	
24.40	Unobligated balance carried forward, end of year	1		
Change in obligated balances:				
72.40	Obligated balance, start of year	2	1	
73.10	Total new obligations		1	
73.20	Total outlays (gross)		-1	
74.40	Obligated balance, end of year	1		
Outlays (gross), detail:				
86.93	Outlays from discretionary balances		1	
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays		1	

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:	2003 actual	2004 est.	2005 est.
Number of contracts serviced during year	395	395	200,000
Number of acres under contracts	1,567,600	1,567,600	794,000

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

FORESTRY INCENTIVES PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3336-0-1-302	2003 actual	2004 est.	2005 est.	
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	2	4	4
22.10	Resources available from recoveries of prior year obligations	2		
23.90	Total budgetary resources available for obligation	4	4	4
24.40	Unobligated balance carried forward, end of year	4	4	4
Change in obligated balances:				
72.40	Obligated balance, start of year	18	10	4
73.20	Total outlays (gross)	-6	-6	-2
73.45	Recoveries of prior year obligations	-2		
74.40	Obligated balance, end of year	10	4	2
Outlays (gross), detail:				
86.93	Outlays from discretionary balances	6	6	2
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	5	6	2

No funds are proposed for the Forestry Incentives Program (FIP). The FIP was not reauthorized by the Farm Security

FORESTRY INCENTIVES PROGRAM—Continued

and Rural Investment Act of 2002 (P.L. 107-171). Prior-year account balances are maintained in this account until expended.

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

WATER BANK PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3320-0-1-302	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct Program Activity		1	
10.00 Total new obligations (object class 99.5)		1	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	
23.95 Total new obligations		-1	
24.40 Unobligated balance carried forward, end of year	1		
Change in obligated balances:			
72.40 Obligated balance, start of year	3	2	1
73.10 Total new obligations		1	
73.20 Total outlays (gross)	-1	-2	-1
74.40 Obligated balance, end of year	2	1	
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	1	2	1
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	1	2	1

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. For 2005, the budget does not request program funding.

COLORADO RIVER BASIN SALINITY CONTROL PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3318-0-1-304	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct Program Activity		1	
10.00 Total new obligations (object class 99.5)		1	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	
23.95 Total new obligations		-1	
24.40 Unobligated balance carried forward, end of year	1		
Change in obligated balances:			
72.40 Obligated balance, start of year	1	1	
73.10 Total new obligations		1	
73.20 Total outlays (gross)		-1	
74.40 Obligated balance, end of year	1		
Outlays (gross), detail:			
86.93 Outlays from discretionary balances		1	
Net budget authority and outlays:			
89.00 Budget authority			

90.00 Outlays			1
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The Colorado River Basin Salinity Control Program (CRBSC), was authorized under section 202(c) of Title II of the Colorado River Basin Salinity Control Act, as amended by section 334, subtitle D, Title III of the Federal Agriculture Improvement Act (FAIR Act) of 1996. The FAIR Act, combined authority of the Agricultural Conservation Program (ACP), Water Quality Incentive Program (WQIP), Great Plains Conservation Program (GPCP), and the Colorado River Basin Salinity Control Program (CRBSC), into the Environmental Quality Incentives Program (EQIP). The FAIR Act also repealed CRBSC authority, while maintaining program account balances until expended.

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

WETLANDS RESERVE PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-1080-0-1-302	2003 actual	2004 est.	2005 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2	2	
24.40 Unobligated balance carried forward, end of year	2		
Change in obligated balances:			
72.40 Obligated balance, start of year	4	2	
73.20 Total outlays (gross)	-2	-3	
74.40 Obligated balance, end of year	2		
Outlays (gross), detail:			
86.98 Outlays from mandatory balances	2	3	
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	1	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), the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriation Act, 2001 (P.L. 106-387), and the Farm Security and Rural Investment Act of 2002 (P.L. 107-171). 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.

WILDLIFE HABITAT INCENTIVES PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3322-0-1-302	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct Program Activity	1	1	
10.00 Total new obligations (object class 41.0)	1	1	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	

22.10	Resources available from recoveries of prior year obligations	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		
Change in obligated balances:				
72.40	Obligated balance, start of year	24	19	15
73.10	Total new obligations	1	1	
73.20	Total outlays (gross)	-5	-4	-4
73.45	Recoveries of prior year obligations	-1		
74.40	Obligated balance, end of year	19	15	11
Outlays (gross), detail:				
86.98	Outlays from mandatory balances	5	4	4
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	5	4	4

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

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

WHIP supports the USDA strategic plan goal to maintain and enhance the nation's natural resources and the environment. Although the primary purpose of the program is wildlife habitat development and enhancement, the benefits are not limited to wildlife. The practices are often compatible with and beneficial to farming and ranching enterprises. Some practices enhance farm profitability by improving grazing conditions, reducing management expenses, and by producing non-crop income from the lease of rights to harvest and observe wild game and fish. The program has been utilized to control invasive species, re-establish native vegetation, manage non-industrial forestland, stabilize stream banks, protect, develop or enhance unique habitats, and remove barriers that impede migration of certain species.

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 state NRCS offices based on state wildlife habitat priorities. 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.

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

RURAL CLEAN WATER PROGRAM
Program and Financing (in millions of dollars)

Identification code 12-3337-0-1-304	2003 actual	2004 est.	2005 est.
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	5	
22.00	New budget authority (gross)	-5	

23.90	Total budgetary resources available for obligation		
New budget authority (gross), detail:			
Discretionary:			
40.36	Unobligated balance permanently reduced (rescinded)	-5	
Net budget authority and outlays:			
89.00	Budget authority	-5	
90.00	Outlays		

This experimental Rural Clean Water Program, authorized by Public Law 96-108 and Public Law 96-528, was a cooperative endeavor among farmers, various USDA agencies, and other organizations to develop and test means of controlling agricultural nonpoint source water pollution in rural areas.

All final payments have been made and the program was closed out in 2003. During FY 2003, \$5 million in unobligated balances was rescinded by the Consolidated Appropriations Resolution, P.L. 108-7. The remaining balance of approximately \$8 thousand was transferred to the USDA Working Capital Fund.

AGRICULTURAL RESOURCE CONSERVATION DEMONSTRATION PROGRAM
ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-2086-0-1-351	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.07	Reestimates of guaranteed loan subsidy	1	
10.00	Total new obligations (object class 41.0)	1	
Budgetary resources available for obligation:			
22.00	New budget authority (gross)	1	
23.95	Total new obligations	-1	
New budget authority (gross), detail:			
Mandatory:			
60.00	Appropriation (subsidy reestimate)	1	
Change in obligated balances:			
73.10	Total new obligations	1	
73.20	Total outlays (gross)	-1	
Outlays (gross), detail:			
86.97	Outlays from new mandatory authority	1	
Net budget authority and outlays:			
89.00	Budget authority	1	
90.00	Outlays	1	

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

Identification code 12-2086-0-1-351	2003 actual	2004 est.	2005 est.
Guaranteed loan upward reestimate subsidy budget authority:			
235001	Agricultural resource conservation demonstration program	1	
235901	Total upward reestimate budget authority	1	
Guaranteed loan downward reestimate subsidy budget authority:			
237001	Downward reestimate subsidy budget authority	-1	
237901	Total downward reestimate subsidy budget authority	-1	

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	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.02 Interest assistance on guaranteed loans	1	1	1
Downward Reestimates:			
08.04 Interest on reestimates of guaranteed loan subsidy		1	
10.00 Total new obligations	1	2	1
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3	2	
22.00 New financing authority (gross)	1		1
23.90 Total budgetary resources available for obligation	4	2	1
23.95 Total new obligations	-1	-2	-1
24.40 Unobligated balance carried forward, end of year	2		
New financing authority (gross), detail:			
Discretionary:			
47.00 Authority to borrow			1
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	1		
70.00 Total new financing authority (gross)	1		1
Change in obligated balances:			
73.10 Total new obligations	1	2	1
73.20 Total financing disbursements (gross)	-1	-2	-1
87.00 Total financing disbursements (gross)	1	2	1
Offsets:			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources	-1		
Net financing authority and financing disbursements:			
89.00 Financing authority			1
90.00 Financing disbursements		2	1

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4177-0-3-351	2003 actual	2004 est.	2005 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	22	12	5
2251 Repayments and prepayments	-10	-7	-5
2290 Outstanding, end of year	12	5	
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	12	5	

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	2002 actual	2003 actual	2004 est.	2005 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	3	2		
1999 Total assets	3	2		

LIABILITIES:

2104 Federal liabilities: Resources payable to Treasury	1	1	
2204 Non-Federal liabilities: Liabilities for loan guarantees	2	1	
2999 Total liabilities	3	2	
4999 Total liabilities and net position	3	2	

Note: Consistent with Government-wide practice, information for 2004 and 2005 was not required to be collected.

Trust Funds

MISCELLANEOUS CONTRIBUTED FUNDS

Unavailable Receipts (in millions of dollars)

Identification code 12-8210-0-7-302	2003 actual	2004 est.	2005 est.
01.99 Balance, start of year	5	5	6
Receipts:			
02.20 Miscellaneous contributed funds	1	1	1
04.00 Total: Balances and collections	6	6	7
Appropriations:			
05.00 Miscellaneous contributed funds	-1		
07.99 Balance, end of year	5	6	7

Program and Financing (in millions of dollars)

Identification code 12-8210-0-7-302	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct Program Activity	3	8	
10.00 Total new obligations	3	8	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	10	8	
22.00 New budget authority (gross)	1		
23.90 Total budgetary resources available for obligation	11	8	
23.95 Total new obligations	-3	-8	
24.40 Unobligated balance carried forward, end of year	8		
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)	1		
Change in obligated balances:			
72.40 Obligated balance, start of year	1	-1	3
73.10 Total new obligations	3	8	
73.20 Total outlays (gross)	-5	-4	-3
74.40 Obligated balance, end of year	-1	3	
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	1		
86.98 Outlays from mandatory balances	4	4	3
87.00 Total outlays (gross)	5	4	3
Net budget authority and outlays:			
89.00 Budget authority	1		
90.00 Outlays	5	4	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	2003 actual	2004 est.	2005 est.
25.2 Other services	2	8	
25.2 Other services	1		
99.9 Total new obligations	3	8	

Personnel Summary

Identification code 12-8210-0-7-302	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	2	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; **[\$141,869,000]** *\$149,749,000: Provided*, That notwithstanding any other provision of law, funds appropriated under this section may be used for advertising and promotional activities that support the Rural Development mission area: *Provided further*, That not more than \$10,000 may be expended to provide modest nonmonetary awards to non-USDA employees: *Provided further*, That any balances available from prior years for the Rural Utilities Service, Rural Housing Service, and the Rural Business-Cooperative Service salaries and expenses accounts shall be transferred to and merged with this appropriation. (*Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.*)

Program and Financing (in millions of dollars)

Identification code 12-0403-0-1-452	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct program	143	141	150
09.01 Reimbursable program	486	506	516
10.00 Total new obligations	629	647	666
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	631	647	666
23.95 Total new obligations	-629	-647	-666
23.98 Unobligated balance expiring or withdrawn	-2		
New budget authority (gross), detail:			
<i>Discretionary:</i>			
40.00 Appropriation	146	142	150
40.35 Appropriation permanently reduced	-1	-1	
43.00 Appropriation (total discretionary)	145	141	150
<i>Spending authority from offsetting collections:</i>			
68.00 Offsetting collections (cash)	485	506	516
68.10 Change in uncollected customer payments from Federal sources (unexpired)	1		
68.90 Spending authority from offsetting collections (total discretionary)	486	506	516
70.00 Total new budget authority (gross)	631	647	666
Change in obligated balances:			
72.40 Obligated balance, start of year	126	131	138
73.10 Total new obligations	629	647	666
73.20 Total outlays (gross)	-622	-640	-662
73.40 Adjustments in expired accounts (net)	-6		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-1		
74.10 Change in uncollected customer payments from Federal sources (expired)	5		
74.40 Obligated balance, end of year	131	138	143
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	533	543	559
86.93 Outlays from discretionary balances	89	97	103
87.00 Total outlays (gross)	622	640	662
Offsets:			
<i>Against gross budget authority and outlays:</i>			
88.00 Offsetting collections (cash) from: Federal sources	-491	-506	-516
<i>Against gross budget authority only:</i>			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-1		
88.96 Portion of offsetting collections (cash) credited to expired accounts	6		
Net budget authority and outlays:			
89.00 Budget authority	145	141	150
90.00 Outlays	132	134	146

Since 2001, Rural Development has had a consolidated Salaries and Expenses account to administer all Rural Develop-

ment programs, including programs administered by the Rural Utilities Service (RUS), the Rural Housing Service (RHS), and the Rural Business-Cooperative Service (RBS).

RUS provides grants, direct loans and loan guarantees to suppliers of electric, telecommunications (for general purpose and for distance learning/telemedicine), and water and wastewater services in rural areas. Through the water and wastewater program, RUS also provides technical assistance. The programs are administered in Washington, DC. The Rural Development field office staff performs the services related to the water and wastewater grant and loan programs. For the electric and telecommunication loans, general field representatives visit borrowers periodically and maintain liaisons between the borrowers and headquarters.

RHS was formed from the Rural Housing section of the Farmers Home Administration and the Community Facilities Division of the Rural Development Administration. RHS delivers rural housing and community facility programs through a system of State, area, and local offices.

RBS includes programs from the former Rural Development Administration, rural development programs from the former Rural Electrification Administration, and the Agricultural Cooperative Service. This agency delivers loan and grant programs, as well as technical assistance, to cooperatives and rural businesses.

Object Classification (in millions of dollars)

Identification code 12-0403-0-1-452	2003 actual	2004 est.	2005 est.
Direct obligations:			
<i>Personnel compensation:</i>			
11.1 Full-time permanent	74	80	80
11.3 Other than full-time permanent	2	2	2
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	77	83	83
12.1 Civilian personnel benefits	22	20	17
21.0 Travel and transportation of persons	4	4	4
23.2 Rental payments to others	4	4	4
23.3 Communications, utilities, and miscellaneous charges	6	5	5
24.0 Printing and reproduction	1	1	1
25.2 Other services	9	9	10
25.3 Other purchases of goods and services from Government accounts	5	5	6
25.4 Operation and maintenance of facilities	8	7	11
25.7 Operation and maintenance of equipment	1	1	3
26.0 Supplies and materials	4	1	1
31.0 Equipment	2	1	5
99.0 Direct obligations	143	141	150
99.0 Reimbursable obligations	486	506	516
99.9 Total new obligations	629	647	666

Personnel Summary

Identification code 12-0403-0-1-452	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	1,478	1,529	1,528
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	5,310	5,499	5,500

RURAL COMMUNITY ADVANCEMENT PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For the cost of direct loans, loan guarantees, and grants, as authorized by 7 U.S.C. 1926, 1926a, 1926c, 1926d, and 1932, except for sections 381E-H and 381N of the Consolidated Farm and Rural Development Act, **[\$757,425,000]** *\$541,979,000*, to remain available until expended, of which **[\$75,919,000]** *\$29,339,000* shall be for rural community programs described in section 381E(d)(1) of such Act; of which **[\$605,006,000]** *\$439,460,000* shall be for the rural utilities programs described in sections 381E(d)(2), 306C(a)(2), and 306D of

General and special funds—Continued

RURAL COMMUNITY ADVANCEMENT PROGRAM—Continued
(INCLUDING TRANSFERS OF FUNDS)—Continued

such Act[, of which not to exceed \$500,000 shall be available for the rural utilities program described in section 306(a)(2)(B) of such Act, and of which not to exceed \$1,000,000 shall be available for the rural utilities program described in section 306E of such Act]; and of which [\$76,500,000] \$73,180,000 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 amount appropriated for rural business and cooperative development programs, \$100,000 shall be for a pilot program in the State of Alaska to assist communities with community planning: *Provided further*,] That of the total amount appropriated in this account, [\$24,000,000] \$13,000,000 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[; \$1,750,000 shall be for grants to the Delta Regional Authority (7 U.S.C. 1921 et seq.); and not less than \$2,000,000 shall be available for grants in accordance with section 310B(f) of the Consolidated Farm and Rural Development Act]: *Provided further*, That of the amount appropriated for rural utilities programs, not to exceed [\$25,000,000] \$11,800,000 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 [\$28,000,000] \$11,800,000 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”[, of which \$100,000 shall be provided to develop a regional system for centralized billing, operation, and management of rural water and sewer utilities through regional cooperatives, of which 25 percent shall be provided for water and sewer projects in regional hubs, and the State of Alaska shall provide a 25 percent cost share]; not to exceed [\$17,733,000] \$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 \$5,513,000 shall be for Rural Community Assistance Programs]; and not to exceed [\$13,000,000] \$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 amount appropriated for the circuit rider program, Alaska shall receive two additional full circuit rider contracts and not less than \$750,000 shall be for contracting with qualified national organizations to establish a Native American circuit rider program to provide technical assistance for rural water systems:] *Provided further*, That of the total amount appropriated, not to exceed [\$22,132,000] \$22,166,000 shall be available through June 30, [2004] 2005, for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones; of which [\$1,000,000] 1,081,000 shall be for the rural commu-

nity programs described in section 381E(d)(1) of such Act, of which \$12,582,000 shall be for the rural utilities programs described in section 381E(d)(2) of such Act, and of which [\$8,550,000] \$8,503,000 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 \$22,000,000 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, \$28,000,000 shall be transferred to and merged with the “Rural Utilities Service, High Energy Cost Grants Account” to provide grants authorized under section 19 of the Rural Electrification Act of 1936 (7 U.S.C. 918a):] *Provided further*, That any prior year balances for high cost energy grants authorized by section 19 of the Rural Electrification Act of 1936 (7 U.S.C. 901(19)) shall be transferred to and merged with the “Rural Utilities Service, High Energy Costs Grants Account”. (*Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.*)

Program and Financing (in millions of dollars)

Identification code 12–0400–0–1–452	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct loan subsidy	105	34	102
00.02 Guaranteed loan subsidy	36	42	30
00.05 Reestimate of Direct Loan Subsidy	34	.....	.....
00.06 Interest on Reestimates of Direct Loan Subsidy	4	.....	.....
00.07 Reestimates of Guaranteed Loan Subsidy	91	.....	.....
00.08 Interest on Reestimate of Guaranteed Loan Subsidy	22	.....	.....
00.11 Water and waste disposal systems grants	622	547	351
00.13 Emergency Community Water Assistance Grants	17	18	.....
00.14 Solid waste management grants	4	4	4
00.15 Community facility grants	23	21	17
00.17 Hazardous weather early warning grants	1	.....	.....
00.18 Economic impact initiative grants	23	25	.....
00.20 Rural business enterprise grants	51	48	40
00.21 Rural business opportunity grants	3	3	3
00.26 Rural Community Development Initiative Grants	11	14	.....
00.27 Broadcasting Systems Grants .....	.....	2	.....
10.00 Total new obligations (object class 41.0)	1,048	758	547
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	52	38	5
22.00 New budget authority (gross)	1,023	725	542
22.10 Resources available from recoveries of prior year obligations	16	.....	.....
22.21 Unobligated balance transferred to other accounts	–5	.....	.....
23.90 Total budgetary resources available for obligation	1,086	763	547
23.95 Total new obligations	–1,048	–758	–547
24.40 Unobligated balance carried forward, end of year	38	5	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	908	757	542
40.35 Appropriation permanently reduced	–6	–4	.....
41.00 Transferred to other accounts	–30	–28	.....
43.00 Appropriation (total discretionary)	872	725	542
Mandatory:			
60.00 Appropriation	151	.....	.....
70.00 Total new budget authority (gross)	1,023	725	542
Change in obligated balances:			
72.40 Obligated balance, start of year	2,614	2,734	2,584
73.10 Total new obligations	1,048	758	547
73.20 Total outlays (gross)	–908	–908	–870
73.40 Adjustments in expired accounts (net)	–3	.....	.....
73.45 Recoveries of prior year obligations	–16	.....	.....
74.40 Obligated balance, end of year	2,734	2,584	2,261
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	68	49	41
86.93 Outlays from discretionary balances	622	757	758
86.97 Outlays from new mandatory authority	151	.....	.....
86.98 Outlays from mandatory balances	67	102	71
87.00 Total outlays (gross)	908	908	870
Net budget authority and outlays:			
89.00 Budget authority	1,023	725	542
90.00 Outlays	909	908	870

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

Identification code 12-0400-0-1-452	2003 actual	2004 est.	2005 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Direct water and waste disposal	779	1,032	1,000
115002 Direct community facility	261	500	300
115003 Direct business and industry			
115901 Total direct loan levels	1,040	1,532	1,300
Direct loan subsidy (in percent):			
132001 Direct water and waste disposal	11.34	3.33	9.00
132002 Direct community facility	6.24	-0.71	4.05
132003 Direct business and industry	0.00	0.00	0.00
132901 Weighted average subsidy rate	10.00	1.96	7.85
Direct loan subsidy budget authority:			
133001 Direct water and waste disposal	88	34	90
133002 Direct community facility	16	-4	12
133003 Direct business and industry			
133901 Total subsidy budget authority	104	30	102
Direct loan subsidy outlays:			
134001 Direct water and waste disposal	83	88	78
134002 Direct community facility	19	18	13
134003 Direct business and industry			
134901 Total subsidy outlays	102	106	91
Direct loan upward reestimate subsidy budget authority:			
135001 Direct water and waste disposal	22		
135002 Direct community facility	3		
135003 Direct business and industry	13		
135901 Total upward reestimate budget authority	38		
Direct loan downward reestimate subsidy budget authority:			
137001 Direct water and waste disposal	-27		
137002 Direct community facility	-8		
137003 Direct business and industry	-1		
137901 Total downward reestimate budget authority	-36		
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Water and waste disposal loan guarantees	4	75	75
215002 Community facility loan guarantees	161	210	210
215003 Business and industry loan guarantees	902	552	600
215901 Total loan guarantee levels	1,067	837	885
Guaranteed loan subsidy (in percent):			
232001 Water and waste disposal loan guarantees	-0.81	-0.90	-0.90
232002 Community facility loan guarantees	-0.54	-0.60	0.09
232003 Business and industry loan guarantees	3.97	4.86	5.03
232901 Weighted average subsidy rate	3.28	2.99	3.28
Guaranteed loan subsidy budget authority:			
233001 Water and waste disposal loan guarantees		-1	-1
233002 Community facility loan guarantees	-1	-1	
233003 Business and industry loan guarantees	36	27	30
233901 Total subsidy budget authority	35	25	29
Guaranteed loan subsidy outlays:			
234001 Water and waste disposal loan guarantees			
234002 Community facility loan guarantees			
234003 Business and industry loan guarantees	32	18	29
234901 Total subsidy outlays	32	18	29
Guaranteed loan upward reestimate subsidy budget authority:			
235002 Community facility loan guarantees	4		
235003 Business and industry loan guarantees	109		
235901 Total upward reestimate budget authority	113		
Guaranteed loan downward reestimate subsidy budget authority:			
237001 Water and waste disposal loan guarantees			
237002 Community facility loan guarantees			
237003 Business and industry loan guarantees			
237901 Total downward reestimate subsidy budget authority			

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 2005 for all programs is projected to be near or slightly above the 2004 enacted level except for water and waste disposal grants and direct community facility loans.

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 two of the funding streams.

Water and waste disposal loans are authorized under 7 U.S.C. 1926. The program provides direct loans to municipalities, counties, special purpose districts, certain Indian Tribes, and non-profit corporations to develop water and waste disposal systems in rural areas and towns with populations of less than 10,000. The program also guarantees water and waste disposal loans made by banks and other eligible lenders. Total loan level is projected to be \$1,075 million for these programs in 2005.

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. \$342 million is projected for this program in 2005.

Emergency community water assistance grants are authorized under Section 306A of the Consolidated Farm and Rural Development Act, as amended. Grants are made to public bodies and nonprofit organizations for construction or extension of water lines, repair or maintenance of existing systems, replacement of equipment, and payment of costs to correct emergency situations. These grants are funded on an as needed basis using RCAP flexibility of funds authorization.

Solid waste management grants are authorized under Section 310B(b) of the Consolidated Farm and Rural Development Act, as amended. Grants are made to non-profit organizations to provide regional technical assistance to local and regional governments and related agencies for the purpose of reducing or eliminating pollution of water resources, and for improving the planning and management of solid waste disposal facilities. \$3.5 million is projected for this program in 2005.

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 2005 is projected to be \$527 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 pur-

General and special funds—Continued

RURAL COMMUNITY ADVANCEMENT PROGRAM—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

pose of improving the economic climate in rural areas. For direct loans no funds were requested or provided since 2002 and no funds are requested in 2005. 2005 projections for loan guarantees are \$600 million.

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. \$40 million is projected for this purpose in 2005.

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.

NORTHERN GREAT PLAINS REGIONAL AUTHORITY ADMINISTRATIVE EXPENSES

Program and Financing (in millions of dollars)

Identification code 12-0404-0-1-452	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct Program Activity		1	
10.00 Total new obligations (object class 25.2)		1	
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		1	
23.95 Total new obligations		-1	
Net budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation		2	
40.35 Appropriation permanently reduced		-1	
43.00 Appropriation (total discretionary)		1	
Change in obligated balances:			
73.10 Total new obligations		1	
73.20 Total outlays (gross)		-1	
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority		1	
Net budget authority and outlays:			
89.00 Budget authority		1	
90.00 Outlays		1	

The Northern Great Plains Regional Authority was established under section 6028 of the Farm Security and Rural Investment Act of 2002 Public Law 107-171. This account is for the Federal share of the administrative expenses associated with the Northern Great Plains Regional Authority.

RURAL HOUSING SERVICE

Federal Funds

General and special funds:

RURAL HOUSING ASSISTANCE GRANTS

For grants and contracts for very low-income housing repair, supervisory and technical assistance, compensation for construction defects, and rural housing preservation made by the Rural Housing Service, as authorized by 42 U.S.C. 1474, 1479(c), 1490e, and 1490m, [\$46,222,000] \$42,500,000, to remain available until expended[, of which \$5,000,000 shall be available for a processing and/or fishery workers housing demonstration project in Alaska, Mississippi, Utah,

and Wisconsin: *Provided*, That of the total amount appropriated, \$1,800,000] of which \$1,200,000 shall be available through June 30, [2004] 2005, for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones. (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-1953-0-1-604	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Farm Labor Housing Grants	2	1	
00.03 Very low-income housing repair grants	32	32	31
00.04 Very low-income housing repair natural disaster grants	2	4	
00.05 Supervisory and technical assistance grants	1	1	1
00.06 Processing Workers Housing Grants	1	9	
00.07 Rural housing preservation grants	10	9	10
10.00 Total new obligations (object class 41.0)	48	56	42
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	12	12	
22.00 New budget authority (gross)	42	46	42
22.10 Resources available from recoveries of prior year obligations	3		
22.22 Unobligated balance transferred from other accounts	1		
23.90 Total budgetary resources available for obligation	58	58	42
23.95 Total new obligations	-48	-56	-42
24.40 Unobligated balance carried forward, end of year	12		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	42	46	42
Change in obligated balances:			
72.40 Obligated balance, start of year	38	31	37
73.10 Total new obligations	48	56	42
73.20 Total outlays (gross)	-52	-50	-45
73.45 Recoveries of prior year obligations	-3		
74.40 Obligated balance, end of year	31	37	35
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	32	29	28
86.93 Outlays from discretionary balances	20	21	17
87.00 Total outlays (gross)	52	50	45
Net budget authority and outlays:			
89.00 Budget authority	43	46	42
90.00 Outlays	51	50	45

The rural housing for domestic farm labor grant program is authorized under section 516 of the Housing Act of 1949, as amended. This program was funded under this heading until 2001. Starting in 2001, it is funded under the Farm Labor Program Account.

The very low-income housing repair grant program is authorized under section 504 of the Housing Act of 1949, as amended. This grant program enables very low-income elderly residents in rural areas to improve or modernize their dwellings, to make the dwelling safer or more sanitary, or to remove health and safety hazards. The Budget provides \$32 million for this program in 2005.

The supervisory and technical assistance grant program is carried out under the provisions of section 509(f) and 525 of the Housing Act of 1949, as amended. Under section 509, grants are made to public and private nonprofit organizations for packaging loan applications for housing under sections 502, 504, 514/516, 515, and 533 of the Housing Act of 1949, as amended. The assistance is to be directed to underserved areas where at least 20 percent or more of the population is at or below the poverty level, and at least 10 percent or more of the population resides in substandard housing. Under section 525, grants are made to public and private nonprofit organizations and other associations for the developing, conducting, administering or coordinating of technical and supervisory assistance programs to demonstrate the benefits of Federal, State, and local housing programs for low-income families in rural areas. The Budget provides \$1 million for this program in 2005.

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 2005.

FARM LABOR PROGRAM ACCOUNT

For the cost of direct loans, grants, and contracts, as authorized by 42 U.S.C. 1484 and 1486, ~~[\$36,307,000]~~ \$36,765,000, to remain available until expended, for direct farm labor housing loans and domestic farm labor housing grants and contracts. (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-1954-0-1-604	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct loan subsidy	28	21	20
00.02 Farm labor housing grants	4	20	17
10.00 Total new obligations (object class 41.0)	32	41	37
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		5	
22.00 New budget authority (gross)	36	36	37
23.90 Total budgetary resources available for obligation	36	41	37
23.95 Total new obligations	-32	-41	-37
24.40 Unobligated balance carried forward, end of year	5		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	36	36	37
Change in obligated balances:			
72.40 Obligated balance, start of year	59	88	111
73.10 Total new obligations	32	41	37
73.20 Total outlays (gross)	-3	-18	-25
74.40 Obligated balance, end of year	88	111	123
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	3	18	25
Net budget authority and outlays:			
89.00 Budget authority	36	36	37
90.00 Outlays	3	18	25

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

Identification code 12-1954-0-1-604	2003 actual	2004 est.	2005 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Farm Labor Program	61	42	42
115901 Total direct loan levels	61	42	42
Direct loan subsidy (in percent):			
132001 Farm Labor Program	49.02	42.73	47.06
132901 Weighted average subsidy rate	49.02	42.73	47.06
Direct loan subsidy budget authority:			
133001 Farm Labor Program	30	18	20
133901 Total subsidy budget authority	30	18	20
Direct loan subsidy outlays:			
134001 Farm Labor Program	1	14	17
134901 Total subsidy outlays	1	14	17

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 2005 is \$59 million (\$17 million in grants and \$42 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, ~~[\$584,000,000]~~ \$592,000,000; 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 \$20,000 per project for advances to nonprofit organizations or public agencies to cover direct costs (other than purchase price) incurred in purchasing projects pursuant to section 502(c)(5)(C) of the Act: *Provided further*, That agreements entered into or renewed during the current fiscal year shall be funded for a four-year period: *Provided further*, That any unexpended balances remaining at the end of such four-year agreements may be transferred and used for the purposes of any debt reduction; maintenance, repair, or rehabilitation of any existing projects; preservation; and rental assistance activities authorized under title V of the Act], *although the life of any such agreement may be extended to fully utilize amounts obligated.* (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-0137-0-1-604	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct Program Activity	724	582	592
10.00 Total new obligations (object class 41.0)	724	582	592
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3	1	
22.00 New budget authority (gross)	721	581	592
23.90 Total budgetary resources available for obligation	724	582	592
23.95 Total new obligations	-724	-582	-592
24.40 Unobligated balance carried forward, end of year	1		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	726	584	592
40.00 Appropriation	60	62	61
40.35 Appropriation permanently reduced	-5	-3	
40.47 Portion substituted for borrowing authority	-60	-62	-61
43.00 Appropriation (total discretionary)	721	581	592
Change in obligated balances:			
72.40 Unpaid obligations, appropriation, start of year	2,215	2,282	2,184
72.40 Obligated balance, authority to borrow, start of year	566	507	445
73.10 Total new obligations	724	582	592
73.20 Total outlays (gross)	-716	-742	-748
74.40 Obligated balance, appropriation, end of year	2,282	2,184	2,089
74.40 Obligated balance, authority to borrow, end of year	507	445	384
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	30	29	30
86.93 Outlays from discretionary balances	686	713	718
87.00 Total outlays (gross)	716	742	748
Net budget authority and outlays:			
89.00 Budget authority	721	581	592
90.00 Outlays	716	742	748

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

General and special funds—Continued

RENTAL ASSISTANCE PROGRAM—Continued

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	2003 actual	2004 est.	2005 est.
Change in obligated balances:			
72.40 Obligated balance, start of year			
74.40 Obligated balance, end of year	2	1	1
	1	1	1
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), \$34,000,000 to remain available until expended: *Provided*, That of the total amount appropriated, \$1,000,000 shall be available through June 30, [2004], for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones]. (*Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.*)

Program and Financing (in millions of dollars)

Identification code 12-2006-0-1-604	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct Program Activity	40	43	34
00.06 Other	2		
10.00 Total new obligations (object class 41.0)	42	43	34
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	30	9	
22.00 New budget authority (gross)	24	34	34
22.10 Resources available from recoveries of prior year obligations	1		
22.21 Unobligated balance transferred to other accounts	-4		
23.90 Total budgetary resources available for obligation	51	43	34
23.95 Total new obligations	-42	-43	-34
24.40 Unobligated balance carried forward, end of year	9		
New budget authority (gross), detail:			
<i>Discretionary:</i>			
40.00 Appropriation	35	34	34
40.36 Unobligated balance permanently reduced	-11		
43.00 Appropriation (total discretionary)	24	34	34

Change in obligated balances:			
72.40 Obligated balance, start of year	37	50	60
73.10 Total new obligations	42	43	34
73.20 Total outlays (gross)	-28	-33	-36
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	50	60	58
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	8	4	4
86.93 Outlays from discretionary balances	20	29	32
87.00 Total outlays (gross)	28	33	36
Net budget authority and outlays:			
89.00 Budget authority	24	34	34
90.00 Outlays	28	33	36

This program is authorized under section 523 of the Housing Act of 1949, as amended. Grants and contracts are made for the purpose of providing technical and supervisory assistance to groups of families to enable them to build their own homes through the mutual exchange of labor.

RURAL COMMUNITY GRANTS

Program and Financing (in millions of dollars)

Identification code 12-1956-0-1-452	2003 actual	2004 est.	2005 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year			20
22.00 New budget authority (gross)		20	-20
23.90 Total budgetary resources available for obligation		20	
24.40 Unobligated balance carried forward, end of year		20	
New budget authority (gross), detail:			
<i>Discretionary:</i>			
40.35 Appropriation permanently reduced			-10
40.36 Unobligated balance permanently reduced			-20
43.00 Appropriation (total discretionary)			-30
<i>Mandatory:</i>			
62.00 Transferred from other accounts		20	10
70.00 Total new budget authority (gross)		20	-20
Change in obligated balances:			
73.20 Total outlays (gross)			
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			-20
86.97 Outlays from new mandatory authority			6
86.98 Outlays from mandatory balances			14
87.00 Total outlays (gross)			
Net budget authority and outlays:			
89.00 Budget authority		20	-20
90.00 Outlays			

Rural firefighters and emergency personnel grants are authorized under 7 U.S.C. 2655. Grants are provided to local government and Indian tribes to pay the cost of training firefighters and emergency personnel in firefighting, emergency medical practices, and responding to hazardous materials and bioagents in rural areas. Not less than 60 percent of the amounts made available for training grants shall be used to provide grants to fund partial scholarships for training of individuals at training centers. The remaining funding may be made available for grants to provide financial assistance to State and regional centers that provide training for firefighters and emergency medical personnel for improvements to the training facility, equipment, curricula, and personnel. The Farm Security and Rural Investment Act of 2002, Public Law 107-171, provides mandatory funding for this program. The Act provides \$10,000,000 for each of fiscal years 2003 through 2007, to remain available until expended, from the funds of the Commodity Credit Corporation. The 2005 Budget proposes to cancel the 2003 through 2005 funding for this program because other programs in Forest Service, Federal Emergency Management Agency, and the Bureau of

Land Management provide significant funding for this purpose.

RURAL COMMUNITY FIRE PROTECTION GRANTS

Program and Financing (in millions of dollars)

Identification code 12-2067-0-1-452	2003 actual	2004 est.	2005 est.
Change in obligated balances:			
72.40 Obligated balance, start of year		-1	
74.10 Change in uncollected customer payments from Federal sources (expired)	-1	1	
74.40 Obligated balance, end of year	-1		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

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 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	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct loans	286	500	300
00.02 Interest on Treasury borrowing	80	96	109
00.91 Direct Program by Activities—Subtotal (1 level)	366	596	409
08.01 Negative subsidy paid to receipt account			1
08.02 Downward reestimate paid to receipt account	7		
08.91 Direct Program by Activities—Subtotal (1 level)	7		1
10.00 Total new obligations	373	596	410
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	23	8	
22.00 New financing authority (gross)	404	588	410
22.10 Resources available from recoveries of prior year obligations	65		
22.60 Portion applied to repay debt	-74		
22.70 Balance of authority to borrow withdrawn	-37		
23.90 Total budgetary resources available for obligation	381	596	410
23.95 Total new obligations	-373	-596	-410
24.40 Unobligated balance carried forward, end of year	8		
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	249	410	260
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	162	193	165
68.10 Change in uncollected customer payments from Federal sources (unexpired)	-7	-15	-15
68.90 Spending authority from offsetting collections (total discretionary)	155	178	150
70.00 Total new financing authority (gross)	404	588	410
Change in obligated balances:			
72.40 Obligated balance, start of year	639	638	926
73.10 Total new obligations	373	596	410
73.20 Total financing disbursements (gross)	-315	-323	-412
73.45 Recoveries of prior year obligations	-65		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	7	15	15
74.40 Obligated balance, end of year	638	926	939
87.00 Total financing disbursements (gross)	315	323	412

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-22	-18	-13
88.25 Interest on uninvested funds	-13	-18	-18
88.40 Repayment of principal	-70	-76	-48
88.40 Interest received on loans	-55	-81	-86
88.40 Non-Federal sources	-2		
88.90 Total, offsetting collections (cash)	-162	-193	-165
Against gross financing authority only:			
88.95 Change in receivables from program accounts	7	15	15
Net financing authority and financing disbursements:			
89.00 Financing authority	249	410	260
90.00 Financing disbursements	153	130	247

Status of Direct Loans (in millions of dollars)

Identification code 12-4225-0-3-452	2003 actual	2004 est.	2005 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	255	500	300
1121 Limitation available from carry-forward	11		
1131 Direct loan obligations exempt from limitation	25		
1142 Unobligated direct loan limitation (-)	-5		
1143 Unobligated limitation carried forward (P.L. xx) (-)			
1150 Total direct loan obligations	286	500	300
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1,137	1,290	1,508
1231 Disbursements: Direct loan disbursements	228	317	349
1251 Repayments: Repayments and prepayments	-70	-99	-112
Write-offs for default:			
1263 Direct loans	-2		
1264 Other adjustments, net	-3		
1290 Outstanding, end of year	1,290	1,508	1,745

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	2002 actual	2003 actual	2004 est.	2005 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	29	5		
Investments in US securities:				
1106 Receivables, net	1	-2		
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	1,137	1,290		
1402 Interest receivable	16	17		
1404 Foreclosed property	2	1		
1405 Allowance for subsidy cost (-)	-111	-108		
1499 Net present value of assets related to direct loans	1,044	1,200		
1999 Total assets	1,074	1,203		
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable	1,067	1,195		
2105 Other	4	8		
2203 Non-Federal liabilities: Liability for deposit funds	3			
2999 Total liabilities	1,074	1,203		
4999 Total liabilities and net position	1,074	1,203		

Credit accounts—Continued

RURAL COMMUNITY FACILITY DIRECT LOANS FINANCING ACCOUNT—Continued

Note: Consistent with Government-wide practice, information for 2004 and 2005 was not required to be collected.

RURAL COMMUNITY FACILITY GUARANTEED LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4228-0-3-452	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
08.01 Direct Program Activity	3		
10.00 Total new obligations	3		
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	3	5
22.00 New financing authority (gross)	4	2	2
23.90 Total budgetary resources available for obligation	5	5	7
23.95 Total new obligations	-3		
24.40 Unobligated balance carried forward, end of year	3	5	7
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	2		
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	7	2	2
68.47 Portion applied to repay debt	-5		
68.90 Spending authority from offsetting collections (total discretionary)	2	2	2
70.00 Total new financing authority (gross)	4	2	2
Change in obligated balances:			
72.40 Obligated balance, start of year	1	1	
73.10 Total new obligations	3		
73.20 Total financing disbursements (gross)	-3	-1	-1
74.40 Obligated balance, end of year	1		
87.00 Total financing disbursements (gross)	3	1	1
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Federal sources			
88.00	-4		
88.40 Non-Federal sources, Guarantee Fees	-1	-2	-2
88.40 Non-Federal sources	-2		
88.90 Total, offsetting collections (cash)	-7	-2	-2
Net financing authority and financing disbursements:			
89.00 Financing authority	-3		
90.00 Financing disbursements	-5	-1	-1

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4228-0-3-452	2003 actual	2004 est.	2005 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders		210	210
2142 Uncommitted loan guarantee limitation	-49		
2150 Total guaranteed loan commitments	161	210	210
2199 Guaranteed amount of guaranteed loan commitments	129	168	168
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	301	373	461
2231 Disbursements of new guaranteed loans	138	161	187
2251 Repayments and prepayments	-66	-73	-77
2264 Adjustments: Other adjustments, net			
2290 Outstanding, end of year	373	461	571
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	373	461	571

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	2002 actual	2003 actual	2004 est.	2005 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	3	4		
Investments in US securities:				
1106 Receivables, net	8	1		
1999 Total assets	11	5		
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable				
2104 Resources payable to Treasury	6	2		
2105 Other liabilities, Federal		2		
Non-Federal liabilities: Liabilities for loan guarantees				
2204	5	1		
2999 Total liabilities	11	5		
4999 Total liabilities and net position	11	5		

Note: Consistent with Government-wide practice, information for 2004 and 2005 was not required to be collected.

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: **[\$4,091,634,000]** \$3,825,185,000 for loans to section 502 borrowers, as determined by the Secretary, of which **[\$1,366,462,000]** \$1,100,000,000 shall be for direct loans, and of which **[\$2,725,172,000]** \$2,725,185,000 shall be for unsubsidized guaranteed loans; **[\$35,004,000]** \$35,000,000 for section 504 housing repair loans; **[\$116,545,000]** \$60,000,000 for section 515 rental housing; \$100,000,000 for section 538 guaranteed multi-family housing loans; \$5,045,000 for section 524 site loans; **[\$11,500,000]** 11,501,000 for credit sales of acquired property, of which up to **[\$1,500,000]** \$1,501,000 may be for multi-family credit sales; and **[\$2,400,000]** \$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, **[\$165,921,000]** \$160,988,000, of which **[\$126,018,000]** \$127,380,000 shall be for direct loans, and of which **[\$39,903,000]** \$33,608,000, to remain available until expended, shall be for unsubsidized guaranteed loans; section 504 housing repair loans, **[\$9,612,000;]** \$10,171,000; *repair and rehabilitation* of section 515 rental housing, **[\$50,126,000]** \$28,254,000; section 538 multi-family housing guaranteed loans, **[\$5,950,000]** \$3,490,000; multi-family credit sales of acquired property, **[\$663,000;]** and section 523 self-help housing land development loans, **[\$75,000]** \$727,000: *Provided*, That of the total amount appropriated in this paragraph, \$7,100,000 shall be available through June 30, **[2004]** 2005, 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, **[\$443,302,000]** \$465,886,000, which shall be transferred to and merged with the appropriation for "Rural Development, Salaries and Expenses". (*Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.*)

Program and Financing (in millions of dollars)

Identification code 12-2081-0-1-371	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
Loan program:			
00.01 Direct loan subsidy	267	199	167
00.02 Guaranteed loan subsidy	40	46	37

00.05	Reestimates of direct loan subsidy	9		
00.06	Interest on reestimates of direct loan subsidy	3		
00.07	Reestimates of loan guarantee subsidy	36		
00.08	Interest on reestimates of loan guarantee subsidy	11		
00.09	Administrative expenses	430	441	466
00.11	Modular housing demonstration grants	1		
10.00	Total new obligations	797	686	670
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	17	14	
22.00	New budget authority (gross)	791	672	670
22.10	Resources available from recoveries of prior year obligations	1		
22.21	Unobligated balance transferred to other accounts	-1		
22.22	Unobligated balance transferred from other accounts	4		
23.90	Total budgetary resources available for obligation	812	686	670
23.95	Total new obligations	-797	-686	-670
24.40	Unobligated balance carried forward, end of year	14		
Net budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	738	676	670
40.35	Appropriation permanently reduced	-5	-4	
41.00	Transferred to other accounts	-1		
43.00	Appropriation (total discretionary)	732	672	670
Mandatory:				
60.00	Appropriation	59		
70.00	Total new budget authority (gross)	791	672	670
Change in obligated balances:				
72.40	Obligated balance, start of year	181	209	189
73.10	Total new obligations	797	686	670
73.20	Total outlays (gross)	-759	-706	-703
73.40	Adjustments in expired accounts (net)	-10		
73.45	Recoveries of prior year obligations	-1		
74.40	Obligated balance, end of year	209	189	156
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	614	575	595
86.93	Outlays from discretionary balances	86	131	108
86.97	Outlays from new mandatory authority	59		
87.00	Total outlays (gross)	759	706	703
Net budget authority and outlays:				
89.00	Budget authority	791	672	670
90.00	Outlays	759	706	703

Direct loan subsidy budget authority:				
133001	Direct 502 single family housing	201	125	127
133002	Direct 502 supplemental			
133003	Direct 502 modular housing			
133004	Direct 515 multi-family housing	54	50	28
133005	Direct 515 natural disaster	3		
133006	Direct 504 housing repair	10	10	10
133007	Direct 504 supplemental			
133008	Direct Farm Labor Housing			
133009	Direct Farm Labor Housing Supp.			
133010	Direct 524 site development			
133011	Single family credit sales		-2	-2
133012	Multi-family credit sales	1	1	1
133013	Direct 523 self-help housing			
133901	Total subsidy budget authority	269	184	164
Direct loan subsidy outlays:				
134001	Direct 502 single family housing	171	146	124
134002	Direct 502 supplemental			
134003	Direct 502 modular housing			
134004	Direct 515 multi-family housing	42	62	59
134005	Direct 515 natural disaster	3	3	4
134006	Direct 504 housing repair	9	9	10
134007	Direct 504 supplemental		3	1
134008	Direct Farm Labor Housing	5	4	1
134009	Direct Farm Labor Housing Supp.			
134010	Direct 524 site development			
134011	Single family credit sales		-2	-2
134012	Multi-family credit sales	1	1	1
134013	Direct 523 self-help housing			
134901	Total subsidy outlays	231	226	198
Direct loan upward reestimate subsidy budget authority:				
135001	Direct 502 single family housing			
135004	Direct 515 multi-family housing	2		
135006	Direct 504 housing repair			
135008	Direct Farm Labor Housing	4		
135011	Single family credit sales	4		
135012	Multi-family credit sales	1		
135901	Total upward reestimate budget authority	11		
Direct loan downward reestimate subsidy budget authority:				
137001	Direct 502 single family housing	-601		
137004	Direct 515 multi-family housing	-64		
137006	Direct 504 housing repair			
137008	Direct Farm Labor Housing			
137011	Single family credit sales	-3		
137012	Multi-family credit sales			
137901	Total downward reestimate budget authority	-668		

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

Identification code 12-2081-0-1-371	2003 actual	2004 est.	2005 est.	
Direct loan levels supportable by subsidy budget authority:				
115001	Direct 502 single family housing	1,038	1,351	1,100
115002	Direct 502 supplemental			
115003	Direct 502 modular housing			
115004	Direct 515 multi-family housing	115	116	60
115005	Direct 515 natural disaster	6		
115006	Direct 504 housing repair	32	35	35
115007	Direct 504 supplemental	1		
115008	Direct Farm Labor Housing			
115009	Direct Farm Labor Housing Supp.			
115010	Direct 524 site development	1	5	5
115011	Single family credit sales	1	10	10
115012	Multi-family credit sales	2	1	2
115013	Direct 523 self-help housing	1	2	5
115901	Total direct loan levels	1,197	1,520	1,217
Direct loan subsidy (in percent):				
132001	Direct 502 single family housing	19.37	9.27	11.58
132002	Direct 502 supplemental	19.37	9.27	11.58
132003	Direct 502 modular housing	17.92	0.00	0.00
132004	Direct 515 multi-family housing	46.63	43.01	47.09
132005	Direct 515 natural disaster	46.63	43.01	47.09
132006	Direct 504 housing repair	31.02	27.46	29.06
132007	Direct 504 supplemental	31.02	27.46	29.06
132008	Direct Farm Labor Housing	49.02	0.00	0.00
132009	Direct Farm Labor Housing Supp.	49.02	0.00	0.00
132010	Direct 524 site development	1.09	-0.03	-4.94
132011	Single family credit sales	-9.58	-17.46	-16.23
132012	Multi-family credit sales	46.68	44.20	48.44
132013	Direct 523 self-help housing	4.41	3.08	-0.47
132901	Weighted average subsidy rate	22.47	12.11	13.48

Guaranteed loan levels supportable by subsidy budget authority:				
215001	Guaranteed 502 single family housing, purchase	2,852	2,485	2,500
215002	Guaranteed 502, refinancing	235	224	225
215003	Guarantee 538 multi-family housing	99	99	100
215901	Total loan guarantee levels	3,186	2,808	2,825
Guaranteed loan subsidy (in percent):				
232001	Guaranteed 502 single family housing, purchase	1.22	1.57	1.32
232002	Guaranteed 502, refinancing	0.18	0.29	0.27
232003	Guarantee 538 multi-family housing	4.50	5.95	3.49
232901	Weighted average subsidy rate	1.22	1.64	1.31
Guaranteed loan subsidy budget authority:				
233001	Guaranteed 502 single family housing, purchase	35	39	33
233002	Guaranteed 502, refinancing		1	1
233003	Guarantee 538 multi-family housing	4	6	3
233901	Total subsidy budget authority	39	46	37
Guaranteed loan subsidy outlays:				
234001	Guaranteed 502 single family housing, purchase	34	32	33
234002	Guaranteed 502, refinancing			1
234003	Guarantee 538 multi-family housing	4	4	4
234901	Total subsidy outlays	38	36	38
Guaranteed loan upward reestimate subsidy budget authority:				
235001	Guaranteed 502 single family housing, purchase	47		
235002	Guaranteed 502, refinancing			
235901	Total upward reestimate budget authority	47		
Guaranteed loan downward reestimate subsidy budget authority:				
237001	Guaranteed 502 single family housing, purchase	-3		
237002	Guaranteed 502, refinancing	-1		
237901	Total downward reestimate subsidy budget authority	-4		

Credit accounts—Continued**RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT—Continued**

(INCLUDING TRANSFERS OF FUNDS)—Continued

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

Identification code 12-2081-0-1-371	2003 actual	2004 est.	2005 est.
Administrative expense data:			
351001 Budget authority	430	441	466
358001 Outlays from balances			
359001 Outlays from new authority	430	441	466

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 2005, 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 action 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.

For 502 guaranteed single family housing loans in 2005, the budget reflects an increase in the guarantee fee on new loans to 1.75 percent from 1.5 percent. This will be coupled with a general provision that would allow the guarantee fee to be financed as part of the loan. The ability to finance the guarantee fee is more in line with the housing industry, including HUD and VA, and will allow more lower income rural Americans to continue to afford these loans. In 2002, RHS approved separate risk categories for the guarantee refinancing (refis) and guarantees of new loans. As part of that change, RHS also reduced the guarantee fee to 0.5 percent for the refis. This change reflected the lower risk on refis as compared to an unseasoned borrower receiving a new loan. It is also consistent with the rate HUD and VA charge on their refis of similar loans.

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	2003 actual	2004 est.	2005 est.
25.3 Other purchases of goods and services from Government accounts	367	245	204
41.0 Grants, subsidies, and contributions	430	441	466
99.9 Total new obligations	797	686	670

RURAL HOUSING INSURANCE FUND DIRECT LOAN FINANCING ACCOUNT**Program and Financing** (in millions of dollars)

Identification code 12-4215-0-3-371	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct loans including upward adjustments of prior year obligations	1,252	1,601	1,259
00.02 Advances on behalf of borrowers	48	75	78
00.03 Collateral acquired by default	9	16	16
00.04 Interest on Treasury borrowing	668	711	748
00.06 Other expenses	3	14	14
00.91 Subtotal, Operating program	1,980	2,417	2,115
08.02 Downward subsidy reestimates paid to receipt account	444		
08.04 Interest on downward reestimates paid to receipt account	224		
08.91 Subtotal, Reestimates	668		
10.00 Total new obligations	2,648	2,417	2,115
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	113	619	
22.00 New financing authority (gross)	3,077	2,417	2,115
22.10 Resources available from recoveries of prior year obligations	78		
22.60 Portion applied to repay debt		-619	
23.90 Total budgetary resources available for obligation	3,268	2,417	2,115
23.95 Total new obligations	-2,648	-2,417	-2,115
24.40 Unobligated balance carried forward, end of year	619		
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	1,607	1,459	1,193
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	1,878	1,877	1,951
68.10 Change in uncollected customer payments from Federal sources (unexpired)	54	-22	-30
68.47 Portion applied to repay debt	-462	-897	-999
68.90 Spending authority from offsetting collections (total discretionary)	1,470	958	922
70.00 Total new financing authority (gross)	3,077	2,417	2,115
Change in obligated balances:			
72.40 Unpaid obligations, fund balance with Treasury, start of year	552	560	689
73.10 Total new obligations	2,648	2,417	2,115
73.20 Total financing disbursements (gross)	-2,509	-2,310	-2,225
73.45 Recoveries of prior year obligations	-78		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-54	22	30
74.40 Obligated balance, end of year	560	689	609
87.00 Total financing disbursements (gross)	2,509	2,310	2,225
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources: payments from program account	-241	-242	-217
88.25 Interest on uninvested funds	-75	-83	-88
88.40 Non-Federal sources: Repayments of principal	-976	-891	-948
88.40 Interest received on loans	-484	-532	-548
88.40 Payments on judgments	-11	-13	-15
88.40 Proceeds on sale of acquired property	-27	-33	-35
88.40 Recaptured income	-50	-68	-85

88.40	Fees	-8	-7	-7
88.40	Miscellaneous collections	-6	-8	-8
88.90	Total, offsetting collections (cash)	-1,878	-1,877	-1,951
	Against gross financing authority only:			
88.95	Change in receivables from program accounts	-54	22	30
Net financing authority and financing disbursements:				
89.00	Financing authority	1,145	562	194
90.00	Financing disbursements	631	433	274

2104	Liability for subsidy related to undisbursed loans			
2105	Other	816	359	
2207	Non-Federal liabilities: Other	62	6	
2999	Total liabilities	10,586	10,665	
4999	Total liabilities and net position	10,586	10,665	

Note: Consistent with Government-wide practice, information for 2004 and 2005 was not required to be collected.

Status of Direct Loans (in millions of dollars)

Identification code 12-4215-0-3-371	2003 actual	2004 est.	2005 est.	
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans	1,260	1,563	1,259
1121	Limitation available from carry-forward	38	38	
1131	Direct loan obligations exempt from limitation			
1142	Unobligated direct loan limitation (-)	-10		
1143	Unobligated limitation carried forward (P.L. xx) (-)	-36		
1150	Total direct loan obligations	1,252	1,601	1,259
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	12,088	12,144	12,669
1231	Disbursements: Direct loan disbursements	1,134	1,494	1,369
1251	Repayments: Repayments and prepayments	-985	-891	-948
1261	Adjustments: Capitalized interest	18	22	25
Write-offs for default:				
1263	Direct loans	-76	-78	-81
1264	Other adjustments, net	-35	-22	-24
1290	Outstanding, end of year	12,144	12,669	13,010

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	2002 actual	2003 actual	2004 est.	2005 est.
ASSETS:				
Federal assets:				
1101	Fund balances with Treasury	294	256	
Investments in US securities:				
1106	Receivables, net		54	
Net value of assets related to post-1991 direct loans receivable:				
1401	Direct loans receivable, gross	12,088	12,144	
1402	Interest receivable	75	53	
1404	Foreclosed property	33	30	
1405	Allowance for subsidy cost (-)	-1,904	-1,872	
1499	Net present value of assets related to direct loans	10,292	10,355	
1999	Total assets	10,586	10,665	
LIABILITIES:				
Federal liabilities:				
2103	Debt	9,708	10,300	

RURAL HOUSING INSURANCE FUND GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4216-0-3-371	2003 actual	2004 est.	2005 est.	
Obligations by program activity:				
00.01	Default claims	104	117	121
00.02	Interest assistance paid to lenders		4	5
00.91	Direct Program by Activities—Subtotal (1 level)	104	121	126
08.02	Payments of downward estimates to receipt account	4		
08.04	Payment of interest on downward reestimate to receipt account	1		
08.91	Direct Program by Activities—Subtotal (1 level)	5		
10.00	Total new obligations	109	121	126
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	319	361	345
22.00	New financing authority (gross)	151	106	101
23.90	Total budgetary resources available for obligation	470	467	446
23.95	Total new obligations	-109	-121	-126
24.40	Unobligated balance carried forward, end of year	361	345	321
New financing authority (gross), detail:				
Spending authority from offsetting collections:				
Discretionary:				
68.00	Offsetting collections (cash)	151	96	102
68.10	Change in uncollected customer payments from Federal sources (unexpired)		10	-1
68.90	Spending authority from offsetting collections (total discretionary)	151	106	101
Change in obligated balances:				
72.40	Obligated balance, start of year			-10
73.10	Total new obligations	109	121	126
73.20	Total financing disbursements (gross)	-109	-121	-126
74.00	Change in uncollected customer payments from Federal sources (unexpired)		-10	1
74.40	Obligated balance, end of year		-10	-9
87.00	Total financing disbursements (gross)	109	121	126
Offsets:				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Federal sources	-85	-36	-38
88.25	Interest on uninvested funds	-19	-20	-18
88.40	Non-Federal sources: guarantee fees	-45	-40	-46
88.40	Loss recoveries and other fees	-2		
88.90	Total, offsetting collections (cash)	-151	-96	-102
Against gross financing authority only:				
88.95	Change in receivables from program accounts		-10	1
Net financing authority and financing disbursements:				
89.00	Financing authority			
90.00	Financing disbursements	-42	25	24

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4216-0-3-371	2003 actual	2004 est.	2005 est.	
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders	3,186	2,809	2,825
2121	Limitation available from carry-forward	4	59	
2142	Uncommitted loan guarantee limitation	81		
2143	Uncommitted limitation carried forward	-80		
2150	Total guaranteed loan commitments	3,191	2,868	2,825
2199	Guaranteed amount of guaranteed loan commitments	2,872	2,543	2,599

Credit accounts—Continued

RURAL HOUSING INSURANCE FUND GUARANTEED LOAN FINANCING ACCOUNT—Continued

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

Identification code 12-4216-0-3-371	2003 actual	2004 est.	2005 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	13,602	13,420	13,809
2231 Disbursements of new guaranteed loans	3,047	2,914	2,837
2251 Repayments and prepayments	-3,061	-2,408	-2,539
Adjustments:			
2263 Terminations for default that result in claim payments	-170	-117	-121
2264 Other adjustments, net	2		
2290 Outstanding, end of year	13,420	13,809	13,986
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	12,078	12,428	12,587

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

This account finances the nonsubsidized guaranteed section 502 low-to-moderate-income home ownership loan program and section 538 multi-family housing loan program. The guaranteed programs enable RHS to utilize private sector resources for the making and servicing of loans while the Agency provides a financial guarantee to encourage private sector activity.

Balance Sheet (in millions of dollars)

Identification code 12-4216-0-3-371	2002 actual	2003 actual	2004 est.	2005 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	319	361		
Investments in US securities:				
1106 Receivables, net	21	43		
1999 Total assets	340	404		
LIABILITIES:				
Non-Federal liabilities:				
2204 Liabilities for loan guarantees	327	399		
2207 Other	13	5		
2999 Total liabilities	340	404		
4999 Total liabilities and net position	340	404		

Note: Consistent with Government-wide practice, information for 2004 and 2005 was not required to be collected.

RURAL HOUSING INSURANCE FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4141-0-3-371	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
Capital investment:			
00.02 Advances on behalf of borrowers	56	76	72
00.05 Collateral acquired by default		1	2
00.91 Total capital investment	56	77	74
Operating expenses:			
01.03 Interest on FFB borrowings	224	158	120
01.04 Premiums paid FFB at redemption of certificates of beneficial ownership	116		
01.06 Interest credits on loans sold to investors	1	1	1
01.07 Other costs incident to loans	4	3	2
01.91 Total operating expenses	345	162	123
10.00 Total new obligations	401	239	197

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	204		
22.00 New budget authority (gross)	528	239	197
22.10 Resources available from recoveries of prior year obligations	76		
22.40 Capital transfer to general fund		-204	
23.90 Total budgetary resources available for obligation	604	239	197
23.95 Total new obligations	-401	-239	-197
24.40 Unobligated balance carried forward, end of year	204		

New budget authority (gross), detail:

Mandatory:			
69.00 Offsetting collections (cash)	1,778	1,591	1,447
69.27 Capital transfer to general fund	-175	-1,352	-550
69.47 Portion applied to repay debt	-1,075		-700
69.90 Spending authority from offsetting collections (total mandatory)	528	239	197

Change in obligated balances:

72.40 Unpaid fund balance with treasury, end of year	230	150	150
73.10 Total new obligations	401	239	197
73.20 Total outlays (gross)	-405	-239	-235
73.45 Recoveries of prior year obligations	-76		
74.40 Obligated balance, end of year	150	150	112

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	264	130	131
86.98 Outlays from mandatory balances	141	109	104
87.00 Total outlays (gross)	405	239	235

Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-5		
88.40 Repayments of loans and advances	-1,006	-846	-761
88.40 Proceeds from sale of acquired property	-25	-24	-22
88.40 Payments on judgments	-14	-12	-11
88.40 Interest payments from borrowers	-623	-529	-465
88.40 Recapture of subsidies	-131	-146	-157
88.40 Income from residual investment in loan asset sale	-35	-33	-31
88.40 Fees and other revenue	-5	-1	
88.40 Non-Federal sources	66		
88.90 Total, offsetting collections (cash)	-1,778	-1,591	-1,447

Net budget authority and outlays:

89.00 Budget authority	-1,250	-1,352	-1,250
90.00 Outlays	-1,373	-1,352	-1,212

Status of Direct Loans (in millions of dollars)

Identification code 12-4141-0-3-371	2003 actual	2004 est.	2005 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	14,995	13,885	12,994
1251 Repayments: Repayments and prepayments	-1,006	-846	-761
1261 Adjustments: Capitalized interest	17	16	16
Write-offs for default:			
1263 Direct loans	-77	-64	-54
1264 Other adjustments, net	-44	3	5
1290 Outstanding, end of year	13,885	12,994	12,200

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4141-0-3-371	2003 actual	2004 est.	2005 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	16	12	8
2251 Repayments and prepayments	-4	-4	-2
2290 Outstanding, end of year	12	8	6
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	10	7	5

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from direct loans obligated and loan guarantees committed prior to 1992. New loan activity in 1992 and beyond is recorded in corresponding program and financing accounts.

Balance Sheet (in millions of dollars)

Identification code 12-4141-0-3-371	2002 actual	2003 actual	2004 est.	2005 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	230	353		
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	14,995	13,885		
1602 Interest receivable	631	654		
1603 Allowance for estimated uncollectible loans and interest (-)	-5,674	-6,297		
1604 Direct loans and interest receivable, net	9,952	8,242		
1606 Foreclosed property	39	31		
1699 Value of assets related to direct loans	9,991	8,273		
1901 Other Federal assets: Other assets	4	79		
1999 Total assets	10,225	8,705		
LIABILITIES:				
Federal liabilities:				
2102 Interest payable	142	116		
2103 Debt	2,905	1,830		
2104 Resources payable to Treasury	7,104	6,692		
Non-Federal liabilities:				
2203 Debt	1	1		
2204 Liabilities for loan guarantees	3			
2207 Other	70	66		
2999 Total liabilities	10,225	8,705		
4999 Total liabilities and net position	10,225	8,705		

Note: Consistent with Government-wide practice, information for 2004 and 2005 was not required to be collected.

Object Classification (in millions of dollars)

Identification code 12-4141-0-3-371	2003 actual	2004 est.	2005 est.
25.2 Other services	4	3	2
33.0 Investments and loans	56	77	74
41.0 Grants, subsidies, and contributions	1	1	1
43.0 Interest and dividends	340	158	120
99.9 Total new obligations	401	239	197

RURAL BUSINESS-COOPERATIVE SERVICE

Federal Funds

General and special funds:

RURAL EMPOWERMENT ZONES AND ENTERPRISE COMMUNITY GRANTS

[For grants in connection with second and third rounds of empowerment zones and enterprise communities, \$12,667,000, to remain available until expended, for designated rural empowerment zones and rural enterprise communities, as authorized by the Taxpayer Relief Act of 1997 and the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105-277): *Provided*, That of the funds appropriated, \$1,000,000 shall be made available to third round empowerment zones, as authorized by the Community Renewal Tax Relief Act (Public Law 106-554).] (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-4042-0-1-452	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct Program Activity	27	16	
10.00 Total new obligations (object class 41.0)	27	16	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	16	3	
22.00 New budget authority (gross)	15	13	
23.90 Total budgetary resources available for obligation	31	16	
23.95 Total new obligations	-27	-16	
24.40 Unobligated balance carried forward, end of year	3		

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	15	13	
Change in obligated balances:			
72.40 Obligated balance, start of year	13	28	20
73.10 Total new obligations	27	16	
73.20 Total outlays (gross)	-13	-23	-15
74.40 Obligated balance, end of year	28	20	5
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	6	4	
86.93 Outlays from discretionary balances	7	19	15
87.00 Total outlays (gross)	13	23	15
Net budget authority and outlays:			
89.00 Budget authority	15	13	
90.00 Outlays	13	23	15

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 2005 because sufficient carryover balances are expected.

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.

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), [\$24,000,000] \$21,000,000, of which [\$2,500,000] shall be for cooperative agreements for the appropriate technology transfer for rural areas program: *Provided*, That not to exceed \$1,500,000 shall be for cooperatives or associations of cooperatives whose primary focus is to provide assistance to small, minority producers [and whose governing board and/or membership is comprised of at least 75 percent minority]; of which not to exceed \$500,000 shall be for cooperative research agreements; and of which not to exceed [\$15,000,000] \$15,500,000, to remain available until expended, shall be for value-added agricultural product market development grants, as authorized by section 6401 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1621 note). (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-1900-0-1-452	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Rural Cooperative Development Grants	7	7	6
00.10 Value-added Agricultural Product Marketing (mandatory)	51	29	
00.11 Value added Agricultural Product Marketing (discretionary)		15	15
00.12 Appropriate Technology Transfer for Rural Areas	2	2	
10.00 Total new obligations (object class 41.0)	60	53	21

General and special funds—Continued

RURAL COOPERATIVE DEVELOPMENT GRANTS—Continued

Program and Financing (in millions of dollars)—Continued			
Identification code 12-1900-0-1-452	2003 actual	2004 est.	2005 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	40	29	40
22.00 New budget authority (gross)	49	64	-19
23.90 Total budgetary resources available for obligation	89	93	21
23.95 Total new obligations	-60	-53	-21
24.40 Unobligated balance carried forward, end of year	29	40	
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	9	24	21
40.35 Appropriation permanently reduced			-40
40.36 Unobligated balance permanently reduced			-40
43.00 Appropriation (total discretionary)	9	24	-59
Mandatory:			
62.00 Transferred from other accounts	40	40	40
70.00 Total new budget authority (gross)	49	64	-19
Change in obligated balances:			
72.40 Obligated balance, start of year	24	54	48
73.10 Total new obligations	60	53	21
73.20 Total outlays (gross)	-29	-59	7
73.40 Adjustments in expired accounts (net)	-1		
74.40 Obligated balance, end of year	54	48	76
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	2	18	-44
86.93 Outlays from discretionary balances	12	7	7
86.98 Outlays from mandatory balances	15	34	30
87.00 Total outlays (gross)	29	59	-7
Net budget authority and outlays:			
89.00 Budget authority	49	64	-19
90.00 Outlays	29	59	-7

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. The 2005 Budget provides no funding for this purpose.

Funds are requested for cooperative research agreements to help the Rural Development mission area maintain a predictable level of research on agricultural and non-agricultural cooperative issues.

Additionally, USDA provides value added marketing grants for cooperatives. These were first funded in the Agriculture Risk Protection Act of 2000. The 2002 Farm Bill provided \$40 million for this purpose each year from 2002 through 2007. The 2005 Budget cancels these funds for a savings of \$80 million. However, \$15.5 million in discretionary 2005 funds is provided for this purpose.

RURAL ECONOMIC DEVELOPMENT GRANTS

Program and Financing (in millions of dollars)			
Identification code 12-3105-0-1-452	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct Program Activity	4	4	4
10.00 Total new obligations (object class 41.0)	4	4	4
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	22	51	83
22.00 New budget authority (gross)	33	36	36
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	56	87	119
23.95 Total new obligations	-4	-4	-4
24.40 Unobligated balance carried forward, end of year	51	83	115
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	16	36	36
69.10 Change in uncollected customer payments from Federal sources (unexpired)	17		
69.90 Spending authority from offsetting collections (total mandatory)	33	36	36
Change in obligated balances:			
72.40 Obligated balance, start of year	-13	-30	-40
73.10 Total new obligations	4	4	4
73.20 Total outlays (gross)	-3	-14	-34
73.45 Recoveries of prior year obligations	-1		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-17		
74.40 Obligated balance, end of year	-30	-40	-70
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority		12	12
86.98 Outlays from mandatory balances	3	2	22
87.00 Total outlays (gross)	3	14	34
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-16	-36	-36
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-17		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-12	-22	-2

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	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct program activity	1	1	1
10.00 Total new obligations (object class 41.0)	1	1	1
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	6	5	4
23.95 Total new obligations	-1	-1	-1
24.40 Unobligated balance carried forward, end of year	5	4	4
Change in obligated balances:			
72.40 Obligated balance, start of year	1		
73.10 Total new obligations	1	1	1
73.20 Total outlays (gross)	-2	-1	-1
Outlays (gross), detail:			
86.98 Outlays from mandatory balances	2	1	1

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

The Federal Agriculture Improvement Act of 1996 established the National Sheep Industry Improvement Center to promote activities to strengthen and enhance production or marketing of sheep and goat products in the United States. The Center may provide loans or grants to eligible entities to provide assistance to the industry for infrastructure development, business development, production, resource development, and market and environmental research. The 1996 Act provided \$20 million in mandatory funding for the establishment and operation of the Center and authorized additional discretionary funding of \$30 million. In 2000, \$10 million was granted to an intermediary to provide assistance to the sheep and lamb industry. Additional funds have been added to the original authorized amount so that the total available for this purpose is now \$26.5 million. No additional funds are requested in 2005.

RURAL STRATEGIC INVESTMENT PROGRAM GRANTS

Program and Financing (in millions of dollars)

Identification code 12-1955-0-1-452	2003 actual	2004 est.	2005 est.
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year		100
22.00	New budget authority (gross)	100	-100
23.90	Total budgetary resources available for obligation	100	
24.40	Unobligated balance carried forward, end of year	100	
New budget authority (gross), detail:			
Discretionary:			
40.36	Unobligated balance permanently reduced		-100
Mandatory:			
62.00	Transferred from other accounts	100	
70.00	Total new budget authority (gross)	100	-100
Outlays (gross), detail:			
86.90	Outlays from new discretionary authority		-41
86.98	Outlays from mandatory balances		41
87.00	Total outlays (gross)		
Net budget authority and outlays:			
89.00	Budget authority	100	-100
90.00	Outlays		

The Rural Strategic Investment Program is authorized under 7 U.S.C. 2009dd. The Rural Strategic Investment Program will provide rural communities with flexible resources to develop comprehensive, collaborative, and locally-based strategic planning processes; and will implement innovative community and economic development strategies that optimize regional competitive advantages. The program was authorized and funded in section 6030 of the Farm Security and Rural Investment Act of 2002, Public Law 107-171. The Act provides that if the Secretary approves a national strategic investment plan submitted by the National Board, the Secretary shall transfer \$100,000,000 for planning grants and innovation grants to Regional Boards from the Commodity Credit Corporation, to remain available until expended. However, in 2004 these funds were blocked from being spent. In 2005, the Budget cancels these funds because there is little likelihood that the funds will ever be obligated and the program purpose is redundant with the mission of Rural Development as a whole and of the Rural Development Council's around the country, which Rural Development supports.

Credit accounts:

RURAL BUSINESS AND INDUSTRY DIRECT LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4223-0-3-452	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.02	Interest on Treasury borrowings	5	6
00.03	Reestimates Payments to Receipt Account	1	
10.00	Total new obligations	6	6
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	8	4
22.00	New financing authority (gross)	2	13
22.60	Portion applied to repay debt		-11
23.90	Total budgetary resources available for obligation	10	6
23.95	Total new obligations	-6	-6
24.40	Unobligated balance carried forward, end of year	4	
New financing authority (gross), detail:			
Mandatory:			
67.10	Authority to borrow	1	
Spending authority from offsetting collections:			
Discretionary:			
68.00	Offsetting collections (cash)	25	16
68.10	Change in uncollected customer payments from Federal sources (unexpired)		-3
68.47	Portion applied to repay debt	-24	
68.90	Spending authority from offsetting collections (total discretionary)	1	13
70.00	Total new financing authority (gross)	2	13
Change in obligated balances:			
72.40	Obligated balance, start of year	7	6
73.10	Total new obligations	6	6
73.20	Total financing disbursements (gross)	-8	-8
74.00	Change in uncollected customer payments from Federal sources (unexpired)		3
74.40	Obligated balance, end of year	6	7
87.00	Total financing disbursements (gross)	8	8
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00	Federal sources	-13	
88.25	Interest on uninvested funds	-1	-6
88.40	Repayments of principal	-6	-6
88.40	Interest received on loans	-5	-4
88.90	Total, offsetting collections (cash)	-25	-16
Against gross financing authority only:			
88.95	Change in receivables from program accounts		3
Net financing authority and financing disbursements:			
89.00	Financing authority	-23	
90.00	Financing disbursements	-17	-8

Status of Direct Loans (in millions of dollars)

Identification code 12-4223-0-3-452	2003 actual	2004 est.	2005 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	112	105
1231	Disbursements: Direct loan disbursements	2	2
1251	Repayments: Repayments and prepayments	-6	-4
1263	Write-offs for default: Direct loans	-3	
1290	Outstanding, end of year	105	103

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 sub-

Credit accounts—Continued

**RURAL BUSINESS AND INDUSTRY DIRECT LOANS FINANCING
ACCOUNT—Continued**

sidy cost of these programs is funded through the Rural Community Advancement Program. Loans made prior to 1992 are recorded in the Rural Development Insurance Fund Liquidating Account.

Direct business and industry loans are made to public, private, or cooperative organizations, Indian tribes or tribal groups, corporate entities, or individuals for the purpose of improving the economic climate in rural areas. Funding for this purpose was discontinued beginning in 2002.

Balance Sheet (in millions of dollars)

Identification code 12-4223-0-3-452	2002 actual	2003 actual	2004 est.	2005 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	6	1		
1106 Investments in US securities:				
Receivables, net	5	1		
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	112	105		
1402 Interest receivable	-4			
1405 Allowance for subsidy cost (-)	-34	-39		
1499 Net present value of assets related to direct loans	74	66		
1999 Total assets	85	68		
LIABILITIES:				
2104 Federal liabilities: Resources payable to Treasury	85	68		
2999 Total liabilities	85	68		
4999 Total liabilities and net position	85	68		

Note: Consistent with Government-wide practice, information for 2004 and 2005 was not required to be collected.

**RURAL BUSINESS AND INDUSTRY GUARANTEED LOANS FINANCING
ACCOUNT**

Program and Financing (in millions of dollars)

Identification code 12-4227-0-3-452	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Default claims	41	45	49
00.02 Purchase from Secondary Market	73	66	73
00.03 Interest to Treasury	7	6	6
10.00 Total new obligations	121	117	128
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	101	184	139
22.00 New financing authority (gross)	226	71	89
22.10 Resources available from recoveries of prior year obligations	13		
22.60 Portion applied to repay debt	-34		
23.90 Total budgetary resources available for obligation	306	255	228
23.95 Total new obligations	-121	-117	-128
24.40 Unobligated balance carried forward, end of year	184	139	100
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	25		
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	198	71	89
68.10 Change in uncollected customer payments from Federal sources (unexpired)	3		
68.90 Spending authority from offsetting collections (total discretionary)	201	71	89
70.00 Total new financing authority (gross)	226	71	89
Change in obligated balances:			
72.40 Obligated balance, start of year		-3	
73.10 Total new obligations	121	117	128
73.20 Total financing disbursements (gross)	-108	-114	-128

73.45 Recoveries of prior year obligations	-13		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-3		
74.40 Obligated balance, end of year	-3		
87.00 Total financing disbursements (gross)	108	114	128
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-141	-20	-29
88.25 Interest on uninvested funds	-12	-10	-11
88.40 Interest and principal on purchased loans from secondary market	-41	-37	-44
88.40 Guarantee fees	-4	-4	-5
88.90 Total, offsetting collections (cash)	-198	-71	-89
Against gross financing authority only:			
88.95 Change in receivables from program accounts	-3		
Net financing authority and financing disbursements:			
89.00 Financing authority	25		
90.00 Financing disbursements	-90	43	39

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4227-0-3-452	2003 actual	2004 est.	2005 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	845	552	600
2121 Limitation available from carry-forward	420	325	
2143 Uncommitted limitation carried forward	-358		
2150 Total guaranteed loan commitments	907	877	600
2199 Guaranteed amount of guaranteed loan commitments	726	702	480
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	3,884	4,032	3,878
2231 Disbursements of new guaranteed loans	654	350	240
2251 Repayments and prepayments	-434	-444	-427
Adjustments:			
2263 Terminations for default that result in claim payments	-72	-60	-55
2264 Other adjustments, net			
2290 Outstanding, end of year	4,032	3,878	3,636
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	3,226	3,102	2,909

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loans committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals. The subsidy cost of this program is funded through the Rural Community Advancement Program. Loans made prior to 1992 are recorded in the Rural Development Insurance Fund Liquidating Account.

This account finances loan guarantee commitments for industrial development in rural areas.

Balance Sheet (in millions of dollars)

Identification code 12-4227-0-3-452	2002 actual	2003 actual	2004 est.	2005 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	101	181		
1106 Investments in US securities:				
Receivables, net	102	203		
1999 Total assets	203	384		
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable				
2104 Resources payable to Treasury	49	41		
2105 Other	8	18		
2204 Non-Federal liabilities: Liabilities for loan guarantees	146	325		
2999 Total liabilities	203	384		

4999 Total liabilities and net position 203 384

Note: Consistent with Government-wide practice, information for 2004 and 2005 was not required to be collected.

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)), **[\$40,000,000]** **\$34,213,000**.

For the cost of direct loans, **[\$17,308,000]** **\$15,868,000**, 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, **[2004]**; for Federally Recognized Native American Tribes and of which \$3,449,000 shall be available through June 30, **[2004]**, for the Delta Regional Authority (7 U.S.C. 1921 et seq.): *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, \$2,447,000 shall be available through June 30, **[2004]** **2005**, for the cost of direct loans for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones.

In addition, for administrative expenses to carry out the direct loan programs, **[\$4,272,000]** **\$6,656,000** shall be transferred to and merged with the appropriation for "Rural Development, Salaries and Expenses". (*Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.*)

Program and Financing (in millions of dollars)

Identification code 12-2069-0-1-452	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct loan subsidy	19	17	16
00.09 Administrative expense	4	4	7
10.00 Total new obligations	23	21	23
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	23	21	23
23.95 Total new obligations	-23	-21	-23
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	23	21	23
Change in obligated balances:			
72.40 Obligated balance, start of year	47	49	48
73.10 Total new obligations	23	21	23
73.20 Total outlays (gross)	-16	-21	-24
73.40 Adjustments in expired accounts (net)	-5		
74.40 Obligated balance, end of year	49	48	47
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	4	5	8
86.93 Outlays from discretionary balances	12	16	16
87.00 Total outlays (gross)	16	21	24
Net budget authority and outlays:			
89.00 Budget authority	23	21	23
90.00 Outlays	16	21	24

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

Identification code 12-2069-0-1-452	2003 actual	2004 est.	2005 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Rural development loan fund program	40	40	34
115901 Total direct loan levels	40	40	34
Direct loan subsidy (in percent):			
132001 Rural development loan fund program	48.26	43.27	46.38
132901 Weighted average subsidy rate	48.26	43.27	46.38
Direct loan subsidy budget authority:			
133001 Rural development loan fund program	19	17	16
133901 Total subsidy budget authority	19	17	16
Direct loan subsidy outlays:			
134001 Rural development loan fund program	12	17	17
134901 Total subsidy outlays	12	17	17

Direct loan upward reestimate subsidy budget authority:			
135001 Rural development loan fund program			
135901 Total upward reestimate budget authority			
Direct loan downward reestimate subsidy budget authority:			
137001 Rural development loan fund program	-4		
137901 Total downward reestimate budget authority	-4		
Administrative expense data:			
351001 Budget authority	4	4	7
359001 Outlays from new authority	4	4	7

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 2005 the Budget provides \$34 million in loans for this purpose.

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

Object Classification (in millions of dollars)

Identification code 12-2069-0-1-452	2003 actual	2004 est.	2005 est.
25.3 Other purchases of goods and services from Government accounts	4	4	7
41.0 Grants, subsidies, and contributions	19	17	16
99.9 Total new obligations	23	21	23

RURAL DEVELOPMENT LOAN FUND DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4219-0-3-452	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
Operating program:			
00.01 Direct loans	40	40	34
00.03 Interest on Treasury borrowing	14	26	31
00.91 Direct Program by Activities—Subtotal	54	66	65
08.02 Downward subsidy reestimate paid to receipt account	3		
08.04 Interest on Downward Subsidy Reestimate	1		
08.91 Direct Program by Activities—Subtotal	4		
10.00 Total new obligations	58	66	65
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3		
22.00 New financing authority (gross)	66	68	66
22.10 Resources available from recoveries of prior year obligations	10		
22.40 Capital transfer to general fund	-16		
22.70 Balance of authority to borrow withdrawn	-5		
23.90 Total budgetary resources available for obligation	58	68	66
23.95 Total new obligations	-58	-66	-65
New financing authority (gross), detail:			
Discretionary:			
47.00 Authority to borrow	32	27	24
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	32	41	42
68.10 Change in uncollected customer payments from Federal sources (unexpired)	2		
68.90 Spending authority from offsetting collections (total discretionary)	34	41	42
70.00 Total new financing authority (gross)	66	68	66

Credit accounts—Continued

RURAL DEVELOPMENT LOAN FUND DIRECT LOAN FINANCING ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-4219-0-3-452	2003 actual	2004 est.	2005 est.
Change in obligated balances:			
72.40 Obligated balance, start of year	52	54	57
73.10 Total new obligations	58	66	65
73.20 Total financing disbursements (gross)	-44	-63	-68
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	54	57	54
87.00 Total financing disbursements (gross)	44	63	68
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payments from program account	-12	-17	-17
88.25 Interest on uninvested funds	-3	-5	-5
88.40 Non-Federal sources—repayment of principal	-14	-14	-15
88.40 Non-Federal sources—interest on loans	-3	-5	-5
88.90 Total, offsetting collections (cash)	-32	-41	-42
Against gross financing authority only:			
88.95 Change in receivables from program accounts	-2		
Net financing authority and financing disbursements:			
89.00 Financing authority	32	27	24
90.00 Financing disbursements	12	22	26

Status of Direct Loans (in millions of dollars)

Identification code 12-4219-0-3-452	2003 actual	2004 est.	2005 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	40	40	34
1131 Direct loan obligations exempt from limitation			
1150 Total direct loan obligations	40	40	34
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	335	347	370
1231 Disbursements: Direct loan disbursements	26	37	38
1251 Repayments: Repayments and prepayments	-14	-14	-15
1290 Outstanding, end of year	347	370	393

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	2002 actual	2003 actual	2004 est.	2005 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	15	4		
Investments in US securities:				
1106 Receivables, net	47			
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	335	347		
1402 Interest receivable	1	2		
1405 Allowance for subsidy cost (-)	-150	-150		
1499 Net present value of assets related to direct loans	186	199		
1999 Total assets	248	203		

LIABILITIES:

Federal liabilities:				
2104 Resources payable to Treasury	201	203		
2105 Other	47			
2999 Total liabilities	248	203		
4999 Total liabilities and net position	248	203		

Note: Consistent with Government-wide practice, information for 2004 and 2005 was not required to be collected.

RURAL DEVELOPMENT LOAN FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4233-0-3-452	2003 actual	2004 est.	2005 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	
22.40 Capital transfer to general fund		-1	
23.90 Total budgetary resources available for obligation	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	-4	-4	-4
69.90 Spending authority from offsetting collections (total mandatory)			
Change in obligated balances:			
72.40 Obligated balance, start of year	1		
73.20 Total outlays (gross)	-1		
Outlays (gross), detail:			
86.98 Outlays from mandatory balances	1		
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.40 Loan repayments	-3	-3	-3
88.40 Borrower interest payments	-1	-1	-1
88.90 Total, offsetting collections (cash)	-4	-4	-4
Net budget authority and outlays:			
89.00 Budget authority	-4	-4	-4
90.00 Outlays	-3	-4	-4

Status of Direct Loans (in millions of dollars)

Identification code 12-4233-0-3-452	2003 actual	2004 est.	2005 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	61	58	54
1231 Disbursements: Direct loan disbursements	1		
1251 Repayments: Repayments and prepayments	-3	-3	-3
1263 Write-offs for default: Direct loans	-1	-1	-1
1290 Outstanding, end of year	58	54	50

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from direct loans obligated prior to 1992. New loan activity in 1992 and beyond is recorded in corresponding program and financing accounts.

Balance Sheet (in millions of dollars)

Identification code 12-4233-0-3-452	2002 actual	2003 actual	2004 est.	2005 est.
ASSETS:				
Federal assets: Fund balances with Treasury				
1101 Treasury	2	1		
Non-Federal assets: Receivables, net				
1206 Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	61	58		
1603 Allowance for estimated uncollectible loans and interest (-)	-18	-29		
1604 Direct loans and interest receivable, net	43	29		

1699	Value of assets related to direct loans	43	29	.....
1999	Total assets	46	31	.....
LIABILITIES:				
2104	Federal liabilities: Resources payable to Treasury	46	31	.....
2999	Total liabilities	46	31	.....
4999	Total liabilities and net position	46	31	.....

Note: Consistent with Government-wide practice, information for 2004 and 2005 was not required to be collected.

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, **[\$15,002,000] \$25,003,000.**

For the cost of direct loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, **[\$2,792,000] \$4,698,000.**

Of the funds derived from interest on the cushion of credit payments in the current fiscal year, as authorized by section 313 of the Rural Electrification Act of 1936, **[\$2,792,000] \$4,698,000** shall not be obligated and **[\$2,792,000] \$4,698,000** are rescinded. (*Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.*)

Program and Financing (in millions of dollars)

Identification code 12-3108-0-1-452	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct loan subsidy	3	3	5
10.00 Total new obligations (object class 41.0)	3	3	5
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	3	3	5
23.95 Total new obligations	-3	-3	-5
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	3	3	5
Change in obligated balances:			
72.40 Obligated balance, start of year	4	4	3
73.10 Total new obligations	3	3	5
73.20 Total outlays (gross)	-3	-4	-5
74.40 Obligated balance, end of year	4	3	3
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1	1	1
86.93 Outlays from discretionary balances	2	3	4
87.00 Total outlays (gross)	3	4	5
Net budget authority and outlays:			
89.00 Budget authority	3	3	5
90.00 Outlays	3	4	5

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

Identification code 12-3108-0-1-452	2003 actual	2004 est.	2005 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Rural economic development loans program	15	15	25
115901 Total direct loan levels	15	15	25
Direct loan subsidy (in percent):			
132001 Rural economic development loans program	21.36	18.61	18.79
132901 Weighted average subsidy rate	21.36	18.61	18.79
Direct loan subsidy budget authority:			
133001 Rural economic development loans program	3	3	5
133901 Total subsidy budget authority	3	3	5
Direct loan subsidy outlays:			
134001 Rural economic development loans program	3	3	4
134901 Total subsidy outlays	3	3	4
Direct loan downward reestimate subsidy budget authority:			
137001 Rural economic development loans program			

137901 Total downward reestimate budget authority			
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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	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct loans	15	15	25
00.03 Interest expense	6	9	10
00.91 Direct Program by Activities—Subtotal (1 level)	21	24	35
08.89 Downward subsidy reestimate paid to receipt account	1		
10.00 Total new obligations (object class 41.0)	22	24	35
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	9	2	
22.00 New financing authority (gross)	14	25	27
22.10 Resources available from recoveries of prior year obligations	2	-1	10
22.70 Balance of authority to borrow withdrawn	-1	-2	-2
23.90 Total budgetary resources available for obligation	24	24	35
23.95 Total new obligations	-22	-24	-35
24.40 Unobligated balance carried forward, end of year	2		
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	12	13	14
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	19	19	19
68.47 Portion applied to repay debt	-17	-7	-6
68.90 Spending authority from offsetting collections (total discretionary)	2	12	13
70.00 Total new financing authority (gross)	14	25	27
Change in obligated balances:			
72.40 Obligated balance, start of year	12	13	14
73.10 Total new obligations	22	24	35
73.20 Total financing disbursements (gross)	-18	-24	-28
73.45 Recoveries of prior year obligations	-2	1	-10
74.40 Obligated balance, end of year	13	14	11
87.00 Total financing disbursements (gross)	18	24	28
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal Funds: Program Account	-3	-4	-3
88.25 Interest on uninvested funds	-1	-1	-2
88.40 Non-Federal sources: Repayment of Principal	-15	-14	-14
88.90 Total, offsetting collections (cash)	-19	-19	-19
Net financing authority and financing disbursements:			
89.00 Financing authority	-5	6	8
90.00 Financing disbursements	-1	5	9

Status of Direct Loans (in millions of dollars)

Identification code 12-4176-0-3-452	2003 actual	2004 est.	2005 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	15	15	25
1150 Total direct loan obligations	15	15	25
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	70	73	74

Credit accounts—Continued

RURAL ECONOMIC DEVELOPMENT DIRECT LOAN FINANCING ACCOUNT—Continued

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

Identification code 12-4176-0-3-452	2003 actual	2004 est.	2005 est.
1231 Disbursements: Direct loan disbursements	18	15	18
1251 Repayments: Repayments and prepayments	-15	-14	-14
1290 Outstanding, end of year	73	74	78

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	2002 actual	2003 actual	2004 est.	2005 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	11	4		
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	77	73		
1405 Allowance for subsidy cost (-)	-12	-10		
1499 Net present value of assets related to direct loans	65	63		
1999 Total assets	76	67		
LIABILITIES:				
Federal liabilities:				
2104 Resources payable to Treasury	75	67		
2105 Other	1			
2999 Total liabilities	76	67		
4999 Total liabilities and net position	76	67		

Note: Consistent with Government-wide practice, information for 2004 and 2005 was not required to be collected.

RURAL BUSINESS INVESTMENT PROGRAMS ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-1907-0-1-452	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.09 Administrative expense		4	1
00.10 Grants			10
10.00 Total new obligations		4	11
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	100	100	96
22.00 New budget authority (gross)			-65
23.90 Total budgetary resources available for obligation	100	100	31
23.95 Total new obligations		-4	-11
24.40 Unobligated balance carried forward, end of year	100	96	20
New budget authority (gross), detail:			
Discretionary:			
40.36 Unobligated balance permanently reduced			-65
Change in obligated balances:			
73.10 Total new obligations		4	11
73.20 Total outlays (gross) (-)		-4	21
74.40 Obligated balance, end of year			32
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			-32
86.98 Outlays from mandatory balances		4	11
87.00 Total outlays (gross)		4	-21
Net budget authority and outlays:			
89.00 Budget authority			-65
90.00 Outlays		4	-21

The Rural Business Investment Program is authorized under 7 U.S.C. 2009cc. The purpose of this program is to

promote economic development and the creation of wealth and job opportunities in rural areas and among individuals living in those areas by encouraging developmental capital investments in smaller enterprises primarily located in rural areas. RBS may enter into participation agreements with rural business investment companies and may guarantee debentures of rural business investment companies to enable each rural business investment company to make developmental venture capital investments in smaller enterprises in rural areas. Grants will be made to rural business investment companies and other entities for the purpose of providing operational assistance to smaller enterprises financed by rural business investment companies. The Rural Business Investment Program was authorized and provided mandatory funding by section 6029 of the Farm Security and Rural Investment Act of 2002, Public Law 107-171. The Act provides such sums as may be necessary for the cost of guaranteeing \$280 million of debentures and \$44 million to make grants, an estimated total of \$100,000,000, to remain available until expended from the funds of the Commodity Credit Corporation.

In 2004, \$96 million of this funding was blocked. For 2005, the Budget cancels \$65 million of the unobligated balances, leaving \$31 million for these purposes. This is the expected obligation amount for these funds because, like many new business programs, the target community takes a while to develop. The split of debentures, grants, and administrative expenses in FY 2005 and out will be determined as Rural Development works with Small Business Administration to implement this program.

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

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

Identification code 12-1907-0-1-452	2003 actual	2004 est.	2005 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Rural Business Investment Program			
215901 Total loan guarantee levels			
Guaranteed loan subsidy (in percent):			
232001 Rural Business Investment Program	20.00	20.00	20.00
232901 Weighted average subsidy rate	20.00	20.00	20.00
Guaranteed loan subsidy budget authority:			
233001 Rural Business Investment Program			
233901 Total subsidy budget authority			
Guaranteed loan subsidy outlays:			
234001 Rural Business Investment Program			
234901 Total subsidy outlays			
Administrative expense data:			
351001 Budget authority			
358001 Outlays from balances		4	1

Object Classification (in millions of dollars)

Identification code 12-1907-0-1-452	2003 actual	2004 est.	2005 est.
25.2 Administrative Expenses		4	1
41.0 Grants, subsidies, and contributions			10
99.9 Total new obligations		4	11

RENEWABLE ENERGY PROGRAM

For the cost of a program of direct loans, loan guarantees, and grants, under the same terms and conditions as authorized by section 9006 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8106), **[\$23,000,000] \$10,770,000** for direct and guaranteed renewable energy loans and grants: *Provided*, That the cost of direct loans and loan guarantees, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974. (*Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.*)

Program and Financing (in millions of dollars)

Identification code 12-1908-0-1-451	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.10 Grants and Guaranteed Subsidy	22	23	11
10.00 Total new obligations (object class 41.0)	22	23	11
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	23	23	11
23.95 Total new obligations	-22	-23	-11
23.98 Unobligated balance expiring or withdrawn	-1		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation		23	11
40.35 Appropriation permanently reduced			-23
43.00 Appropriation (total discretionary)		23	-12
Mandatory:			
60.35 Appropriation permanently reduced		-23	
62.00 Transferred from other accounts	23	23	23
62.50 Appropriation (total mandatory)	23		23
70.00 Total new budget authority (gross)	23	23	11
Change in obligated balances:			
72.40 Obligated balance, start of year		22	25
73.10 Total new obligations	22	23	11
73.20 Total outlays (gross)		-21	-18
74.40 Obligated balance, end of year	22	25	20
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	10	-5	
86.93 Outlays from discretionary balances		9	
86.97 Outlays from new mandatory authority			10
86.98 Outlays from mandatory balances	11	4	
87.00 Total outlays (gross)	21	18	
Net budget authority and outlays:			
89.00 Budget authority	23	23	11
90.00 Outlays		21	18

Renewable Energy Systems and Energy Efficiency Improvements is authorized under 7 U.S.C. 8106. This program provides direct loans, loan guarantees, and grants to farmers, ranchers, and small rural businesses to purchase renewable energy systems and make energy efficiency improvements. The Farm Security and Rural Investment Act of 2002, Public Law 107-171, dated May 13, 2002, provides mandatory funding for this program. Of the funds of the Commodity Credit Corporation, the Secretary shall make available \$23,000,000 for each of fiscal years 2003 through 2007. In 2004, the full \$23 million is blocked from being spent because similar programs within the Federal government can provide this type of funding. Similarly, in 2005 the full \$23 million in 2005 funds is canceled. However, \$10,770,000 in discretionary funding is provided for this purpose to ensure that any unmet need by other Federal programs can potentially be accommodated.

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	2003 actual	2004 est.	2005 est.
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			
24.40 Unobligated balance carried forward, end of year	1		
New budget authority (gross), detail:			
Discretionary:			
40.36 Unobligated balance permanently reduced		-1	
Net budget authority and outlays:			
89.00 Budget authority		-1	
90.00 Outlays			

The Alternative Agricultural Research and Commercialization Act of 1990 (7 U.S.C. 5901 et seq.) was repealed by 116 Stat. 418. USDA is currently disposing of the assets of the fund as prescribed in the statute. The unobligated balances of this account have been rescinded in FY 2004.

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	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct Program Activity	19	54	
10.00 Total new obligations (object class 41.0)	19	54	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	10	26	
22.00 New budget authority (gross)	30	28	
22.22 Unobligated balance transferred from other accounts	5		
23.90 Total budgetary resources available for obligation	45	54	
23.95 Total new obligations	-19	-54	
24.40 Unobligated balance carried forward, end of year	26		
New budget authority (gross), detail:			
Discretionary:			
42.00 Transferred from other accounts	30	28	
Change in obligated balances:			
72.40 Obligated balance, start of year			27
73.10 Total new obligations	19	54	
73.20 Total outlays (gross)	-19	-27	-27
74.40 Obligated balance, end of year			27
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	19	14	
86.93 Outlays from discretionary balances		13	27
87.00 Total outlays (gross)	19	27	27
Net budget authority and outlays:			
89.00 Budget authority	30	28	
90.00 Outlays	18	27	27

Funding was provided in 2001 through 2004 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

General and special funds—Continued

HIGH ENERGY COST GRANTS—Continued

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	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
Operating program:			
00.01 Direct loans	801	1,032	1,000
00.02 Interest on Treasury borrowing	310	458	532
00.91 Direct Program by Activities—Subtotal (1 level)	1,111	1,490	1,532
08.01 Subsidy reestimate paid to receipt account	27		
10.00 Total new obligations	1,138	1,490	1,532
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	110	185	
22.00 New financing authority (gross)	1,155	1,275	1,502
22.10 Resources available from recoveries of prior year obligations	57	30	30
23.90 Total budgetary resources available for obligation	1,322	1,490	1,532
23.95 Total new obligations	-1,138	-1,490	-1,532
24.40 Unobligated balance carried forward, end of year	185		
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	685	1,042	1,026
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	639	538	544
68.00 Offsetting collections (cash)		60	60
68.10 Change in uncollected customer payments from Federal sources (unexpired)	2	-54	12
68.47 Portion applied to repay debt	-171	-311	-140
68.90 Spending authority from offsetting collections (total discretionary)	470	233	476
70.00 Total new financing authority (gross)	1,155	1,275	1,502
Change in obligated balances:			
72.40 Obligated balance, start of year	2,285	2,271	2,397
73.10 Total new obligations	1,138	1,490	1,532
73.20 Total financing disbursements (gross)	-1,092	-1,388	-1,474
73.45 Recoveries of prior year obligations	-57	-30	-30
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-2	54	-12
74.40 Obligated balance, end of year	2,271	2,397	2,413
87.00 Total financing disbursements (gross)	1,092	1,388	1,474
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-105	-88	-78
88.25 Interest on uninvested funds	-38	-38	-39
88.40 Repayment of principal	-228	-230	-238
88.40 Interest Received on Loans	-242	-242	-249
88.40 Non-Federal sources	-26		
88.90 Total, offsetting collections (cash)	-639	-598	-604
Against gross financing authority only:			
88.95 Change in receivables from program accounts	-2	54	-12
Net financing authority and financing disbursements:			
89.00 Financing authority	514	731	886
90.00 Financing disbursements	453	790	870

Status of Direct Loans (in millions of dollars)

Identification code 12-4226-0-3-452	2003 actual	2004 est.	2005 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	789	1,032	1,000
1121 Limitation available from carry-forward	12		
1131 Direct loan obligations exempt from limitation			
1142 Unobligated direct loan limitation (-)			
1143 Unobligated limitation carried forward (P.L. xx) (-)			
1150 Total direct loan obligations	801	1,032	1,000
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	5,061	5,565	6,237
1231 Disbursements: Direct loan disbursements	754	903	916
1251 Repayments: Repayments and prepayments	-250	-231	-238
1290 Outstanding, end of year	5,565	6,237	6,915

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	2002 actual	2003 actual	2004 est.	2005 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	40			
Investments in US securities:				
1106 Receivables, net	3	4		
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	5,061	5,565		
1402 Interest receivable	61	50		
1405 Allowance for subsidy cost (-)	-754	-809		
1499 Net present value of assets related to direct loans	4,368	4,806		
1999 Total assets	4,411	4,810		
LIABILITIES:				
Federal liabilities:				
2103 Debt	4,374	4,787		
2105 Other	26	23		
2207 Non-Federal liabilities: Other	11			
2999 Total liabilities	4,411	4,810		
4999 Total liabilities and net position	4,411	4,810		

Note: Consistent with Government-wide practice, information for 2004 and 2005 was not required to be collected.

RURAL WATER AND WASTE WATER DISPOSAL GUARANTEED LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4218-0-3-452	2003 actual	2004 est.	2005 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	2003 actual	2004 est.	2005 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	-71		
2150	Total guaranteed loan commitments	4	75	75
2199	Guaranteed amount of guaranteed loan commitments	3	60	60
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	30	29	50
2231	Disbursements of new guaranteed loans	3	25	5
2251	Repayments and prepayments	-4	-4	-7
2264	Adjustments: Other adjustments, net			
2290	Outstanding, end of year	29	50	48
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	29	40	39

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

This account finances loan guarantee commitments for water systems, and waste disposal facilities in rural areas.

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

Insured loans pursuant to the authority of section 305 of the Rural Electrification Act of 1936 (7 U.S.C. 935) shall be made as follows: 5 percent rural electrification loans, **[\$240,000,000] \$120,000,000**; municipal rate rural electric loans, **[\$1,000,000,000] \$100,000,000**; loans made pursuant to section 306 of that Act, rural electric, **[\$2,000,000,000] \$1,720,000,000**; Treasury rate direct electric loans, **[\$750,000,000] \$700,000,000**; 5 percent rural telecommunications loans, \$145,000,000; cost of money rural telecommunications loans, \$250,000,000; and loans made pursuant to section 306 of that Act, rural telecommunications loans, **[\$120,000,000]**; and for guaranteed underwriting loans pursuant to section 313A, **\$1,000,000,000] \$100,000,000**.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the cost of modifying loans, of direct and guaranteed loans authorized by sections 305 and 306 of the Rural Electrification Act of 1936 (7 U.S.C. 935 and 936), as follows: cost of rural electric loans, **[\$60,000] \$5,058,000**, and the cost of telecommunication loans, **[\$125,000] \$100,000**: *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, **[\$37,853,000] \$39,933,000** which shall be transferred to and merged with the appropriation for "Rural Development, Salaries and Expenses". (*Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.*)

Program and Financing (in millions of dollars)

Identification code 12-1230-0-1-271	2003 actual	2004 est.	2005 est.	
Obligations by program activity:				
00.01	Direct loan subsidy	12		5

00.05	Reestimate of direct loan subsidy	126		
00.06	Interest on reestimates of direct loan subsidy	17		
00.09	Administrative expenses subject to limitation	38	38	40
10.00	Total new obligations	193	38	45
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	193	38	45
23.95	Total new obligations	-193	-38	-45
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	50	38	45
Mandatory:				
60.00	Appropriation	143		
70.00	Total new budget authority (gross)	193	38	45
Change in obligated balances:				
72.40	Obligated balance, start of year	67	63	43
73.10	Total new obligations	193	38	45
73.20	Total outlays (gross)	-197	-59	-53
73.40	Adjustments in expired accounts (net)	-1		
74.40	Obligated balance, end of year	63	43	35
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	38	38	40
86.93	Outlays from discretionary balances	16	21	13
86.97	Outlays from new mandatory authority	143		
87.00	Total outlays (gross)	197	59	53
Net budget authority and outlays:				
89.00	Budget authority	193	38	45
90.00	Outlays	197	59	53

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

Identification code 12-1230-0-1-271	2003 actual	2004 est.	2005 est.	
Direct loan levels supportable by subsidy budget authority:				
115001	Hardship electric	120	240	120
115002	Municipal electric	101	1,000	100
115003	Treasury electric	1,150	750	700
115004	FFB electric	2,600	1,900	1,620
115005	Hardship telephone	75	145	145
115006	Treasury telephone	288	249	250
115007	FFB telephone	120	120	100
115901	Total direct loan levels	4,454	4,404	3,035
Direct loan subsidy (in percent):				
132001	Hardship electric	5.71	-2.33	3.04
132002	Municipal electric	4.03	-2.42	1.35
132003	Treasury electric	-0.04	-0.06	-0.05
132004	FFB electric	-1.82	-1.99	-2.23
132005	Hardship telephone	1.71	-4.44	-1.21
132006	Treasury telephone	0.05	0.05	0.04
132007	FFB telephone	-2.36	-1.85	-1.95
132901	Weighted average subsidy rate	-0.85	-1.73	-1.15
Direct loan subsidy budget authority:				
133001	Hardship electric	7	-6	4
133002	Municipal electric	4	-24	1
133003	Treasury electric			
133004	FFB electric	-47	-38	-36
133005	Hardship telephone	1	-6	-2
133006	Treasury telephone			
133007	FFB telephone	-3	-2	-2
133901	Total subsidy budget authority	-38	-76	-35
Direct loan subsidy outlays:				
134001	Hardship electric	4	6	3
134002	Municipal electric	9	6	6
134003	Treasury electric			
134004	FFB electric	-15	-22	-24
134005	Hardship telephone	2	9	
134006	Treasury telephone			
134007	FFB telephone	-1	-1	-1
134901	Total subsidy outlays	-1	-2	-16
Direct loan upward reestimate subsidy budget authority:				
135001	Hardship electric	5		
135002	Municipal electric	4		
135003	Treasury electric			
135004	FFB electric	129		
135005	Hardship telephone	1		
135006	Treasury telephone	2		
135007	FFB telephone	2		

Credit accounts—Continued

**RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS
PROGRAM ACCOUNT—Continued**

(INCLUDING TRANSFER OF FUNDS)—Continued

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

Identification code 12-1230-0-1-271	2003 actual	2004 est.	2005 est.
135901 Total upward reestimate budget authority	143		
Direct loan downward reestimate subsidy budget authority:			
137001 Hardship electric	-2		
137002 Municipal electric			
137003 Treasury electric			
137004 FFB electric	-21		
137005 Hardship telephone	-8		
137006 Treasury telephone	-5		
137007 FFB telephone	-1		
137901 Total downward reestimate budget authority	-37		
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Guaranteed electric		99	100
215901 Total loan guarantee levels		99	100
Guaranteed loan subsidy (in percent):			
232001 Guaranteed electric	0.08	0.06	0.06
232901 Weighted average subsidy rate	0.08	0.06	0.06
Guaranteed loan subsidy budget authority:			
233001 Guaranteed electric			
233901 Total subsidy budget authority			
Guaranteed loan subsidy outlays:			
234001 Guaranteed electric			
234901 Total subsidy outlays			
Guaranteed loan upward reestimate subsidy budget authority:			
235001 Guaranteed electric			
235901 Total upward reestimate budget authority			
Guaranteed loan downward reestimate subsidy budget authority:			
237001 Guaranteed electric			
237901 Total downward reestimate subsidy budget authority			
Administrative expense data:			
351001 Budget authority	38	38	40
359001 Outlays from new authority	38	38	40

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.

USDA will determine if the current method of issuing loans, "first in; first out," provides adequate support to the areas with the highest priority needs. USDA will complete an analysis of electric loans made in 2002 and 2003 to determine the characteristics of the communities to which the loans are going, who the loans are supporting, benefits derived from the loans by the communities, and how many loans and dollars are going to support poverty areas. In addition, USDA will develop program goals, performance measures and targets, as necessary, to better define the purpose of the electric and telecommunications programs and support future needs of rural communities. These goals, measures and targets will be used to develop the 2006 budget for the electric and telecommunications programs.

RUS will rescind loans obligated, but not issued, more than ten years ago. Most electric loans obligated more than ten years ago have either been issued or cancelled. However, cur-

rent law prohibits the rescission of telecommunications loans in most instances. This has resulted in many outstanding obligations that are older than ten years. Since loans are issued for specific projects, and technology is changing at a very fast pace, it is doubtful that the original project will be accomplished ten years after a loan is approved. Legislation will be proposed to allow the rescission of all electric and telecommunications loan obligations that are more than ten years old.

As required by the Federal Credit Reform Act of 1990, this account records, for rural electrification and telecommunications programs, the subsidy costs associated with the direct and guaranteed loans obligated in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Object Classification (in millions of dollars)

Identification code 12-1230-0-1-271	2003 actual	2004 est.	2005 est.
25.3 Other purchases of goods and services from Government accounts	38	38	40
41.0 Grants, subsidies, and contributions	155		5
99.9 Total new obligations	193	38	45

**RURAL ELECTRIFICATION AND TELECOMMUNICATIONS DIRECT LOAN
FINANCING ACCOUNT**

Program and Financing (in millions of dollars)

Identification code 12-4208-0-3-271	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct loans	4,454	4,404	3,035
00.02 Interest on Treasury borrowing	748	860	950
00.91 Subtotal, Operating program	5,202	5,264	3,985
08.01 Negative subsidy paid to receipt account	69	80	39
08.02 Downward reestimate paid to receipt account	25		
08.04 Interest on downward reestimate paid to receipt account	12		
08.91 Direct Program by Activities—Subtotal (1 level)	106	80	39
10.00 Total new obligations	5,308	5,344	4,024
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	363	10	
22.00 New financing authority (gross)	4,923	5,334	4,024
22.10 Resources available from recoveries of prior year obligations	32		
23.90 Total budgetary resources available for obligation	5,318	5,344	4,024
23.95 Total new obligations	-5,308	-5,344	-4,024
24.40 Unobligated balance carried forward, end of year	10		
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	4,387	4,326	2,881
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	1,256	1,466	1,699
68.10 Change in uncollected customer payments from Federal sources (unexpired)	-5	-21	-73
68.47 Portion applied to repay debt	-715	-437	-483
68.90 Spending authority from offsetting collections (total discretionary)	536	1,008	1,143
70.00 Total new financing authority (gross)	4,923	5,334	4,024
Change in obligated balances:			
72.40 Obligated balance, start of year	8,315	9,501	10,471
73.10 Total new obligations	5,308	5,344	4,024
73.20 Total financing disbursements (gross)	-4,095	-4,395	-4,583
73.45 Recoveries of prior year obligations	-32		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	5	21	73
74.40 Obligated balance, end of year	9,501	10,471	9,985

87.00	Total financing disbursements (gross)	4,095	4,395	4,583
Offsets:				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Payment from program account	-159	-21	-9
88.25	Interest on uninvested funds	-74	-113	-132
88.40	Repayment of principal	-387	-337	-417
88.40	Interest received on loans	-636	-995	-1,141
88.90	Total, offsetting collections (cash)	-1,256	-1,466	-1,699
Against gross financing authority only:				
88.95	Change in receivables from program accounts	5	21	73
Net financing authority and financing disbursements:				
89.00	Financing authority	3,672	3,889	2,398
90.00	Financing disbursements	2,839	2,929	2,884

Status of Direct Loans (in millions of dollars)

Identification code 12-4208-0-3-271	2003 actual	2004 est.	2005 est.	
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans	4,454	4,404	3,035
1150	Total direct loan obligations	4,454	4,404	3,035
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	11,188	14,069	17,188
1231	Disbursements: Direct loan disbursements	3,268	3,456	3,431
1251	Repayments: Repayments and prepayments	-387	-337	-417
1290	Outstanding, end of year	14,069	17,188	20,202

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	2002 actual	2003 actual	2004 est.	2005 est.
ASSETS:				
Federal assets:				
1101	Fund balances with Treasury	108	18	
Investments in US securities:				
1106	Receivables, net	171	497	
Net value of assets related to post-1991 direct loans receivable:				
1401	Direct loans receivable, gross	9,697	12,413	
1402	Interest receivable	4	198	
1405	Allowance for subsidy cost (-)	-537	-1,113	
1499	Net present value of assets related to direct loans	9,164	11,498	
1999	Total assets	9,443	12,013	
LIABILITIES:				
Federal liabilities:				
2101	Accounts payable		2	
2102	Interest payable		2	
2103	Debt	9,430	12,006	
2207	Non-Federal liabilities: Other	13	3	
2999	Total liabilities	9,443	12,013	
4999	Total liabilities and net position	9,443	12,013	
ASSETS:				
Federal assets:				
1101	Fund balances with Treasury	129	28	
Investments in US securities:				
1106	Receivables, net	14	59	
Net value of assets related to post-1991 direct loans receivable:				
1401	Direct loans receivable, gross	1,492	1,656	
1402	Interest receivable	1	1	
1405	Allowance for subsidy cost (-)	-24	-46	
1499	Net present value of assets related to direct loans	1,469	1,611	

1999	Total assets	1,612	1,698	
LIABILITIES:				
Federal liabilities:				
2101	Accounts payable			
2102	Interest payable			
2103	Debt	1,592	1,671	
2207	Non-Federal liabilities: Other	20	27	
2999	Total liabilities	1,612	1,698	
4999	Total liabilities and net position	1,612	1,698	

Note: Consistent with Government-wide practice, information for 2004 and 2005 was not required to be collected.

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS GUARANTEED LOANS FINANCING ACCOUNT

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4209-0-3-271	2003 actual	2004 est.	2005 est.	
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders		1,100	100
2150	Total guaranteed loan commitments		1,100	100
2199	Guaranteed amount of guaranteed loan commitments		1,100	100
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	199	223	1,320
2231	Disbursements of new guaranteed loans	26	1,100	100
2251	Repayments and prepayments	-2	-3	-36
2290	Outstanding, end of year	223	1,320	1,384
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	223	1,320	1,384

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	2003 actual	2004 est.	2005 est.	
Obligations by program activity:				
00.01	Interest expense on certificates of beneficial ownership	395	395	395
00.02	Interest expense, FFB direct	559	632	561
00.03	Other interest expense	7	21	13
00.05	Other	36	42	42
10.00	Total new obligations	998	1,090	1,011
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year		286	
22.00	New budget authority (gross)	1,281	1,087	1,006
22.10	Resources available from recoveries of prior year obligations	3	3	5
22.40	Capital transfer to general fund		-86	
22.60	Portion applied to repay debt		-200	
23.90	Total budgetary resources available for obligation	1,284	1,090	1,011
23.95	Total new obligations	-998	-1,090	-1,011
24.40	Unobligated balance carried forward, end of year	286		
New budget authority (gross), detail:				
Discretionary:				
40.36	Unobligated balance rescission proposal			-5
Mandatory:				
60.00	Appropriation		178	156
60.36	Unobligated balance permanently reduced	-3	-3	
62.00	Transferred from other accounts	22	20	19
62.50	Appropriation (total mandatory)	19	195	175

Credit accounts—Continued

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LIQUIDATING ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-4230-0-3-271	2003 actual	2004 est.	2005 est.
69.00 Offsetting collections (cash)	3,350	2,090	1,804
69.27 Capital transfer to general fund	-22		
69.47 Portion applied to repay debt	-2,066	-1,198	-968
69.90 Spending authority from offsetting collections (total mandatory)	1,262	892	836
70.00 Total new budget authority (gross)	1,281	1,087	1,006
Change in obligated balances:			
72.40 Obligated balance, start of year	312	321	338
73.10 Total new obligations	998	1,090	1,011
73.20 Total outlays (gross)	-985	-1,070	-991
73.45 Recoveries of prior year obligations	-3	-3	-5
74.40 Obligated balance, end of year	321	338	353
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	881	892	825
86.98 Outlays from mandatory balances	104	178	166
87.00 Total outlays (gross)	985	1,070	991
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.40 Loans repaid	-1,929	-1,132	-981
88.40 Interest from loans	-1,032	-958	-823
88.40 Undistributed Charges	-389		
88.90 Total, offsetting collections (cash)	-3,350	-2,090	-1,804
Net budget authority and outlays:			
89.00 Budget authority	-2,069	-1,003	-798
90.00 Outlays	-2,365	-1,020	-813

Status of Direct Loans (in millions of dollars)

Identification code 12-4230-0-3-271	2003 actual	2004 est.	2005 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	19,412	17,104	15,449
1231 Disbursements: Direct loan disbursements	4	12	11
1251 Repayments: Repayments and prepayments	-2,350	-1,553	-1,260
1261 Adjustments: Capitalized interest	39		
Write-offs for default:			
1263 Direct loans		-109	-98
1264 Other adjustments, net	-1	-5	-4
1290 Outstanding, end of year	17,104	15,449	14,098

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4230-0-3-271	2003 actual	2004 est.	2005 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	317	293	270
2251 Repayments and prepayments	-24	-17	-16
2263 Adjustments: Terminations for default that result in claim payments		-6	-6
2290 Outstanding, end of year	293	270	248
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	293	270	248

STATUS OF AGENCY DEBT

(In millions of dollars)

Agency debt held by FFB:	2003 actual	2004 est.	2005 est.
Outstanding FFB direct, start of year	8,891	8,397	7,454
Outstanding Certificate of Beneficial Ownership (CBO's), start of year	4,270	4,270	4,270
New agency borrowing, FFB direct	0	0	0
Repayments and prepayments, FFB Direct	0	0	0
Repayments, CBO's	-494	-943	-837
Outstanding FFB direct, end of year	8,397	7,454	6,617
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.

RUS will rescind loans obligated, but not issued, more than ten years ago. Most electric loans obligated more than ten years ago have either been issued or cancelled. However, current law prohibits the rescission of telecommunications loans in most instances. This has resulted in many outstanding obligations that are older than ten years. Since loans are issued for specific projects, and technology is changing at a very fast pace, it is doubtful that the original project will be accomplished ten years after a loan is approved. Legislation will be proposed to allow the rescission of all electric and telecommunications loan obligations that are more than ten years old.

Rural electric.—This program is financed through RUS direct loans for the construction and operation of generating plants, electric transmission, and distribution lines or systems.

The following tables reflect statistics on loans made through the liquidating account only. Since 1992 new electric and telephone loans have been made through a separate program account.

ELECTRIC PROGRAM STATISTICS

(dollars in millions)

	2003 actual	2004 est.	2005 est.
Cumulative RUS financed direct loans	21,851	21,854	21,857
Cumulative FFB financed direct loans	27,084	27,037	26,987
Cumulative RUS funds advanced	21,832	21,834	21,834
Unadvanced RUS funds, end of year	73	69	66
Cumulative RUS principal repaid	16,030	16,913	17,678
Cumulative RUS interest paid	12,205	12,952	13,594
Cumulative loan guarantee commitments ¹	0	0	0
Number of borrowers	718	711	704

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)

	2003 actual	2004 est.	2005 est.
Cumulative RUS financed direct loans	6,030	6,010	5,990
Cumulative FFB financed direct loans	562	562	562
Cumulative RUS funds advanced	5,897	5,905	5,913
Unadvanced RUS funds, end of period	138	130	122
Cumulative RUS principal repaid	4,041	4,290	4,506
Cumulative RUS interest paid	3,023	3,234	3,415
Cumulative loan guarantee commitments ¹	0	0	0
Number of borrowers	625	607	589

¹ Other lenders—privately financed direct loans, FFB.

Balance Sheet (in millions of dollars)

Identification code 12-4230-0-3-271	2002 actual	2003 actual	2004 est.	2005 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	115	405		
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross (Electric)	17,337	15,263		
1602 Interest receivable	43	6		

1603	Allowance for estimated uncollectible loans and interest (-)	-1,682	-1,935	
1604	Direct loans and interest receivable, net	15,698	13,334	
1699	Value of assets related to direct loans	15,698	13,334	
1999	Total assets	15,813	13,739	
LIABILITIES:				
Federal liabilities:				
2101	Accounts payable	780		
2102	Interest payable			
2103	Debt	16,709	15,016	
2104	Resources payable to Treasury	-1,715	-1,310	
2105	Other	39	33	
2999	Total liabilities	15,813	13,739	
4999	Total liabilities and net position	15,813	13,739	
ASSETS:				
1101	Federal assets: Fund balances with Treasury	140	146	
Non-Federal assets:				
1201	Investments in non-Federal securities, net	430	409	
1206	Receivables, net	780		
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601	Direct loans, gross (telephone)	2,076	1,843	
1602	Interest receivable	6	1	
1603	Allowance for estimated uncollectible loans and interest (-)	-245	-147	
1604	Direct loans and interest receivable, net	1,837	1,697	
1699	Value of assets related to direct loans	1,837	1,697	
1999	Total assets	3,187	2,252	
LIABILITIES:				
Federal liabilities:				
2102	Interest payable			
2103	Debt	1,751	1,373	
2104	Resources payable to Treasury	1,424	865	
2105	Other	4	3	
2999	Total liabilities	3,179	2,241	
NET POSITION:				
3300	Cumulative results of operations	8	11	
3999	Total net position	8	11	
4999	Total liabilities and net position	3,187	2,252	

Note: Consistent with Government-wide practice, information for 2004 and 2005 was not required to be collected.

Object Classification (in millions of dollars)

Identification code 12-4230-0-3-271	2003 actual	2004 est.	2005 est.
25.2 Other services	36	42	42
33.0 Investments and loans	7	21	13
43.0 Interest and dividends	955	1,027	956
99.9 Total new obligations	998	1,090	1,011

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 2004 and within the resources and authority available, gross obligations for the principal amount of direct loans shall be \$173,503,000.]

[In addition, for] For administrative expenses, including audits, necessary to [carry out the loan programs, \$3,171,000] continue to service existing loans, \$3,328,000, to be derived by transfer of unobligated balances from the Rural Telephone Bank Liquidating Account, which shall be transferred to and merged with the appropriation for "Rural Development, Salaries and Expenses". (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

gated balances from the Rural Telephone Bank Liquidating Account, which shall be transferred to and merged with the appropriation for "Rural Development, Salaries and Expenses". (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-1231-0-1-452	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct Program Activity	2		
00.05 Reestimates of direct loan subsidy	1	5	
00.09 Administrative expenses subject to limitation	3	3	3
10.00 Total new obligations	6	8	3
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	6	8	3
23.95 Total new obligations	-6	-8	-3
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	5	3	
42.00 Transferred from other accounts			3
43.00 Appropriation (total discretionary)	5	3	3
Mandatory:			
60.00 Appropriation	1	5	
70.00 Total new budget authority (gross)	6	8	3
Change in obligated balances:			
72.40 Obligated balance, start of year	19	20	18
73.10 Total new obligations	6	8	3
73.20 Total outlays (gross)	-5	-10	-5
74.40 Obligated balance, end of year	20	18	16
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	3	3	3
86.93 Outlays from discretionary balances	1	2	2
86.97 Outlays from new mandatory authority	1	5	
87.00 Total outlays (gross)	5	10	5
Net budget authority and outlays:			
89.00 Budget authority	6	8	3
90.00 Outlays	5	10	5

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

Identification code 12-1231-0-1-452	2003 actual	2004 est.	2005 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Rural Telephone Bank	168	174	
115901 Total direct loan levels	168	174	
Direct loan subsidy (in percent):			
132001 Rural Telephone Bank	1.38	-4.32	0.00
132901 Weighted average subsidy rate	1.38	-4.32	0.00
Direct loan subsidy budget authority:			
133001 Rural Telephone Bank	2	-7	
133901 Total subsidy budget authority	2	-7	
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	1	5	
135901 Total upward reestimate budget authority	1	5	
Direct loan downward reestimate subsidy budget authority:			
137001 Rural Telephone Bank	-4	-18	
137901 Total downward reestimate budget authority	-4	-18	
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.

Credit accounts—Continued

RURAL TELEPHONE BANK PROGRAM ACCOUNT—Continued
(INCLUDING TRANSFER OF FUNDS)—Continued

RUS will rescind loans obligated, but not issued, more than ten years ago. Current law prohibits the rescission of Rural Telephone Bank loans in most instances. This has resulted in many outstanding obligations that are older than ten years. Since loans are issued for specific projects, and technology is changing at a very fast pace, it is doubtful that the original project will be accomplished ten years after a loan is approved. Legislation will be proposed to allow the rescission of all Rural Telephone Bank loan obligations that are more than ten years old.

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	2003 actual	2004 est.	2005 est.
25.2 Other services	3	8	3
41.0 Grants, subsidies, and contributions	3		
99.9 Total new obligations	6	8	3

RURAL TELEPHONE BANK DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4210-0-3-452	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct Loans	168	174	
00.02 Interest on Treasury borrowing	24	71	83
00.91 Direct Program by Activities—Subtotal	192	245	83
08.02 Downward reestimates paid to receipt accounts	3	11	
08.04 Interest on downward reestimate paid to receipt account	1	7	
08.91 Direct Program by Activities—Subtotal	4	18	
10.00 Total new obligations	196	263	83
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	17	2	5
22.00 New financing authority (gross)	183	328	151
22.10 Resources available from recoveries of prior year obligations	32		
22.60 Portion applied to repay debt		-62	-68
22.70 Balance of authority to borrow withdrawn	-34		
23.90 Total budgetary resources available for obligation	198	268	88
23.95 Total new obligations	-196	-263	-83
24.40 Unobligated balance carried forward, end of year	2	5	5
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	170	233	55
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	94	131	154
68.10 Change in uncollected customer payments from Federal sources (unexpired)	1	16	-3
68.47 Portion applied to repay debt	-82	-52	-55
68.90 Spending authority from offsetting collections (total discretionary)	13	95	96
70.00 Total new financing authority (gross)	183	328	151
Change in obligated balances:			
72.40 Obligated balance, start of year	1,091	1,169	1,234
73.10 Total new obligations	196	263	83
73.20 Total financing disbursements (gross)	-84	-182	-255
73.45 Recoveries of prior year obligations	-32		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-1	-16	3

74.40 Obligated balance, end of year	1,169	1,234	1,065
87.00 Total financing disbursements (gross)	84	182	255
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources: Payment from program account	-2	-7	-2
88.25 Interest on uninvested funds	-6	-17	-21
88.40 Principal received on loans	-62	-83	-100
88.40 Interest received on loans	-21	-19	-23
88.40 Sale of RTB Stock	-3	-5	-8
88.90 Total, offsetting collections (cash)	-94	-131	-154
Against gross financing authority only:			
88.95 Change in receivables from program accounts	-1	-16	3
Net financing authority and financing disbursements:			
89.00 Financing authority	88	181	
90.00 Financing disbursements	-10	51	101

Status of Direct Loans (in millions of dollars)

Identification code 12-4210-0-3-452	2003 actual	2004 est.	2005 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	172	174	
1142 Unobligated direct loan limitation (-)	-4		
1150 Total direct loan obligations	168	174	
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	334	328	355
1231 Disbursements: Direct loan disbursements	56	110	172
1251 Repayments: Repayments and prepayments	-62	-83	-100
1290 Outstanding, end of year	328	355	427

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	2002 actual	2003 actual	2004 est.	2005 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	23	11		
Investments in US securities:				
1106 Receivables, net	1	5		
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	324	328		
1405 Allowance for subsidy cost (-)		-2		
1499 Net present value of assets related to direct loans	324	326		
1999 Total assets	348	342		
LIABILITIES:				
Federal liabilities:				
2103 Debt	348	300		
2105 Other		42		
Non-Federal liabilities:				
2201 Accounts payable				
2207 Other				
2999 Total liabilities	348	342		
4999 Total liabilities and net position	348	342		

Note: Consistent with Government-wide practice, information for 2004 and 2005 was not required to be collected.

RURAL TELEPHONE BANK LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4231-0-3-452	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Dividends	28	29	29

10.00	Total new obligations (object class 43.0)	28	29	29
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	943	1,201	1,349
22.00	New budget authority (gross)	272	177	98
22.10	Resources available from recoveries of prior year obligations	14		
22.21	Unobligated balance transferred to other accounts			-3
23.90	Total budgetary resources available for obligation	1,229	1,378	1,444
23.95	Total new obligations	-28	-29	-29
24.40	Unobligated balance carried forward, end of year	1,201	1,349	1,415
New budget authority (gross), detail:				
Mandatory:				
61.00	Transferred to other accounts	-22	-20	-19
69.00	Offsetting collections (cash)	247	261	125
69.10	Change in uncollected customer payments from Federal sources (unexpired)	56	-56	
69.27	Capital transfer to general fund	-9		
69.47	Portion applied to repay debt		-8	-8
69.90	Spending authority from offsetting collections (total mandatory)	294	197	117
70.00	Total new budget authority (gross)	272	177	98
Change in obligated balances:				
72.40	Obligated balance, start of year	99	34	90
73.10	Total new obligations	28	29	29
73.20	Total outlays (gross)	-23	-29	-27
73.45	Recoveries of prior year obligations	-14		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-56	56	
74.40	Obligated balance, end of year	34	90	92
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	7	12	17
86.98	Outlays from mandatory balances	16	17	10
87.00	Total outlays (gross)	23	29	27
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.20	Interest on Federal securities		-56	
88.40	Loans repaid	-205	-157	-77
88.40	Interest from loans	-42	-48	-48
88.90	Total, offsetting collections (cash)	-247	-261	-125
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-56	56	
Net budget authority and outlays:				
89.00	Budget authority	-31	-28	-27
90.00	Outlays	-224	-232	-98

Status of Direct Loans (in millions of dollars)

Identification code 12-4231-0-3-452	2003 actual	2004 est.	2005 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	680	476	321
1231	Disbursements: Direct loan disbursements	1	2	2
1251	Repayments: Repayments and prepayments	-205	-157	-77
1263	Write-offs for default: Direct loans			-3
1290	Outstanding, end of year	476	321	243

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 2005.

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.

RUS will rescind loans obligated, but not issued, more than ten years ago. Current law prohibits the rescission of Rural Telephone Bank loans in most instances. This has resulted in many outstanding obligations that are older than ten years. Since loans are issued for specific projects, and technology is changing at a very fast pace, it is doubtful that the original project will be accomplished ten years after a loan is approved. Legislation will be proposed to allow the rescission of all Rural Telephone Bank loan obligations that are more than ten years old.

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)

	2003 actual	2004 est.	2005 est.
Cumulative net loans	2,532	2,534	2,536
Cumulative loan funds, advanced	2,470	2,472	2,474
Unadvanced loan funds, end of year	62	60	58
Cumulative principal repaid	1,993	2,150	2,227
Cumulative interest paid	2,385	2,433	2,481
Number of borrowers	286	265	250

Balance Sheet (in millions of dollars)

Identification code 12-4231-0-3-452	2002 actual	2003 actual	2004 est.	2005 est.
ASSETS:				
Federal assets:				
1101	Fund balances with Treasury	1,041	1,235	
Investments in US securities:				
1106	Receivables, net		56	
1402	Net value of assets related to post-1991 direct loans receivable: Interest receivable	2	1	
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601	Direct loans, gross	680	476	
1603	Allowance for estimated uncollectible loans and interest (-)	-6	11	
1604	Direct loans and interest receivable, net	674	487	
1699	Value of assets related to direct loans	674	487	
1999	Total assets	1,717	1,779	
LIABILITIES:				
Federal liabilities:				
2103	Debt			
2104	Resources payable to Treasury	103	55	
2105	Other	1,205	1,315	
2999	Total liabilities	1,308	1,370	
NET POSITION:				
3300	Cumulative results of operations	409	409	
3999	Total net position	409	409	
4999	Total liabilities and net position	1,717	1,779	

Note: Consistent with Government-wide practice, information for 2004 and 2005 was not required to be collected.

DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND PROGRAM

For [the principal amount of direct distance learning and telemedicine loans, \$300,000,000; and for] the principal amount of direct and guaranteed broadband telecommunication loans, [\$602,000,000] \$331,081,000.

For grants for telemedicine and distance learning services in rural areas, as authorized by 7 U.S.C. 950aaa et seq., [\$39,000,000] \$25,000,000, to remain available until expended[: Provided, That \$14,000,000 shall be made available to convert analog to digital oper-

Credit accounts—Continued

DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND PROGRAM—Continued

ation those noncommercial educational television broadcast stations that serve rural areas and are qualified for Community Service Grants by the Corporation for Public Broadcasting under section 396(k) of the Communications Act of 1934, including associated transmitters, repeaters, and studio-to-transmitter links].

For the cost of broadband loans, as authorized by 7 U.S.C. 901 et seq., [§13,116,000: *Provided*, That the interest rate for such loans shall be the cost of borrowing to the Department of the Treasury for obligations of comparable maturity: *Provided further*,] \$9,884,000: *Provided*, That the cost of direct loans and guaranteed loans shall be as defined in section 502 of the Congressional Budget Act of 1974.

[In addition, \$9,000,000, to remain available until expended, for a grant program to finance broadband transmission in rural areas eligible for Distance Learning and Telemedicine Program benefits authorized by 7 U.S.C. 950aaa.] (*Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.*)

Program and Financing (in millions of dollars)

Identification code 12-1232-0-1-452	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct loan subsidy	1	49	8
00.02 Loan guaranteed subsidy		3	2
00.10 Grants	67	63	25
10.00 Total new obligations (object class 41.0)	68	115	35
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	44	54	20
22.00 New budget authority (gross)	77	81	15
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	122	135	35
23.95 Total new obligations	-68	-115	-35
24.40 Unobligated balance carried forward, end of year	54	20	
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	57	61	35
40.35 Appropriation permanently reduced			-20
40.36 Unobligated balance permanently reduced			-20
43.00 Appropriation (total discretionary)	57	61	-5
Mandatory:			
62.00 Transferred from other accounts	20	20	20
70.00 Total new budget authority (gross)	77	81	15
Change in obligated balances:			
72.40 Obligated balance, start of year	68	113	225
73.10 Total new obligations	68	115	35
73.20 Total outlays (gross)	-22	-3	-64
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	113	225	196
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority		1	-3
86.93 Outlays from discretionary balances	22		54
86.97 Outlays from new mandatory authority		2	2
86.98 Outlays from mandatory balances			11
87.00 Total outlays (gross)	22	3	64
Net budget authority and outlays:			
89.00 Budget authority	77	81	15
90.00 Outlays	22	3	64

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

Identification code 12-1232-0-1-452	2003 actual	2004 est.	2005 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Distance Learning and Telemedicine	21		
115002 Direct Broadband 4% loans			36
115003 Direct Broadband Treasury Rate loans		598	255
115004 Mandatory Broadband 4% loans		80	
115005 Mandatory Broadband Treasury Rate loans	56	1,453	
115901 Total direct loan levels	77	2,131	291

Direct loan subsidy (in percent):			
132001 Distance Learning and Telemedicine	-1.15	0.00	0.00
132002 Direct Broadband 4% loans	0.00	0.00	8.01
132003 Direct Broadband Treasury Rate loans	0.00	2.18	2.13
132004 Mandatory Broadband 4% loans	0.00	4.94	0.00
132005 Mandatory Broadband Treasury Rate loans	2.22	2.18	0.00
132901 Weighted average subsidy rate	1.30	2.30	2.75
Direct loan subsidy budget authority:			
133001 Distance Learning and Telemedicine			
133002 Direct Broadband 4% loans			3
133003 Direct Broadband Treasury Rate loans		13	5
133004 Mandatory Broadband 4% loans		4	
133005 Mandatory Broadband Treasury Rate loans	1	32	
133901 Total subsidy budget authority	1	49	8
Direct loan subsidy outlays:			
134001 Distance Learning and Telemedicine			
134002 Direct Broadband 4% loans			
134003 Direct Broadband Treasury Rate loans		1	1
134004 Mandatory Broadband 4% loans			
134005 Mandatory Broadband Treasury Rate loans		2	18
134901 Total subsidy outlays		3	19
Direct loan upward reestimate subsidy budget authority:			
135002 Direct Broadband 4% loans			
135901 Total upward reestimate budget authority			
Direct loan downward reestimate subsidy budget authority:			
137002 Direct Broadband 4% loans	-1		
137901 Total downward reestimate budget authority	-1		
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Broadband Guaranteed loans			40
215002 Mandatory Broadband Guaranteed loans		80	
215901 Total loan guarantee levels		80	40
Guaranteed loan subsidy (in percent):			
232001 Broadband Guaranteed loans	0.00	0.00	3.93
232002 Mandatory Broadband Guaranteed loans	0.00	3.90	0.00
232901 Weighted average subsidy rate	0.00	3.75	5.00
Guaranteed loan subsidy budget authority:			
233001 Broadband Guaranteed loans			2
233002 Mandatory Broadband Guaranteed loans		3	
233901 Total subsidy budget authority		3	2
Guaranteed loan subsidy outlays:			
234001 Broadband Guaranteed loans			
234002 Mandatory Broadband Guaranteed loans			2
234901 Total subsidy outlays			2

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 canceling mandatory funding for 2005 and the carryover balances from 2004 and providing discretionary funding for a program for loans to finance installation of broadband transmission capacity (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, as authorized by the Rural Electrification Act of 1936, 7 U.S.C. 901 et seq.

Due to defaults in 2003, the subsidy rate for the Distance Learning and Telemedicine (DLT) program increased significantly. Since there is little demand for the DLT loans and the loans now cost the government, the budget proposes to not provide any DLT loans in 2005.

DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4146-0-3-452	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct loans	77	2,431	291
00.02 Interest on Treasury borrowing	5	2	4
00.91 Direct Program by Activities—Subtotal	82	2,433	295
08.02 Downward reestimates paid to receipt accounts	1		
10.00 Total new obligations	83	2,433	295
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	10	14	
22.00 New financing authority (gross)	89	2,453	349
22.10 Resources available from recoveries of prior year obligations	57		
22.40 Capital transfer to general fund	-1		
22.60 Portion applied to repay debt		-34	-54
22.70 Balance of authority to borrow withdrawn	-58		
23.90 Total budgetary resources available for obligation	97	2,433	295
23.95 Total new obligations	-83	-2,433	-295
24.40 Unobligated balance carried forward, end of year	14		
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	78	2,431	291
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	10	25	77
68.10 Change in uncollected customer payments from Federal sources (unexpired)	1	-3	-19
68.90 Spending authority from offsetting collections (total discretionary)	11	22	58
70.00 Total new financing authority (gross)	89	2,453	349
Change in obligated balances:			
72.40 Obligated balance, start of year	204	178	2,590
73.10 Total new obligations	83	2,433	295
73.20 Total financing disbursements (gross)	-51	-24	-66
73.45 Recoveries of prior year obligations	-57		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-1	3	19
74.40 Obligated balance, end of year	178	2,590	2,838
87.00 Total financing disbursements (gross)	51	24	66
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-1	-3	-19
88.25 Interest on uninvested funds	-2	-2	-5
88.40 Repayment of principal	-5	-11	-30
88.40 Interest received on loans	-2	-9	-23
88.90 Total, offsetting collections (cash)	-10	-25	-77
Against gross financing authority only:			
88.95 Change in receivables from program accounts	-1	3	19
Net financing authority and financing disbursements:			
89.00 Financing authority	78	2,431	291
90.00 Financing disbursements	41	-1	-11

Status of Direct Loans (in millions of dollars)

Identification code 12-4146-0-3-452	2003 actual	2004 est.	2005 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	300	898	291
1131 Direct loan obligations exempt from limitation	1,376	1,533	
1142 Unobligated direct loan limitation (-)	-1,599		
1150 Total direct loan obligations	77	2,431	291
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	42	81	94
1231 Disbursements: Direct loan disbursements	44	24	66
1251 Repayments: Repayments and prepayments	-5	-11	-30
1290 Outstanding, end of year	81	94	130

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	2002 actual	2003 actual	2004 est.	2005 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury		2		
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	49	81		
1402 Interest receivable		2		
1405 Allowance for subsidy cost (-)				
1499 Net present value of assets related to direct loans	49	83		
1999 Total assets	49	85		
LIABILITIES:				
2101 Federal liabilities: Accounts payable	49	85		
2999 Total liabilities	49	85		
4999 Total liabilities and net position	49	85		

Note: Consistent with Government-wide practice, information for 2004 and 2005 was not required to be collected.

DISTANCE LEARNING AND TELEMEDICINE GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4361-0-3-451	2003 actual	2004 est.	2005 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year			3
22.00 New financing authority (gross)		3	2
23.90 Total budgetary resources available for obligation		3	5
24.40 Unobligated balance carried forward, end of year		3	3
New financing authority (gross), detail:			
Discretionary:			
Spending authority from offsetting collections:			
Change in uncollected customer payments from Federal sources (unexpired)			
68.10			2
Mandatory:			
69.00 Offsetting collections (cash)			2
69.10 Change in uncollected customer payments from Federal sources (unexpired)		3	-2
69.90 Spending authority from offsetting collections (total mandatory)		3	
70.00 Total new financing authority (gross)		3	2
Change in obligated balances:			
72.40 Obligated balance, start of year			-3
74.00 Change in uncollected customer payments from Federal sources (unexpired)			-3
74.40 Obligated balance, end of year			-3
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from: Federal sources			
88.00			-2
Against gross financing authority only:			
Change in receivables from program accounts			
88.95			-3
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements			-2

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4361-0-3-451	2003 actual	2004 est.	2005 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders			40
2131 Guaranteed loan commitments exempt from limitation		80	

Credit accounts—Continued

DISTANCE LEARNING AND TELEMEDICINE GUARANTEED LOAN FINANCING ACCOUNT—Continued

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

Identification code 12-4361-0-3-451	2003 actual	2004 est.	2005 est.
2150 Total guaranteed loan commitments		80	40
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year			8
2231 Disbursements of new guaranteed loans	8		48
2251 Repayments and prepayments			-1
2263 Adjustments: Terminations for default that result in claim payments			
2290 Outstanding, end of year		8	55
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year		6	44
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2331 Disbursements for guaranteed loan claims			
2351 Repayments of loans receivable			

LOCAL TELEVISION LOAN GUARANTEE PROGRAM ACCOUNT (INCLUDING TRANSFER OF FUNDS)

Program and Financing (in millions of dollars)

Identification code 12-1233-0-1-452	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.02 Loan guarantee subsidy		44	
10.00 Total new obligations (object class 41.0)		44	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	88	88	44
22.00 New budget authority (gross)			-44
23.90 Total budgetary resources available for obligation	88	88	
23.95 Total new obligations		-44	
24.40 Unobligated balance carried forward, end of year	88	44	
New budget authority (gross), detail:			
Discretionary:			
40.36 Unobligated balance permanently reduced			-44
Change in obligated balances:			
72.40 Obligated balance, start of year			35
73.10 Total new obligations		44	
73.20 Total outlays (gross)		-9	-20
74.40 Obligated balance, end of year		35	15
Outlays (gross), detail:			
86.93 Outlays from discretionary balances		2	4
86.98 Outlays from mandatory balances		7	16
87.00 Total outlays (gross)		9	20
Net budget authority and outlays:			
89.00 Budget authority			-44
90.00 Outlays		9	20

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

Identification code 12-1233-0-1-452	2003 actual	2004 est.	2005 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Local television		520	
215901 Total loan guarantee levels		520	
Guaranteed loan subsidy (in percent):			
232001 Local television		8.46	0.00
232901 Weighted average subsidy rate		8.46	0.00
Guaranteed loan subsidy budget authority:			
233001 Local television		44	

233901 Total subsidy budget authority	44	
Guaranteed loan subsidy outlays:		
234001 Local television	9	20
234901 Total subsidy outlays	9	20

The President's budget proposes no additional funds for the Local Television Loan Guarantee program. In addition, the budget proposes to rescind \$44,000,000 in unused budget authority. The remaining budget authority is adequate to provide a guaranteed loans for either one satellite or multiple cable investments. This could provide service to almost 90 percent of the Designated Market Areas, which more than fulfills the requirement to provide service to 75 percent of the Designated Market Areas.

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.

LOCAL TELEVISION LOAN GUARANTEE FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4220-0-3-452	2003 actual	2004 est.	2005 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year			45
22.00 New financing authority (gross)		45	3
23.90 Total budgetary resources available for obligation		45	48
24.40 Unobligated balance carried forward, end of year		45	50
New financing authority (gross), detail:			
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)		3	7
68.10 Change in uncollected customer payments from Federal sources (unexpired)		6	-4
68.90 Spending authority from offsetting collections (total discretionary)		9	3
Mandatory:			
69.00 Offsetting collections (cash)		7	16
69.10 Change in uncollected customer payments from Federal sources (unexpired)		29	-16
69.90 Spending authority from offsetting collections (total mandatory)		36	
70.00 Total new financing authority (gross)		45	3
Change in obligated balances:			
72.40 Obligated balance, start of year			-35
74.00 Change in uncollected customer payments from Federal sources (unexpired)		-35	20
74.40 Obligated balance, end of year		-35	-17
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources		-9	-20
88.25 Interest on uninvested funds			-2
88.40 Non-Federal sources		-1	-1
88.90 Total, offsetting collections (cash)		-10	-23
Against gross financing authority only:			
88.95 Change in receivables from program accounts		-35	20
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements		-10	-23

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4220-0-3-452	2003 actual	2004 est.	2005 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders			
2121 Limitation available from carry-forward	1,067	1,040	
2131 Guaranteed loan commitments exempt from limitation			
2143 Uncommitted limitation carried forward	-1,067	-520	
2150 Total guaranteed loan commitments		520	
2199 Guaranteed amount of guaranteed loan commitments		416	
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year			104
2231 Disbursements of new guaranteed loans		104	234
2251 Repayments and prepayments			-5
2290 Outstanding, end of year		104	333
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year		83	265

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.

RURAL DEVELOPMENT INSURANCE FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4155-0-3-452	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
01.01 Interest on FFB borrowings	123	73	73
01.05 Interest on Treasury borrowings	9		
10.00 Total new obligations (object class 43.0)	132	73	73
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		77	
22.00 New budget authority (gross)	209	127	73
22.70 Balance of authority to borrow withdrawn		-131	
23.90 Total budgetary resources available for obligation	209	73	73
23.95 Total new obligations	-132	-73	-73
24.40 Unobligated balance carried forward, end of year	77		
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	330	250	208
60.47 Portion applied to repay debt	-121	-123	-135
62.50 Appropriation (total mandatory)	209	127	73
69.00 Offsetting collections (cash)	495	402	354
69.47 Portion applied to repay debt	-495	-402	-354
69.90 Spending authority from offsetting collections (total mandatory)			
70.00 Total new budget authority (gross)	209	127	73
Change in obligated balances:			
72.40 Obligated balance, start of year	55	51	34
73.10 Total new obligations	132	73	73
73.20 Total outlays (gross)	-136	-90	-80
74.40 Obligated balance, end of year	51	34	27
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	81	58	65
86.98 Outlays from mandatory balances	55	32	15
87.00 Total outlays (gross)	136	90	80
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.40 Non-Federal sources	-339	-270	-230
88.40 Repayments of guaranteed loans purchased from investors	-5	-1	-1
88.40 Interest revenue	-148	-131	-123
88.40 Other	-3		

88.90	Total, offsetting collections (cash)	-495	-402	-354
Net budget authority and outlays:				
89.00	Budget authority	-286	-275	-281
90.00	Outlays	-359	-312	-274

Status of Direct Loans (in millions of dollars)

Identification code 12-4155-0-3-452	2003 actual	2004 est.	2005 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	2,808	2,463	2,301
1251 Repayments: Repayments and prepayments	-338	-161	-151
Write-offs for default:			
1263 Direct loans	-1	-1	-1
1264 Other adjustments, net	-6		
1290 Outstanding, end of year	2,463	2,301	2,149

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4155-0-3-452	2003 actual	2004 est.	2005 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	80	51	45
2251 Repayments and prepayments	-2	-6	-5
2263 Adjustments: Terminations for default that result in claim payments	-27		
2290 Outstanding, end of year	51	45	40
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	46	21	17

The Rural Development Insurance Fund (RDIF) was established on October 1, 1972, pursuant to section 116 of the Rural Development Act of 1972 (Public Law 92-419).

The fund is used to insure or guarantee loans for water systems and waste disposal facilities, community facilities, and industrial development in rural areas. Communities unable to afford low interest loans for water and waste disposal facilities are also able to obtain water and waste disposal grants.

As required by the Federal Credit Reform Act of 1990, this account records, for these loan programs, all cash flows to and from the Government resulting from direct loans obligated and loan guarantees committed prior to 1992. All new activity in these programs is recorded in corresponding program accounts and financing accounts.

In 1994, these loan programs were administered by the Rural Development Administration. Under reorganization of the Department of Agriculture, the water and waste direct and guaranteed loan programs are administered by the Rural Utilities Service, the community facility direct and guaranteed loan programs are administered by the Rural Housing Service, and the business and industry direct and guaranteed loan programs are administered by the Rural Business-Cooperative Service.

Balance Sheet (in millions of dollars)

Identification code 12-4155-0-3-452	2002 actual	2003 actual	2004 est.	2005 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	55	129		
1201 Non-Federal assets: Investments in non-Federal securities, net	34	34		
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	2,808	2,463		
1602 Interest receivable	48	26		
1603 Allowance for estimated uncollectible loans and interest (-)	-33	-392		
1604 Direct loans and interest receivable, net	2,823	2,097		

Credit accounts—Continued

RURAL DEVELOPMENT INSURANCE FUND LIQUIDATING ACCOUNT—Continued

Balance Sheet (in millions of dollars)—Continued

Identification code 12-4155-0-3-452	2002 actual	2003 actual	2004 est.	2005 est.
1699 Value of assets related to direct loans	2,823	2,097		
1999 Total assets	2,912	2,260		
LIABILITIES:				
Federal liabilities:				
2103 Debt	1,421	805		
2104 Resources payable to Treasury	1,433	1,402		
Non-Federal liabilities:				
2202 Interest payable	55	51		
2204 Liabilities for loan guarantees	3	2		
2999 Total liabilities	2,912	2,260		
4999 Total liabilities and net position	2,912	2,260		

Note: Consistent with Government-wide practice, information for 2004 and 2005 was not required to be collected.

RURAL COMMUNICATION DEVELOPMENT FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4142-0-3-452	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Interest on Treasury borrowing	3	3	
10.00 Total new obligations (object class 43.0)	3	3	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		1	
22.00 New budget authority (gross)	3	2	
23.90 Total budgetary resources available for obligation	3	3	
23.95 Total new obligations	-3	-3	
24.40 Unobligated balance carried forward, end of year	1		
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	3	27	
60.47 Portion applied to repay debt		-25	
62.50 Appropriation (total mandatory)	3	2	
69.00 Offsetting collections (cash)			1
69.27 Capital transfer to general fund			-1
69.90 Spending authority from offsetting collections (total mandatory)			
70.00 Total new budget authority (gross)	3	2	
Change in obligated balances:			
72.40 Obligated balance, start of year	1	1	1
73.10 Total new obligations	3	3	
73.20 Total outlays (gross)	-2	-3	
74.40 Obligated balance, end of year	1	1	1
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	2	2	
86.98 Outlays from mandatory balances		1	
87.00 Total outlays (gross)	2	3	
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	3	2	-1
90.00 Outlays	2	3	-1

Status of Direct Loans (in millions of dollars)

Identification code 12-4142-0-3-452	2003 actual	2004 est.	2005 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	5	4	4
1251 Repayments: Repayments and prepayments			-1
1264 Write-offs for default: Other adjustments, net	-1		

1290 Outstanding, end of year	4	4	3
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Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4142-0-3-452	2003 actual	2004 est.	2005 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	4	4	3
2251 Repayments and prepayments		-1	
2290 Outstanding, end of year	4	3	3
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	4	3	3

The Rural Communication Development Fund was established pursuant to the Secretary's Memorandum No. 1988, approved May 22, 1979. No loans have been made through this account since before 1992.

Balance Sheet (in millions of dollars)

Identification code 12-4142-0-3-452	2002 actual	2003 actual	2004 est.	2005 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	2	2		
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	5	4		
1602 Interest receivable	1	1		
1603 Allowance for estimated uncollectible loans and interest (-)	-3	-1		
1604 Direct loans and interest receivable, net	3	4		
1699 Value of assets related to direct loans	3	4		
1999 Total assets	5	6		
LIABILITIES:				
Federal liabilities:				
2102 Interest payable	1	1		
2103 Debt	25	25		
2204 Non-Federal liabilities: Liabilities for loan guarantees	-21	-20		
2999 Total liabilities	5	6		
NET POSITION:				
3300 Cumulative results of operations				
3999 Total net position				
4999 Total liabilities and net position	5	6		

Note: Consistent with Government-wide practice, information for 2004 and 2005 was not required to be collected.

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. 1761-1769) 8), 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), **[\$132,148,000] \$143,077,000: 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 no funds under this*

heading shall be available to promote the sale or export of tobacco or tobacco products. (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-2900-0-1-352	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
Direct program:			
00.01 Market access	31	32	35
00.02 Market development	35	36	39
00.03 Market intelligence	30	30	33
00.04 Financial marketing assistance	8	7	8
00.05 Long-term market and infrastructure development	26	26	28
09.00 Reimbursable program	80	74	74
10.00 Total new obligations	210	205	217
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	17	15	15
22.00 New budget authority (gross)	209	204	217
22.22 Unobligated balance transferred from other accounts	1		
23.90 Total budgetary resources available for obligation	227	219	232
23.95 Total new obligations	-210	-205	-217
23.98 Unobligated balance expiring or withdrawn	-2		
24.40 Unobligated balance carried forward, end of year	15	15	15
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	130	131	143
40.35 Appropriation permanently reduced	-1	-1	
42.00 Transferred from other accounts	13		
43.00 Appropriation (total discretionary)	142	130	143
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	49	74	74
68.10 Change in uncollected customer payments from Federal sources (unexpired)	18		
68.90 Spending authority from offsetting collections (total discretionary)	67	74	74
70.00 Total new budget authority (gross)	209	204	217
Change in obligated balances:			
72.40 Obligated balance, start of year	44	38	38
73.10 Total new obligations	210	205	217
73.20 Total outlays (gross)	-239	-204	-217
73.40 Adjustments in expired accounts (net)	-3		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-18		
74.10 Change in uncollected customer payments from Federal sources (expired)	44		
74.40 Obligated balance, end of year	38	38	37
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	164	194	206
86.93 Outlays from discretionary balances	75	10	11
87.00 Total outlays (gross)	239	204	217
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-84	-74	-74
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-18		
88.96 Portion of offsetting collections (cash) credited to expired accounts	35		
Net budget authority and outlays:			
89.00 Budget authority	142	130	143
90.00 Outlays	155	131	144

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 17 such offices are in operation at key foreign trading centers to assist U.S. exporters, trade groups and state export marketing officials in trade promotion. 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 Cooperator 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 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. 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, the Export Enhancement Program, and Dairy Export Incentive Program. These programs are de-

General and special funds—Continued

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

signed 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 promotes trade capacity building, fosters world food security, and deploys USDA resources and expertise to advance market-based policies, trade and investment, sustainable agricultural systems, and agricultural research and education in developing countries and emerging markets. FAS also provides linkages to worldwide agricultural resources and international organizations to gain access to emerging technologies that can help create new U.S. agricultural products and markets. Direct program activities include administering the Cochran Fellowship Program and managing USDA's bilateral exchange and cooperative research programs with foreign governments and institutions. The Emerging Markets Program, under which technical assistance and related activities are carried out, facilitates international agribusiness relationships, enhances food systems in developing and transitional countries, and helps expand U.S. agricultural exports.

FAS also administers food assistance activities such as Public Law 480, Title I; Food for Progress; Section 416(b); and the McGovern-Dole International Food for Education and Child Nutrition Program. 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 not displacing expected commercial sales. 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. The International Food for Education Program provides for the donation of U.S. agricultural commodities and associated technical and financial assistance to carry out preschool and school feeding programs in foreign countries.

At the request of the Agency for International Development, international organizations and foreign governments, technical assistance and training in agriculture and rural development are provided on a reimbursable or advance of funds basis.

Object Classification (in millions of dollars)

Identification code 12-2900-0-1-352	2003 actual	2004 est.	2005 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	53	54	56
11.3 Other than full-time permanent	3	3	3
11.5 Other personnel compensation	1	1	1
11.8 Special personal services payments	2	2	3
11.9 Total personnel compensation	59	60	63
12.1 Civilian personnel benefits	16	16	17
21.0 Travel and transportation of persons	5	5	6
22.0 Transportation of things	1	1	1
23.2 Rental payments to others	6	6	6
23.3 Communications, utilities, and miscellaneous charges	4	4	5
24.0 Printing and reproduction	1	1	1
25.2 Other services	33	33	39
25.8 Subsistence and support of persons	1	1	1
26.0 Supplies and materials	1	1	1
31.0 Equipment	3	3	3
99.0 Direct obligations	130	131	143
99.0 Reimbursable obligations	80	74	74
99.9 Total new obligations	210	205	217

Personnel Summary

Identification code 12-2900-0-1-352	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	821	804	804
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	181	201	201

TRADE ADJUSTMENT ASSISTANCE FOR FARMERS

Program and Financing (in millions of dollars)

Identification code 12-1406-0-1-351	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct Program Activity	2	90	90
10.00 Total new obligations (object class 25.2)	2	90	90
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	37	90	90
23.95 Total new obligations	-2	-90	-90
23.98 Unobligated balance expiring or withdrawn	-35		
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	37	90	90
Change in obligated balances:			
73.10 Total new obligations	2	90	90
73.20 Total outlays (gross)	-2	-90	-90
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	2	90	90
Net budget authority and outlays:			
89.00 Budget authority	37	90	90
90.00 Outlays	2	90	90

Trade Adjustment Assistance for farmers (TAA) is authorized by Title II of the Trade Act of 1974 as amended by Subtitle C of Title I of the Trade Act of 2002. The statute authorizes appropriations to the Department of Agriculture not to exceed \$90 million for each of the fiscal years 2003 through 2007 to carry out the program.

The statute requires the Secretary of Agriculture to provide funds to eligible agricultural producers when: (a) the current year's price of an agricultural commodity is less than 80 percent of the national average price for such commodity for the five marketing years preceding the most recent market year; and (b) increases in imports contributed importantly to the decline in the price, as determined by the Secretary.

TAA provides producers of raw commodities, who have been adversely affected by import competition, free technical assistance and cash benefits of up to \$10,000 per year.

TAA covers farmers, ranchers, fish farmers, and fishermen competing with imported aquaculture products. It does not cover the forest products industry.

SCIENTIFIC ACTIVITIES OVERSEAS (FOREIGN CURRENCY PROGRAM)

Program and Financing (in millions of dollars)

Identification code 12-1404-0-1-352	2003 actual	2004 est.	2005 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		
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			

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

USDA has multiple food aid programs that provide U.S. commodities, technical and financial assistance to address hunger and malnutrition needs worldwide. USDA, working with USAID, delivers food aid programs to meet emergency needs and fosters economic development activities to alleviate global food insecurity.

Included in this category are the following activities carried out under the Agricultural Trade Development and Assistance Act of 1954, Public Law 480, 83rd Congress, as amended (P.L. 480): Financing sales of agricultural commodities to developing countries for dollars on credit terms, or for local currencies (including for local currencies on credit terms) for use under sec. 104 (title I); for dispositions abroad (titles II and III); and for furnishing commodities to carry out the Food for Progress Act of 1985, as amended. Agreements may provide for commodities to be made available on a multi-year basis. During 2003, USDA began implementation of the McGovern-Dole International Food for Education and Child Nutrition Program authorized by the 2002 Farm Bill. Also in 2003, USDA released commodities from the Bill Emerson Humanitarian Trust.

SUMMARY OF FOOD ASSISTANCE PROGRAMMING

(In millions of dollars)

	2003 actual	2004 est.	2005 est.
McGovern-Dole International Food for Education and Child Nutrition	100	50	75
Public Law 480			
Title I Credit	81	127	62
Title II Grants	1,797	1,271	1,185
Food for Progress			
CCC Funded	137	128	149
P.L. 480 Title I Funded	82	70	61
CCC Surplus Commodity Donations (416)	213	147	147
Bill Emerson Humanitarian Trust	212		

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

For necessary expenses to carry out the provisions of section 3107 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736o-1), **[\$50,000,000]** \$75,000,000, to remain available until expended: *Provided*, That the Commodity Credit Corporation is authorized to provide the services, facilities, and authorities for the purpose of implementing such section, subject to reimbursement from amounts provided herein. (*Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.*)

Program and Financing (in millions of dollars)

Identification code 12-2903-0-1-151	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 McGovern-Dole International Food for Education & Child Nutrition Program	100	50	75
00.02 Reimbursable Program		3	3
10.00 Total new obligations	100	53	78
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	100	53	78
23.95 Total new obligations	-100	-53	-78
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation		50	75
Mandatory:			
62.00 Transferred from other accounts	100		

69.00 Offsetting collections (cash)		3	3
70.00 Total new budget authority (gross)	100	53	78
Change in obligated balances:			
72.40 Obligated balance, start of year		100	
73.10 Total new obligations	100	53	78
73.20 Total outlays (gross)		-152	-79
74.40 Obligated balance, end of year	100		
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority		50	75
86.97 Outlays from new mandatory authority		2	3
86.98 Outlays from mandatory balances		100	1
87.00 Total outlays (gross)		152	79
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources		-3	-3
Net budget authority and outlays:			
89.00 Budget authority	100	50	75
90.00 Outlays		149	76

The Farm Security and Rural Investment Act of 2002 (Public Law 107-171) authorizes the McGovern-Dole International Food for Education and Child Nutrition Program. The program provides for the donation of U.S. agricultural commodities and associated technical and financial assistance to carry out preschool and school feeding programs in foreign countries in order to improve food security, reduce the incidence of hunger and malnutrition, and improve literacy and primary education. Maternal, infant, and child nutrition programs for pregnant women, nursing mothers, infants, and children also are authorized.

For FY 2003, the Farm Security and Rural Investment Act of 2002 authorized the transfer of \$100,000,000 in Commodity Credit Corporation funds to carry out the program. The FY 2004 program will be funded through a direct appropriation of \$50 million. The FY 2005 budget requests \$75 million for this program.

Object Classification (in millions of dollars)

Identification code 12-2903-0-1-151	2003 actual	2004 est.	2005 est.
41.0 Direct obligations: Grants, subsidies, and contributions	100	50	75
99.0 Reimbursable obligations: Reimbursable obligations		3	3
99.9 Total new obligations	100	53	78

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, **[\$28,000,000]** \$22,723,000, 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.; Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.*)

Program and Financing (in millions of dollars)

Identification code 12-2271-0-1-351	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 P.L. 480 grant—Title I: Ocean freight differential (OFD)	13	28	23
09.00 Reimbursable program	17	14	14
10.00 Total new obligations	30	42	37
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	8	20	
22.00 New budget authority (gross)	42	42	37
22.22 Unobligated balance transferred from other accounts		4	

PUBLIC LAW 480 TITLE I OCEAN FREIGHT DIFFERENTIAL GRANTS—
Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-2271-0-1-351	2003 actual	2004 est.	2005 est.
22.40 Capital transfer to general fund		-24	
23.90 Total budgetary resources available for obligation	50	42	37
23.95 Total new obligations	-30	-42	-37
24.40 Unobligated balance carried forward, end of year	20		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	25	28	23
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	6		
68.10 Change in uncollected customer payments from Federal sources (unexpired)	11		
68.90 Spending authority from offsetting collections (total discretionary)	17		
Mandatory:			
69.00 Offsetting collections (cash)		14	14
70.00 Total new budget authority (gross)	42	42	37
Change in obligated balances:			
72.40 Obligated balance, start of year	10	5	19
73.10 Total new obligations	30	42	37
73.20 Total outlays (gross)	-25	-29	-37
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-11		
74.40 Obligated balance, end of year	5	19	18
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	6	16	13
86.93 Outlays from discretionary balances	19	5	11
86.97 Outlays from new mandatory authority		8	8
86.98 Outlays from mandatory balances			5
87.00 Total outlays (gross)	25	29	37
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-6	-14	-14
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	25	28	23
90.00 Outlays	19	15	23

This account funds the title I ocean freight differential program.

Object Classification (in millions of dollars)

Identification code 12-2271-0-1-351	2003 actual	2004 est.	2005 est.
41.0 Direct obligations: Grants, subsidies, and contributions	13	28	23
99.0 Reimbursable obligations: Reimbursable obligations	17	14	14
99.9 Total new obligations	30	42	37

PUBLIC LAW 480 TITLE II GRANTS

For expenses during the current fiscal year, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, for commodities supplied in connection with dispositions abroad under title II of said Act, **[\$1,192,000,000] \$1,185,000,000**, to remain available until expended. (7 U.S.C. 1691, 1721-26a, 1727-27e, 1731-36g-3, 1737, 2209b; Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-2278-0-1-151	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.02 Title II	1,779	1,185	1,185

09.01 Reimbursable program		31	
10.00 Total new obligations	1,779	1,216	1,185
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	106	448	413
22.00 New budget authority (gross)	2,122	1,185	1,185
22.21 Unobligated balance transferred to other accounts		-4	
23.90 Total budgetary resources available for obligation	2,228	1,629	1,598
23.95 Total new obligations	-1,779	-1,216	-1,185
24.40 Unobligated balance carried forward, end of year	448	413	413
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,819	1,192	1,185
40.35 Appropriation permanently reduced	-9	-7	
41.00 Transferred to other accounts	-69		
42.00 Transferred from other accounts	1		
43.00 Appropriation (total discretionary)	1,742	1,185	1,185
Mandatory:			
69.00 Offsetting collections (cash)	31		
69.10 Change in uncollected customer payments from Federal sources (unexpired)	349		
69.90 Spending authority from offsetting collections (total mandatory)	380		
70.00 Total new budget authority (gross)	2,122	1,185	1,185
Change in obligated balances:			
72.40 Obligated balance, start of year	613	950	820
73.10 Total new obligations	1,779	1,216	1,185
73.20 Total outlays (gross)	-1,094	-1,346	-1,223
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-349		
74.40 Obligated balance, end of year	950	820	782
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	684	622	622
86.93 Outlays from discretionary balances	410	693	601
86.98 Outlays from mandatory balances		31	
87.00 Total outlays (gross)	1,094	1,346	1,223
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-31		
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-349		
Net budget authority and outlays:			
89.00 Budget authority	1,742	1,185	1,185
90.00 Outlays	1,063	1,346	1,223

This account funds the non-credit components of Public Law 480. Under title II, agricultural commodities are furnished to meet famine or other emergency relief needs, combat malnutrition, carry out activities to alleviate the causes of hunger, mortality and morbidity, promote economic and community development, promote sound environmental practices, and carry out feeding programs. Agricultural commodities are provided through governments for emergencies only, and for non-emergencies through public and private agencies, including intergovernmental organizations.

The Corporation is authorized to pay the costs of acquisition, packaging, processing, enrichment, preservation, fortification, transportation, handling, and other incidental costs incurred up to the time of delivery at U.S. ports. The Corporation also pays ocean freight charges, and pays transportation costs to ports of entry other than ports in the case of landlocked countries, where carriers to a specific country are not available, where ports cannot be used effectively, or where a substantial savings in costs or time can be effected, and pays general average contributions arising from ocean transport. In addition, transportation costs from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs may be paid for commodities made available under this title for non-emergency assistance for least-developed countries and for urgent and extraordinary relief.

Object Classification (in millions of dollars)

Identification code 12-2278-0-1-151	2003 actual	2004 est.	2005 est.
41.0 Direct obligations: Grants, subsidies, and contributions	1,779	1,185	1,185
99.0 Reimbursable obligations: Reimbursable obligations	31		
99.9 Total new obligations	1,779	1,216	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, **[\$103,887,000] \$86,420,000**, 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, **[\$2,134,000] \$4,221,000**, of which **[\$1,075,000] \$1,102,000** may be transferred to and merged with the appropriation for "Foreign Agricultural Service, Salaries and Expenses", and of which **[\$1,059,000] \$3,119,000** 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.; Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-2277-0-1-351	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct credit subsidy	51	30	26
00.02 Food for Progress Grants	22	93	60
00.05 Re-estimates of subsidy	12	48	
00.06 Interest on re-estimates	1	17	
00.09 Administrative expenses	2	2	4
10.00 Total new obligations	88	190	90
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	254	296	
22.00 New budget authority (gross)	129	170	90
22.21 Unobligated balance transferred to other accounts		-20	
22.40 Capital transfer to general fund	-1	-256	
23.90 Total budgetary resources available for obligation	382	190	90
23.95 Total new obligations	-88	-190	-90
24.40 Unobligated balance carried forward, end of year	296		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	118	106	90
40.35 Appropriation permanently reduced	-1	-1	
41.00 Transferred to other accounts	-1		
43.00 Appropriation (total discretionary)	116	105	90
Mandatory:			
60.00 Appropriation	13	65	
70.00 Total new budget authority (gross)	129	170	90
Change in obligated balances:			
72.40 Obligated balance, start of year	71	75	79
73.10 Total new obligations	88	190	90
73.20 Total outlays (gross)	-84	-187	-125
74.40 Obligated balance, end of year	75	79	45
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	2	61	53
86.93 Outlays from discretionary balances	69	61	72
86.97 Outlays from new mandatory authority	13	65	
87.00 Total outlays (gross)	84	187	125
Net budget authority and outlays:			
89.00 Budget authority	129	170	90
90.00 Outlays	84	187	125

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

Identification code 12-2277-0-1-351	2003 actual	2004 est.	2005 est.
Direct loan levels supportable by subsidy budget authority:			
115001 P. L. 480 title I loans	81	38	30
115901 Total direct loan levels	81	38	30
Direct loan subsidy (in percent):			
132001 P. L. 480 title I loans	62.84	78.90	86.42
132901 Weighted average subsidy rate	62.84	78.90	86.42
Direct loan subsidy budget authority:			
133001 P. L. 480 title I loans	51	30	26
133901 Total subsidy budget authority	51	30	26
Direct loan subsidy outlays:			
134001 P. L. 480 title I loans	52	51	71
134901 Total subsidy outlays	52	51	71
Direct loan upward reestimate subsidy budget authority:			
135001 P. L. 480 title I loans	13	65	
135901 Total upward reestimate budget authority	13	65	
Direct loan downward reestimate subsidy budget authority:			
137001 P. L. 480 title I loans	-537	-15	
137002 Food For Progress Title I loans	-196	-81	
137901 Total downward reestimate budget authority	-733	-96	
Administrative expense data:			
351001 Budget authority	2	2	4
358001 Outlays from balances			
359001 Outlays from new authority	2	2	4

As required by the Federal Credit Reform Act of 1990, this account records, for the P.L. 480 Program, the subsidy costs associated with the direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligation in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Object Classification (in millions of dollars)

Identification code 12-2277-0-1-351	2003 actual	2004 est.	2005 est.
25.3 Other purchases of goods and services from Government accounts	2	2	4
41.0 Grants, subsidies, and contributions	86	188	86
99.9 Total new obligations	88	190	90

P.L. 480 DIRECT CREDIT FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4049-0-3-351	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct loans	44	38	30
00.02 Interest on Treasury borrowing	85	42	48
00.91 Direct Program by Activities—Subtotal (1 level)	129	80	78
08.02 Payment of downward reestimate to receipt account	472	59	
08.04 Payment of interest on downward reestimate to receipt account	260	45	
08.91 Direct Program by Activities—Subtotal (1 level)	732	104	
10.00 Total new obligations	861	184	78
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	314	674	
22.00 New financing authority (gross)	1,386	475	346
22.40 Capital transfer to general fund		-87	-113
22.60 Portion applied to repay debt	-165	-878	-155
23.90 Total budgetary resources available for obligation	1,535	184	78
23.95 Total new obligations	-861	-184	-78

Credit accounts—Continued

P.L. 480 DIRECT CREDIT FINANCING ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-4049-0-3-351	2003 actual	2004 est.	2005 est.
24.40 Unobligated balance carried forward, end of year	674		
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	1,092	154	52
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	278	321	294
68.10 Change in uncollected customer payments from Federal sources (unexpired)	16		
68.90 Spending authority from offsetting collections (total discretionary)	294	321	294
70.00 Total new financing authority (gross)	1,386	475	346
Change in obligated balances:			
72.40 Obligated balance, start of year	46	7	16
73.10 Total new obligations	861	184	78
73.20 Total financing disbursements (gross)	-882	-175	-79
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-16		
74.40 Obligated balance, end of year	7	16	15
87.00 Total financing disbursements (gross)	882	175	79
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payments from program account	-65	-116	-71
88.25 Interest on uninvested funds	-35		
88.40 Interest received on loans	-42	-69	-66
88.40 Principal received on loans	-136	-136	-157
88.90 Total, offsetting collections (cash)	-278	-321	-294
Against gross financing authority only:			
88.95 Change in receivables from program accounts	-16		
Net financing authority and financing disbursements:			
89.00 Financing authority	1,092	154	52
90.00 Financing disbursements	605	-146	-215

Status of Direct Loans (in millions of dollars)

Identification code 12-4049-0-3-351	2003 actual	2004 est.	2005 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	44	38	30
1150 Total direct loan obligations	44	38	30
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	2,743	2,647	2,536
1231 Disbursements: Direct loan disbursements	23	29	31
1251 Repayments: Repayments and prepayments	-119	-140	-157
1290 Outstanding, end of year	2,647	2,536	2,410

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	2002 actual	2003 actual	2004 est.	2005 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	346	130		
Investments in US securities:				
1106 Receivables, net	58	128		
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	2,743	2,647		

1402 Interest receivable	91	102		
1405 Allowance for subsidy cost (-)	-1,609	-1,670		
1499 Net present value of assets related to direct loans	1,225	1,079		
1901 Other Federal assets: Other assets				
1999 Total assets	1,629	1,337		
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable	69	50		
2102 Interest payable		2		
2103 Debt	128	204		
2104 Resources payable to Treasury	732	1,061		
2105 Other	700	20		
2999 Total liabilities	1,629	1,337		
4999 Total liabilities and net position	1,629	1,337		

Note: Consistent with Government-wide practice, information for 2004 and 2005 was not required to be collected.

DEBT REDUCTION—FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4143-0-3-351	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.02 Interest to Treasury	5	5	5
08.02 Payment of downward reestimate to receipt account		48	
08.03 Direct Program Activity—payments to liquidating account for debt reduction	42	272	
08.04 Payment of interest on downward reestimate to receipt account		6	
08.91 Direct Program by Activities—Subtotal (1 level)	42	326	
10.00 Total new obligations	47	331	5
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	51	238	
22.00 New financing authority (gross)	237	127	51
22.40 Capital transfer to general fund			-46
22.60 Portion applied to repay debt		-34	
22.70 Balance of authority to borrow withdrawn	-4		
23.90 Total budgetary resources available for obligation	284	331	5
23.95 Total new obligations	-47	-331	-5
24.40 Unobligated balance carried forward, end of year	238		
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	26	82	
69.00 Offsetting collections (cash)	18	15	14
69.00 Offsetting collections (debt reduction)	193	30	37
69.90 Spending authority from offsetting collections (total mandatory)	211	45	51
70.00 Total new financing authority (gross)	237	127	51
Change in obligated balances:			
72.40 Obligated balance, start of year	4	14	
73.10 Total new obligations	47	331	5
73.20 Total financing disbursements (gross)	-36	-345	-5
74.40 Obligated balance, end of year	14		
87.00 Total financing disbursements (gross)	36	345	5
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources—Nicaragua Subsidy	-2		
88.00 Federal sources—Sierra Leone Subsidy	-4		
88.00 Federal sources—Pakistan Subsidy	-187		
88.00 Federal sources—Miscellaneous		-30	-37
88.00 Program Account- upward re-estimate		-1	
88.25 Interest on uninvested funds	-8		
88.40 Loan Repayments—Principal	-10	-8	-8
88.40 Loan Repayments- Interest		-6	-6
88.90 Total, offsetting collections (cash)	-211	-45	-51
Net financing authority and financing disbursements:			
89.00 Financing authority	26	82	
90.00 Financing disbursements	-175	300	-46

Status of Direct Loans (in millions of dollars)

Identification code 12-4143-0-3-351	2003 actual	2004 est.	2005 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	236	334	566
1233 Disbursements: Purchase of loans assets from a liquidating account	42	272	
1251 Repayments: Repayments and prepayments	-8	-11	-14
Write-offs for default:			
1263 Direct loans		-29	-37
1264 Other adjustments, net	64		
1290 Outstanding, end of year	334	566	515

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	2002 actual	2003 actual	2004 est.	2005 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	30	231		
Investments in US securities:				
1106 Receivables, net	10	11		
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	236	334		
1405 Allowance for subsidy cost (-)	-149	-215		
1499 Net present value of assets related to direct loans	87	119		
1999 Total assets	127	361		
LIABILITIES:				
Federal liabilities:				
2102 Interest payable	2			
2103 Debt	45	71		
2105 Other	80	290		
2999 Total liabilities	127	361		
4999 Total liabilities and net position	127	361		

Note: Consistent with Government-wide practice, information for 2004 and 2005 was not required to be collected.

EXPENSES, PUBLIC LAW 480, FOREIGN ASSISTANCE PROGRAMS,
AGRICULTURE LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-2274-0-1-151	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct Program Activity	9		
10.00 Total new obligations (object class 41.0)	9		
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	93	89	
22.00 New budget authority (gross)	491		
22.40 Capital transfer to general fund		-89	
22.60 Portion applied to repay debt	-486		
23.90 Total budgetary resources available for obligation	98		
23.95 Total new obligations	-9		
24.40 Unobligated balance carried forward, end of year	89		
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash) (Principal and interest)	492	566	553
69.00 Offsetting collections (Debt Reduction)		297	
69.10 Change in uncollected customer payments from Federal sources (unexpired)	1	-1	
69.27 Capital transfer to general fund	-2	-862	-553
69.90 Spending authority from offsetting collections (total mandatory)	491		

Change in obligated balances:

72.40 Obligated balance, start of year		-1	
73.10 Total new obligations	9		
73.20 Total outlays (gross)	-9		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-1	1	
74.40 Obligated balance, end of year	-1		

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	9		
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Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources—debt reduction	-29	-297	
88.40 Principal and interest collections	-289	-566	-553
88.40 Non-Federal sources	-172		
88.40 Non-Federal sources	-2		
88.90 Total, offsetting collections (cash)	-492	-863	-553
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-1	1	

Net budget authority and outlays:

89.00 Budget authority	-2	-862	-553
90.00 Outlays	-483	-863	-553

Status of Direct Loans (in millions of dollars)

Identification code 12-2274-0-1-151	2003 actual	2004 est.	2005 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	7,908	7,545	6,960
Repayments:			
1251 Repayments and prepayments	-289	-288	-299
1251 Payments from USDA debt reduction finance account	-3		
Write-offs for default:			
1263 Direct loans	-34		
1264 Other adjustments, net	-37	-297	
1290 Outstanding, end of year	7,545	6,960	6,661

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.

Financing sales of agricultural commodities for dollars on credit terms (title I).—Sales are made to developing countries as defined in section 402(4) of P.L. 480 and must not displace expected commercial sales (secs. 403(e) and (h)). Agreements are made with developing countries for delivery in accordance with the terms of the agreement.

Payment by developing countries or private entities may be made over a period of not more than 30 years with a deferral of principal payments for up to 5 years. Interest accrues at a concessional rate as determined appropriate.

Section 411 of P.L. 480 authorizes the President to waive payments of principal and interest under dollar credit sales agreements for countries that meet certain enumerated requirements. Such debt relief may be provided only if the President notifies Congress and may not exceed the amount approved for such purpose in an Act appropriating funds to carry out P.L. 480.

Financing sales of agricultural commodities for local currency, including for local currency on credit terms.—Payment by a recipient country may be made in local currencies for use in carrying out activities under section 104 of P.L. 480.

Foreign currency received in payment for credit extended may be used for payment of U.S. obligations abroad, subject to the appropriation process. The P.L. 480 program is reimbursed for the dollar value of currencies so used.

The financing of sales of agricultural commodities for local currencies on credit terms is subject to the same terms that are applicable to dollar credit financing.

Credit accounts—Continued

EXPENSES, PUBLIC LAW 480, FOREIGN ASSISTANCE PROGRAMS,
AGRICULTURE LIQUIDATING ACCOUNT—Continued

Furnishing commodities to carry out the Food for Progress Act of 1985, as amended (title I).—Funds appropriated to carry out title I may be used to furnish commodities to carry out the Food for Progress Act of 1985. Such commodities may be furnished on credit terms or on a grant basis in order to assist developing countries and countries that are emerging democracies that have made a commitment to introduce and expand free enterprise elements in their agricultural economies.

Commodities supplied in connection with dispositions abroad (title II).—Under title II, agricultural commodities are furnished to meet famine or other emergency relief needs, combat malnutrition, carry out activities to alleviate the causes of hunger, mortality and morbidity, promote economic and community development, promote sound environmental practices, and carry out feeding programs. Agricultural commodities are provided through governments for emergencies only, and for non-emergencies through public and private agencies, including intergovernmental organizations.

The Corporation is authorized to pay the costs of acquisition, packaging, processing, enrichment, preservation, fortification, transportation, handling, and other incidental costs incurred up to the time of delivery at U.S. ports. The Corporation also pays ocean freight charges, and pays transportation costs to points of entry other than ports in the case of landlocked countries, where carriers to a specific country are not available, where ports cannot be used effectively, or where a substantial savings in costs or time can be effected, and pays general average contributions arising from ocean transport. In addition, transportation costs from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs may be paid for commodities made available to meet urgent and extraordinary relief requirements. P.L. 480 funds reimburse the Corporation for all of the cost items authorized above.

In FY 2003, the Consolidated Appropriations Resolution (P.L. 108–7) provided \$250 million for Title II. The FY 2003 Emergency Wartime Supplemental Appropriations Act (P.L. 108–11) provided an additional \$369 million. Of this amount, \$69 million was transferred to the Commodity Credit Corporation to acquire commodities for use in administering the Bill Emerson Humanitarian Trust.

Balance Sheet (in millions of dollars)

Identification code 12–2274–0–1–151	2002 actual	2003 actual	2004 est.	2005 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury		89		
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	7,851	7,545		
1602 Interest receivable		679		
1603 Allowance for estimated uncollectible loans and interest (-)		-4,649		
1699 Value of assets related to direct loans	7,851	3,575		
1999 Total assets	7,851	3,664		
LIABILITIES:				
2104 Federal liabilities: Resources payable to Treasury	7,851	3,639		
2999 Total liabilities	7,851	3,639		
NET POSITION:				
3300 Cumulative results of operations		25		
3999 Total net position		25		

4999 Total liabilities and net position	7,851	3,664		
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Note: Consistent with Government-wide practice, information for 2004 and 2005 was not required to be collected.

MISCELLANEOUS CONTRIBUTED FUNDS

Unavailable Receipts (in millions of dollars)

Identification code 12–8232–0–7–352	2003 actual	2004 est.	2005 est.
01.99 Balance, start of year			
Receipts:			
02.20 Deposits of miscellaneous contributed funds, International coope		4	4
04.00 Total: Balances and collections		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	2003 actual	2004 est.	2005 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2		4
22.00 New budget authority (gross)		4	4
23.90 Total budgetary resources available for obligation	2	4	8
24.40 Unobligated balance carried forward, end of year		4	7
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)		4	4
Change in obligated balances:			
72.40 Obligated balance, start of year			-4
73.20 Total outlays (gross)		-4	-4
74.40 Obligated balance, end of year		-4	-8
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:

NUTRITION PROGRAMS ADMINISTRATION

For necessary administrative expenses of the domestic nutrition assistance programs funded under this Act, **[\$138,304,000, 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] \$152,227,000, of which not less than [\$4,000,000] \$7,000,000 shall be available for additional activities to improve integrity in the Food Stamp and Child Nutrition programs. (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)**

Program and Financing (in millions of dollars)

Identification code 12–3508–0–1–605	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
Direct program:			
00.01 Nutrition programs administration	135	137	152
00.03 Congressional hunger center fellowships	3	3	
09.01 Reimbursable administrative services provided to Federal agencies	1	1	1

10.00	Total new obligations	139	141	153
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	140	141	153
23.95	Total new obligations	-139	-141	-153
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	140	141	152
40.35	Appropriation permanently reduced	-1	-1	.....
43.00	Appropriation (total discretionary)	139	140	152
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	1	1	1
70.00	Total new budget authority (gross)	140	141	153
Change in obligated balances:				
72.40	Obligated balance, start of year	16	20	17
73.10	Total new obligations	139	141	153
73.20	Total outlays (gross)	-136	-144	-152
73.40	Adjustments in expired accounts (net)	1	.....	.....
74.40	Obligated balance, end of year	20	17	18
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	123	124	135
86.93	Outlays from discretionary balances	13	20	17
87.00	Total outlays (gross)	136	144	152
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	139	140	152
90.00	Outlays	135	143	151

This account funds the majority of the Federal operating expenses of the Food and Nutrition Service.

Funds are provided for additional activities to improve integrity in the Food Stamp and Child Nutrition programs.

Object Classification (in millions of dollars)

Identification code 12-3508-0-1-605	2003 actual	2004 est.	2005 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	87	91	100
11.3	Other than full-time permanent	2	2	2
11.5	Other personnel compensation	1	2	2
11.9	Total personnel compensation	90	95	104
12.1	Civilian personnel benefits	19	19	20
21.0	Travel and transportation of persons	3	2	2
23.3	Communications, utilities, and miscellaneous charges	2	2	2
25.2	Other services	18	16	21
26.0	Supplies and materials	2	2	2
31.0	Equipment	1	1	1
41.0	Grants, subsidies, and contributions	3	3	.....
99.0	Direct obligations	138	140	152
99.0	Reimbursable obligations	1	1	1
99.9	Total new obligations	139	141	153

Personnel Summary

Identification code 12-3508-0-1-605	2003 actual	2004 est.	2005 est.	
Direct:				
1001	Total compensable workyears: Civilian full-time equivalent employment	1,337	1,468	1,545

FOOD STAMP PROGRAM

For necessary expenses to carry out the Food Stamp Act (7 U.S.C. 2011 et seq.), **[\$30,945,981,000]** \$33,641,798,000, of which \$3,000,000,000 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 none of the funds made available under this heading shall be used for studies and evaluations: *Provided further*, That of the funds made available under this heading and not already appropriated to the Food Distribution Program

on Indian Reservations (FDPIR) established under section 4(b) of the Food Stamp Act of 1977 (7 U.S.C. 2013(b)), not to exceed \$4,000,000 shall be used to purchase bison meat for the FDPIR from Native American bison producers as well as from producer-owned cooperatives of bison ranchers: *Provided further*, [That funds provided herein shall be expended in accordance with section 16 of the Food Stamp Act: *Provided further*, That this appropriation shall be subject to any work registration or workfare requirements as may be required by law: *Provided further*, That funds made available for Employment and Training under this heading shall remain available until expended, as authorized by section 16(h)(1) of the Food Stamp Act: *Provided further*, That notwithstanding section 5(d) of the Food Stamp Act of 1977, any additional payment received under chapter 5 of title 37, United States Code, by a member of the United States Armed Forces deployed to a designated combat zone shall be excluded from household income for the duration of the member's deployment if the additional pay is the result of deployment to or while serving in a combat zone, and it was not received immediately prior to serving in the combat zone.

For making after May 31 of the current fiscal year, benefit payments to individuals, and payments to States or other non-Federal entities for the necessary current year expenses of carrying out the Food Stamp Act above the anticipated level, such sums as may be necessary. (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-3505-0-1-605	2003 actual	2004 est.	2005 est.	
Obligations by program activity:				
Direct program:				
00.01	Benefits issued	21,314	24,241	26,214
00.02	State administration	2,321	2,331	2,378
00.03	Employment and training program	303	308	293
00.04	Other program costs	54	69	69
00.05	Puerto Rico	1,395	1,413	1,443
00.06	Food distribution program on Indian reservations (Commodities in lieu of food stamps)	56	60	54
00.07	Food distribution program on Indian reservations (Cooperator administrative expense)	26	27	24
00.08	The emergency food assistance program (commodities)	140	140	140
00.09	Modified food stamp program in American Samoa	5	6	6
00.10	Community food project	5	5	5
00.11	Commonwealth of the Northern Mariana Islands	8	8	8
00.13	Program access	5	5	5
00.14	Disregard special military pays for deployed .....	.....	.....	3
09.01	Reimbursable program	56	56	56
10.00	Total new obligations	25,688	28,669	30,698
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	35	26	.....
22.00	New budget authority (gross)	26,285	31,002	33,698
22.10	Resources available from recoveries of prior year obligations	21	.....	.....
23.90	Total budgetary resources available for obligation	26,341	31,028	33,698
23.95	Total new obligations	-25,688	-28,669	-30,698
23.98	Unobligated balance expiring or withdrawn	-627	-2,359	-3,000
24.40	Unobligated balance carried forward, end of year	26	.....	.....
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	17	17	26
Mandatory:				
60.00	Appropriation	26,297	30,929	33,616
61.00	Transferred to other accounts	-85	.....	.....
62.50	Appropriation (total mandatory)	26,212	30,929	33,616
69.00	Offsetting collections (cash)	56	56	56
70.00	Total new budget authority (gross)	26,285	31,002	33,698
Change in obligated balances:				
72.40	Obligated balance, start of year	929	1,233	803
73.10	Total new obligations	25,688	28,669	30,698
73.20	Total outlays (gross)	-25,394	-29,100	-30,724
73.40	Adjustments in expired accounts (net)	32	.....	.....
73.45	Recoveries of prior year obligations	-21	.....	.....
74.40	Obligated balance, end of year	1,233	803	777
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	8	8	14
86.93	Outlays from discretionary balances	9	9	9
86.97	Outlays from new mandatory authority	24,457	27,859	29,879
86.98	Outlays from mandatory balances	920	1,224	822

General and special funds—Continued

FOOD STAMP PROGRAM—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-3505-0-1-605	2003 actual	2004 est.	2005 est.
87.00 Total outlays (gross)	25,394	29,100	30,724
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-69	-56	-56
Against gross budget authority only:			
88.96 Portion of offsetting collections (cash) credited to expired accounts	13		
Net budget authority and outlays:			
89.00 Budget authority	26,229	30,946	33,642
90.00 Outlays	25,325	29,044	30,668

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	2003 actual	2004 est.	2005 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	4	5	5
12.1 Civilian personnel benefits	1	1	1
21.0 Travel and transportation of persons	2	2	2
23.3 Communications, utilities, and miscellaneous charges	2	2	2
24.0 Printing and reproduction	2	2	2
25.2 Other services	45	59	59
26.0 Supplies and materials	185	189	193
41.0 Grants, subsidies, and contributions	25,391	28,353	30,378
99.0 Direct obligations	25,632	28,613	30,642
99.0 Reimbursable obligations	56	56	56
99.9 Total new obligations	25,688	28,669	30,698

Personnel Summary

Identification code 12-3505-0-1-605	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	60	66	66

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; **[\$11,417,441,000] \$11,380,557,000**, to remain available through September 30, **[2005] 2006**, of which **[\$6,717,780,000] \$6,060,860,000** is hereby appropriated and **[\$4,699,661,000] \$5,319,697,000** 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 \$5,000,000 shall be available for the Food and Nutrition Service to conduct a study of over and under certification errors and the effect on expenditures in the National School Lunch and School Breakfast Programs and an assessment of the feasibility of using income data matching in those programs: *Provided further*, That except as specifically provided under this heading, none of the funds made available under this heading shall be used for studies and evaluations: *Provided further*,]** That up to \$5,235,000 shall be

available for independent verification of school food service claims. (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-3539-0-1-605	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
School lunch program:			
00.01 Above 185 of poverty	405	422	433
00.02 130-185 of poverty	789	823	843
00.03 Below 130 of poverty	5,158	5,378	5,510
00.91 Subtotal, school lunch program	6,352	6,623	6,786
School breakfast program:			
01.01 Above 185 of poverty	56	58	61
01.02 130-185 of poverty	133	139	145
01.03 Below 130 of poverty	1,485	1,555	1,620
01.91 Subtotal, school breakfast program	1,674	1,752	1,826
Child and adult care feeding program:			
02.01 Above 185 of poverty	188	187	194
02.02 130-185 of poverty	109	115	120
02.03 Below 130 of poverty	1,593	1,660	1,731
02.04 Audits	25	28	20
02.91 Subtotal, child and adult care feeding program	1,915	1,990	2,065
Other mandatory activities:			
03.01 Summer food service program	267	282	295
03.02 Special milk program	14	14	15
03.03 State administrative expenses	133	140	148
03.04 Commodity procurement	647	442	470
03.91 Subtotal, Other mandatory activities	1,061	878	928
Discretionary activities:			
04.01 School meals initiative	10	10	10
04.02 Coordinated review and CN pay costs	5	5	5
04.03 Computer support and processing	9	9	9
04.04 School breakfast pilots	3		
04.05 Food safety education	1	1	1
04.06 Child nutrition program integrity		5	
04.07 Common roots and CN archive center	1		
04.08 Performance measurement and program assessment			4
04.91 Subtotal, discretionary activities	29	30	29
Activities with permanent appropriations:			
05.01 Food service management institute and information clearinghouse	3	3	3
10.00 Total new obligations	11,034	11,276	11,637
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	359	13	257
22.00 New budget authority (gross)	10,691	11,420	11,384
22.10 Resources available from recoveries of prior year obligations	87	100	
23.90 Total budgetary resources available for obligation	11,137	11,533	11,641
23.95 Total new obligations	-11,034	-11,276	-11,637
23.98 Unobligated balance expiring or withdrawn	-89		
24.40 Unobligated balance carried forward, end of year	13	257	3
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	10	12	11
Mandatory:			
60.00 Appropriation	5,827	6,708	6,053
62.00 Transferred from other accounts	4,831	4,700	5,320
62.50 Appropriation (total mandatory)	10,658	11,408	11,373
69.00 Offsetting collections (cash)	23		
70.00 Total new budget authority (gross)	10,691	11,420	11,384
Change in obligated balances:			
72.40 Obligated balance, start of year	1,462	1,553	1,272
73.10 Total new obligations	11,034	11,276	11,637
73.20 Total outlays (gross)	-10,854	-11,456	-11,597
73.40 Adjustments in expired accounts (net)	-1		
73.45 Recoveries of prior year obligations	-87	-100	
74.40 Obligated balance, end of year	1,553	1,272	1,311
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	5	6	6
86.93 Outlays from discretionary balances	3	5	6
86.97 Outlays from new mandatory authority	9,383	9,899	10,211
86.98 Outlays from mandatory balances	1,463	1,546	1,374
87.00 Total outlays (gross)	10,854	11,456	11,597

Offsets:			
Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources	- 28	
Against gross budget authority only:			
88.96	Portion of offsetting collections (cash) credited to expired accounts	5	
Net budget authority and outlays:			
89.00	Budget authority	10,668	11,420 11,384
90.00	Outlays	10,827	11,456 11,597

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	2003 actual	2004 est.	2005 est.
Budget Authority	10,668	11,420	11,384
Outlays	10,826	11,456	11,597
Legislative proposal, subject to PAYGO:			
Budget Authority		11	18
Outlays		11	18
Total:			
Budget Authority	10,668	11,431	11,402
Outlays	10,826	11,467	11,615

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	2003 actual	2004 est.	2005 est.
11.1 Personnel compensation: Full-time permanent	8	8	8
12.1 Civilian personnel benefits	2	3	3
21.0 Travel and transportation of persons	1	1	1
24.0 Printing and reproduction	3	3	3
25.2 Other services	7	15	13
26.0 Supplies and materials (Commodities)	647	442	470
41.0 Grants, subsidies, and contributions	10,366	10,804	11,139
99.9 Total new obligations	11,034	11,276	11,637

Personnel Summary

Identification code 12-3539-0-1-605	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	131	138	138

CHILD NUTRITION PROGRAMS
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12-3539-4-1-605	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.03 National school lunch program		1	1
02.03 Child care food program		9	16
03.01 Summer food service program		1	1
10.00 Total new obligations (object class 41.0)		11	18
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		11	18
23.95 Total new obligations		- 11	- 18
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation		11	18
Change in obligated balances:			
73.10 Total new obligations		11	18
73.20 Total outlays (gross)		- 11	- 18
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority		11	18
Net budget authority and outlays:			
89.00 Budget authority		11	18
90.00 Outlays		11	18

This legislative proposal would extend expiring provisions of the National School Lunch Act through September 2005.

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), **[\$4,639,232,000] \$4,787,250,000**, to remain available through September 30, **[2005] 2006: Provided**, That of the total amount available, the Secretary shall obligate not less than **[\$15,000,000] \$20,000,000** for a breastfeeding support initiative in addition to the activities specified in section 17(h)(3)(A) and up to **[\$25,000,000] \$20,000,000** for a management information system initiative [upon a determination by the Secretary that funds are available to meet caseload requirements: *Provided further*, That up to \$4,000,000 shall be available for pilot projects to prevent childhood obesity upon a determination by the Secretary that funds are available to meet caseload requirements: *Provided further*, That of the total amount available, the Secretary shall obligate \$23,000,000 for the farmers' market nutrition program]: *Provided further*, That notwithstanding section 17(h)(10)(A) of such Act, \$14,000,000 shall be available for the purposes specified in section 17(h)(10)(B): *Provided further*, [That none of the funds made available under this heading shall be used for studies and evaluations:] *That notwithstanding section 17(g)(5) of such Act, \$7,250,000 shall be available to conduct studies and contract for an evaluation of the effectiveness of the WIC program, and \$5,000,000 shall be available for pilot projects to prevent childhood obesity: 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. (*Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.*)

Program and Financing (in millions of dollars)

Identification code 12-3510-0-1-605	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct program	4,686	4,810	4,868
10.00 Total new obligations (object class 41.0)	4,686	4,810	4,868
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	57	190	125
22.00 New budget authority (gross)	4,697	4,612	4,787
22.10 Resources available from recoveries of prior year obligations	123	133	81
23.90 Total budgetary resources available for obligation	4,877	4,935	4,993
23.95 Total new obligations	- 4,686	- 4,810	- 4,868
24.40 Unobligated balance carried forward, end of year	190	125	125
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	4,696	4,639	4,787
40.35 Appropriation permanently reduced		- 27	
43.00 Appropriation (total discretionary)	4,696	4,612	4,787
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	1		
70.00 Total new budget authority (gross)	4,697	4,612	4,787
Change in obligated balances:			
72.40 Obligated balance, start of year	413	423	385
73.10 Total new obligations	4,686	4,810	4,868
73.20 Total outlays (gross)	- 4,549	- 4,715	- 4,900
73.40 Adjustments in expired accounts (net)	- 4		
73.45 Recoveries of prior year obligations	- 123	- 133	- 81
74.40 Obligated balance, end of year	423	385	272
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	4,136	4,227	4,390
86.93 Outlays from discretionary balances	413	488	510
87.00 Total outlays (gross)	4,549	4,715	4,900

General and special funds—Continued

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

Program and Financing (in millions of dollars)—Continued

Identification code 12-3510-0-1-605	2003 actual	2004 est.	2005 est.
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-2		
Against gross budget authority only:			
88.96 Portion of offsetting collections (cash) credited to expired accounts	1		
Net budget authority and outlays:			
89.00 Budget authority	4,696	4,612	4,787
90.00 Outlays	4,548	4,715	4,900

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) provides low-income at-risk pregnant and post-partum women, infants, and children with vouchers for nutritious supplemental food packages, nutrition education and counseling, and health and immunization referrals. This request includes funds for pilot projects to prevent childhood obesity, a breastfeeding support initiative, a project to improve management information systems, studies, and an evaluation of the effectiveness of the WIC program.

COMMODITY ASSISTANCE PROGRAM

For necessary expenses to carry out disaster assistance and the commodity supplemental food program as authorized by section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note); the Emergency Food Assistance Act of 1983; [and] special assistance [(in a form determined by the Secretary of Agriculture)] for the nuclear affected islands, as authorized by section [103(h)(2)] 103(f)(2) of the Compact of Free Association [Act of 1985 (48 U.S.C. 1903(h)(2)) (or a successor law), \$150,000,000] Amendments Act of 2003 (P.L. 108-188); and the Farmers' Market Nutrition Program, as authorized by section 17(m) of the Child Nutrition Act of 1966, \$169,416,000, to remain available through September 30, [2005] 2006: Provided, That none of these funds shall be available to reimburse the Commodity Credit Corporation for commodities donated to the program. (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 12-3507-0-1-605	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
Commodity supplemental food program:			
00.01 Commodity procurement	77	81	72
00.02 Administrative costs	27	29	26
00.91 Subtotal, commodity supplemental food program	104	110	98
The emergency food assistance program:			
02.01 Administrative costs	50	50	50
03.01 Senior farmers' market	15	15	15
04.01 Farmers' Market Nutrition Program			20
05.01 Pacific Island and Disaster Assistance		1	1
09.01 Reimbursable program (NSIP)			2
10.00 Total new obligations	169	176	186
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		11	
22.00 New budget authority (gross)	180	164	186
22.10 Resources available from recoveries of prior year obligations		1	
23.90 Total budgetary resources available for obligation	181	175	186
23.95 Total new obligations	-169	-176	-186
24.40 Unobligated balance carried forward, end of year	11		
Net budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	165	150	169
40.35 Appropriation permanently reduced	-1	-1	

43.00 Appropriation (total discretionary)	164	149	169
Mandatory:			
62.00 Transferred from other accounts	15	15	15
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	1		2
70.00 Total new budget authority (gross)	180	164	186
Change in obligated balances:			
72.40 Obligated balance, start of year	27	28	44
73.10 Total new obligations	169	176	186
73.20 Total outlays (gross)	-167	-160	-176
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	28	44	56
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	134	129	141
86.93 Outlays from discretionary balances	16	15	20
86.97 Outlays from new mandatory authority	9	9	9
86.98 Outlays from mandatory balances	8	7	6
87.00 Total outlays (gross)	167	160	176
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-1		-2
Net budget authority and outlays:			
89.00 Budget authority	179	164	184
90.00 Outlays	166	160	174

This account funds the Commodity Supplemental Food Program (CSFP), the Emergency Food Assistance Program (TEFAP), farmers' market nutrition programs, assistance for the nuclear affected islands, and disaster relief.

CSFP provides food packages for low-income women, infants, and children as well as low-income elderly persons. It also funds State administrative expenses.

TEFAP provides cash to support State administrative activities and maintain the storage and distribution pipeline for USDA and privately donated commodities.

This account funds two farmers' market nutrition programs which provide low-income participants vouchers for fresh produce at farmers' markets. The first, for seniors, is funded by transfer from the Commodity Credit Corporation. The second, for women, infants, and children, was previously funded in the WIC account.

Assistance for the nuclear affected islands and disaster relief was previously funded in the Food Donations Programs account.

Object Classification (in millions of dollars)

Identification code 12-3507-0-1-605	2003 actual	2004 est.	2005 est.
26.0 Supplies and materials (commodities)	77	81	74
41.0 Grants, subsidies, and contributions	92	95	112
99.9 Total new obligations	169	176	186

FOOD DONATIONS PROGRAMS

Program and Financing (in millions of dollars)

Identification code 12-3503-0-1-605	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Nutrition Service Incentives Program	58		
00.02 Pacific Island Assistance	1		
09.01 Reimbursable program (NSIP)	1	2	
10.00 Total new obligations	60	2	
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	60	2	
23.95 Total new obligations	-60	-2	
Net budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1		
42.00 Transferred from other accounts	58		

43.00	Appropriation (total discretionary)	59		
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	1	2	
70.00	Total new budget authority (gross)	60	2	
Change in obligated balances:				
72.40	Obligated balance, start of year	39	2	
73.10	Total new obligations	60	2	
73.20	Total outlays (gross)	-97	-4	
74.40	Obligated balance, end of year	2		
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	58	2	
86.93	Outlays from discretionary balances	39	2	
87.00	Total outlays (gross)	97	4	
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-1	-2	
Net budget authority and outlays:				
89.00	Budget authority	59		
90.00	Outlays	96	2	

This account includes prior year amounts for the Nutrition Services Incentive Program (NSIP) assistance for the nuclear affected islands and disaster relief. NSIP was transferred to the Department of Health and Human Services beginning in fiscal year 2003. Assistance for the nuclear affected islands and disaster relief are included in the Commodity Assistance Program account beginning in fiscal year 2004, assuming like-ly Congressional action.

Object Classification (in millions of dollars)

Identification code 12-3503-0-1-605	2003 actual	2004 est.	2005 est.
26.0 Supplies and materials (grants of commodities to States)	2	2	
41.0 Grants, subsidies, and contributions	58		
99.9 Total new obligations	60	2	

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, **[\$1,382,916,000] \$1,655,837,000**, 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 2004 shall be displayed by budget line item in the fiscal year 2005 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, and for the performance of cadastral surveys to designate the boundaries of such 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 of the funds provided under this heading, \$3,150,000 is for expenses required to implement title I of Public Law 106-248, to be segregated in a separate fund established by the Secretary of Agriculture: *Provided further*, That within funds available for the purpose of implementing the Valles Caldera Preservation Act, notwithstanding the limitations of section 107(e)(2) of the Valles Caldera Preservation Act (Public Law 106-248), for fiscal year 2004, the Chair of the Board of Trustees of the Valles Caldera Trust may receive, upon request, compensation for each day (including travel time) that the

Chair is engaged in the performance of the functions of the Board, except that compensation shall not exceed the daily equivalent of the annual rate in effect for members of the Senior Executive Service at the ES-1 level, and shall be in addition to any reimbursement for travel, subsistence and other necessary expenses incurred by the Chair in the performance of the Chair's duties].

[For an additional amount to reimburse the Judgment Fund as required by 41 U.S.C. 612(c) for judgment liabilities previously incurred, \$188,405,000.] *\$266,238,000 is available for hazardous fuels reduction activities in accordance with authorities available to the Secretary under the Wildland Fire Management Appropriation: Provided further, That included in funding for hazardous fuels reduction activities, 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 in using the funds provided in this Act for hazardous fuels reduction activities, the Secretary of Agriculture may conduct fuel reduction treatments on Federal lands using all contracting and hiring authorities available to the Secretary under the wildland fire management accounts: Provided further, That with regard to such activities, and notwithstanding requirements of the Competition in Contracting Act but subject to any such requirements as the Director of the Office of Management and Budget may prescribe, the Secretary of Agriculture may obtain maximum practicable competition among: (A) local private, nonprofit, or cooperative entities, (B) Youth Conservation Corps crews or related partnerships with State, local, or nonprofit youth groups, (C) small or micro-business or, (D) other entities that will hire or train locally a significant percentage, defined as 50 percent or more, of the project workforce to complete such contracts. (Department of the Interior and Related Agencies Appropriations Act, 2004).*

Program and Financing (in millions of dollars)

Identification code 12-1106-0-1-302	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 National forest system	1,462	1,420	1,697
09.01 Reimbursable program	89	89	89
10.00 Total new obligations	1,551	1,509	1,786
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	123	134	181
22.00 New budget authority (gross)	1,516	1,556	1,790
22.10 Resources available from recoveries of prior year obligations	46		
23.90 Total budgetary resources available for obligation	1,685	1,690	1,971
23.95 Total new obligations	-1,551	-1,509	-1,786
24.40 Unobligated balance carried forward, end of year	134	181	185
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,362	1,383	1,656
40.35 Appropriation permanently reduced	-9	-17	
41.00 Transferred to other accounts	-1		
42.00 Transferred from other accounts	5	59	3
43.00 Appropriation (total discretionary)	1,357	1,425	1,659
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	131	131	131
68.10 Change in uncollected customer payments from Federal sources (unexpired)	28		
68.90 Spending authority from offsetting collections (total discretionary)	159	131	131
70.00 Total new budget authority (gross)	1,516	1,556	1,790
Change in obligated balances:			
72.40 Obligated balance, start of year	129	138	98
73.10 Total new obligations	1,551	1,509	1,786
73.20 Total outlays (gross)	-1,468	-1,549	-1,755
73.45 Recoveries of prior year obligations	-46		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-28		
74.40 Obligated balance, end of year	138	98	129
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1,314	1,342	1,541
86.93 Outlays from discretionary balances	154	207	214
87.00 Total outlays (gross)	1,468	1,549	1,755

General and special funds—Continued

NATIONAL FOREST SYSTEM—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1106-0-1-302	2003 actual	2004 est.	2005 est.
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-131	-131	-131
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	1,357	1,425	1,659
90.00 Outlays	1,337	1,418	1,624

The 155 National Forests, 20 National Grasslands, and six land utilization projects located in 44 States, Puerto Rico, and the Virgin Islands are managed under multiple-use and sustained-yield principles. The natural resources of timber, minerals, range, wildlife, outdoor recreation, watershed, and soil are used in a planned combination that will best meet the needs of the Nation without impairing productivity of the land or damaging the environment. These management and utilization principles are recognized in the Multiple-Use, Sustained-Yield Act of 1960 (16 U.S.C. 528-531) and use an ecological approach to managing the National Forest System.

National Forest System (NFS) operations and maintenance provide for the planning, assessment, and conservation of ecosystems while delivering multiple public services and uses. These are delivered through the principal NFS programs of land management planning; inventory and monitoring; recreation, heritage, and wilderness; wildlife and fisheries habitat management; grazing management; forest products; vegetation and watershed management; minerals and geology management; landownership management; law enforcement operations; and hazardous fuels reduction. These programs maintain the capability to manage natural resources in a manner consistent with ecological principles and responsibilities.

The President's Healthy Forest Initiative marks a clear and decisive change in direction to remove the causes of severe wildfires instead of enduring season after season of devastating fires. Key to this effort is the reduction of dense undergrowth that fuels catastrophic fires through thinning and prescribed burns. Consistent with the Healthy Forests Initiative's focus on management and making better use of existing resources, the budget puts additional discretion into the hands of on-the-ground managers by funding hazardous fuels activities within the National Forest System. Funds are included within the National Forest System account to conduct all hazardous fuel reduction activities to minimize the risk of catastrophic wildfire to communities and natural resources by reducing hazardous fuels in forests, woodlands, shrublands, and grasslands. Funds are provided to plan, implement, and monitor treatments that include prescribed fire, mechanical treatment, and chemical treatment.

In previous years, hazardous fuels funding was appropriated in the Wildland Fire Management Account. Transferring hazardous fuels activities to the National Forest System will expand coordination and also work cohesively with other vegetation management activities on the national forests to create a landscape pattern that effectively lessens the likelihood of large fires. The focus of the majority of treatments is on priority fire-prone landscapes in order to make an efficient and effective difference.

This budget places additional emphasis on hazardous fuels funding that expands economic opportunities for rural communities that have experienced adverse economic impacts associated with Federal timber harvest reductions coupled with an increased threat of wildfire. The budget retains the authority to use funds for contracts, utilizes appropriate competitive

sourcing, and provides an expanded authority for local hire. Finally, the budget reflects anticipated increases in fuels treatments through increased efficiencies resulting from the use of the stewardship contract authority and other administrative and productivity improvements resulting from the President's Healthy Forests Initiative.

Included within the National Forest System account are funds to rehabilitate fire damaged wildlands and restore ecosystems impacted by wildland fires. This funding will permit immediate actions to reduce threats to public safety, property and natural and cultural resources, and long-term actions to help restore healthy ecosystems and replace infrastructure damaged by fire. Funding will be used to improve overall watershed condition and restore severely burned forests and rangeland through activities that include reforestation, watershed restoration, road and trail rehabilitation, fish and wildlife habitat restoration, planting and seeding and preventing invasive plants.

Object Classification (in millions of dollars)

Identification code 12-1106-0-1-302	2003 actual	2004 est.	2005 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	633	656	741
11.3 Other than full-time permanent	49	48	57
11.5 Other personnel compensation	42	41	49
11.9 Total personnel compensation	724	745	847
12.1 Civilian personnel benefits	187	194	222
13.0 Benefits for former personnel	45	26	27
21.0 Travel and transportation of persons	45	46	51
22.0 Transportation of things	11	12	13
23.1 Rental payments to GSA	18	17	20
23.2 Rental payments to others	19	19	23
23.3 Communications, utilities, and miscellaneous charges	49	49	54
24.0 Printing and reproduction	5	4	5
25.1 Advisory and assistance services	1	1	1
25.2 Other services	200	155	240
25.3 Other purchases of goods and services from Government accounts	86	70	85
25.7 Operation and maintenance of equipment	4	4	5
26.0 Supplies and materials	23	38	37
31.0 Equipment	24	23	28
32.0 Land and structures	3	2	2
41.0 Grants, subsidies, and contributions	16	13	36
42.0 Insurance claims and indemnities	2	2	1
99.0 Direct obligations	1,462	1,420	1,697
99.0 Reimbursable obligations	89	89	89
99.9 Total new obligations	1,551	1,509	1,786

Personnel Summary

Identification code 12-1106-0-1-302	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	13,968	13,859	15,615
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	481	481	481
Allocation account:			
3001 Total compensable workyears: Civilian full-time equivalent employment	990	990	990

CAPITAL IMPROVEMENT AND MAINTENANCE

For necessary expenses of the Forest Service, not otherwise provided for, **[\$562,154,000] \$501,059,000**, to remain available until expended for construction, reconstruction, maintenance and acquisition of buildings and other facilities, and for construction, reconstruction, repair, decommissioning, and maintenance of forest roads and trails by the Forest Service as authorized by 16 U.S.C. 532-538 and 23 U.S.C. 101 and 205: *Provided*, That up to \$15,000,000 of the funds provided herein for road maintenance shall be available for the decommissioning of roads, including unauthorized roads not part of

the transportation system, which are no longer needed: *Provided further*, That no funds shall be expended 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 \$350,000 appropriated in Public Law 108-7 within the Capital Improvement and Maintenance Appropriation to the State and Private Forestry appropriation, and shall provide these funds for planning and construction of backcountry huts in Alaska. (*Department of the Interior and Related Agencies Appropriations Act, 2004.*)

Program and Financing (in millions of dollars)

Identification code 12-1103-0-1-302	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Capital improvement and maintenance	646	646	508
09.01 Reimbursable program	12	13	13
10.00 Total new obligations	658	659	521
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	132	79	79
22.00 New budget authority (gross)	591	660	511
22.10 Resources available from recoveries of prior year obligations	4		
22.22 Unobligated balance transferred from other accounts	10		
23.90 Total budgetary resources available for obligation	737	739	590
23.95 Total new obligations	-658	-659	-521
24.40 Unobligated balance carried forward, end of year	79	79	70
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	552	562	501
40.35 Appropriation permanently reduced	-4	-7	
42.00 Transferred from other accounts	30	95	
43.00 Appropriation (total discretionary)	578	650	501
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	10	10	10
68.10 Change in uncollected customer payments from Federal sources (unexpired)	3		
68.90 Spending authority from offsetting collections (total discretionary)	13	10	10
70.00 Total new budget authority (gross)	591	660	511
Change in obligated balances:			
72.40 Obligated balance, start of year	131	225	250
73.10 Total new obligations	658	659	521
73.20 Total outlays (gross)	-558	-634	-550
73.45 Recoveries of prior year obligations	-4		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-3		
74.40 Obligated balance, end of year	225	250	221
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	434	498	386
86.93 Outlays from discretionary balances	124	136	164
87.00 Total outlays (gross)	558	634	550
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-10	-10	-10
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-3		
Net budget authority and outlays:			
89.00 Budget authority	578	650	501
90.00 Outlays	548	624	540

Funding provides for capital improvement and maintenance of facilities, roads, and trails. The program emphasizes: better resource management decisions based on the best scientific information and knowledge; an efficient and effective infrastructure that supports public and administrative uses; and quality recreation experiences with minimal impact to ecosystem stability and conditions.

Facilities.—Provides for capital improvement and maintenance of research, fire, administrative, and other (FA&O), and recreation facilities, including site components such as roads and trails and the acquisition of buildings and other facilities necessary to carry out the mission of the Forest

Service. Capital Improvement includes: new construction of a facility; alteration of an existing facility to change the function; and expansion of a facility to change the capacity or to serve needs that are different from what was originally intended. Maintenance is divided into four primary areas: annual maintenance, deferred maintenance, decommissioning, and operations. Deferred maintenance work includes the repair, rehabilitation, or replacement of the facility or components of the facility.

Roads.—Provides for capital improvement and maintenance of roads. The program also focuses on decommissioning unneeded roads and/or roads that are degrading the ecosystem. Capital improvement includes: new road construction; alteration of an existing road to change the function; and expansion of the road to change the capacity or to serve needs that are different from what was originally intended. The agency will continue to address the growing road system maintenance backlog. Funding priorities are health and safety, resource protection, and mission critical needs. Maintenance is divided into four primary areas: annual road maintenance, deferred road maintenance, road operations, and decommissioning.

Trails.—Provides for capital improvement and maintenance of trails. Capital improvement includes: new trail construction; alteration of an existing trail to change the function; and expansion of the trail to change the capacity or to serve needs that are different from what was originally intended. Maintenance funding is used to protect capital investments by keeping trails open for access and protecting vegetation, soil, and water quality. Work includes clearing the pathway of encroaching vegetation and fallen trees, and repairing or improving trail signs, treadways, drainage facilities, and bridges. Maintenance is divided into four primary areas: annual trail maintenance, deferred trail maintenance, trail operations, and trail decommissioning.

Infrastructure Improvement.—Ameliorates the backlog in deferred maintenance of National Forest System roads and trails as well as Forest Service fire, administrative, and recreation facilities. The funds focus on critical maintenance backlogs; i.e., these additional funds are for repair and rehabilitation of existing facilities and roads; funds may not be used for new and expanded facilities or roads. The budget reflects Forest Service improvements in addressing the deferred maintenance backlog based upon agency implementation of PART recommendations.

Object Classification (in millions of dollars)

Identification code 12-1103-0-1-302	2003 actual	2004 est.	2005 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	159	168	161
11.3 Other than full-time permanent	17	18	17
11.5 Other personnel compensation	10	11	10
11.9 Total personnel compensation	186	197	188
12.1 Civilian personnel benefits	46	49	47
13.0 Benefits for former personnel	6	6	6
21.0 Travel and transportation of persons	10	10	11
22.0 Transportation of things	4	3	4
23.1 Rental payments to GSA	5	5	5
23.2 Rental payments to others	5	5	5
23.3 Communications, utilities, and miscellaneous charges	13	14	14
24.0 Printing and reproduction	1	1	1
25.2 Other services	196	180	86
25.3 Other purchases of goods and services from Government accounts	29	28	29
25.4 Operation and maintenance of facilities	3	3	3
25.7 Operation and maintenance of equipment	2	2	2
26.0 Supplies and materials	43	28	28
31.0 Equipment	8	8	8
32.0 Land and structures	80	100	64
41.0 Grants, subsidies, and contributions	8	8	8
42.0 Insurance claims and indemnities	1		

General and special funds—Continued

CAPITAL IMPROVEMENT AND MAINTENANCE—Continued

Object Classification (in millions of dollars)—Continued

Identification code 12-1103-0-1-302	2003 actual	2004 est.	2005 est.
99.0 Direct obligations	646	647	509
99.0 Reimbursable obligations	12	12	12
99.9 Total new obligations	658	659	521

Personnel Summary

Identification code 12-1103-0-1-302	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	3,782	3,789	3,544
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	49	49	49
Allocation account:			
3001 Total compensable workyears: Civilian full-time equivalent employment	71	71	71

FOREST AND RANGELAND RESEARCH

For necessary expenses of forest and rangeland research as authorized by law, **[\$269,710,000] \$280,654,000**, to remain available until expended: *Provided*, That of the funds provided, \$52,359,000 is for the forest inventory and analysis program].

GIFTS, DONATIONS AND REQUESTS FOR FOREST AND RANGELAND RESEARCH

For expenses authorized by 16 U.S.C. 1643(b), **[\$92,000] \$65,000**, 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, 2004.*)

Program and Financing (in millions of dollars)

Identification code 12-1104-0-1-302	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.06 Forest and rangeland research	292	298	300
09.01 Reimbursable program	29	29	29
10.00 Total new obligations	321	327	329
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	20	22	22
22.00 New budget authority (gross)	313	327	328
22.10 Resources available from recoveries of prior year obligations	4		
22.22 Unobligated balance transferred from other accounts	5		
23.90 Total budgetary resources available for obligation	342	349	350
23.95 Total new obligations	-321	-327	-329
24.40 Unobligated balance carried forward, end of year	22	22	21
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	252	270	281
40.35 Appropriation permanently reduced	-2	-3	
42.00 Transferred from other accounts	34	32	19
43.00 Appropriation (total discretionary)	284	299	300
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	28	28	28
68.10 Change in uncollected customer payments from Federal sources (unexpired)	1		
68.90 Spending authority from offsetting collections (total discretionary)	29	28	28
70.00 Total new budget authority (gross)	313	327	328
Change in obligated balances:			
72.40 Obligated balance, start of year	81	92	95
73.10 Total new obligations	321	327	329
73.20 Total outlays (gross)	-305	-324	-328
73.45 Recoveries of prior year obligations	-4		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-1		

74.40 Obligated balance, end of year	92	95	96
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	232	229	230
86.93 Outlays from discretionary balances	73	95	98
87.00 Total outlays (gross)	305	324	328
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-27	-28	-28
88.40 Non-Federal sources	-1		
88.90 Total, offsetting collections (cash)	-28	-28	-28
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	284	299	300
90.00 Outlays	277	296	300

Forest Service Research & Development (FS R&D) is one of the world's leading forestry research organizations. It conducts ecological and social science research to understand ecosystems, how humans influence those ecosystems, and how forests can be managed sustainably to enable both environmental conservation and economic expansion. Research is conducted at six Research Stations, the Forest Products Laboratory, and the International Institute of Tropical Forestry located in Puerto Rico.

In FY 2005, the body of knowledge and technologies will be expanded to improve forest and rangeland managers' abilities to reintroduce fire to its natural role, control exotic plants, insects, and pathogens, and keep losses from native insects and pathogens to an acceptable level. FS R&D researchers will be answering land managers' scientific questions about fire behavior, risk assessment and mitigation for multiple hazards, and utilization opportunities for the biomass that contributes to overcrowded, unhealthy forests. Increased funding will be provided for invasive species to accelerate research vital to a rapid management response; and watershed research to provide improved tools for land managers to restore native vegetation on sites disturbed by fire, and address other issues such as climate change.

The Forest Inventory and Analysis program will continue to provide up-to-date information on status and trends in America's forest resources including the distribution and type of forest; growth, harvest, and mortality; forest structure and composition; soils; vegetative diversity; and fuel loads.

Efficient delivery of science is essential to successful implementation of the President's Healthy Forest Initiative. The budget includes funds to optimize the delivery of research findings by improving Forest Service management of investments in research, development, and applications. Funds will be targeted to leading-edge technical assistance on a competitive basis.

Object Classification (in millions of dollars)

Identification code 12-1104-0-1-302	2003 actual	2004 est.	2005 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	127	134	136
11.3 Other than full-time permanent	8	9	9
11.5 Other personnel compensation	4	4	4
11.9 Total personnel compensation	139	147	149
12.1 Civilian personnel benefits	35	37	38
13.0 Benefits for former personnel	1	1	1
21.0 Travel and transportation of persons	10	10	11
22.0 Transportation of things	2	2	2
23.1 Rental payments to GSA	4	4	4
23.2 Rental payments to others	3	3	3
23.3 Communications, utilities, and miscellaneous charges	10	10	10
24.0 Printing and reproduction	1	1	1
25.2 Other services	32	48	46

25.3	Other purchases of goods and services from Government accounts	7	8	8
25.7	Operation and maintenance of equipment	1	1	1
26.0	Supplies and materials	29	8	8
31.0	Equipment	7	7	7
32.0	Land and structures	1	1	1
41.0	Grants, subsidies, and contributions	10	10	10
99.0	Direct obligations	292	298	300
99.0	Reimbursable obligations	27	27	29
99.5	Below reporting threshold	2	2	.....
99.9	Total new obligations	321	327	329

Personnel Summary

Identification code 12-1104-0-1-302	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	2,808	2,798	2,786
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	106	106	106

STATE AND PRIVATE FORESTRY

For necessary expenses of cooperating with and providing technical and financial assistance to States, territories, possessions, and others, and for forest health management, including treatments of pests, pathogens, and invasive or noxious plants and for restoring and rehabilitating forests damaged by pests or invasive plants, cooperative forestry, and education and land conservation activities and conducting an international program as authorized, **[\$308,140,000]** \$294,388,000, to remain available until expended, [as authorized by law] of which **[\$64,934,000]** \$172,672,000 is to be derived from the Land and Water Conservation Fund: *Provided*, That [none of the funds provided under this heading for the acquisition of lands or interests in lands shall be available until the Forest Service notifies the House Committee on Appropriations and the Senate Committee on Appropriations, in writing, of specific contractual and grant details including the non-Federal cost share of each project, related to the acquisition of lands or interests in lands to be undertaken with such funds: *Provided further*, That each forest legacy grant shall be for a specific project or set of specific tasks: *Provided further*, That grants for acquisition of lands or conservation easements shall require that the State demonstrates that 25 percent of the total value of the project is comprised of a non-Federal cost share: *Provided further*, That notwithstanding any other provision of law, of the funds provided under this heading, \$500,000 shall be made available to Kake Tribal Corporation as an advance direct lump sum payment to implement the Kake Tribal Corporation Land Transfer Act (Public Law 106-283) up to \$10,000,000 may be used by the Secretary solely for: (1) rapid response to new introductions of non-native or invasive pests or pathogens for 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, 2004.)

Program and Financing (in millions of dollars)

Identification code 12-1105-0-1-302	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 State and private forestry	461	466	355
09.01 Reimbursable program	27	9	9
10.00 Total new obligations	488	475	364
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	65	62	52
22.00 New budget authority (gross)	457	465	350
22.10 Resources available from recoveries of prior year obligations	9	.....	.....
22.22 Unobligated balance transferred from other accounts	20	.....	.....
23.90 Total budgetary resources available for obligation	551	527	402
23.95 Total new obligations	-488	-475	-364

23.98	Unobligated balance expiring or withdrawn	-1	.....	.....
24.40	Unobligated balance carried forward, end of year	62	52	38
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	287	268	121
40.20	Appropriation (LWCF) .....	.....	65	173
40.35	Appropriation permanently reduced .....	.....	.....	-30
40.36	Unobligated balance permanently reduced .....	.....	.....	-10
40.37	Appropriation temporarily reduced	-2	-4	.....
41.00	Transferred to other accounts	-50	.....	.....
42.00	Transferred from other accounts	119	125	55
43.00	Appropriation (total discretionary)	354	454	309
Mandatory:				
62.00	Transferred from other accounts	50	.....	30
Spending authority from offsetting collections:				
Discretionary:				
68.00	Offsetting collections (cash)	11	11	11
68.10	Change in uncollected customer payments from Federal sources (unexpired)	42	.....	.....
68.90	Spending authority from offsetting collections (total discretionary)	53	11	11
70.00	Total new budget authority (gross)	457	465	350
Change in obligated balances:				
72.40	Obligated balance, start of year	343	446	455
73.10	Total new obligations	488	475	364
73.20	Total outlays (gross)	-334	-466	-379
73.45	Recoveries of prior year obligations	-9	.....	.....
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-42	.....	.....
74.40	Obligated balance, end of year	446	455	439
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	148	349	240
86.93	Outlays from discretionary balances	186	112	116
86.97	Outlays from new mandatory authority .....	.....	.....	23
86.98	Outlays from mandatory balances .....	.....	5	.....
87.00	Total outlays (gross)	334	466	379
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-11	-11	-11
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-42	.....	.....
Net budget authority and outlays:				
89.00	Budget authority	404	454	339
90.00	Outlays	323	455	368

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. The budget includes \$10 million for rapid responses to new introductions of non-native or invasive pests or pathogens for which no previous Federal funding has been identified. Funds may be used when and where new invasive species have been identified and where pest populations increased sufficiently over the previous year's level and where failure to suppress those populations would lead to significant mortality over ambient levels.

Cooperative Fire Protection.—Includes funding to enhance the capacity of States to provide coordinated fire suppression response, reduce hazardous fuels in and adjacent to communities, and to promote safe and effective initial fire attack in wildland/urban interface areas by volunteer fire departments.

Cooperative Forestry.—Includes forest stewardship, the forest legacy program, urban and community forestry and forest resources and information analysis. This budget maintains the integrity of our country's valuable forest lands. Increased funding is provided for the Forest Legacy program, a Federal

General and special funds—Continued

STATE AND PRIVATE FORESTRY—Continued

program that partners with States to protect environmentally sensitive forest lands. Additional funding is also provided for the Forest Stewardship program, which will bring professional assistance to non-industrial private forest (NIPF) landowners to encourage sound environmental management of forests and to ensure that the social, economic, and environmental benefits of these lands are realized.

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	2003 actual	2004 est.	2005 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	47	47	43
11.3 Other than full-time permanent	3	3	3
11.5 Other personnel compensation	2	2	2
11.9 Total personnel compensation	52	52	48
12.1 Civilian personnel benefits	12	12	11
21.0 Travel and transportation of persons	8	8	7
22.0 Transportation of things	1	1	1
23.1 Rental payments to GSA	1	1	1
23.2 Rental payments to others	1	1	1
23.3 Communications, utilities, and miscellaneous charges	2	2	2
24.0 Printing and reproduction	1	1	1
25.2 Other services	43	90	44
25.3 Other purchases of goods and services from Government accounts	4	4	4
26.0 Supplies and materials	3	3	3
31.0 Equipment	1	2	1
41.0 Grants, subsidies, and contributions	332	289	231
99.0 Direct obligations	461	466	355
99.0 Reimbursable obligations	27	9	9
99.9 Total new obligations	488	475	364

Personnel Summary

Identification code 12-1105-0-1-302	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	953	930	835
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	54	54	54

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), **[\$5,535,000] \$5,962,000**, to remain available until expended, *of which not to exceed \$100,000 per annum may be used to reimburse the Office of the General Counsel, Department of Agriculture, for salaries and related expenses incurred in providing legal services in relation to subsistence management. (Department of the Interior and Related Agencies Appropriations Act, 2004.)*

Program and Financing (in millions of dollars)

Identification code 12-1119-0-1-302	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct Program Activity	5	6	6
10.00 Total new obligations	5	6	6
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	1

22.00 New budget authority (gross)	6	6	6
23.90 Total budgetary resources available for obligation	7	7	7
23.95 Total new obligations	-5	-6	-6
24.40 Unobligated balance carried forward, end of year	1	1	1
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	6	6	6
Change in obligated balances:			
72.40 Obligated balance, start of year	3	2	2
73.10 Total new obligations	5	6	6
73.20 Total outlays (gross)	-6	-6	-6
74.40 Obligated balance, end of year	2	2	2
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	6	6	6
Net budget authority and outlays:			
89.00 Budget authority	6	6	6
90.00 Outlays	6	6	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).

Object Classification (in millions of dollars)

Identification code 12-1119-0-1-302	2003 actual	2004 est.	2005 est.
11.1 Personnel compensation: Full-time permanent	1	2	2
12.1 Civilian personnel benefits	1	1	1
25.2 Other services	3	3	3
99.9 Total new obligations	5	6	6

Personnel Summary

Identification code 12-1119-0-1-302	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	25	25	25

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 fuels reduction on or adjacent to such lands, and for emergency rehabilitation of burned-over National Forest System lands and water, **[\$1,643,212,000] \$1,428,886,000**, 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 any unobligated balances remaining may be transferred to the "National Forest System" account and available without further appropriation to fund vegetative treatments that improve condition class: *Provided further*, That such funds shall be available to reimburse State and other cooperating entities for services provided in response to wildfire and other emergencies or disasters to the extent such reimbursements by the Forest Service for non-fire emergencies are fully repaid by the responsible emergency management agency: *Provided further*, That not less than 50 percent of any unobligated balances remaining (exclusive of amounts for hazardous fuels reduction) at the end of fiscal year 2003 2004 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, hazardous fuels reduction activities in the urban-

wildland interface, support to Federal emergency response, and wild-fire suppression activities of the Forest Service: *Provided further*, That of the funds provided, \$236,392,000 is for hazardous fuels reduction activities, \$7,000,000 is for rehabilitation and restoration, \$22,300,000 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.), \$51,700,000 is for State fire assistance, \$8,240,000 is for volunteer fire assistance, \$25,000,000 is for forest health activities on State, private, and Federal lands: *Provided further*, That amounts in this paragraph may be transferred to the "State and Private Forestry", "National Forest System", and "Forest and Rangeland Research" accounts to fund State fire assistance, volunteer fire assistance, forest health management, forest and rangeland research, vegetation and watershed management, heritage site rehabilitation, and wildlife and fish habitat management and restoration: *Provided further*, That transfers of any amounts in excess of those authorized in this paragraph, shall require approval notification to the House and Senate Committees on Appropriations in compliance with reprogramming procedures contained in the statement of managers accompanying this Act: *Provided further*, That the costs of implementing any cooperative agreement between the Federal Government and any non-Federal entity may be shared, as mutually agreed on by the affected parties: *Provided further*, That in addition to funds provided for State Fire Assistance programs, and subject to all authorities available to the Forest Service under the State and Private Forestry 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 in using the funds provided in this Act for hazardous fuels reduction activities, the Secretary of Agriculture may conduct fuel reduction treatments on Federal lands using all contracting and hiring authorities available to the Secretary applicable to hazardous fuel reduction activities under the wildland fire management accounts: *Provided further*, That notwithstanding Federal Government procurement and contracting laws, the Secretaries may conduct fuel reduction treatments, rehabilitation and restoration, and other activities authorized under this heading on and adjacent to Federal lands using grants and cooperative agreements: *Provided further*, That 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 local private, non-profit, or cooperative entities; Youth Conservation Corps crews or related partnerships, with State, local and non-profit youth groups; small or micro-businesses; or other entities that will hire or train a significant percentage of local people to complete such contracts: *Provided further*, That 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: *Provided further*, That the Secretary of the Interior and the Secretary of Agriculture may authorize the transfer of funds appropriated for wildland fire management, in an aggregate amount not to exceed \$12,000,000, between the Departments when such transfers would facilitate and expedite jointly funded wildland fire management programs and projects. *The Secretary of Agriculture may use the amounts appropriated under this title of this Act for rehabilitation and restoration and other activities authorized under this heading, on Federal land or on adjacent non-Federal land for activities that benefit resources on Federal land*

[For an additional amount, \$301,000,000, to repay prior year advances from other appropriations from which funds were transferred for wildfire suppression and emergency rehabilitation activities: *Provided*, That this additional amount is designated by the Congress as an emergency requirement pursuant to section 502 of H. Con. Res. 95 (108th Congress), the concurrent resolution on the budget for fiscal year 2004: *Provided further*, That this additional amount and \$253,000,000 of the funds appropriated to the Forest Service for the repayment of advances for fire suppression in Public Law 108-83, shall be transferred to the following Forest Service accounts:

\$96,000,000 to the Land Acquisition account, \$95,000,000 to the Capital Improvement and Maintenance account, \$9,000,000 to the Working Capital Fund, \$52,000,000 to the National Forest System account, \$31,000,000 to the State and Private Forestry account, \$10,000,000 to the Forest and Rangeland Research account, \$35,000,000 to the Salvage Sale fund, \$28,000,000 to the Timber Purchaser Election account, \$154,000,000 to the Knutson Vandenburg fund, \$20,000,000 to the Brush Disposal account, \$14,000,000 to the Forest Service Recreation Fee Demonstration fund, and \$10,000,000 to the Forest Land Enhancement Program account.] (*Department of the Interior and Related Agencies Appropriations Act, 2004.*)

Program and Financing (in millions of dollars)

Identification code 12-1115-0-1-302	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Wildland fire management	2,193	1,729	1,542
09.01 Reimbursable program	199	199	199
10.00 Total new obligations	2,392	1,928	1,741
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	444	439	235
22.00 New budget authority (gross)	2,358	1,724	1,641
22.10 Resources available from recoveries of prior year obligations	19		
22.21 Unobligated balance transferred to other accounts	-15		
22.22 Unobligated balance transferred from other accounts	25		
23.90 Total budgetary resources available for obligation	2,831	2,163	1,876
23.95 Total new obligations	-2,392	-1,928	-1,741
24.40 Unobligated balance carried forward, end of year	439	235	135
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	2,299	1,969	1,429
40.35 Appropriation permanently reduced	-9	-21	
41.00 Transferred to other accounts	-266	-513	-77
42.00 Transferred from other accounts	50		
43.00 Appropriation (total discretionary)	2,074	1,435	1,352
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	289	289	289
68.10 Change in uncollected customer payments from Federal sources (unexpired)	-5		
68.90 Spending authority from offsetting collections (total discretionary)	284	289	289
70.00 Total new budget authority (gross)	2,358	1,724	1,641
Change in obligated balances:			
72.40 Obligated balance, start of year	185	328	544
73.10 Total new obligations	2,392	1,928	1,741
73.20 Total outlays (gross)	-2,234	-1,712	-1,677
73.45 Recoveries of prior year obligations	-19		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	5		
74.40 Obligated balance, end of year	328	544	608
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1,616	1,552	1,477
86.93 Outlays from discretionary balances	618	160	200
87.00 Total outlays (gross)	2,234	1,712	1,677
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-289	-289	-289
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	2,074	1,435	1,352
90.00 Outlays	1,945	1,423	1,388

Wildland Fire Management.—This appropriation provides funding for Forest Service fire management, presuppression, and suppression on National Forest System lands, adjacent State and private lands, and other lands under fire protection agreement.

Preparedness.—To protect National Forest System (NFS) lands from damage by wildfires commensurate with the threat to life, values at risk, public values, and management objectives.

General and special funds—Continued

WILDLAND FIRE MANAGEMENT—Continued

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.

The budget addresses Federal wildfire suppression costs that have exceeded \$1 billion for three out of the last four years. Specifically, the Administration proposes that the Forest Service:

- Develop cost containment performance measures and clearer rules concerning the use of suppression resources, including incentives for rapid demobilization.
- Complete updated fire management plans. Continue development of LANDFIRE with the Department of the Interior and the National Association of State Foresters and begin integration of LANDFIRE's geospatially-based information into fire management plans.
- Allocate not less than 50% of suppression funds to Forest Service regions and permit regions to retain the majority of unobligated funds for use in hazardous fuels reduction activities in subsequent fiscal years.

Additionally, Fire Operations funds are used to immediately and efficiently rehabilitate severely burned NFS lands to prevent further destruction of natural resources and property, including soil loss and flooding. Funds are used to increase the level of fire 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. Funds are provided to enhance State and private programs that will contribute to cooperative fire assistance, increased fire department readiness, and forest health programs to reduce fire risk. Funds would also be available to facilitate and expedite USDA and Department of the Interior jointly funded wildland fire management programs and projects.

Object Classification (in millions of dollars)

Identification code 12-1115-0-1-302	2003 actual	2004 est.	2005 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	355	346	251
11.3 Other than full-time permanent	62	47	37
11.5 Other personnel compensation	279	34	24
11.9 Total personnel compensation	696	427	312
12.1 Civilian personnel benefits	142	126	93
13.0 Benefits for former personnel	20	20	19
21.0 Travel and transportation of persons	67	67	63
22.0 Transportation of things	8	8	8
23.1 Rental payments to GSA	10	11	9
23.2 Rental payments to others	16	17	13
23.3 Communications, utilities, and miscellaneous charges	36	36	31
24.0 Printing and reproduction	1	1	1
25.2 Other services	980	787	799
25.3 Other purchases of goods and services from Government accounts	87	86	76
25.7 Operation and maintenance of equipment	5	5	4

26.0	Supplies and materials	76	89	91
31.0	Equipment	21	21	17
32.0	Land and structures	1		
41.0	Grants, subsidies, and contributions	27	28	6
99.0	Direct obligations	2,193	1,729	1,542
99.0	Reimbursable obligations	199	199	199
99.9	Total new obligations	2,392	1,928	1,741

Personnel Summary

Identification code 12-1115-0-1-302	2003 actual	2004 est.	2005 est.	
Direct:				
1001	Total compensable workyears: Civilian full-time equivalent employment	11,299	9,667	7,067
Reimbursable:				
2001	Total compensable workyears: Civilian full-time equivalent employment	35	35	35

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, 2004.*)

Unavailable Receipts (in millions of dollars)

Identification code 12-5207-0-2-302	2003 actual	2004 est.	2005 est.	
01.99	Balance, start of year	2	4	6
Receipts:				
02.20	Receipts, Cooperative range improvements	5	5	5
04.00	Total: Balances and collections	7	9	11
Appropriations:				
05.00	Range betterment fund	-3	-3	-3
07.99	Balance, end of year	4	6	8

Program and Financing (in millions of dollars)

Identification code 12-5207-0-2-302	2003 actual	2004 est.	2005 est.	
Obligations by program activity:				
00.01	Range betterment fund	3	3	3
10.00	Total new obligations	3	3	3
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	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
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	2003 actual	2004 est.	2005 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	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	31	29	30

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, **[\$67,191,000] \$66,885,000**, to be derived from the Land and Water Conservation Fund and to remain available until expended: *Provided*, That notwithstanding any limitations of the Land and Water Conservation Fund Act (16 U.S.C. 4601-9), the Secretary of Agriculture is henceforth authorized to utilize any funds appropriated under this heading from the Land and Water Conservation Fund to acquire Mental Health Trust lands in Alaska and, upon Federal acquisition, the boundaries of the Tongass National Forest shall be deemed modified to include such lands].

ACQUISITION OF LANDS FOR NATIONAL FORESTS SPECIAL ACTS

For acquisition of lands within the exterior boundaries of the Cache, Uinta, and Wasatch National Forests, Utah; the Toiyabe National Forest, Nevada; and the Angeles, San Bernardino, Sequoia, and Cleveland National Forests, California, as authorized by law, **[\$1,069,000] \$1,069,000**, 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, and for authorized expenditures from funds deposited by non-Federal parties pursuant to Land Sale and Exchange Acts, pursuant to the Act of December 4, 1967, as amended (16 U.S.C. 484a), to remain available until expended. (16 U.S.C. 4601-516-617a, 555a; P.L. 96-586; P.L. 76-589, 76-591; 78-310, and 16 U.S.C. 484a; *Department of the Interior and Related Agencies Appropriations Act, 2004*.)

Unavailable Receipts (in millions of dollars)

Identification code 12-9923-0-2-302	2003 actual	2004 est.	2005 est.
01.99 Balance, start of year	5	1	2
Receipts:			
02.20 National forest lands under special acts	2	2	2
04.00 Total: Balances and collections	7	3	4
Appropriations:			
05.00 Land acquisition	-6	-1	-1
07.99 Balance, end of year	1	2	3

Program and Financing (in millions of dollars)

Identification code 12-9923-0-2-302	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Land acquisition	173	164	73
09.01 Reimbursable program	4	4	4
10.00 Total new obligations	177	168	77

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	27	31	27
22.00 New budget authority (gross)	181	163	68
23.90 Total budgetary resources available for obligation	208	194	95
23.95 Total new obligations	-177	-168	-77
24.40 Unobligated balance carried forward, end of year	31	27	18

New budget authority (gross), detail:

Discretionary:			
40.20 Appropriation (LWCF)	133	67	67
40.20 Appropriation (special act)	6	1	1
40.37 Appropriation temporarily reduced	-1	-1	
42.00 Transferred from other accounts	43	96	
43.00 Appropriation (total discretionary)	181	163	68

Change in obligated balances:

72.40 Obligated balance, start of year	5	18	33
73.10 Total new obligations	177	168	77
73.20 Total outlays (gross)	-164	-154	-100
74.40 Obligated balance, end of year	18	33	9

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	160	108	45
86.93 Outlays from discretionary balances	4	46	55
87.00 Total outlays (gross)	164	154	100

Net budget authority and outlays:

89.00 Budget authority	181	163	68
90.00 Outlays	164	154	100

This appropriation consolidates land acquisition authorities for acquisition of lands, waters, or interest therein, as authorized by law.

Land and Water Conservation Fund.—Recreation lands and interests are acquired within areas of the National Forest System, wilderness, wildlife and fisheries habitat management areas, and endangered species and other areas for public outdoor recreation purposes.

Acquisition of Lands of National Forests, Special Acts.—To acquire lands within critical watersheds to provide soil stabilization and restoration of vegetation. Public Laws 76-589, 76-591 and 78-310 (54 Stat. 297, 298, 299, and 402; and 58 Stat. 227-228) authorize appropriations for the purchase of lands to minimize erosion and flood damage to critical watersheds within the following National Forests: the Cache, Uinta, and Wasatch, Utah; the Toiyabe, Nevada; and the Angeles, Cleveland, San Bernardino, and Sequoia, California. Appropriations are made from receipts on these National Forests.

Acquisition of Lands to Complete Land Exchanges.—Deposits made by State, county, or municipal governments, public school districts, or other public school authorities for cash equalization of certain land exchanges are used to acquire similar lands suitable for National Forest System purposes in the same State as the National Forest lands conveyed in the land exchange or from non-Federal parties for authorized expenditures.

Object Classification (in millions of dollars)

Identification code 12-9923-0-2-302	2003 actual	2004 est.	2005 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	8	4	4
12.1 Civilian personnel benefits	2	1	1
23.3 Communications, utilities, and miscellaneous charges	-12	2	2
25.2 Other services	1	14	6
32.0 Land and structures	174	144	60
99.0 Direct obligations	173	165	73
99.0 Reimbursable obligations	4	3	4
99.9 Total new obligations	177	168	77

General and special funds—Continued

ACQUISITION OF LANDS TO COMPLETE LAND EXCHANGES—Continued

Personnel Summary

Identification code 12-9923-0-2-302	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	142	65	64

FOREST SERVICE PERMANENT APPROPRIATIONS

Unavailable Receipts (in millions of dollars)

Identification code 12-9921-0-2-999	2003 actual	2004 est.	2005 est.
01.99 Balance, start of year	124	-90	149
Receipts:			
02.20 National forests fund	-233		
02.21 Charges, user fees, and natural resource utilization, Land betwe	4	4	4
02.22 National forests fund, Payments to States	303	303	303
02.23 Timber roads, Purchaser elections	19	7	7
02.24 National forests fund, Roads and trails for States	46	15	15
02.25 Timber salvage sales	58	59	59
02.26 Deposits, Brush disposal	12	13	15
02.27 Rents and charges for quarters, Forest Service	7	8	8
02.28 Timber sales pipeline restoration fund	12	8	8
02.29 Recreational fee demonstration program, Forest Service	39	42	
02.30 Legislative proposal, recreation fees			
02.31 Midewin national tallgrass prairie rental fees	1	1	1
02.32 National grasslands	11	11	11
02.33 Miscellaneous special funds, Forest Service	5	5	5
02.34 National forest fund	13	10	10
02.35 Fees, operation, and maintenance of recreation facilities, Forest Service	6	6	6
02.99 Total receipts and collections	303	492	452
04.00 Total: Balances and collections	427	402	601
Appropriations:			
05.00 Forest Service permanent appropriations	-517	-253	-263
07.99 Balance, end of year	-90	149	338

Program and Financing (in millions of dollars)

Identification code 12-9921-0-2-999	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Payments to States, county projects	304	366	370
00.02 Recreation fee collection costs	1	1	1
00.03 Payments to States, national forests fund	138		
00.04 Timber roads, purchaser elections		35	7
00.05 Roads and trails for States, 10-percent fund	18	15	15
00.06 Timber salvage sales	70	114	80
00.07 Expenses, brush disposal	11	36	17
00.08 Payment to Minnesota	2		
00.09 Restoration of forestlands and improvements	2	9	9
00.10 Operation and maintenance of quarters	7	8	9
00.11 Timber sales pipeline restoration fund	2		
00.12 Recreation fee demonstration program	37	56	46
00.13 Timber sales pipeline preparation		1	1
00.14 Payments to Counties, national grasslands	-1		
00.15 Land between the Lakes NRA Mgmt Fund		4	4
00.16 Timber pipeline, recreation backlog		1	1
10.00 Total new obligations	591	646	560
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	20	236	220
22.00 New budget authority (gross)	808	630	543
22.10 Resources available from recoveries of prior year obligations	3		
22.21 Unobligated balance transferred to other accounts	-5		
23.90 Total budgetary resources available for obligation	826	866	763
23.95 Total new obligations	-591	-646	-560
24.40 Unobligated balance carried forward, end of year	236	220	203

New budget authority (gross), detail:

Discretionary:			
42.00 Transferred from other accounts	7	97	

Mandatory:			
60.00 Appropriation	283	280	280
60.20 Appropriation (special fund)	517	253	263
62.00 Transferred from other accounts	1		
62.50 Appropriation (total mandatory)	801	533	543
70.00 Total new budget authority (gross)	808	630	543
Change in obligated balances:			
72.40 Obligated balance, start of year	32	80	89
73.10 Total new obligations	591	646	560
73.20 Total outlays (gross)	-532	-637	-613
73.40 Adjustments in expired accounts (net)	-8		
73.45 Recoveries of prior year obligations	-3		
74.40 Obligated balance, end of year	80	89	36
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority		87	
86.93 Outlays from discretionary balances			71
86.97 Outlays from new mandatory authority	439	500	509
86.98 Outlays from mandatory balances	93	50	33
87.00 Total outlays (gross)	532	637	613
Net budget authority and outlays:			
89.00 Budget authority	808	630	543
90.00 Outlays	532	637	613

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 Rescissions 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.

Forest Botanical Products.—This pilot program established by Section 339 of the Consolidated Appropriations Act of FY 2000 (P.L. 106–113) provides for the recovery of fair market

value for the sale of forest botanical products; the collection of fees to cover the costs of analyzing, granting, modifying, and monitoring the harvest of these products; the determination of sustainable harvest levels; and the establishment of personal use levels for which fees would not be collected.

Administration of Rights-of-Way and Other Land Uses.—Fees collected from applicants and holders of special use authorizations are available to recover costs for processing applications and monitoring compliance with special use authorizations (31 U.S.C. 9701; 43 U.S.C. 1764(g); 30 U.S.C. 815(1)).

Object Classification (in millions of dollars)

Identification code 12–9921–0–2–999	2003 actual	2004 est.	2005 est.
Personnel compensation:			
11.1 Full-time permanent	56	57	57
11.3 Other than full-time permanent	11	11	12
11.5 Other personnel compensation	7	7	7
11.9 Total personnel compensation	74	75	76
12.1 Civilian personnel benefits	16	17	17
13.0 Benefits for former personnel	1	2	2
21.0 Travel and transportation of persons	2	3	3
22.0 Transportation of things	–1		
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	4	4	4
24.0 Printing and reproduction	1	1	1
25.2 Other services	67	55	60
25.3 Other purchases of goods and services from Government accounts	7	7	7
25.7 Operation and maintenance of equipment	1	1	1
26.0 Supplies and materials	6	15	16
31.0 Equipment	2	2	2
32.0 Land and structures	11	12	12
41.0 Grants, subsidies, and contributions	398	450	357
99.9 Total new obligations	591	646	560

Personnel Summary

Identification code 12–9921–0–2–999	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	1,939	1,899	1,886

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.

The budget includes a proposal to repeal selected parts of the Forest and Rangeland Renewable Resources Planning Act of 1974 (RPA) would eliminate provisions that are duplicative of the Government Performance and Results Act of 1993. The RPA requires the Secretary to prepare a national assessment of resource conditions and trends (the RPA Assessment), an RPA Program (strategic plan) and accompanying Presidential Statement of Natural Resources Policy, and an Annual Report of the Forest Service to Congress that reports on RPA Program accomplishments. In 1993, Congress enacted government-wide legislation, the Government Performance and Results Act (GPRA), requiring a strategic plan and annual reporting requirements that are essentially the same as the RPA requirements except for the requirement for a Presidential Statement of Natural Resources Policy to accompany the strategic plan. Since 1998, language has been carried in Appropriations legislation for the Forest Service to complete its strategic plan and reporting requirements under the Results Act. The Forest Service has done so. The proposal would bring older legislative authorities into accord with more recent enactments, while retaining the RPA Assessment.

A PART assessment of the Forest Legacy program found that the program is valuable and generally has strong man-

General and special funds—Continued

FOREST SERVICE PERMANENT APPROPRIATIONS—Continued

agement. Recent evaluations and program redesign have led to improvements. To build upon these improvements the budget includes a proposal to transfer titles acquired through Forest Legacy. The proposal would provide for consistent and rational ownership of lands previously acquired by the Forest Service through the Forest Legacy Program in those States that now take title for program acquisitions by electing to utilize the program's state grant option. Prior to the 1996 farm bill, all properties acquired under the Forest Legacy program were titled to the United States. When the State grant option was created in the 1996 Farm Bill, most subsequent acquisitions switched to the States. There are now instances in which some program acquisitions in a state are titled to the Federal government and others are titled to the state. Properties originally acquired by the Forest Service in the name of the United States prior to the establishment of the State grant option could be more efficiently and effectively managed if title were vested in the States.

Watershed Restoration and Enhancement Agreements would authorize the Secretary of Agriculture to use federal funds on non-federal land in proximity to National Forest Systems lands when a project benefits the greater watershed. P.L. 105-257, the Omnibus Appropriations bill for 1999, authorizes the USDA Forest Service to use federal funds on non-federal land in proximity to National Forest Systems lands when a project benefits the greater watershed. The authority allows the Forest Service to protect watersheds that consist of lands under multiple ownerships, including lands in the wildland-urban interface. This proposal promotes the efficient and effective work associated with watershed restoration and enhancement as well as reducing fire hazards across multiple ownerships.

A proposal for a Facilities Acquisition and Enhancement Fund would enable the Secretary to sell facilities and appurtenant administrative land, excess to agency needs, and to use the proceeds for acquiring or developing land and improvements for administrative purposes. Downsizing has led to the closure of a number of administrative units and consolidation of units to central locations. The agency currently experiences a \$2.8 billion backlog that has accumulated because of inadequate and untimely maintenance. Over 60% of the agency's facilities are over 30 years old and functionally obsolete. Funds collected under this authority would solely be used to reconstruct functionally obsolete facilities or to construct new facilities necessary in light of reorganization and consolidation.

A Partnership Authorities proposal would expand or clarify the agency's authorities to work more efficiently and effectively with nonfederal entities. There are over thirty different laws relating to partnerships cited in Forest Service directives and fourteen different types of agreement instruments are used to document partnership relationships. Navigating this complex patchwork of authorities and agreements has hindered the agency's ability to work efficiently and effectively with nonprofit and community partners. This complex patchwork of authorities and agreements has resulted in inconsistent interpretations of authorities and time-consuming processes for documenting partnerships.

A proposal for Pacific Island Participation in State and Private Forestry (S&PF) Programs would restore eligibility of three U.S. trust territories (the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau) in "compacts of free association" for assistance through all S&PF programs.

This budget includes a proposal to amend the Small Tracts Act, the Sisk Act, and the Townsite Act, which provide the Secretary the authority to sell or exchange land, to provide

more efficient real estate management of National Forest System lands and facilities. The amendments would allow the Agency to collect and expend funds without appropriation. It would raise the maximum acreage for sale or exchange of lands under Small Tracts Act for lands that cannot be efficiently managed and deletes the value limitation for use of this authority. The proposal would add administrative sites as a category of lands which are subject to disposition. The Sisk Act would be amended by making eligible for conveyance, a public entities' land that is covered in a special use authorization. The requirement that the lands conveyed under the Sisk Act be used for the same purposes as prior to the conveyance would also be eliminated.

Also included in the budget is a proposal to improve the ability of the Forest Service and Native American and Alaska Native Tribes to achieve goals of mutual interest. This includes authorities regarding the use of and access to National Forest System lands; forest products for traditional and cultural purposes; repatriation and reburial; and research, development and collaboration with Tribal Governments. These authorities would streamline and clarify several areas of interest between the Forest Service and Native American and Alaska Native Tribes.

In addition, the budget proposes to reauthorize the Federal and State Cooperative Watershed Restoration and Community Protection in Colorado ("Good Neighbor") Authority. This authority allows for the Secretary of Agriculture, via cooperative agreement or contract (including sole source contract), to permit the Colorado State Forest Service to perform watershed restoration and protection services on National Forest System lands in the State of Colorado when similar and complementary watershed restoration and protection services are being performed by the State Forest Service on adjacent State or private lands. The types of services include treatment of insect infected trees, reduction of hazardous fuels, and other activities to restore or improve watersheds or fish and wildlife habitat across ownership boundaries. Proposed changes to existing language would: extend authority to September 30, 2009, and provide new authority for the Bureau of Land Management.

Intragovernmental funds:

WORKING CAPITAL FUND

Program and Financing (in millions of dollars)

Identification code 12-4605-0-4-302	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
09.01 Working Capital fund	260	260	260
10.00 Total new obligations	260	260	260
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	76	68	52
22.00 New budget authority (gross)	263	245	236
22.10 Resources available from recoveries of prior year obligations	9		
22.21 Unobligated balance transferred to other accounts	-20		
23.90 Total budgetary resources available for obligation	328	313	288
23.95 Total new obligations	-260	-260	-260
24.40 Unobligated balance carried forward, end of year	68	52	28
New budget authority (gross), detail:			
Discretionary:			
42.00 Transferred from other accounts	30	9	
Mandatory:			
69.00 Offsetting collections (cash)	236	236	236
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-3		
69.90 Spending authority from offsetting collections (total mandatory)	233	236	236
70.00 Total new budget authority (gross)	263	245	236

Change in obligated balances:				
72.40	Obligated balance, start of year	32	66	72
73.10	Total new obligations	260	260	260
73.20	Total outlays (gross)	-220	-254	-238
73.45	Recoveries of prior year obligations	-9		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	3		
74.40	Obligated balance, end of year	66	72	94
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority		8	
86.93	Outlays from discretionary balances			1
86.97	Outlays from new mandatory authority	186	220	212
86.98	Outlays from mandatory balances	34	26	25
87.00	Total outlays (gross)	220	254	238
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-236	-236	-236
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	3		
Net budget authority and outlays:				
89.00	Budget authority	30	9	
90.00	Outlays	-16	18	2

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		2003 actual	2004 est.	2005 est.
13.0	Benefits for former personnel	1		
21.0	Travel and transportation of persons	3	3	3
22.0	Transportation of things	1	1	1
23.2	Rental payments to others	1	1	1
23.3	Communications, utilities, and miscellaneous charges	2	2	2
24.0	Printing and reproduction	1	1	1
25.3	Other purchases of goods and services from Government accounts	28	5	5
25.7	Operation and maintenance of equipment	18	19	19
26.0	Supplies and materials	87	91	91
31.0	Equipment	118	137	137
99.9	Total new obligations	260	260	260

Note.—Personnel totals are included with personnel totals of all other Forest Service programs.

Trust Funds

FOREST SERVICE TRUST FUNDS

Unavailable Receipts (in millions of dollars)

Identification code 12-9974-0-7-302		2003 actual	2004 est.	2005 est.
01.99	Balance, start of year			
Receipts:				
02.00	Transfers from general fund of amounts equal to certain customs	30	30	30
02.20	Forest Service cooperative fund	107	108	108
02.40	Transfer from TVA for land between the lakes trust fund	1	1	1
02.45	Repayments to K-V trust fund		154	
02.99	Total receipts and collections	138	293	139
04.00	Total: Balances and collections	138	293	139
Appropriations:				
05.00	Forest Service trust funds	-138	-293	-139
07.99	Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 12-9974-0-7-302		2003 actual	2004 est.	2005 est.
Obligations by program activity:				
00.01	Forest Service trust funds	70	137	164
10.00	Total new obligations	70	137	164
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	226	297	453
22.00	New budget authority (gross)	141	293	139
23.90	Total budgetary resources available for obligation	367	590	592
23.95	Total new obligations	-70	-137	-164
24.40	Unobligated balance carried forward, end of year	297	453	428
New budget authority (gross), detail:				
Mandatory:				
60.26	Appropriation (trust fund)	138	293	139
Discretionary:				
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	3		
70.00	Total new budget authority (gross)	141	293	139
Change in obligated balances:				
72.40	Obligated balance, start of year	23	60	57
73.10	Total new obligations	70	137	164
73.20	Total outlays (gross)	-34	-140	-139
74.40	Obligated balance, end of year	60	57	82
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	1		
86.97	Outlays from new mandatory authority	125	111	111
86.98	Outlays from mandatory balances	-92	29	28
87.00	Total outlays (gross)	34	140	139
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-3		

Intragovernmental funds—Continued

FOREST SERVICE TRUST FUNDS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-9974-0-7-302	2003 actual	2004 est.	2005 est.
Net budget authority and outlays:			
89.00 Budget authority	138	293	139
90.00 Outlays	30	140	139
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities: Par value	2	3	3
92.02 Total investments, end of year: Federal securities: Par value	3	3	3

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	2003 actual	2004 est.	2005 est.
Personnel compensation:			
11.1 Full-time permanent	42	44	44
11.3 Other than full-time permanent	7	7	7
11.5 Other personnel compensation	4	4	4
11.9 Total personnel compensation	53	55	55
12.1 Civilian personnel benefits	13	13	14
13.0 Benefits for former personnel	2	2	2
21.0 Travel and transportation of persons	3	3	3
22.0 Transportation of things	1	1	1
23.1 Rental payments to GSA	1	1	1
23.2 Rental payments to others	1	1	1
23.3 Communications, utilities, and miscellaneous charges	3	3	3
25.2 Other services	-230	27	53
25.3 Other purchases of goods and services from Government accounts	24	12	12
26.0 Supplies and materials	192	11	11
31.0 Equipment	2	2	2
32.0 Land and structures	5	5	5
41.0 Grants, subsidies, and contributions	1	1	1
99.9 Total new obligations	70	137	164

Personnel Summary

Identification code 12-9974-0-7-302	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	1,281	1,253	1,245

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 124 passenger motor vehicles of which 21 will be used primarily for law enforcement purposes and of which 124 shall be for replacement; acquisition of 25 passenger motor vehicles from excess sources, and hire of such vehicles; *purchase*, operation, [and] maintenance [of aircraft], and *acquisition of 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 apportioned and all wildfire suppression funds under the heading "Wildland Fire Management" are obligated].

[The first transfer of funds into the Wildland Fire Management account shall include unobligated funds, if available, from the Land Acquisition account and the Forest Legacy program within the State and Private Forestry account.]

Funds appropriated to the Forest Service shall be available for assistance to or through the Agency for International Development and the Foreign Agricultural Service in connection with forest and rangeland research, technical information, and assistance in foreign countries, and shall be available to support forestry and related natural resource activities outside the United States and its territories and possessions, including technical assistance, education and training, and cooperation with United States and international organizations.

[None of the funds made available to the Forest Service under this Act shall be subject to transfer under the provisions of section 702(b) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 2257) or 7 U.S.C. 147b unless the proposed transfer is approved in advance by the House and Senate Committees on Appropriations in compliance with the reprogramming procedures contained in the statement of managers accompanying this Act.]

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 section 8002 of the Farm Security and Rural Investment Act of 2002. Not less than \$40,000,000 of funds under such section is hereby cancelled.

[None of the funds available to the Forest Service may be reprogrammed without the advance approval of the House and Senate Committees on Appropriations in accordance with the reprogramming procedures contained in the statement of managers accompanying this Act.]

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] notification to 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.

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, **[\$3,000,000]** up to **\$2,250,000** may be advanced in a lump sum to the National Forest Foundation to aid conservation partnership projects in support of the Forest Service mission, without regard to when the Foundation incurs expenses, for administrative expenses or projects on or benefiting National Forest System lands or related to Forest Service programs: *Provided*, That of the Federal funds made available to the Foundation, no more than \$350,000 shall be available for administrative expenses: *Provided further*, That the Foundation shall obtain, by the end of the period of Federal financial assistance, private contributions to match on at least one-for-one basis funds made available by the Forest Service: *Provided further*, That the Foundation may transfer Federal funds to a non-Federal recipient for a project at the same rate that the recipient has obtained the non-Federal matching funds: *Provided further*, That authorized investments of Federal funds held by the Foundation may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.

Pursuant to section 2(b)(2) of Public Law 98–244, up to \$2,650,000 of the funds available to the Forest Service shall be 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 to aid conservation partnership projects in support of the Forest Service mission, without regard to when expenses are incurred, for projects on or benefiting 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.

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.

[Not later than 60 days after the date of the enactment of this Act, the Secretary of Agriculture shall submit to Congress, and make available to interested persons, a report containing the results of a management review of outfitter and guiding operations in the John Muir, Ansel Adams, and Dinkey Lakes Wilderness Areas of the Inyo and Sierra National Forests, California. The report shall include information regarding: (1) how the Secretary intends to minimize adverse impacts on the historic access rights of special use permittees in these three wilderness areas; and (2) how the Secretary intends to ensure timely compliance with the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).]

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.

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 \$1,000,000.

[From funds available to the Forest Service in this Act for payment of costs in accordance with subsection 413(d) of Title IV, Public Law 108–7, \$3,000,000 shall be transferred by the Secretary of Agriculture to the Secretary of the Treasury to make reimbursement payments as provided in such subsection.]

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.

The Secretary of Agriculture may transfer or reimburse funds available to the Forest Service, not to exceed \$15,000,000, to the Secretary of the Interior or the Secretary of Commerce to expedite conferencing and consultations as required under section 7 of the Endangered Species Act, 16 U.S.C. 1536. The amount of the transfer or 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.

[Beginning on June 30, 2001 and concluding on December 31, 2004, an] An eligible individual who is employed in any project funded under title V of the Older American Act of 1965 (42 U.S.C. 3056 et seq.) and administered by the Forest Service shall be considered to be a Federal employee for purposes of chapter 171 of title 28, United States Code.

Any funds appropriated to the Forest Service may be used to meet the non-Federal share requirement in section 502(c) of the Older American Act of 1965 (42 U.S.C. 3056(c)(2)).

[The Secretary of Agriculture may authorize the sale of excess buildings, facilities, and other properties owned by the Forest Service and located on the Wasatch-Cache 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 acquisition and construction of administrative sites on the Wasatch-Cache National Forest.] (*Department of the Interior and Related Agencies Appropriations Act, 2004.*)

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 the current fiscal year under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed **[398]** 388 passenger motor vehicles, of which **[396]** 388 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. Funds appropriated by this Act shall be available for employment pursuant to the second sentence of section 706(a) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 2225) and 5 U.S.C. 3109.

SEC. 704. 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]** unless prior **[approval of]** notification has been transmitted to the Committees on Appropriations of both Houses of Congress.

SEC. 705. New obligational authority provided for the following appropriation items in this Act shall remain available until expended: Animal and Plant Health Inspection Service, the contingency fund to meet emergency conditions, information technology infrastructure, fruit fly program, emerging plant pests, boll weevil program, **[and]** up to 25 percent of the screwworm program, and up to \$6,000,000 in the emergency management systems program for the vaccine bank; Food Safety and Inspection Service, field automation and information management project; Cooperative State Research, Education, and Extension Service, funds for competitive research grants (7 U.S.C. 450i(b)), funds for the Research, Education, and Economics Information System (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 [20] 25 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 the current fiscal year shall remain available until expended to cover obligations made in the current fiscal year for the following accounts: the Rural Development Loan Fund program account, the Rural Telephone Bank program account, the Rural Electrification and Telecommunication Loans program account, the Rural Housing Insurance Fund program account, and the Rural Economic Development Loans program account.

[SEC. 713. 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. 714. 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. [715] 713. 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. 716. 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. 717. 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. [718] 714. 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] *unless* prior [approval of] *notification has been transmitted to the Committees on Appropriations of both Houses of Congress.*

[SEC. 719. (a) None of the funds provided by this Act, or provided by previous Appropriations Acts to the agencies funded by this Act that remain available for obligation or expenditure in the current fiscal year, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure through a reprogramming of funds which: (1) creates new programs; (2) eliminates a program, project, or activity; (3) increases funds or personnel by any means for any project or activity for which funds have been denied or restricted; (4) relocates an office or employees; (5) reorganizes offices, programs, or activities; or (6) contracts out or privatizes any functions or activities presently performed by Federal employees; unless the Committees on Appropriations of both Houses of Congress are notified 15 days in advance of such reprogramming of funds.

(b) None of the funds provided by this Act, or provided by previous Appropriations Acts to the agencies funded by this Act that remain available for obligation or expenditure in the current fiscal year, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure for activities, programs, or projects through a reprogramming of funds in excess of \$500,000 or 10 percent, whichever is less, that: (1) augments existing programs, projects, or activities; (2) reduces by 10 percent funding for any existing program, project, or activity, or numbers of personnel by 10 percent as approved by Congress; or (3) results from any general savings from a reduction in personnel which would result in a change in existing programs, activities, or projects as approved by Congress; unless the Committees on Appropriations of both Houses of Congress are notified 15 days in advance of such reprogramming of funds.

(c) The Secretary of Agriculture, the Secretary of Health and Human Services, or the Chairman of the Commodity Futures Trading Commission shall notify the Committees on Appropriations of both Houses of Congress before implementing a program or activity not carried out during the previous fiscal year unless the program or activity is funded by this Act or specifically funded by any other Act.]

SEC. [720] 715. With the exception of funds needed to administer and conduct oversight of grants awarded and obligations incurred in prior fiscal years, none of the funds appropriated or otherwise made available by this or any other Act may be used to pay the salaries and expenses of personnel to carry out the provisions of section 401 of Public Law 105-185, the Initiative for Future Agriculture and Food Systems (7 U.S.C. 7621). *Funds under section 401 for fiscal year 2005 are hereby cancelled.*

[SEC. 721. None of the funds appropriated by this or any other Act shall be used to pay the salaries and expenses of personnel who prepare or submit appropriations language as part of the President's Budget submission to the Congress of the United States for programs under the jurisdiction of the Appropriations Subcommittees on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies that assumes revenues or reflects a reduction from the previous year due to user fees proposals that have not been enacted into law prior to the submission of the Budget unless such Budget submission identifies which additional spending reductions should occur in the event the user fees proposals are not enacted prior to the date of the convening of a committee of conference for the fiscal year 2005 appropriations Act.]

[SEC. 722. None of the funds made available by this or any other Act may be used to close or relocate a state Rural Development office unless or until cost effectiveness and enhancement of program delivery have been determined.]

[SEC. 723. In addition to amounts otherwise appropriated or made available by this Act, \$3,000,000 is appropriated for the purpose of providing Bill Emerson and Mickey Leland Hunger Fellowships, as authorized by Public Law 108-58.]

SEC. [724] 716. 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. 725. Of any shipments of commodities made pursuant to section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)), the Secretary of Agriculture shall, to the extent practicable, direct that tonnage equal in value to not more than \$25,000,000 shall be made available to foreign countries to assist in mitigating the effects of the Human Immunodeficiency Virus and Acquired Immune Deficiency Syndrome on communities, including the provision of—

(1) agricultural commodities to—

(A) individuals with Human Immunodeficiency Virus or Acquired Immune Deficiency Syndrome in the communities; and

(B) households in the communities, particularly individuals caring for orphaned children; and

(2) agricultural commodities monetized to provide other assistance (including assistance under microcredit and microenterprise programs) to create or restore sustainable livelihoods among individuals in the communities, particularly individuals caring for orphaned children.]

[SEC. 726. 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 “\$26,499,000” and inserting “\$26,998,000”.]

[SEC. 727. Notwithstanding any other provision of law, the Natural Resources Conservation Service may provide financial and technical assistance through the Watershed and Flood Prevention Operations program for the Kuhn Bayou and Ditch 26 Improvement projects in Arkansas, the Matanuska River erosion control project in Alaska, the DuPage County Sawmill Creek Watershed project in Illinois, and the Coal Creek project in Utah, and four flood control structures in Marmaton, Kansas.]

[SEC. 728. Notwithstanding any other provision of law, the Secretary shall consider the County of Lawrence, Ohio; the City of Havlock, North Carolina; the City of Portsmouth, Ohio; the City of Binghamton, New York; the Town of Vestal, New York; the City of Ithaca, New York; the City of Casa Grande, Arizona; the City of Clarksdale, Mississippi; the City of Coachella, California; the City of Salinas, California; the City of Watsonville, California; the City of Hollister, California; the Municipality of Carolina, Puerto Rico; and the City of Kinston, North Carolina, as meeting the eligibility requirements for loans and grants programs in the Rural Development mission area.]

[SEC. 729. Notwithstanding any other provision of law, the Natural Resources Conservation Service shall provide financial and technical assistance to the DuPage County, Illinois, Kress Creek Watershed Plan, from funds available for the Watershed and Flood Prevention Operations program, not to exceed \$1,600,000 and Rockhouse Creek Watershed, Leslie County, Kentucky, not to exceed \$1,000,000.]

[SEC. 730. None of the funds made available in this Act may be transferred to any department, agency, or instrumentality of the United States Government, except pursuant to a transfer made by, or transfer authority provided in, this or any other appropriation Act.]

[SEC. 731. None of the funds made available to the Food and Drug Administration by this Act shall be used to close or relocate, or to plan to close or relocate, the Food and Drug Administration Division of Pharmaceutical Analysis in St. Louis, Missouri, outside the city or county limits of St. Louis, Missouri.]

SEC. [732] 717. Agencies and offices of the Department of Agriculture may utilize any unobligated salaries and expenses funds to reimburse the Office of the General Counsel for salaries and expenses of personnel, and for other related expenses, incurred in representing such agencies and offices in the resolution of complaints by employees or applicants for employment, and in cases and other matters pending before the Equal Employment Opportunity Commission, the Federal Labor Relations Authority, or the Merit Systems Protection Board [with the prior approval of] *after notification has been transmitted* to the Committees on Appropriations of both Houses of Congress.

SEC. [733] 718. Notwithstanding any other provision of law, of the funds made available in this Act for competitive research grants (7 U.S.C. 450i(b)), the Secretary may use up to 20 percent of the amount provided to carry out a competitive grants program under the same terms and conditions as those provided in section 401 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621) [including requests for proposals for grants

for critical emerging issues described in section 401(c)(1) of that Act for which the Secretary has not issued requests for proposals for grants in fiscal year 2002 or 2003].

[SEC. 734. None of the funds appropriated or made available by this or any other Act may be used to pay the salaries and expenses of personnel to carry out section 14(h)(1) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012(h)(1)).]

[SEC. 735. Notwithstanding any other provision of law, the Natural Resources Conservation Service shall provide financial and technical assistance through the Watershed and Flood Prevention Operations program to carry out the Upper Tygart Valley Watershed project, West Virginia: *Provided*, That the Natural Resources Conservation Service is authorized to provide 100 percent of the engineering assistance and 75 percent cost share for installation of the water supply component of this project.]

[SEC. 736. None of the funds appropriated or made available by this or any other Act may be used to pay the salaries and expenses of personnel to carry out subtitle I of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009dd through dd-7).]

[SEC. 737. None of the funds appropriated or made available by this or any other Act may be used to pay the salaries and expenses of personnel to carry out section 6405 of Public Law 107-171 (7 U.S.C. 2655).]

[SEC. 738. 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 the provisions of sections 7404(a)(1) and 7404(c)(1) of Public Law 107-171.]

[SEC. 739. The Agricultural Marketing Service and the Grain Inspection, Packers and Stockyards Administration, that have statutory authority to purchase interest bearing investments outside of the Treasury, are not required to establish obligations and outlays for those investments, provided those investments are insured by the Federal Deposit Insurance Corporation or are collateralized at the Federal Reserve with securities approved by the Federal Reserve, operating under the guidelines of the United States Department of the Treasury.]

[SEC. 740. Of the funds made available under section 27(a) of the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), the Secretary may use up to \$10,000,000 for costs associated with the distribution of commodities.]

[SEC. 741. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to enroll in excess of 189,144 acres in the calendar year 2004 wetlands reserve program as authorized by 16 U.S.C. 3837.]

[SEC. 742. None of the funds made available in fiscal year 2004 or preceding fiscal years for programs authorized under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) in excess of \$20,000,000 shall be used to reimburse the Commodity Credit Corporation for the release of eligible commodities under section 302(f)(2)(A) of the Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f-1): *Provided*, That any such funds made available to reimburse the Commodity Credit Corporation shall only be used pursuant to section 302(b)(2)(B)(i) of the Bill Emerson Humanitarian Trust Act.]

[SEC. 743. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel who carry out an environmental quality incentives program authorized by chapter 4 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839aa et seq.) in excess of \$975,000,000.]

[SEC. 744. Notwithstanding any other provision of law, the Natural Resources Conservation Service may provide from appropriated funds financial and technical assistance to the Dry Creek project, Utah.]

SEC. [745] 719. The Secretary of Agriculture is authorized to permit employees of the United States Department of Agriculture to carry and use firearms for personal protection while conducting field work in remote locations in the performance of their official duties.

SEC. [746] 720. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to expend the \$23,000,000 made available by section 9006(f) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8106(f)).

[SEC. 747. ACCESS TO BROADBAND TELECOMMUNICATIONS SERVICES IN RURAL AREAS. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to expend the \$20,000,000 made available

by section 601(j)(1)(A) of the Rural Electrification Act of 1936 (7 U.S.C. 950bb(j)(1)(A)) for fiscal year 2004.】

【SEC. 748. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to expend the \$40,000,000 made available by section 231(b)(4) of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note) for fiscal year 2004.】

【SEC. 749. Section 285 of the Agricultural Marketing Act of 1946 (16 U.S.C. 1638d et seq.) is amended by striking “2004” and inserting in lieu thereof “2006, except for ‘farm-raised fish’ and ‘wild fish’ which shall be September 30, 2004”.】

【SEC. 750. (a) Notwithstanding subsections (c) and (e)(2) of section 313A of the Rural Electrification Act (7 U.S.C. 940c(c) and (e)(2)) in implementing section 313A of that Act, the Secretary shall, with the consent of the lender, structure the schedule for payment of the annual fee, not to exceed an average of 30 basis points per year for the term of the loan, to ensure that sufficient funds are available to pay the subsidy costs for note guarantees under that section; and

(b) The Secretary shall publish a proposed rule to carry out section 313A of the Rural Electrification Act of 1936 within 60 days of enactment of this Act.】

【SEC. 751. Any unobligated balances in the Alternative Agricultural Research and Commercialization Revolving Fund are hereby rescinded.】

【SEC. 752. Not more than \$41,443,000 for fiscal year 2004 of the funds appropriated or otherwise made available by this or any other Act shall be used to carry out the conservation security program established under subchapter A of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.).】

【SEC. 753. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to carry out a ground and surface water conservation program authorized by section 2301 of Public Law 107–171, the Farm Security and Rural Investment Act of 2002, in excess of \$51,000,000.】

【SEC. 754. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to carry out section 2502 of Public Law 107–171, the Farm Security and Rural Investment Act of 2002, in excess of \$42,000,000.】

【SEC. 755. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to carry out section 2503 of Public Law 107–171, the Farm Security and Rural Investment Act of 2002, in excess of \$112,044,000.】

【SEC. 756. (a) ASSISTANCE FOR COMMERCIAL TREE LOSSES.—The Secretary of Agriculture shall use \$5,000,000 of the funds of the Commodity Credit Corporation to provide assistance under the Tree Assistance Program, subtitle C of title X of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8201 et seq.), to tree-fruit growers located in a federally declared disaster area in the State of New York who suffered tree losses in 2003 as a result of an April 4–6, 2003, icestorm.

(b) The Secretary of Agriculture shall use \$10,000,000 of the funds of the Commodity Credit Corporation, to remain available until expended, to compensate commercial citrus and lime growers in the State of Florida for tree replacement and for lost production with respect to trees removed to control citrus canker, and with respect to certified citrus nursery stocks within the citrus canker quarantine areas, as determined by the Secretary. For a grower to receive assistance for a tree under this section, the tree must have been removed after September 30, 2001.】

【SEC. 757. There is hereby appropriated \$1,500,000 to carry out section 6028 of Public Law 107–171, the Farm Security and Rural Investment Act of 2002: *Provided*, That notwithstanding section 383B(g)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009bb–1(g)(1)), the Federal share of the administrative expenses of the Northern Great Plains Regional Authority for fiscal year 2004 shall be 100 percent.】

【SEC. 758. Section 204(a)(3) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1724(a)(3)) is amended by striking everything from “the Committee on Foreign Affairs” through “the Committee on” and inserting in lieu thereof “the Committees on International Relations, Agriculture and Appropriations of the House of Representatives, and the Committees on Appropriations and”.】

【SEC. 759. None of the funds appropriated or made available by this or any other Act may be used to pay the salaries and expenses

of personnel to carry out section 6029 of Public Law 107–171, the Farm Security and Rural Investment Act of 2002: *Provided*, That this section shall not apply to activities related to the promulgation of regulations or the receipt and review of applications for the Rural Business Investment Program.】

【SEC. 760. None of the funds appropriated or otherwise made available in this Act shall be expended to violate Public Law 105–264.】

【SEC. 761. COST-SHARING FOR ANIMAL AND PLANT HEALTH EMERGENCY PROGRAMS. None of the funds made available by this Act may be used to issue a final rule in furtherance of, or otherwise implement, the proposed rule on cost-sharing for animal and plant health emergency programs of the Animal and Plant Health Inspection Service published on July 8, 2003 (Docket No. 02–062–1; 68 Fed. Reg. 40541).】

SEC. 【762】 721. Agencies and offices of the Department of Agriculture may utilize any available discretionary funds to cover the costs of preparing, or contracting for the preparation of, final agency decisions regarding complaints of discrimination in employment or program activities arising within such agencies and offices.

【SEC. 763. Notwithstanding any other provision of law, for any fiscal year, in the case of a high cost isolated rural area in Alaska that is not connected to a road system, the maximum level for the single family housing assistance shall be 150 percent of the average income level in the metropolitan areas of the State and 115 percent of all other eligible areas of the State.】

【SEC. 764. There is hereby appropriated \$1,000,000, to remain available until expended, for the Denali Commission to address deficiencies in solid waste disposal sites which threaten to contaminate rural drinking water supplies.】

【SEC. 765. Notwithstanding any other provision of law, the Secretary shall consider the City of Vicksburg, Mississippi; the City of Aberdeen, South Dakota; and the City of Starkville, Mississippi as meeting the requirements of a rural area contained in section 520 of the Housing Act of 1949 (42 U.S.C. 1490) until receipt of the decennial Census for the year 2010.】

【SEC. 766. Notwithstanding any other provision of law, the Secretary shall consider the City of Berlin, New Hampshire; the City of Guymon, Oklahoma; the City of Shawnee, Oklahoma; and the City of Altus, Oklahoma, to be eligible for loans and grants provided through the Rural Community Advancement Program until receipt of the decennial Census in the year 2010.】

【SEC. 767. None of the funds made available in this Act may be used to study, complete a study of, or enter into a contract with a private party to carry out, without specific authorization in a subsequent Act of Congress, a competitive sourcing activity of the Secretary of Agriculture, including support personnel of the Department of Agriculture, relating to rural development or farm loan programs.】

【SEC. 768. Section 501(b)(5)(B) of the Housing Act of 1949 (42 U.S.C. 1471(b)(5)(B)) is amended by striking “for fiscal years 2002 and 2003.”.】

【SEC. 769. AGRICULTURAL MANAGEMENT ASSISTANCE. Section 524(b)(4)(B) of the Federal Crop Insurance Act (7 U.S.C. 1524(b)(4)(B)) is amended—

(1) in clause (i), by striking “clause (ii)” and inserting “clauses (ii) and (iii)”; and

(2) by adding at the end the following:

“(iii) CERTAIN USES.—Of the amounts made available to carry out this subsection for each fiscal years 2004 through 2007 the Commodity Credit Corporation shall use not less than—

“(I) \$14,000,000 to carry out subparagraphs (A), (B), and (C) of paragraph (2) through the Natural Resources Conservation Service;

“(II) \$1,000,000 to provide organic certification cost share assistance through the Agricultural Marketing Service; and

“(III) \$5,000,000 to conduct activities to carry out subparagraph (F) of paragraph (2) through the Risk Management Agency.”.

SEC. 770. Hereafter, no funds provided in this or any other Act shall be available to the Secretary of Agriculture acting through the Foreign Agricultural Service to promote the sale or export of tobacco or tobacco products.】

【SEC. 771. IN GENERAL.—Section 3(o)(4) of the Food Stamp Act of 1977, as amended (7 U.S.C. 2012(o)(4)), is amended by inserting before the period at the end the following: “, and except that on October 1, 2003, in the case of households residing in Alaska and Hawaii the Secretary may not reduce the cost of such diet in effect on September 30, 2002”.】

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall be effective beginning on September 30, 2003.】

【SEC. 772. Section 601(b)(2) of the Rural Electrification Act of 1936 (7 U.S.C. 950bb(b)(2)) is amended to read as follows:

“(2) ELIGIBLE RURAL COMMUNITY.—The term ‘eligible rural community’ means any area of the United States that is not contained in an incorporated city or town with a population in excess of 20,000 inhabitants.”】

【SEC. 773. Notwithstanding any other provision of law, for all activities under programs of the Rural Development Mission Area within the County of Honolulu, Hawaii, the Secretary may designate any portion of the county as a rural area or eligible rural community that the Secretary determines is not urban in character: *Provided*, That the Secretary shall not include in any such rural area or eligible rural community any area included in the Honolulu Census Designated Place as determined by the Secretary of Commerce.】

【SEC. 774. The first sentence of section 306(g)(1) of the National Housing Act (12 U.S.C. 1721(g)(1)) is amended—

- (1) by striking “or title V of the Housing Act of 1949”; and
- (2) by inserting after “1944” the following: “, title V of the Housing Act of 1949.”】

【SEC. 775. Notwithstanding the provisions of the Consolidated Farm and Rural Development Act (including the associated regulations) governing the Community Facilities Program, the Secretary may allow all Community Facility Program facility borrowers and grantees to enter into contracts with not-for-profit third parties for services consistent with the requirements of the Program, grant, and/or loan: *Provided*, That the contracts protect the interests of the Government regarding cost, liability, maintenance, and administrative fees.】

SEC. 【776】 722. Notwithstanding any other provision of law, the Secretary of Agriculture may use appropriations available to the Secretary for activities authorized under sections 426–426c of title 7, United States Code, under this or any other Act, to enter into cooperative agreements, with a State, political subdivision, or agency thereof, a public or private agency, organization, or any other person, to lease aircraft if the Secretary determines that the objectives of the agreement will: (1) serve a mutual interest of the parties to the agreement in carrying out the programs administered by the Animal and Plant Health Inspection Service, Wildlife Services; and (2) all parties will contribute resources to the accomplishment of these objectives; award of a cooperative agreement authorized by the Secretary may be made for an initial term not to exceed 5 years.

【SEC. 777. CITRUS CANKER ASSISTANCE.—Section 211 of the Agricultural Assistance Act of 2003 (117 Stat. 545) is amended—

- (1) in the section heading, by inserting “**TREE REPLACEMENT AND**” after “**FOR**”; and
- (2) in subsection (a), by inserting “tree replacement and” after “Florida for.”】

【SEC. 778. SUN GRANT RESEARCH INITIATIVE. (a) SHORT TITLE.—This section may be cited as the “Sun Grant Research Initiative Act of 2003”.

(b) RESEARCH, EXTENSION, AND EDUCATIONAL PROGRAMS ON BIOBASED ENERGY TECHNOLOGIES AND PRODUCTS.—Title IX of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8101 et seq.) is amended by adding at the end the following:

“SEC. 9011. RESEARCH, EXTENSION, AND EDUCATIONAL PROGRAMS ON BIOBASED ENERGY TECHNOLOGIES AND PRODUCTS.

“(a) PURPOSES.—The purposes of the programs established under this section are—

- “(1) to enhance national energy security through the development, distribution, and implementation of biobased energy technologies;
- “(2) to promote diversification in, and the environmental sustainability of, agricultural production in the United States through biobased energy and product technologies;
- “(3) to promote economic diversification in rural areas of the United States through biobased energy and product technologies; and
- “(4) to enhance the efficiency of bioenergy and biomass research and development programs through improved coordination and collaboration between the Department of Agriculture, the Department of Energy, and the land-grant colleges and universities.

“(b) DEFINITIONS.—In this section:

“(1) LAND-GRANT COLLEGES AND UNIVERSITIES.—The term ‘land-grant colleges and universities’ means—

- “(A) 1862 Institutions (as defined in section 2 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7601));

“(B) 1890 Institutions (as defined in section 2 of that Act) and West Virginia State College; and

“(C) 1994 Institutions (as defined in section 2 of that Act).

“(2) SECRETARY.—The term ‘Secretary’ means the Secretary of Agriculture.

“(c) ESTABLISHMENT.—To carry out the purposes described in subsection (a), the Secretary shall establish programs under which—

“(1) the Secretary shall provide grants to sun grant centers specified in subsection (d); and

“(2) the sun grant centers shall use the grants in accordance with this section.

“(d) GRANTS TO CENTERS.—The Secretary shall use amounts made available for a fiscal year under subsection (j) to provide a grants in equal amounts to each of the following sun grant centers:

“(1) NORTH-CENTRAL CENTER.—A north-central sun grant center at South Dakota State University for the region composed of the States of Illinois, Indiana, Iowa, Minnesota, Montana, Nebraska, North Dakota, South Dakota, Wisconsin, and Wyoming.

“(2) SOUTHEASTERN CENTER.—A southeastern sun grant center at the University of Tennessee at Knoxville for the region composed of—

“(A) the States of Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia;

“(B) the Commonwealth of Puerto Rico; and

“(C) the United States Virgin Islands.

“(3) SOUTH-CENTRAL CENTER.—A south-central sun grant center at Oklahoma State University for the region composed of the States of Arkansas, Colorado, Kansas, Louisiana, Missouri, New Mexico, Oklahoma, and Texas.

“(4) WESTERN CENTER.—A western sun grant center at Oregon State University for the region composed of—

“(A) the States of Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon, Utah, and Washington; and

“(B) territories and possessions of the United States (other than the territories referred to in subparagraphs (B) and (C) of paragraph (2)).

“(5) NORTHEASTERN CENTER.—A northeastern sun grant center at Cornell University for the region composed of the States of Connecticut, Delaware, Massachusetts, Maryland, Maine, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, and West Virginia.

“(e) USE OF FUNDS.—

“(1) CENTERS OF EXCELLENCE.—Of the amount of funds that are made available for a fiscal year to a sun grant center under subsection (d), the center shall use not more than 25 percent of the amount for administration to support excellence in science, engineering, and economics at the center to promote the purposes described in subsection (a) through the State agricultural experiment station, cooperative extension services, and relevant educational programs of the university.

“(2) GRANTS TO LAND-GRANT COLLEGES AND UNIVERSITIES.—

“(A) IN GENERAL.—The sun grant center established for a region shall use the funds that remain available for a fiscal year after expenditures made under paragraph (1) to provide competitive grants to land-grant colleges and universities in the region of the sun grant center to conduct, consistent with the purposes described in subsection (a), multiinstitutional and multistate—

“(i) *research, extension, and educational programs on technology development; and*

“(ii) *integrated research, extension, and educational programs on technology implementation.*

“(B) PROGRAMS.—Of the amount of funds that are used to provide grants for a fiscal year under subparagraph (A), the center shall use—

“(i) not less than 30 percent of the funds to carry out programs described in subparagraph (A)(i); and

“(ii) not less than 30 percent of the funds to carry out programs described in subparagraph (A)(ii).

“(3) INDIRECT COSTS.—A sun grant center may not recover the indirect costs of making grants under paragraph (2) to other land-grant colleges and universities.

“(f) PLAN.—

“(1) IN GENERAL.—Subject to the availability of funds under subsection (j), in cooperation with other land-grant colleges and universities and private industry in accordance with paragraph (2), the sun grant centers shall jointly develop and submit to the Secretary,

for approval, a plan for addressing at the State and regional levels the bioenergy, biomass, and gasification research priorities of the Department of Agriculture and the Department of Energy for the making of grants under paragraphs (1) and (2) of subsection (e).

“(2) GASIFICATION COORDINATION.—

“(A) IN GENERAL.—In developing the plan under paragraph (1) with respect to gasification research, the sun grant centers identified in paragraphs (1) and (2) of subsection (d) shall coordinate with land grant colleges and universities in their respective regions that have ongoing research activities with respect to the research.

“(B) FUNDING.—Funds made available under subsection (d) to the sun grant center identified in subsection (e)(2) shall be available to carry out planning coordination under paragraph (1) of this subsection.

“(g) GRANTS TO OTHER LAND-GRANT COLLEGES AND UNIVERSITIES.—

“(1) PRIORITY FOR GRANTS.—In making grants under subsection (e)(2), a sun grant center shall give a higher priority to programs that are consistent with the plan approved by the Secretary under subsection (f).

“(2) TERM OF GRANTS.—The term of a grant provided by a sun grant center under subsection (e)(2) shall not exceed 5 years.

“(h) GRANT INFORMATION ANALYSIS CENTER.—The sun grant centers shall maintain a Sun Grant Information Analysis Center at the sun grant center specified in subsection (d)(1) to provide sun grant centers analysis and data management support.

“(i) ANNUAL REPORTS.—Not later than 90 days after the end of a year for which a sun grant center receives a grant under subsection (d), the sun grant center shall submit to the Secretary a report that describes the policies, priorities, and operations of the program carried out by the center during the year, including a description of progress made in facilitating the priorities described in subsection (f).

“(j) AUTHORIZATION OF APPROPRIATIONS.—

“(1) IN GENERAL.—There are authorized to be appropriated to carry out this section—

“(A) \$25,000,000 for fiscal year 2005;

“(B) \$50,000,000 for fiscal year 2006; and

“(C) \$75,000,000 for each of fiscal years 2007 through 2010.

“(2) GRANT INFORMATION ANALYSIS CENTER.—Of amounts made available under paragraph (1), not more than \$4,000,000 for each fiscal year shall be made available to carry out subsection (h).”

【SEC. 779. RURAL ELECTRIFICATION. For fiscal year 2004, the Secretary of Agriculture may use any unobligated carryover funds made available for any program administered by the Rural Utilities Service (not including funds made available under the heading “RURAL COMMUNITY ADVANCEMENT PROGRAM” in any Act of appropriation) to carry out section 315 of the Rural Electrification Act of 1936 (7 U.S.C. 940e).】

【SEC. 780. LIMITATION ON ALLOCATION OF PURCHASE PRICES FOR BUTTER AND NONFAT DRY MILK. None of the funds made available by this Act may be used to pay the salaries or expenses of employees of the Department of Agriculture to allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that does not support the price of milk in accordance with section 1501(b) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7981(b)).】

【SEC. 781. EMERGENCY WATERSHED PROTECTION PROGRAM. Notwithstanding any other provision of law, the Secretary of Agriculture is authorized to make funding and other assistance available through the emergency watershed protection program under section 403 of the Agricultural Credit Act of 1978 (16 U.S.C. 2203) to repair and prevent damage to non-Federal land in watersheds that have been impaired by fires initiated by the Federal Government and to waive cost sharing requirements for the funding and assistance.】

【SEC. 782. The Secretary may waive the requirements regarding small and emerging rural business as authorized under the Rural Business Enterprise Grant program for the purpose of a lease for the Oakridge Oregon Industrial Park.】

【SEC. 783. WATER AND WASTE DISPOSAL GRANT TO THE ALASKA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT. Notwithstanding any other provision of law—

(1) the Alaska Department of Community and Economic Development shall be eligible to receive a water and waste disposal grant under section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) in an amount that is equal to not more than 75 percent of the total cost of providing water and

sewer service to the proposed hospital in the Matanuska-Susitna Borough, Alaska; and

(2) the Alaska Department of Community and Economic Development shall be allowed to pass the grant funds through to the local government entity that will provide water and sewer service to the hospital.】

【SEC. 784. None of the funds provided in this Act may be used for salaries and expenses to carry out any regulation or rule insofar as it would make ineligible for enrollment in the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) land that is planted to hardwood trees as of the date of enactment of this Act and was enrolled in the conservation reserve program under a contract that expired prior to calendar year 2002.】

【SEC. 785. WATER AND WASTE DISPOSAL GRANT TO THE CITY OF POSTVILLE, IOWA. Notwithstanding any other provision of law, the City of Postville, Iowa, shall be eligible to receive a water and waste disposal grant under section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) in an amount that is equal to not more than 75 percent of the total cost of providing water and sewer service in the city.】

【SEC. 786. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel to implement a reorganization of regional conservationists and/or regional offices of the Natural Resources Conservation Service without the prior approval of the Committees on Appropriations.】

【SEC. 787. Of the unobligated balance available to the Food Safety and Inspection Service for the field automation and information management project at the beginning of fiscal year 2004, \$5,000,000 is hereby rescinded.】

SEC. 【788】 723. The matter under the heading “Integrated Activities” in Division A—Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Programs Appropriations, 2003, Title I—Agricultural Programs, in Public Law 108–7 is amended by striking “7 U.S.C. 3291” and inserting in its place “7 U.S.C. 3292b”.

【SEC. 789. Notwithstanding any other provision of law, the City of Great Falls, Montana shall be considered a rural area for purposes of eligibility for business and industry guaranteed loans under section 310B(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)(1)).】

SEC. 724. *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 the following:*

(a) *an environmental Quality incentives program authorized by 16 U.S.C. 3839aa, et seq., in excess of \$1,000,000,000;*

(b) *a wildlife habitat incentives program authorized by 16 U.S.C. 3839bb, et seq., in excess of \$60,000,000;*

(c) *a forest land enhancement program authorized by section 8002 of Public Law 107–171. Not less than \$40,000,000 of funds under such section are hereby cancelled;*

(d) *a conservation security program authorized by 16 U.S.C. 3838, et seq., in excess of \$209,411,000;*

(e) *a rural strategic investment program as authorized by section 6030 of Public Law 107–171. Funds under such section for fiscal year 2005 are hereby cancelled;*

(f) *(1) Section 384S(a)(1) of the Consolidated Farm and Rural Development Act (as amended by the Farm Security and Rural Investment Act of 2002) is further amended by striking “\$280,000,000” and inserting “\$60,000,000”; and*

(2) *From the funds made available by section 384S(a)(2) of the Consolidated Farm and Rural Development Act (as amended by the Farm Security and Rural Investment Act of 2002), \$21,000,000 is cancelled;*

(g) *a small watershed rehabilitation program as authorized by section 14(h)(1) of 16 U.S.C. 1012(h)(1). Funds under such section for fiscal year 2005 are hereby cancelled;*

(h) *a rural firefighter grant program as authorized by section 6405 of Public Law 107–171. Funds under such section for fiscal year 2005 are hereby cancelled;*

(i) *a broadband program as authorized by section 601(j)(A) of 7 U.S.C. 950bb(j)(1)(A). Funds under such section for fiscal year 2005 are hereby cancelled;*

(j) a value added grant program as authorized by section 231(b)(4) of 7 U.S.C. 1621 note. Funds under such section for fiscal year 2005 are hereby cancelled;

(k) a bioenergy program as authorized by section 9010 of Public Law 107-171. Funds under such section in excess of \$100,000,000, for fiscal year 2005 are hereby cancelled; and

(l) a market access program authorized by section 211(c) of 7 U.S.C. 5641(c). Funds under such section in excess of \$125,000,000, for fiscal year 2005 are hereby cancelled.

SEC. 725. Of the unobligated balances in the Local Television Loan Guarantee Program account, \$44,000,000, are hereby rescinded.

SEC. 726. Section 442 of Public Law 106-224 is amended by adding the following new subsections at the end:

“(c) Preconditions for a Transfer Availability.—Funds may be transferred to combat emergencies.

“(d) Definitions.—For purposes of this section, an ‘emergency’ is an unanticipated event that requires a necessary expenditure that is sudden, urgent, and unforeseen.”

SEC. 727. Section 10417 of Public Law 107-171 is amended by adding the following new subsections at the end:

“(d) Preconditions for a Transfer Availability.—Funds may be transferred to combat emergencies.

“(e) Definitions.—For purposes of this section, an ‘emergency’ is an unanticipated event that requires a necessary expenditure that is sudden, urgent, and unforeseen.”

SEC. 728. Section 502(h)(6)(C) of the Housing Act of 1949 (42 U.S.C. 1472(h)(6)(C)) is amended by adding, “, plus the guarantee fee as authorized by subsection (h)(7)” after the phrase, “whichever is less”, in each of paragraphs (i) and (ii). (Division A, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

【SEC. 101. Section 1241(a)(3) of the Food Security Act of 1985 (16 U.S.C. 3841(a)(3)) is amended by striking “, using” and all that follows through “2013”.】

【SEC. 102. (a) Of the funds appropriated under the heading “Emergency Preparedness and Response, Disaster Relief” in chapter 2 of title I of Public Law 108-106, \$225,000,000 are rescinded.】

【(b) In addition to amounts appropriated in Public Law 108-108 for “Forest Service, Wildland Fire Management” for hazardous fuels reduction, hazard mitigation, and rehabilitation activities of the Forest Service in southern California, \$25,000,000, to remain available until expended.】

【(c) In addition to amounts appropriated in Public Law 108-108 for “Forest Service, State and Private Forestry” for hazard mitigation, fuels reduction, and forest health protection and mitigation activities on State and private lands in southern California, \$25,000,000, to remain available until expended.】

【(d) In addition to amounts made available elsewhere in this Act for the “Department of Agriculture, Emergency Watershed Protection Program” to carry out additional activities in response to the recent wildfires in southern California, including the provision of technical and financial assistance to respond to the tree mortality emergency in Los Angeles, Riverside, San Diego and San Bernardino Counties, California, \$150,000,000, to remain available until expended.】

【(e) For an additional amount for the tree assistance program in southern California under subtitle C of title X of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8201 et seq.), \$12,500,000.】

【(f) For an additional amount for the emergency conservation program in southern California under title IV of the Agricultural Credit Act of 1978 (16 U.S.C. 2201 et seq.), \$12,000,000.】

【(g) For an additional amount for the livestock indemnity program in southern California under the heading “COMMODITY CREDIT

CORPORATION FUND” in chapter 1 of title I of the 1999 Emergency Supplemental Appropriations Act (Public Law 106-31; 113 Stat. 59), \$500,000.】

【(h) The amounts provided or made available by this section are designated by the Congress as an emergency requirement pursuant to section 502 of H. Con. Res. 95 (108th Congress), the concurrent resolution on the budget for fiscal year 2004.】 (Division H, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

	2003 actual	2004 est.	2005 est.
Offsetting receipts from the public:			
12-181100 National grasslands	34	18	18
12-270110 Agriculture credit insurance, Negative sub-			
sidies	5	4	3
12-270130 Agriculture credit insurance, Downward re-			
estimates of subsidies	350	988	
12-270210 Rural electrification and telephone loans,			
Negative subsidies	30	20	35
12-270230 Rural electrification and telephone loans,			
Downward reestimates of subsidies	37		
12-270330 Rural water and waste disposal, Downward			
reestimates of subsidies	27		
12-270510 Rural community facility, Negative subsidies			
.....	1		
12-270530 Rural community facility, Downward reesti-			
mates of subsidies	8		
12-270630 Rural housing insurance, Downward reesti-			
mates of subsidies	673		
12-270730 Rural business and industry, Downward re-			
estimates of subsidies	1		
12-270830 P.L. 480 loan program, Downward reestimates			
of subsidies	537	22	
12-271030 Rural development loans, Downward reesti-			
mates of subsidies	4		
12-271130 Rural telephone bank loans, Downward reesti-			
mates of subsidies	4	18	
12-271330 Economic development loans, Downward re-			
estimates of subsidies	1		
12-271630 P.L. 480 loan program, food for progress			
credits, Downward reestimates of subsidies	196	81	
12-274630 Downward reestimates, distance learning,			
telemedicine, and broadband program	1		
12-275610 Negative subsidies, farm storage facility			
loans		1	2
12-275630 Farm storage facility loans, Downward reesti-			
mate of subsidies	8	12	
12-275730 Commodity Credit Corporation export guar-			
antee financing, Downward reestimate of subsidies	552	856	
12-277030 Agricultural resource conservation demonstra-			
tion, downward reestimates of subsidies		1	
General Fund Offsetting receipts from the public	2,469	2,021	58

OTHER CONSOLIDATED RECEIPT ACCOUNTS

(in millions of dollars)

	2003 actual	2004 est.	2005 est.
12-977210 Miscellaneous contributed funds	1	1	1