



Conference Report to Accompany Agriculture and Food Act of 1981

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nuts produced by old producers and those produced by new producers.

(d) The *Senate* bill prohibits the Secretary from making price support available for any crop with respect to which poundage quotas have been disapproved by producers. (Sec. 705(5))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(6) Reports and records (Sec. 706)

The *Senate* bill extends for four years provisions of law requiring peanut producers to keep such records and make such reports as the Secretary finds necessary to enable the Secretary to carry out responsibilities under the Agricultural Adjustment Act of 1938. (Sec. 706)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(7) Suspension of certain price support provisions (Sec. 707)

The *Senate* bill suspends, for the 1982-1985 crops, permanent provisions of law relating to price supports for peanuts as a basic agricultural commodity. (Sec. 707)

The *House* amendment, effective beginning with the 1982 crop, repeals permanent provisions of law relating to price supports for peanuts as a basic agricultural commodity and strikes peanuts from the list of commodities designated by law as basic agricultural commodities. (Sec. 701(b))

The *Conference* substitute adopts the *Senate* provision.

TITLE VIII—SOYBEANS

(1) Soybean price support (Sec. 801)

(a) The *Senate* bill requires the Secretary to make available to producers for each of the 1982 through 1985 crops price support for soybeans at a level equal to 75 percent of the simple average price received by farmers for soybeans for each of the preceding 5 marketing years, excluding the high and the low valued years. (Sec. 801)

The *House* amendment is the same except that the level of support would be equal to 75 percent of the average Chicago quoted cash price for number 1 yellow soybeans for each of the preceding 5 marketing years, excluding the high and the low valued years. (Sec. 801)

The *Conference* substitute adopts the *Senate* provision.

(b) The *House* amendment provides that if the Secretary determines that the average price of soybeans received by producers in any marketing year is not more than 105 percent of the support level for soybeans for such marketing year, the Secretary may reduce the level of loans and purchases for soybeans for the next marketing year by the amount the Secretary determines necessary to maintain domestic and export markets for soybeans. However, the level of loans and purchases may not be reduced by more than 10 percent in any year nor below \$4.50 per bushel. (Sec. 801)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

TITLE IX—SUGAR

(1) Sugar price support (Sec. 901)

The *Senate* bill requires the Secretary to support the price of each of the 1982 through 1985 crops of sugar beets and sugarcane as follows:

(1) Effective with respect to sugar processed from domestically grown sugar beets and sugarcane from the date of enactment of the provision through March 31, 1982, the Secretary is required to provide such support through purchases of processed sugar products or through other operations at such level as the Secretary determines appropriate to approximate a raw sugar price of 19.6 cents per pound.

(2) Effective October 1, 1982, the Secretary is required to support the price of domestically grown sugarcane and sugar beets through nonrecourse loans. In the case of sugarcane the loans would be at such level as the Secretary determines appropriate but not less than 18 cents per pound for raw cane sugar for the 1982 crop, 18.5 cents per pound for the 1983 crop, 19 cents per pound for the 1984 crop, and 19.5 cents per pound for the 1985 crop. In the case of sugar beets the loans would be at such level as the Secretary determines to be fair and reasonable in relation to the level of loans for raw cane sugar. The Secretary must announce the loan rate for any fiscal year as far in advance of the beginning of the year as practicable. Loans could not be made available before the beginning of the fiscal year and would have to mature before the end of that fiscal year. (Sec. 901)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision with an amendment (1) requiring the Secretary to support the price of sugar processed from the date of enactment of the bill through March 31, 1982, through purchases at a level determined appropriate to approximate a raw sugar price of 16.75 cents per pound; and (2) establishing the support price for the 1982 through 1985 sugarcane crops under the nonrecourse loan provision at such level as the Secretary determines to be appropriate but not less than 17 cents per pound for the 1982 crop, 17.5 cents per pound for the 1983 crop, 17.75 cents per pound for the 1984 crop, and 18 cents per pound for the 1985 crop.

TITLE X—GRAIN RESERVES AND NATIONAL AGRICULTURAL COST OF PRODUCTION STANDARDS REVIEW BOARD

SUBTITLE A—GRAIN RESERVES

(1) Producer reserve program (Secs. 1001 and 1002)

(a) The *Senate* bill provides the Secretary of Agriculture discretionary authority to carry out the producer storage program for wheat and feed grains. (Sec. 1001)

The *House* amendment requires the Secretary to carry out the program. (Sec. 902)

The *Conference* substitute adopts the *House* amendment.

(b) The *Senate* bill requires that loans made under the producer storage program shall be made at the same level of support as pro-

vided under the regular loan program for wheat or feed grains or at such higher level as the Secretary deems appropriate. (Sec. 1001)

The *House* amendment requires that loans made under the producer storage program shall be made at such level of support as the Secretary deems appropriate except that the loan rate may not be less than 110 percent of the current support level under the regular wheat or feed grain program and in no event less than \$3.85 per bushel in the case of wheat and \$2.80 per bushel in the case of corn. (Sec. 902)

The *Conference* substitute adopts the *Senate* provision with an amendment providing that loans under the producer storage program shall be made at a level not less than the current support level under the regular wheat and feed grain programs.

The conferees expect that the Secretary in making use of this authority would provide a loan rate for the producer reserve sufficiently in excess of the regular loan rate as to encourage producer participation in the program.

(c) The *Senate* bill provides that the program may provide for certain other terms and conditions. (Sec. 1001)

The *House* amendment requires that the program provide for certain other terms and conditions. (Sec. 902)

The *Conference* substitute adopts the *Senate* provision.

(d) The *Senate* bill authorizes the Secretary to provide for redemption and marketing of wheat and feed grains stored under the program without regard to the maturity dates of the loans (release of the commodities) whenever the Secretary determines that the market price for the commodity has reached a specified level as determined by the Secretary. (Sec. 1001)

The *House* amendment provides that whenever the Secretary determines that the market price of wheat or feed grains has, on each of 15 consecutive market days, reached a level in excess of 125 percent of the then current level of support under the regular wheat or feed grain program, the Secretary may remove the penalties for early repayment. Whenever the market price during such 15-day period exceeds 135 percent of the regular support level, the Secretary may terminate storage payments; and whenever the market price during such 15-day period exceeds 145 percent in the case of feed grains and 160 percent in the case of wheat of the regular support level, the Secretary may impose market rates of interest. (Sec. 902)

The *Conference* substitute adopts the *Senate* provision.

(e) The *House* amendment requires the Secretary to prescribe conditions under which the Secretary may extend for all producers in a State, for a period of 30 days and for such additional 30-day periods as necessary, the date for termination of storage payments or imposition of market rates of interest in the settlement of loans redeemed if (i) the Agricultural Stabilization and Conservation State committee for such State submits a request for the delay and (ii) the Secretary does not deny the request in writing within 10 days after the request is submitted. (Sec. 902)

The *Senate* bill contains no comparable provision.

The *Conference* substitute deletes the *House* amendment.

The *Conference* substitute confers broad discretion on the Secretary to establish terms and conditions for the producer reserve pro-

gram. In exercising this discretion, the conferees urge that when the market price for the commodity has reached the release level, the Secretary give serious consideration to delaying the date for termination of storage payments and the imposition of market rates of interest in settlement of loans in any State or area upon receipt of recommendations therefor from the State ASC committee. This is important since the announcement of market prices having reached the release level may trigger deliveries of grain in such quantities in certain areas as to create serious disruption of transportation facilities, thereby causing delay in the expeditious settlement of loans and hardship to producers in any private sale of grain and otherwise to the local economy. Furthermore, the release of grain is based on a national average price. In certain areas of the country the actual market price may be substantially below the national average release level. To require the release of grain in such areas at the same time as elsewhere in the country could cause serious economic dislocation to producers.

(f) The *Senate* bill provides that the rate of interest to be charged participants in the producer storage program shall not be less than the rate of interest charged the Commodity Credit Corporation by the Treasury except that the Secretary may waive or adjust interest. In addition, the Secretary is authorized to increase the rate of interest in such amounts and at such intervals as the Secretary determines appropriate when the market price for wheat or feed grains reaches the release level. (Sec. 1001)

The *House* amendment provides that the rate of interest charged participants shall be based upon the rate charged CCC except that the Secretary may waive or adjust interest. In addition, the rate of interest with respect to wheat or feed grains under the producer storage program stored during the 15-day period when market prices exceed the levels specified in item (d) above shall, beginning immediately after the end of such period, be the market rate of interest as determined by the Secretary. (Sec. 902)

The *Conference* substitute adopts the *Senate* provision.

(g) The *Senate* bill requires the Secretary to report to the President and the Senate and House agriculture committees at least 14 days before taking action with respect to a determination (and the reason therefor) that an emergency condition exists that makes it necessary to require producers to repay loans plus accrued interest and other charges prior to the maturity dates of the loans. (Sec. 1001)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(h) The *Senate* bill requires the Secretary to specify the quantity of wheat or feed grains to be stored under the program and authorizes an upper limit on the amount of wheat and feed grains placed in the reserve, except that the upper limit may not be less than 700 million bushels for wheat and 1 billion bushels for feed grains. (Sec. 1001)

The *House* amendment prohibits the Secretary from placing any limit on the quantity of wheat or feed grains that may be stored under their program. (Sec. 902)

The *Conference* substitute adopts the *Senate* provision.

(i)(A) The *Senate* bill provides that whenever the producer storage program is in effect the Commodity Credit Corporation may not sell any of its stocks of wheat or feed grains at less than 110 percent of the current release price level under the program. (Sec. 1001) (NOTE: Under current law this minimum is 105 percent of the current call level under the producer storage program.)

The *House* amendment establishes the minimum resale level for CCC wheat and feed grains, whenever a producer storage program is in effect, at 105 percent of the price level at which the Secretary may encourage repayment of producer storage loans by the imposition of market rates of interest, that is, whenever the market price for 15 consecutive market days exceeds 145 percent in the case of feed grains and 160 percent in the case of wheat of the current level of support under the regular feed grain and wheat programs. (Sec. 902)

The *Conference* substitute adopts the *Senate* provision.

(B) The *House* amendment provides that the restriction on the sale of CCC stocks when a producer storage program is in effect shall not apply to—

(i) sales or other disposals under the fifth and sixth sentences of section 407 of the Agricultural Act of 1949 (emergency feed program) and section 813 of the Agricultural Act of 1970 (disaster reserve); and

(ii) sales of corn for use in the production of alcohol for motor fuel. (Sec. 902)

The *Senate* bill contains no comparable provision. (NOTE: Sections 1003 and 1106 of the *Senate* bill repeal the provisions referred to in clause (i) above.)

The *Conference* substitute adopts the *House* amendment.

(j) The *House* amendment authorizes the Agricultural Stabilization and Conservation county committee to forgive part or all of the penalties and requirements that would normally be imposed whenever a producer samples, turns, moves, or replaces grain or any other commodity which is security for a Commodity Credit Corporation producer loan or is held under a reserve program in violation of the law or regulations. In order to exercise such authority the county committee would have to determine that the violation occurred inadvertently, by accident, because of lack of knowledge or understanding of the law or regulations, or because the producer or his agent acted to prevent spoilage of the commodity, and that the violation did not result in harm or damage to the rights or interests of any party and a majority of the committee so certifies to the State ASC committee. (Sec. 902)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment with an amendment providing that either the Administrator of the Agricultural Stabilization and Conservation Service or the State ASC committee shall have 60 days to disapprove the action of the county committee to forgive a violation and any such action not disapproved within 60 days shall be considered approved.

(k) The *Senate* bill requires the Secretary to use the Commodity Credit Corporation, to the extent feasible, to fulfill the purpose of the producer storage program. (Sec. 1001)

The *House* amendment permits the Secretary to use the CCC for such purpose. (Sec. 902)

The *Conference* substitute adopts the *Senate* provision.

(2) International emergency food reserve

The *Senate* bill repeals section 111 of the Agricultural Act of 1949 which encouraged the President to enter into negotiations to develop an international system of food reserves and to establish and maintain a food reserve as a contribution by the United States toward such a system. (Sec. 1002)

The *House* amendment contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

The conferees note that in 1980 the United States adopted the Food Security Wheat Reserve Act to establish a national reserve solely to assist in meeting emergency humanitarian food needs in developing countries. Section 111 of the Agricultural Act of 1949 encourages the United States to enter into negotiations with other countries to establish similar food reserves. By deleting the *Senate* provision, the conferees do not intend that this action should be interpreted as indicating United States support for international controls of any such reserves.

(3) Disaster reserve (Sec. 1003)

The *Senate* bill repeals section 813 of the Agricultural Act of 1970 which provides that the Secretary shall establish a disaster reserve of not to exceed 75 million bushels of wheat, feed grains, and soybeans in order to alleviate distress resulting from a natural disaster. The commodities to be designated for the disaster reserve are to be acquired through the price support program if available or through purchase, in which event hay or other livestock forage may also be acquired. (Sec. 1003)

The *House* amendment contains no comparable provision.

The *Conference* substitute makes the disaster reserve provisions of section 813 discretionary with the Secretary.

(4) Conforming amendment (Sec. 1004)

The *Senate* bill amends the Agricultural Trade Suspension Adjustment Act of 1980 to change the level at which stocks of commodities in a trade suspension reserve may be released, from 105 percent of the call level under the producer storage program to 105 percent of the release level under that program. (Sec. 1004) (NOTE: The call level is eliminated by the bill.)

The *House* amendment contains no comparable provision.

The *Conference* substitute sets the stock release level at 110 percent of the release level under the producer storage program.

SUBTITLES B—NATIONAL AGRICULTURAL COST OF PRODUCTION STANDARDS REVIEW BOARD

(5) Membership of Board (Sec. 1006)

The *Senate* bill provides for an 11 member National Agricultural Cost of Production Standards Review Board. The Board is to be composed of 7 members who are engaged in the commercial production of a major agricultural commodity, 3 members with knowl-

edge of the costs of producing major agricultural commodities who may be drawn from the fields of agricultural economics, banking, finance, accounting, or related areas, and an employee of the Department of Agriculture who shall advise the Board as to the methodology used by the Department in making its cost of production calculations. The Department representative serves for an indefinite period as the pleasure of the Secretary of Agriculture and may not serve as Chairman or Vice-Chairman of the Board. (Sec. 1602)

The *House* amendment provides for an 8 member Board composed of 7 members who produce a major agricultural commodity and who rely on that activity for their principal source of income, and 1 member with knowledge of the costs of producing agricultural commodities and with adequate background in the fields of agricultural economics and accounting. (Sec. 1002)

The *Conference* substitute adopts the *Senate* provision.

(6) Functions of the Board (Sec. 1007)

The *Senate* bill provides that the Board shall review the cost of production methodology used by the Department in determining cost of production estimates. (Sec. 1603)

The *House* amendment provides that the Board shall review the cost of production formulas and the implementation of those formulas in determining specific cost of production figures, including the information relied upon in arriving at such formulas. In addition, the Board may submit findings of actual costs of production to the Department. (Sec. 1003(a))

The *Conference* substitute adopts the *Senate* provision.

(7) Board meetings (Sec. 1008)

The *Senate* bill requires the Board to meet twice annually, or more frequently, if necessary. (Sec. 1604)

The *House* amendment requires the Board to meet annually, or more frequently, if necessary. Also, the Board shall, to the extent feasible, schedule its meetings to permit prepublication review of the annual Department of Agriculture cost of production reports. (Sec. 1003(d))

The *Conference* substitute adopts the *Senate* provision.

(8) Recommendations to Secretary (Sec. 1009)

The *Senate* bill requires the Secretary of Agriculture to report to the Board, within 120 days after written submission, on the disposition of recommendations of the Board to the Secretary. (Sec. 1605)

The *House* amendment requires the Secretary to make such reports promptly. (Sec. 1003(b))

The *Conference* substitute adopts the *Senate* provision.

(9) Reports (Sec. 1010)

The *Senate* bill requires the Board to submit a written report 90 days after the end of each calendar year and immediately prior to the Board's expiration. The report will deal with the Board's activities and recommendations and is to be submitted to the Secretary, in addition to the House and Senate Agriculture Committees. (Sec. 1606)

The *House* amendment requires an annual report without specifying when it is to be submitted and requires that the report include a listing of the recommendations made to the Secretary and their disposition. (Sec. 1003(c))

The *Conference* substitute adopts the *Senate* provision.

(10) *Transfer of functions*

The *House* amendment requires the Secretary of Agriculture to transfer to the Board any functions duplicating those provided for in this subtitle which are currently being carried out elsewhere in the Department. (Sec. 1007)

The *Senate* bill contains no comparable provision.

The *Conference* substitute deletes the *House* amendment.

(11) *Termination (Sec. 1014)*

The *Senate* bill provides that the Board shall cease to exist on September 30, 1985. (Sec. 1610)

The *House* amendment provides that the authority of the Board shall be applicable for the 1982 through 1985 crop years. (Sec. 1008)

The *Conference* substitute adopts the *Senate* provision.

TITLE XI—MISCELLANEOUS

SUBTITLE A—MISCELLANEOUS COMMODITY PROVISIONS

(1) *Payment limitations (Sec. 1101)*

The *Senate* bill provides that no payment (excluding disaster payments) may be made under any of the annual programs established under the Agricultural Act of 1949 for wheat, feed grains, upland cotton, and rice to any State or political subdivision or agency of a State. (Sec. 1101(6))

The *House* amendment retains current law which provides that the payment limitation shall not be applicable to lands owned by States, political subdivisions, or agencies thereof, so long as such lands are farmed primarily in the direct furtherance of a public function, as determined by the Secretary. (Sec. 901)

The *Conference* substitute adopts the *House* amendment.

(2) *Finality of determinations (Sec. 1102)*

The *Senate* bill makes permanent an amendment to section 385 of the Agricultural Adjustment Act of 1938 providing for finality of determinations by the Secretary with regard to any payment, loan, or other activity under the wheat, feed grain, upland cotton, and rice programs. (Sec. 1102)

The *House* amendment makes this same provision effective only for the 1982 through 1985 crops. (Sec. 903)

The *Conference* substitute adopts the *Senate* provision.

(3) *Supplemental set-aside authority (Sec. 1105)*

The *House* amendment authorizes the Secretary for the 1982 through 1985 crops of wheat and feed grains to provide for a set-aside of cropland, notwithstanding any prior announcement to the contrary, if an embargo is placed on exports of any such commodity. (Sec. 905)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment with an amendment applying the authority to either an acreage limitation or set-aside program.

(4) Normally planted acreage and target prices (Sec. 1106)

The *House* amendment provides that for the 1982 through 1985 crops of wheat and feed grains the Secretary may require, as a condition of eligibility for loans, purchases, and payments under the Agricultural Act of 1949, that producers not exceed the acreage on the farm normally planted to crops designated by the Secretary, adjusted as deemed necessary by the Secretary to be fair and equitable. The normal crop acreage for any crop year would be reduced by any set-aside and diverted acreage and would be determined based on the acreage planted to such crops during the preceding two years. The Secretary may require producers participating in the program to keep necessary records.

The *House* amendment also provides that whenever the Secretary requires producers not to exceed their normal crop acreage, the Secretary may increase the target price payments for the commodity involved (or if no payments are in effect for such crop provide for payments) in such amount as the Secretary determines appropriate to compensate producers for not exceeding their normal crop acreage and participating in the required set-aside. In determining the amount of payments, the Secretary shall take into account changes in cost of production resulting from not exceeding the normal crop acreage. If payments are provided for any commodity under this provision, the Secretary may provide for payments for any other commodity as necessary for effective operation of the program. The Secretary shall adjust payments under this provision to reflect any land diversion payments. (Sec. 908)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment with an amendment to (i) authorize the Secretary, whenever a set-aside is in effect, to require producers not to exceed the acreage on the farm normally planted to crops designated by the Secretary and reduced by any set-aside or diverted acreage and (ii) allow the Secretary discretion in establishing the base acreage.

The conferees urge the Secretary, in exercising the Secretary's discretionary authority to determine the acreage base for normal crop acreage purposes, to give consideration to current production patterns so as not to discriminate among the farm regions of the country.

(5) Reduction in interest to discourage price support loan defaults

The *House* amendment authorizes the Secretary to progressively reduce interest charges on Commodity Credit Corporation loans up to the amount of the cost of one year of storage charges in order to neutralize the incentive to default in a period of declining prices. Any such reduction may not exceed the total amount of interest due. (Sec. 909)

The *Senate* bill contains no comparable provision.

The *Conference* substitute deletes the *House* amendment.

(6) Normal supply (Sec. 1107)

The *House* amendment provides that, notwithstanding any other provision of law, if the Secretary determines that the supply of wheat, corn, upland cotton, or rice for the marketing year for any of the 1982 through 1985 crops of such commodities is not likely to be excessive and that program measures to reduce or control the planted acreage of the crop are not necessary, such a decision shall constitute a determination that the total supply of the commodity does not exceed the normal supply and no determination to the contrary shall be made by the Secretary with respect to such commodity for such marketing year. (Sec. 910)

(NOTE: The effect of the provision would be to cause determinations to be made as to whether there is a surplus of the specified commodities for the purpose of the reclamation programs administered by the Department of the Interior on the same basis and using the same criteria as used for the commodity programs administered by the Department of Agriculture.)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(7) Nonquota tobacco subject to quota (Sec. 1108)

The *House* amendment provides that Maryland (type 32) tobacco, when it is nonquota tobacco, may not be exempted from the provisions of section 320 of the Agricultural Adjustment Act of 1938. Section 320 makes nonquota tobacco produced in any area of the Nation where marketing quotas are in effect for any kind of tobacco subject to the quota for the quota tobacco traditionally produced in that area, except for tobacco that the Secretary finds is readily and distinguishably different from any kind of quota tobacco. (Sec. 916)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment, incorporating it in a restatement of section 320 of the Agricultural Adjustment Act of 1938. Section 320, which was originally enacted in 1974, is designed to preserve the effectiveness of the tobacco program by discouraging the production of tobacco not under quota in areas of the Nation where tobacco farmers have elected to comply with marketing quotas.

In the restatement, the *Conference* substitute makes it clear that section 320 does not apply to tobacco produced in any State where marketing quotas are in effect when such tobacco is represented to be nonquota tobacco *and* such tobacco is readily and distinguishably different from all kinds of quota tobacco, as determined through the application of standards issued by the Secretary for the inspection and identification of tobacco.

The conferees intend that the Secretary, in implementing section 320, construe the term "area" to mean the entire State in which any kind of quota tobacco is produced. This construction will avoid the disruption caused by the production of nonquota tobacco in States where producers have approved marketing quotas and will help ensure the effectiveness of the tobacco program in those States.

The *Conference* substitute also narrows the *House* amendment so as to exempt Maryland (type 32) tobacco from the application of

section 320 when it is nonquota tobacco *and* produced in a quota area on a farm for which a marketing quota for Maryland (type 32) tobacco was established when marketing quotas for that kind of tobacco were last in effect (1965). In accordance with existing law, the *Conference* substitute also exempts from the application of section 320 certain types of cigar tobacco that have never been under quota but are produced within a State where marketing quotas for other kinds of tobacco are in effect.

The conferees, in recognition of the need for the Secretary to distinguish between quota and nonquota tobaccos in the administration of the tobacco program, intend that the Secretary make that determination through the application of (i) the standards issued for the inspection and identification of quota tobaccos and (ii) such certification procedures as the Secretary deems appropriate and necessary.

(8) Tobacco program cost (Sec. 1109)

The *House* amendment expresses the intent of Congress that the tobacco program be administered in such a manner as to result in no net cost to the taxpayers, other than incidental administrative expense. The Secretary is directed to promulgate regulations within his existing authority to carry out this objective by January 1, 1982, and to make any recommendations for legislative changes to achieve this objective no later than January 1982. (Sec. 917)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment with a conforming amendment to make both dates January 1982.

(9) Support program for oil sunflower seeds

The *House* amendment requires the Secretary to support the price of the 1981 through 1985 crops of sunflower seeds through loans and purchases at such level, not less than \$8.00 per hundred-weight, as the Secretary determines appropriate in relation to competing commodities and taking into consideration domestic and foreign supply and demand factors. Loans under this program shall not be made earlier than the beginning of the fiscal year and shall mature before the end of such fiscal year. (Sec. 919)

The *Senate* bill contains no comparable provision.

The *Conference* substitute deletes the *House* amendment. The conferees, however, urge the Department of Agriculture to seriously consider using its discretionary authority to implement a sunflower loan program in the event of a serious disruption in the market for sunflowers.

SUBTITLE B—GENERAL PROVISIONS

(10) Special grazing and hay program (Sec. 1110)

The *Senate* bill amends the special wheat acreage grazing and hay program to clarify that it is discretionary with the Secretary and to change the reference to acreage set-aside provisions to reduced acreage and land diversion provisions. (Sec. 1105)

The *House* amendment contains no comparable provisions.

The *Conference* substitute adopts the *Senate* provision.

(11) Emergency feed program (Sec. 1111)

(a) The *Senate* bill deletes provisions requiring that the Commodity Credit Corporation, on such terms and conditions as the Secretary deems are in the public interest, provide farm commodities or products for purposes of relieving distress caused by (i) economic conditions or (ii) major disasters, and make feed available for assistance in preserving foundation herds of livestock in areas where the Secretary determines an emergency exists. (Sec. 1106(a))

The *House* amendment retains these provisions but makes them discretionary. (Sec. 911)

The *Conference* substitute adopts the *House* amendment.

(b) The *Senate* bill amends section 1105 of the Food and Agriculture Act of 1977 to give the Secretary discretionary authority to implement an emergency feed program for purposes of assisting poultry producers struck by natural disasters, the same as is currently authorized for livestock producers. (Sec. 1106(b))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(12) Farm income protection insurance program study (Sec. 1112)

The *Senate* bill directs the Secretary to appoint a 13-member special task force to study the concept of farm income protection insurance and the feasibility of such insurance as an alternative to the current price support, income maintenance, and disaster assistance programs of the Department of Agriculture. The task force would be composed of representatives of commodity and farm organizations, the insurance industry, Department of Agriculture officials, farmers, and individuals from academic fields. The task force will report to the Senate and House Agriculture committees within 18 months of the passage of the bill and will be dissolved not later than 45 days thereafter. (Sec. 1107)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(13) State agency authority for grain inspections at export port locations (Sec. 1113)

The *Senate* bill amends the United States Grain Standards Act to permit the Administrator of the Federal Grain Inspection Service, effective 180 days after enactment of the bill, to delegate authority to perform official grain inspection and weighing functions at export port locations to State agencies that performed official inspection at an export port location prior to July 1, 1976, and are designated to perform official inspection at locations other than export port locations on the date of enactment of this provision. (Sec. 1108)

NOTE.—Currently, only State agencies that were performing official inspections at export port locations on July 1, 1976, may be delegated such authority.)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision with an amendment adding an additional criterion to further limit the application of this provision to State agencies that operate in States from which total annual exports of grain do not exceed, as deter-

mined by the Administrator, 5 percent of the total amount of grain exported from the United States annually.

In connection with adopting this provision which broadens the Administrator's present authority to delegate official inspection authority at export port locations to certain State agencies that otherwise would be ineligible for such delegation, it is of the utmost importance that the highest level of integrity be preserved in the official inspection and weighing program. Accordingly, it is the intent of the conferees that the Administrator should, when reviewing the qualifications of each new applicant for such delegation, give due consideration to any history of performance of grain inspection functions under the Act as well as other relevant considerations. In addition, it is the intent of the conferees that no authority should be delegated to any agency under this provision unless the Administrator is satisfied that such agency will comply with all provisions of the Act, and of the regulations and instructions thereunder, and that the integrity of the inspection and weighing program will be maintained.

(14) Distribution of surplus commodities, special nutrition projects (Sec. 1114)

(a) The *Senate* bill provides that when government stocks of surplus commodities acquired under the price support programs exceed those amounts needed for distribution to domestic commodity programs and foreign food assistance, and amounts anticipated to be purchased by the commercial trade, such commodities shall be made available without charge or credit to nutrition projects established under the authority of the Older Americans Act of 1965 and to child nutrition programs. (Sec. 108)

The *House* amendment provides that government stocks of commodities acquired under the price support programs shall be made available without charge or credit to nutrition projects established under the authority of the Older Americans Act of 1965, to child nutrition programs, and to food banks participating in the food bank program established under section 211 of the Agricultural Act of 1980. (Sec. 914(a))

The *Conference* substitute adopts the *House* amendment with an amendment specifying that the surplus Government stocks of commodities to be made available under authority of this provision should be those that are not likely to be sold by the CCC or otherwise used in programs of commodity sale or distribution. In acquiring stocks under the price support programs, the Department should, wherever possible, purchase the commodity to be supported in a variety of forms so as to facilitate resale or distribution and thereby minimize storage costs. For example, when the department is acquiring cheese, it should, wherever practicable, purchase a variety of cheeses, not just Cheddar.

(b) The *House* amendment converts the food bank demonstration project established pursuant to section 211 of the Agricultural Act of 1980 into a permanent food bank program. Such sums as may be necessary to carry out the program would be authorized to be appropriated, and the Secretary would be directed to minimize the paperwork requirements placed on participating food banks. Section 4(b) of the Food Stamp Act of 1977 restricting distribution of

commodities in areas where the food stamp program is in operation shall not apply to the distribution of surplus commodities made through the food banks. (Sec. 914(b))

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment with an amendment to change the food bank demonstration projects to special nutrition projects and to change the date of the Secretary's final report regarding the projects from October 1, 1982, to January 1, 1984. In addition, the amendment directs the Secretary to submit a progress report on the special nutrition projects to Congress on July 1, 1983. It is the expectation of the conferees that at the time the final report is sent to Congress action will be taken to either continue or terminate the special nutrition projects.

(15) Department of Agriculture advisory committees (Sec. 1116)

The *Senate* bill revises title XVIII of the Food and Agriculture Act of 1977, relating to advisory committees at the Department of Agriculture, to eliminate unnecessary duplication with the provisions of the Federal Advisory Committee Act (FACA), to reduce the reporting and recordkeeping requirements, and to provide the Secretary with flexibility in the administration of the title. The provisions of title XVIII do not apply to Department of Agriculture advisory committees that are composed entirely of Federal Government employees, are established by statute or reorganization plan, or are established by the President.

The *Senate* bill—

(a) retains the purposes and definitions contained in current law;

(b) retains the membership limitations in current law that prohibit any person who is not a Department of Agriculture employee from simultaneously serving on more than one advisory committee; that prohibit more than one person from the same organization from serving on the same advisory committee; and that limit the term of any member to 6 consecutive years. However, the Secretary is authorized to waive any of the limitations in appropriate cases;

(c) reduces the requirements for the annual report to require only a copy of the report prepared under the FACA that is applicable to the advisory committee; a list of the members of each committee including their principal places of residence, employers, and other major sources of income as determined by the Secretary; and a statement of expenses, incurred by each member in connection with advisory committee business, for which reimbursement was received from any source other than the United States or the member's employer;

(d) retains the provisions regarding budget prohibitions that provide that no advisory committee shall expend funds in excess of 10 percent of its estimated annual operating costs, or \$500, whichever is greater, until such time as the committee explains the need for the additional expenditures to the Secretary; but deletes current provisions requiring advisory committees to prepare a comprehensive explanation as to why any additional expenditures were not known at the time the budget was estimated and prohibiting approval by the Secretary of ad-

ditional expenditures unless the Secretary finds they are essential to the advisory committee's mission; and

(e) retains the provisions for termination of advisory committees that expend funds in excess of their estimated annual operating costs by more than 10 percent, or \$500, whichever is greater, without prior approval of the Secretary; that fail to file all required reports; that fail to meet for 2 consecutive years; that are responsible for functions that would or should be performed by Federal employees; or that do not serve or have ceased to serve an essential function. In addition, the *Senate* provision deletes the requirements that an advisory committee be terminated for failure to comply with any provision of the FACA or this title, and that any advisory committee that is reestablished, after having been terminated, maintain files containing all records, reports, and files of the terminated committee. (Sec. 1109)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(16) Cost of production study (Sec. 1117)

The *Senate* bill amends current law to revise the factors to be included by the Secretary in the annual cost of production study. Variable costs would specifically include interest costs. The study requirements that the return on fixed costs be "equal to the existing interest rates charged by the Federal Land Bank", that the return for management be "comparable to the normal management fees charged by other comparable industries", and that the studies be based on the size unit that requires one man to farm on a full-time basis would be deleted. (Sec. 1131)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(17) Unlawful to offer for sale or advertise protected seed when not certified by a State agency (Sec. 1118)

The *Senate* bill amends the Federal Seed Act to make unlawful the advertising or offering for sale, by variety name, of uncertified seed, when said seed is a variety which may be sold only as a class of certified seed.

(NOTE.—Current law makes only the actual sale of such uncertified seed unlawful.) (Sec. 1126)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(18) Federal Plant Pest Act (Sec. 1119)

(a) Both the *Senate* bill and the *House* amendment provide the Secretary with new authority to take remedial measures with respect to plant pests whenever the Secretary determines that an extraordinary emergency exists. The *House* amendment requires that any action taken by the Secretary under such authority must be consistent with the provisions of the Federal Insecticide, Fungicide, and Rodenticide Act. (Sec. 918)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(b) The *House* amendment requires that the Secretary consult with the Governor of the State involved before making a finding that the State's measures are inadequate, prior to taking remedial Federal action with regard to an extraordinary plant pest emergency. (Sec. 918)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment. The conferees note, however, that this provision does not preclude the Secretary from consulting on this matter with whomever else the Secretary chooses, including other appropriate officials of the State involved.

(c) The *House* amendment requires that before the Secretary takes action with regard to an extraordinary plant pest emergency, the Secretary must issue a public announcement and file a statement for publication in the Federal Register detailing the action the Secretary intends to take and the reasons for the action. This procedure must also be followed whenever the Secretary wishes to change any action previously taken. (If the Federal Register statement cannot be filed prior to taking the action, it must be filed on the first business day following the action.) (Sec. 918)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment with an amendment providing that if the Federal Register statement cannot be filed prior to taking the action, it must be filed within a reasonable time, not to exceed 5 business days, after commencement of the action.

(d) The *House* amendment requires that the cost of any action taken by the Secretary under the extraordinary emergency provisions be at the expense of the United States. (Sec. 918)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment. The conferees understand that the language in the bill that reads "The cost of any action taken by the Secretary under this subsection shall be at the expense of the United States" means those costs in excess of ongoing Federal-State cooperative cost-sharing programs that are attributable to the declaration of an extraordinary emergency and does not mean the United States shall be held responsible for those portions of the program that were initiated independently of the extraordinary emergency and before a declaration of extraordinary emergency was made, but may be continued throughout the duration of the extraordinary emergency. Nor does it mean that the United States shall be held responsible for actions taken by the State that do not have the concurrence of the Secretary of Agriculture. It is the conferees' understanding that the State will make good faith efforts to eradicate infestations of plant pests without reliance upon the Federal Government, and, in this regard, bear the cost of such efforts.

Further, the conferees note that the language in the bill does not conflict with the views of the Senate Appropriations Committee expressed in its report on the Agriculture, Rural Development, and Related Agencies Appropriations bill for fiscal year 1982 (S. Rept. No. 97-248). In that report, the Committee stated: "The Committee expects the Department to continue its efforts in assuring that Federal expenditures do not displace reasonable levels of State, local,

or private contributions for cooperative control programs, and furthermore, expects the policy of prior notification of Congress of any proposed exercise of the emergency authority [specified in P. L. 97-46] to be continued."

(e) The *House* amendment gives the Secretary discretion to pay compensation for losses incurred as a result of the Secretary's actions to control the plant pests under the extraordinary emergency provision. (Sec. 918)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(19) Continuation of Federal crop insurance pilot programs

The *House* amendment requires the Federal Crop Insurance Corporation to continue for the 1982 through 1985 crop years, its pilot program through which Federal crop insurance is made available through certain selected county offices of the Agricultural Stabilization and Conservation Service. The Secretary is required to report to Congress by February 1, 1985, on the comparative costs of all delivery systems used in crop years 1981 through 1984. (Sec. 1601)

The *Senate* bill contains no comparable provision.

The *Conference* substitute deletes the *House* amendment.

(20) White House conference on agriculture

The *House* amendment requests the President to call a White House Conference on Agriculture to be held not later than one year after enactment of the bill. The purpose of the conference would be to study current problems in the agricultural sector and to develop recommendations regarding short-term and long-term solutions to these problems. Members of the conference would be appointed by the President from among heads of agricultural producer organizations and consumer organizations, representatives of the banking industry and agribusiness and agricultural producers. A report would be required to be submitted to the President and Congress within 1 year after the members are appointed. (Sec. 1701)

The *Senate* bill contains no comparable provision.

The *Conference* substitute deletes the *House* amendment.

(21) User fees for reports and publications (Sec. 1121)

The *House* amendment authorizes the Secretary of Agriculture, upon request, to furnish pamphlets, reports, and other publications prepared by the Department of Agriculture in carrying out agricultural economic research and statistical reporting functions and to charge reasonable fees for such materials. All moneys received in payment shall be deposited in a separate Treasury account and may be used to pay direct expenses of such materials or to make advances to the appropriations which will bear these costs. (Sec. 1901)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment. The conferees intend that this provision shall empower the Secretary to furnish, upon request, copies of pamphlets, reports, publications, and other media prepared by the Department and to charge such

fees therefor as the Secretary determines to be reasonable. All moneys received in payment for work or services performed or for documents, reports, publications, or other media provided shall be deposited in a separate account or accounts to be available until expended and may be used to pay directly the cost of such work, service, documents, reports, publications, or other media and to repay or make advances to appropriations of funds which do or will initially bear all or part of such costs.

(22) *Inspection and other standards for imported meat products (Sec. 1122)*

The *Senate* bill amends the Federal Meat Inspection Act, effective October 1, 1981, to require that all meat products *imported into* the United States meet the standards for inspection, sanitation, quality, species verification, and residue testing applicable to domestically produced meat products, and prohibits the importation into the United States of any meat products that do not meet these standards. The *Senate* bill also prohibits the importation into the United States of all meat products that were produced using agricultural chemicals, animal drugs, or *medicated feeds not approved* for the same use in the production of domestic meat products. (Sec. 1439)

The *House* amendment requires that all carcasses, parts of carcasses, meat, and meat food products of cattle, sheep, swine, goats, horses, mules, or other equines, capable of use as human food, *offered for importation* into the United States meet the standards for inspection, sanitation, species verification, and residue testing applicable to the same articles when produced domestically. In addition, it prohibits the importation of *meat or meat food products* produced using agricultural chemicals or animal drugs the use of which: (i) has been prohibited in the production of similar domestic products for reasons of health or safety by final judicial or administrative action that has become effective; or (ii) has been determined by the Secretary to render the products adulterated. The President may waive the restriction on imports in clause (i) if the President finds that it will result in serious damage to the exportation of agricultural products from the United States and reports the basis of that finding to Congress 10 days before the waiver becomes effective.

The *House* amendment provides that the provision will be effective 30 days after enactment, except for the prohibition on the importation of meat and meat food products produced with chemicals or drugs prohibited from use in the production of domestic products, which shall become effective 1 year after enactment and, thereafter, on the same date that a prohibition on domestic use of a chemical or drug becomes effective, unless that date is less than 6 months after the date of the order imposing the prohibition in which case the effective date with respect to imported products will be 6 months after the date of such order. (Sec. 1801)

The *Conference* substitute is a combination of the *Senate* provision and the *House* amendment. It provides that all imported carcasses, parts of carcasses, meat, and meat food products of cattle, sheep, swine, goats, horses, mules, or other equines, capable of use as human food, shall be subject to the same inspection, sanitary, qual-

ity, species verification, and residue standards as are applied to similar produced in the United States, and that any imported meat articles that do not meet such standards shall not be permitted entry into the United States. In addition, the Secretary is directed to enforce the provision through (i) random inspections for species verification and for residues, and (ii) random sampling and testing of internal organs and fat of the carcasses for residues at the point of slaughter by the exporting country through cooperative agreement or other arrangement. This sampling and testing must be done in accordance with methods approved by the Secretary. The provisions become effective 6 months after the date of enactment of the bill. Under the Federal Meat Inspection Act the Secretary has authority to issue regulations to carry out the provisions.

(23) Bankruptcy Act definitions

The *Senate* bill amends the Bankruptcy Act by adding the following definitions:

(a) "farm produce" includes all crops, poultry, livestock or dairy products in an unmanufactured state;

(b) "farm produce storage facility" includes businesses that store farm produce on bailment contract or purchase it in bulk quantities from farmers;

(c) "storage facility receipt" includes any document routinely issued as evidence of ownership of farm produce stored in a storage facility. (Sec. 1116)

The *House* amendment contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

(24) Who may be a debtor

The *Senate* bill amends the Bankruptcy Act by restricting the debtor operator of a farm produce storage facility to the remedies found in chapters 7 (liquidation) and 11 (corporate reorganization) of the Bankruptcy Act. (Sec. 1117)

The *House* amendment contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

(25) Priorities

The *Senate* bill amends the Bankruptcy Act by creating a priority for claims made by farm producers who suffer loss in connection with the sale or conversion of farm produce to or by a debtor engaged in the business of operating a farm produce storage facility. This priority is limited to \$2,000 per farm producer and applies to sales or conversions that take place within 180 days before (1) the filing date of the bankruptcy petition or (2) the date the debtor ceases to do business, whichever occurs first. As a member of the class of general creditors such a farm producer is given priority over payment of taxes and claims for services rendered but ranks below claims for administrative expenses, wages, salaries and commissions, and claims for contributions to employee benefit plans. (Sec. 1120)

The *House* amendment contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

(26) Expedited abandonment of farm produce

The *Senate* bill amends the Bankruptcy Act by adding a new section (section 555). This section creates a statutorily mandated timetable applicable to the abandonment of farm produce in bankruptcy proceeding filed by a debtor who operates a farm produce storage facility. Abandonment is a procedural step in bankruptcy whereby the bankruptcy court removes property from its jurisdiction when (i) the court determines that the bankrupt did not have an ownership interest in the property or (ii) the property was subject to a valid security interest held by a third party. This section—

(a) requires that the trustee, within 10 days after the filing of the bankruptcy petition, examine the bankrupt's books and records for purposes of identifying those persons who have, or may claim to have, an ownership interest or a security interest in any farm produce turned over to the trustee by the debtor;

(b) requires that the trustee, within 30 days after the filing of the bankruptcy petition, conduct and audit of the farm produce delivered to the trustee by the debtor, sell the produce for its then market value, and place the proceeds in an interest bearing account;

(c) requires that the bankruptcy court, within 60 days after the filing of the bankruptcy petition, conduct a hearing, after giving notice to all interested parties, and rule on all requests for abandonment then pending. All requests for abandonment must be filed at least 5 days prior to the date of the hearing, except for instances involving excusable neglect. No abandonment request may be considered by the court after the distribution of the farm produce proceeds, except in cases where notice of the pendency of the proceeding was not received by a claimant for reasons beyond the control of the claimant;

(d) requires that the bankruptcy court order abandonment of the proceeds of the farm produce held by the trustee with respect to each claim of an affected creditor or other person who establishes, to the court's satisfaction, that—

(i) the produce was held by the debtor as a bailee only and title to the produce was vested in the claimant, or

(ii) the produce is determined to be a part of the debtor's estate and is of inconsequential value or is burdensome to the estate because the claimant holds a valid security interest in the produce;

(e) provides that a claimant's production of a valid storage facility receipt (or an affidavit verifying ownership of such a receipt in the case where the original receipt has been placed on deposit as collateral for a loan without any assignment of ownership interest) shall be sufficient to establish a right to a share of the proceeds equal in value to the quantity, quality, and type of farm produce specified in the document;

(f) requires that the bankruptcy court, within 90 days after the filing of the bankruptcy petition, direct the trustee to abandon the farm produce proceeds (identified pursuant to the procedures of this section) in the following manner:

(i) Each claimant who establishes that he had stored produce with the bankrupt (but title remained with the claimant) shall receive a pro rata share, in comparison to the

shares of like claimants, of the proceeds held by the trustee which are equivalent in value to the quantity, quality, and type of commodities that were originally delivered by the claimant. The value of the produce shall be calculated using the price received by the trustee at the time of its sale. Any storage or handling charges due the bankrupt or the bankrupt's estate shall be deducted before payment is made to the claimant.

(ii) Each claimant who establishes that the debtor's estate contains farm produce which is of inconsequential value or is burdensome to the estate, and in which the claimant holds a security interest, shall receive a pro rata share of the remaining proceeds of the liquidated farm produce, said pro rata share being measured by the value of the claimant's secured interest in the farm produce sold. Any handling charges shall be deducted before distribution is made to the claimant.

(iii) Distribution of the farm produce proceeds which the court orders abandoned must commence within 20 days of the entry of the orders of abandonment;

(g) provides that the compensation and expenses of the court and the trustee which were incurred in connection with the liquidation and abandonment of the farm produce shall be paid—

(i) from funds retained by the trustee in payment of storage and produce delivery charges;

(ii) from accrued interest on farm produce proceeds; and

(iii) from the gross farm produce proceeds held by the trustee prior to the distribution of any such proceeds.

No other expenses of the court or trustees may be deducted from farm produce proceeds;

(h) provides that, if there are farm produce proceeds left over after all claimants have been paid, said unclaimed proceeds shall be held by the court in an interest bearing account for 1 year for the benefit of any person who may present an untimely claim for abandonment in accordance with the section. At the end of the year, the funds shall be distributed pursuant to the provisions of the Bankruptcy Act applicable to estate liquidation;

(i) discourages the frivolous appeal of abandonment orders and resultant stays by requiring the appellant to post an appeal bond equal to the amount of farm produce proceeds affected by the stay. In addition, those persons who successfully defend the appeal of an abandonment order shall be awarded interest and a payment equal to the difference between the farm produce liquidation price and the highest intermediate price reached by the farm produce during the pendency of the appeal;

(j) precludes the treatment of bailed property held by the bankrupt as assets of said bankrupt in a chapter 11 corporate reorganization, unless the owner of the bailed property consents to said treatment;

(k) permits the bankruptcy court to extend the timetable for abandonment of farm produce specified in this section when (a)

the case is complex, and (b) the interests of the claimants will not be materially injured by additional delay; and

(l) authorizes the appointment of the director of a State agency which has responsibility for presiding over the liquidation of insolvent farm storage facilities licensed in that State or the Administrator of the Agricultural Marketing Service, USDA, in the case of facilities licensed under the U.S. Warehouse Act, as co-trustee for purposes of executing the provisions contained in this section. The co-trustee shall not be responsible for performing any of the duties required of a trustee pursuant to any of the other provisions of the Bankruptcy Act and shall not receive any compensation from the assets of the estate for the services performed pursuant to this section. (Sec. 1121)

The *House* amendment contains no comparable provision. The *Conference* substitute deletes the *Senate* provision.

(27) *Deposits of agricultural products for storage*

(a) The *Senate* bill amends the United States Warehouse Act to provide that any party who deposits agricultural products for marketing, handling, shipping, or other disposition (as well as storage) in a federally licensed warehouse is deemed to have deposited the same subject to the terms of the United States Warehouse Act and any rules and regulations prescribed thereunder. (Sec. 1122(a))

The *House* amendment contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

(b) The *Senate* bill creates a 60-day statutory lien in favor of farm producers who sell farm produce to a warehouseman licensed under the United States Warehouse Act and who have not received the consideration agreed upon. The size of the lien is equal to the consideration agreed upon for the purchase of the produce. The lien runs against products in the facility in excess of those required to satisfy receipted obligations, against like products in transit for which payment has not been made, and against unencumbered products held in other locations for the benefit of the warehouseman. The lien attaches at the time of the formation of the contract for sale. (Sec. 1122(b))

The *House* amendment contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

(28) *Statutory liens*

The *Senate* bill provides that the power of the trustee in bankruptcy to avoid the fixing of a statutory lien on property of the debtor does not apply to a lien created by the provision described in item 27(b) above. (Sec. 1125)

The *House* amendment contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

TITLE XII—AGRICULTURAL EXPORTS AND PUBLIC LAW 480

SUBTITLE A—GENERAL EXPORT PROVISIONS

(1) *Agricultural Export Credit Revolving Fund (Sec. 1201)*

(a) The *Senate* bill designates the fund established in this section as the "Agricultural Export Credit Revolving Fund". (Sec. 1201)

The *House* amendment designates the fund as the "Commodity Credit Corporation Revolving Fund for Export Market Development and Expansion". (Sec. 915)

The *Conference* substitute adopts the *Senate* provision.

The conferees note that this section authorizes short-term credit to be made from a new revolving fund to facilitate agricultural exports that would develop U.S. export markets or expand existing ones. The authority provided under this section does not in any way limit the authority conferred on the Commodity Credit Corporation by section 5(f) of the Commodity Credit Corporation Charter Act or any other provision of law but is intended to provide an additional mechanism for promoting export sales of U.S. agricultural commodities.

With budget pressures as restrictive as they are now, the conferees would certainly be reluctant to recommend any new funding unless they believed the program would provide multiple paybacks to a large portion of the economy. The conferees believe this to be the case with the CCC revolving fund.

Moreover, the conferees are not recommending a long-term budget commitment. The revolving fund requires only a one-time appropriation for the initial loans. Principal and interest from repayment would generate moneys for future loans. To ensure the ultimate success of the program, the conferees believe that implementation should not be unduly delayed.

While farm exports have been increasing at a brisk pace over the years, the 1981 level shows a disturbingly smaller increase than that in recent years. In 1980 alone, exports of agricultural commodities contributed a net gain of \$29 billion to the U.S. balance of trade to help pay for imported oil. If the level of farm exports is allowed to stagnate, the U.S. trade picture could become quite bleak. It is important to make additional credit available through a revolving fund in an effort to prevent that from happening.

The conferees are confident that the investment made through a one-time appropriation for the revolving fund will return its value to the economy many times over, and the conferees are hopeful that this measure will be funded in fiscal year 1983.

(b) The *House* amendment provides that moneys from the fund shall be used for purposes of *expansion*, as well as for market development, in areas where there is substantial potential for *enhancing*, as well as developing, regular commercial markets for U.S. agricultural commodities. (Sec. 915)

The *Senate* bill contains no provision referring to the *expansion* or *enhancement* of markets. (Sec. 1201)

The *Conference* substitute adopts the *House* amendment.

(c) The *House* amendment requires that the Secretary of Agriculture ensure that the revolving fund is used to equitably finance sales to the greatest feasible number of countries *consistent with maximizing market opportunities*. (Sec. 915)

The *Senate* bill contains the same provision except that it does not use the phrase "maximizing market opportunities." (Sec. 1201)

The *Conference* substitute adopts the *House* amendment.

(d) The *Senate* bill specifies that all funds received by the Commodity Credit Corporation in payment for credit extended from the

revolving fund shall be added to and become a part of the fund. (Sec. 1201)

The *House* amendment is the same, except that it specifically refers to *interest or other receipts on investments and credit obligations* as included within the meaning of *all funds*. (Sec. 915)

The *Conference* substitute adopts the *House* amendment.

(e) The *House* amendment requires that the Secretary's annual report to Congress include the names of the United States organizations whose exports are supported through the use of the fund and the total amount of credit provided to each organization. (Sec. 915)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment with an amendment providing that the report include the names of the exporters in the United States that receive any credit provided under this provision and the total amount of credit provided to each such exporter stated separately for each commodity for which the credit was extended.

(2) Congressional consultation on bilateral commodity supply agreements (Sec. 1202)

The *Senate* bill requires the President to notify and consult with the Senate and House Agriculture Committees, at least 30 days before the United States enters into any bilateral international agreement, other than a treaty, involving a commitment on the part of the United States to assure access by a foreign country or instrumentality to U.S. agricultural commodities or products on a commercial basis, to explain the terms of and reasons for entering into the agreement and to receive recommendations, if any. (Sec. 1202)

The *House* amendment contains no comparable provision.

The *Conference* substitute would encourage the President to notify and consult with the appropriate congressional committees as soon as practicable before the United States enters into any bilateral international agreement, other than a treaty, involving a commitment on the part of the United States to assure access by a foreign country or instrumentality to U.S. agricultural commodities or products on a commercial basis and to explain the terms of and reasons for entering into the agreement.

Also, the conferees intend that the phrase "appropriate committees of Congress" means the House Agriculture Committee, the Senate Agriculture, Nutrition, and Forestry Committee, the House Foreign Affairs Committee, and the Senate Foreign Relation Committee.

(3) Congressional review of certain export sales of Commodity Credit Corporation stocks

The *House* amendment provides that no agreement, entered into after the date of enactment of this provision, providing for the sale, barter, or exchange for export of Commodity Credit Corporation (CCC) owned or controlled commodities, having a fair market value on the world market in excess of \$5 million, for which the amount to be received by the CCC is less than 85 percent of the value, shall be valid—

(i) until the Secretary of Agriculture reports to Congress the details of the agreement; and

(ii) unless Congress does not adopt a concurrent resolution disapproving the agreement within 30 days of continuous session after receipt of the Secretary's report.

In addition, for purposes of this section, continuity of session is broken only by adjournment sine die and is defined to exclude days on which either House is not in session because of adjournment longer than 3 days to a day certain. (Sec. 1115)

The *Senate* bill contains no comparable provision.

The *Conference* substitute deletes the *House* amendment.

(4) *Special standby export subsidy program (Sec. 1203)*

(a) The *Senate* bill directs the Secretary of Agriculture to formulate a special standby export subsidy program for agricultural commodities designed to neutralize export subsidy programs of other countries. The program would be implemented only after the President makes a determination under section 301 of the Trade Act of 1974 that an act, policy, or practice of another country results in substantial displacement of U.S. agricultural exports or results in prices for agricultural commodities in foreign markets materially below prices U.S. suppliers must charge to supply the same market; that the act, policy, or practice of the foreign country involves the use of export subsidies to support that country's commodities in foreign markets other than the United States; and that a mutually acceptable resolution of the matter cannot be obtained through consultations. The special export subsidy program, however, could not be used with respect to cotton. In implementing this program the Secretary is authorized to use the Commodity Credit Corporation. (Sec. 1203(a)-(d))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision with amendments to (i) make implementation of the special standby export subsidy program discretionary and (ii) provide that the authority provided by this provision is in addition to, and not in lieu of, any other authority vested in the Secretary of Agriculture or the Commodity Credit Corporation by any other provision of law.

Even though implementation of the special standby export subsidy program is made discretionary, the conferees expect the Secretary to use the authority provided in this section, if the President makes the appropriate determinations, unless the President also determines that other appropriate measures authorized by law would be more effective.

(b) The *Senate* bill contains a finding that Canadian and European Economic Community subsidy programs are causing substantial displacement in export sales of U.S. potatoes. The Secretary is strongly urged to implement a special standby export subsidy program to neutralize the effects on sales of United States potatoes resulting from these subsidy programs. (Sec. 1203(e))

The *House* amendment contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

The conferees are deeply concerned about the loss of sales of fresh and processed potatoes produced in the United States, espe-

cially in the Northeast, because of heavy foreign shipments, particularly from Canada and the European Economic Community.

Because of the gravity of the situation, the Department of Agriculture has formed a potato task force to study these and related problems. The conferees call on the Department to complete this study as promptly as possible.

Upon the completion of the study, if the Secretary suspects that serious injury to the domestic potato industry or substantial displacement of export sales of U.S. potatoes is occurring because of foreign subsidies, the Secretary is urged to initiate prompt remedial steps under existing authorities, including that conferred in section 1203, as appropriate, and recommend to Congress further legislation if needed.

(5) Agricultural embargo protection (Sec. 1204)

The *Senate* bill requires the Secretary of Agriculture to compensate farmers in the event of the imposition of a suspension or restriction (embargo), for reasons of national security or foreign policy, on the export of any agricultural commodity to any foreign country after the date of enactment of this title, if the export sales of the embargoed commodity to the foreign country during the year preceding the year in which the embargo was imposed exceed 3 percent of the total export sales of the commodity by the United States to all foreign countries during that same time period, and if the embargo is not imposed in connection with an embargo of all United States exports to such foreign country. If these conditions are met, the Secretary is required to make payments or loans, or both, in specified amounts to producers of the embargoed commodity as follows:

(i) payments would be made in equal amounts at 90-day intervals, beginning 90 days after imposition of the embargo, at a rate equal to the difference between 100 percent of the parity price for the commodity on the date of imposition of the embargo and the average market price for the commodity during the 60-day period immediately following the imposition of export controls. In the case of commodities for which payments to producers are authorized under title I of the Agricultural Act of 1949, the total payment would be based on the rate of payment as determined above times the producer's farm program payment yield, or the farm yield, times the farm program acreage. In the case of other agricultural commodities for which price support is authorized under the Agricultural Act of 1949, total payments would be based on the rate of payment times the amount of the commodity sold by the producer during the period that the export control is in effect. Payments would be made available as long as the embargo is in effect; and

(ii) loans, in lieu of or in addition to payments, would be made available to producers (if a loan program is in effect for the commodity) at 100 percent of parity during the period that the embargo is in effect.

The Secretary is authorized to issue regulations and is directed to use the Commodity Credit Corporation in carrying out these provisions. (Sec. 1204)

The *House* amendment requires the Secretary to increase the loan rate under the Agricultural Act of 1949, if a loan program is in effect for the commodity involved, in the event of a suspension (embargo) on the export sales of certain agricultural commodities to any foreign country to which commercial export sales of the embargoed commodity exceed 50 percent of the average total U.S. commercial export sales to the foreign country for the previous 5 years, or with which the United States otherwise continues commercial trade. This provision would only apply to commodities for which the embargo could reasonably be presumed by the Secretary to reduce the annual tonnage of exports of the affected commodities by more than 2 percent.

The loan rate would be established at 90 percent of parity for any embargo based on reasons other than, or in addition to, national security and at a level not less than the average market price for the commodity during the 15 marketing days preceding the embargo if the embargo is imposed solely for reasons of national security. The increased loan rate would apply to new loans after the date of imposition of the embargo and would continue to be available as long as the embargo is in effect. At the end of the embargo, the loan rate would be adjusted over a 9-month period in four approximately equal steps to the level that would otherwise be in effect for the embargoed commodity if there had been no embargo.

For loans received under this provision, producers would receive payment for storage charges. (Sec. 1108)

The *Conference* substitute adopts the *Senate* provision.

(6) *Development of plans to alleviate adverse impact of export embargoes on agricultural commodities (Sec. 1205)*

The *Senate* bill provides that in order to alleviate the adverse impact on farmers, elevator operators, common carriers, and exporters resulting from the embargo of export sales of any agricultural commodity to any foreign country, the Secretary of Agriculture shall—

(i) Develop a comprehensive contingency plan including an assessment of the flexibility of existing farm programs to allow for actions to offset the adverse impact of an embargo; an evaluation of the information, including its availability, needed to determine, on an emergency basis, the impact of an embargo; and criteria for determining the extent to which the impact of an embargo should be offset;

(ii) Submit to Congress recommendations for changes in existing programs, or for new programs, necessary to appropriately handle the impact of any embargo for which compensation under section 1204 (of S. 884) is not provided (see item 5 above);

(iii) Submit to Congress a plan for implementing and administering the provisions of section 1204 (of S. 884) providing for compensation; and

(iv) Before the Commodity Credit Corporation (CCC) makes any purchases to offset the impact of an embargo, require the CCC to prepare an economic justification to determine if purchases of any commodity are needed; estimate beneficial and detrimental effects of the embargo on exporters to determine if

assistance is needed; and limit any purchases to the types and grades of commodities affected by the embargo and make such purchases at or near the current market prices. (Sec. 1206)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(7) *Study of the trade policies and practices of foreign governments with respect to United States agricultural commodities*

The *Senate* bill requires the Secretary of Agriculture to conduct a study of the policies and practices of foreign governments that adversely affect exports of U.S. agricultural commodities and report to Congress, within 180 days after enactment of this provision, the results of the study along with recommendations for action considered necessary to protect agricultural trade interests of the United States. (Sec. 1205)

The *House* amendment contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

The conferees recognize that a strong export market for U.S. agricultural commodities and their products is essential not only to the well-being of the agricultural sector of our economy but to the economy of the Nation as a whole. The conferees also recognize that the practices and policies of foreign governments—and those of our major trading partners in particular—can have an important effect on our exports. Therefore, the conferees strongly urge the Secretary of Agriculture, along with other agencies of the Federal Government, to closely monitor the policies and practices of foreign governments, determine whether those policies and practices adversely affect our agricultural exports, take appropriate action under existing law to ameliorate the effects of such policies and practices, and keep the appropriate committees of the Congress advised as to the situation. If existing authorities are inadequate to protect and expand our agricultural export markets, the Secretary is expected to make appropriate legislative recommendations.

(8) *Export sales of wheat and feed grains*

The *House* amendment expresses the sense of Congress that agreements entered into by the United States for sales of wheat, corn, soybeans, or feed grains to any foreign country should provide for a sales price not less than the cost of producing the commodity. (Sec. 1111)

The *Senate* bill contains no comparable provision.

The *Conference* substitute deletes the *House* amendment.

In deleting this provision and the study of export grain marketing alternative in item 10, *infra*, the conferees wish to make it clear that they expect the Secretary of Agriculture and others in the Executive Branch to exert the maximum effort possible to obtain the highest prices possible for agricultural commodities exported from the United States. Producers of those commodities deserve no less. Specifically, it is the desire of the conferees that the Secretary attempt to achieve the best possible price under existing authority in any sales agreement with a foreign country. In carrying out this task the Secretary is also urged to look at various alternatives that might be developed to provide producers with higher prices for their export commodities—recognizing the admin-

istrative difficulties of some of the proposals advocated—and to provide Congress with any legislative recommendations the Secretary might deem appropriate.

(9) Export purchase price

The *House* amendment requires exporters of wheat and feed grains to pay no less than the fair market value of the commodity at the time of purchase. The fair market value shall be determined by the price of the commodity on the appropriate commodity exchange at the time of purchase by the company. (Sec. 1112)

The *Senate* bill contains no comparable provision.

The *Conference* substitute deletes the *House* amendment.

(10) Study of alternative export marketing of grain

The *House* amendment requires the Secretary of Agriculture to conduct a study to develop legislative proposals to provide alternative marketing and pricing programs to assure that American producers of wheat, soybeans, corn, and other feed grains receive an average price from foreign purchasers that is not less than the average domestic cost of production. The average domestic cost of production shall be based on Department of Agriculture statistics and shall include the average acquisition value of land as the cost of land. The Secretary shall transmit these proposals to Congress by January 1, 1983. (Sec. 1113)

The *Senate* bill contains no comparable provision.

The *Conference* substitute deletes the *House* amendment.

(11) Consultation on grain marketing (Sec. 1206)

The *Senate* bill encourages the Secretary of Agriculture, in coordination with appropriate Federal agencies, to continue consultations with other major grain exporting nations toward the goal of establishing more orderly marketing of grain and achieving higher farm income for grain producers. (Sec. 1111)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(12) Expansion of international markets for United States agricultural commodities and the products thereof (Sec. 1207)

The *House* amendment provides that it is the sense of Congress that the Secretary of Agriculture should, in order to assist in the development, maintenance, and expansion of international markets, consult with officials of the Government of Japan to develop mutually acceptable standards for the certification of lettuce and other specialty crops for export to Japan. (Sec. 1114(a)(7))

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(13) Increased usage of protein byproducts derived from alcohol fuel production (Sec. 1208)

(a) The *House* amendment expresses a finding of Congress that serious consideration should be given to the potential for using protein byproducts, resulting from the production of alcohol fuel from agricultural commodities, as a source of protein to meet the food needs of developing countries without any increase in handling,

transportation, and storage facilities, and that, if feasible, these byproducts should be included in commodity export and donation programs administered by the Department of Agriculture. (Sec. 1109(a))

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(b) The *House* amendment directs the Secretary to investigate such potential through the food for peace program, the export credit sales program, and the distribution of food products in connection with specified domestic commodity donation programs.

In addition, the Secretary is required to report the results of these investigations to Congress within 6 months after enactment of this provision, and thereafter, annually provide Congress a description of the efforts being made by the Department to make these protein byproducts available in connection with the specified programs. (Sec. 1109(b)-(d))

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment with an amendment directing the Secretary to (i) continue investigating the potential for using protein byproducts and (ii) include the results of this investigation in an appropriate report to Congress within 12 months after enactment of this Act.

(14) Exemption for protein byproducts (Sec. 1209)

The *House* amendment amends the Act of August 19, 1958 to exempt protein byproducts, resulting from the production of alcohol fuel from agricultural commodities, from the requirement that no food products purchased by the Commodity Credit Corporation under that Act shall constitute less than 50 percent by weight of the grain from which processed. (Sec. 1110)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

SUBTITLE B—PUBLIC LAW 480

(15) Repeal of obsolete provisions and miscellaneous amendments¹

(a) The *Senate* bill deletes the obsolete reference to sales for foreign currencies in section 101 of Public Law 480 and inserts, in lieu thereof, reference to sales for foreign currencies on credit terms and on terms that permit conversion to dollars. (Sec. 1301)

The *House* amendment contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

(b) The *Senate* bill amends section 103(b) of Public Law 480: to delete reference to authority to enter into credit sales for foreign currencies convertible to dollars (this reference is inserted in another section of Public Law 480 by section 1301); to delete reference to maximum credit terms for credit sales for convertible foreign currencies (section 1306 inserts the deleted provision in another section of Public Law 480); and to delete obsolete language, including a reference to section 104(c) of Public Law 480 (section 104(c) was previously repealed in 1975). (Sec. 1302)

¹ The same provisions are contained in the International Security and Development Cooperation Act of 1981 (S. 1196, as passed by the Senate, and H.R. 3566, as reported by the House Committee on Foreign Affairs).

The *House* amendment contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

(c) The *Senate* bill amends the reference to "friendly country" in section 103(d) of Public Law 480 by deleting the prohibition on sales for foreign currencies to any country or area dominated by a Communist Government. The effect of this change is to remove obsolete language referring to sales for foreign currencies that are no longer authorized. (Sec. 1303)

The *House* amendment contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

(d) The *Senate* bill amends section 103(1) to delete the language requiring the President to obtain commitments from purchasing countries to the effect that commodities sold in connection with sales for foreign currencies be specifically marked or identified as being supplied on a concessional basis. The effect of this change is to remove obsolete language referring to sales for foreign currencies. (Sec. 1304)

The *House* amendment contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

(e) The *Senate* bill amends section 104 of Public Law 480 to provide that the President may enter into agreements under title I for the purpose of using foreign currencies that have accrued from sales for foreign currencies in connection with agreements entered into prior to January 1, 1972. The effect of this change is to clarify that no new sales for foreign currencies have been authorized since 1971. (Sec. 1305(1))

The *House* amendment contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

(f) The *Senate* bill deletes the obsolete reference to subsection 104(c) of Public Law 480 in section 104(k). Section 104(c) of Public Law 480 was repealed in 1975. (Sec. 1305(3))

The *House* amendment contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

(g) The *Senate* bill amends section 106(a) of Public Law 480 by adding reference to the maximum terms authorized for sales transactions involving convertible local foreign currencies. The effect of this change is to consolidate in one section various provisions relating to credit terms that are presently contained in several sections of Public Law 480. (Sec. 1306)

The *House* amendment contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

(h) The *Senate* bill repeals section 108 of Public Law 480. Section 108, which limits the authority of the Commodity Credit Corporation to finance ocean freight charges, is obsolete since it only applies to sales for foreign currencies which have not been authorized since 1971. (Sec. 1307)

The *House* amendment contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

(i) The *Senate* bill repeals section 109(b) of Public Law 480 which provides for the allocation, for self-help measures, of a certain percentage of the foreign currencies received under sales for foreign currencies. This provision is obsolete since sales for foreign currencies have not been authorized since 1971. (Sec. 1308(2))

The *House* amendment contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

(16) *Nonfood relief requirements*²

The *Senate* bill increases to \$10 million the dollar equivalent amount of foreign currencies that are authorized to be used for assistance to meet nonfood emergency and extraordinary relief requirements under title I. Currently, the dollar equivalent amount available for these purposes is \$5 million. (Sec. 1305(2))

The *House* amendment contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

(17) *Self-help provisions* (Sec. 1210)

(a) The *Senate* bill amends section 109 of Public Law 480 to include two additional self-help measures that the President will consider before entering into agreements with developing countries; namely, programs to reduce illiteracy and to improve the health of the *rural poor*. (Sec. 1308(1))

The *House* amendment is similar, except that it refers to programs to reduce illiteracy among *farmers* and programs to improve the health of *farmers and their families*. (Sec. 1101(a))

The *Conference* substitute adopts the *Senate* provision.

(b) The *Senate* bill requires that, in connection with agreements with developing countries under title I, the economic development and self-help measures agreed to shall be described in *specific and measurable terms*. In addition, this provision requires, in connection with such agreements, that the President take steps to assure that the *self-help measures agreed to* are in addition to the measures the recipient country otherwise *is undertaking* without the new resources. (Sec. 1308(3))

The *House* amendment is similar, except that it requires that the economic development and self-help measures agreed to must be described in *quantitative and measurable terms*, and further provides that the President should satisfy himself that the *economic development measures*, as well as the self-help measures agreed to are in addition to the measures the recipient country *would have undertaken* irrespective of the agreement. (Sec. 1101(b))

The *Conference* substitute adopts the *Senate* provision with regard to describing title I self-help measures in *specific and measurable terms* and in not including *economic development measures* in the additionality requirement. The substitute adopts the *House* provision with regard to applying the additionality requirement in relation to self-help measures which the recipient country *would have undertaken*.

(18) *Repeal of title I ceiling*

The *Senate* bill repeals section 110 of Public Law 480, which prohibits entering into title I agreements in any calendar year that would require an appropriation to reimburse the Commodity Credit Corporation in an amount exceeding \$1.9 billion plus unexpended amounts from prior years, if any. (Sec. 1309)

The *House* amendment contains no comparable provision.

²The same provisions are contained in the International Security and Development Cooperation Act of 1981 (S. 1196, as passed by the Senate, and H.R. 3566, as reported by the House Committee on Foreign Affairs).

The *Conference* substitute deletes the *Senate* provision.

(19) *Overseas market development (Sec. 1213)*

The *Senate* bill provides that representatives of the distilled spirits industry, in addition to representatives of the wine and beer industry, are eligible to participate in market development activities carried out by the Foreign Agricultural Service with foreign currencies made available under title I of Public Law 480. (Sec. 1312)

The *House* amendment is similar, except that it refers to *other alcoholic beverages* instead of distilled spirits. (Sec. 1104)

The *Conference* substitute adopts the *Senate* provision with an amendment to include both "distilled spirits or other alcoholic beverage"

(20) *Annual report (Sec. 1215)*

The *Senate* bill changes the date when the President's annual report to Congress on activities under Public Law 480 is due from April 1 to *July 1* of each year. (Sec. 1313)

The *House* amendment changes the date when this report is due from April 1 to *February 15* of each year. (Sec. 1106)

The *Conference* substitute adopts the *House* amendment.

(21) *Extension of program (Sec. 1216)*

The *House* amendment amends section 409 of Public Law 480 to provide that new spending authority provided for in title I by the extension of the Act provided by the bill shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation acts. (Sec. 1107(2))

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

TITLE XIII—FOOD STAMP AND COMMODITY DISTRIBUTION AMENDMENTS OF 1981

(NOTE.—S. 884 contains no provisions comparable to those contained in Title XII of the *House* amendment. S. 1007, the Food Stamp and Commodity Distribution Amendments of 1981, approved by the *Senate*, contains the provisions referred to in the notes below which are comparable to those in the *House* amendment.)

(1) *Short title (Sec. 1301)*

The *House* amendment provides that this title may be cited as the "Food Stamp and Commodity Distribution Amendments of 1981". (Sec. 1201)

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, contains a provision identical to that in the *House* amendment.)

The *Conference* substitute adopts the *House* amendment.

(2) *Indian reservations (Sec. 1336)*

The *House* amendment includes within the term "reservation" any land over which a tribal organization has authority to exercise any governmental jurisdiction, thereby permitting tribes without reservations, as well as tribes having reservations, to (1) receive assistance under both the food stamp and commodity distribution

programs, and (2) administer their own food stamp program. (Sec. 1202)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment with an amendment which authorizes the Secretary to establish a food distribution program in Oklahoma to provide food commodities to eligible Indian households and other households as the Secretary determines appropriate.

(3) *Retail food stores*

The *House* amendment limits the types of stores that could be approved for participation in the food stamp program by (1) broadening the definition of "accessory" foods (i.e., foods that cannot be counted as staple foods in meeting the existing test that 50 percent of food sales consist of staple foods) to include snack foods, such as potato chips, pretzels, and popcorn, and dessert items, such as cakes, pies, cookies, and pastries, and (2) adding a new requirement that a store's food sales must represent more than 50 percent of its gross (food and nonfood) sales. The new gross sales test would not apply to (1) establishments with clearly identifiable grocery departments with a full line of grocery items, and (2) establishments selling staple foods that are the only source for staple foods in the immediate area and that meet such other requirements as the Secretary may prescribe. (Sec. 1203)

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, would prohibit approval of establishments that sell alcoholic beverages for consumption on the premises.)

The *Conference* substitute deletes the *House* amendment.

(4) *Alaska's thrifty food plan (Sec. 1303)*

The *House* amendment requires a separate set of food stamp allotments for rural areas of Alaska. (Sec. 1204)

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, contains a provision identical to that in the *House* amendment.)

The *Conference* substitute adopts the *House* amendment.

(5) *Adjustment of the thrifty food plan (Sec. 1304)*

The *House* amendment requires that cost-of-food adjustments to the "thrifty food plan," and, consequently, to food stamp allotment levels, be made on October 1, 1982, and each October 1 thereafter. The October 1982 adjustment would reflect changes in food prices over the 21 months from October 1980 through June 1982; subsequent October adjustments would reflect food price changes over the 12 months ending the preceding June 30. (Sec. 1205)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment with an amendment providing that the periods upon which the adjustments to the thrifty food plan are based shall be subject to revision by Act of Congress. The conferees intend that Congress consider early in 1982 the periods upon which such adjustments are based, together with the reauthorization for food stamp program appropriations for fiscal years 1983, 1984 and 1985.

(6) *Energy assistance payments; excluded payments of other programs (Sec. 1306)*

(a) The *House* amendment excludes as income for food stamp program purposes any income that Federal law specifically excludes from consideration as income for such purposes. (Sec. 1206)

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, contains a provision identical to that in the *House* amendment.)

The *Conference* substitute adopts the *House* amendment.

(b) The *House* amendment excludes as income for food stamp program purposes any payments or allowances made under any Federal law for the purpose of providing energy assistance. (Sec. 1206)

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, requires that any payments or allowances specifically designated for energy assistance by Federal law be excluded as income for food stamp eligibility and benefit calculations.)

The *Conference* substitute adopts the *House* amendment.

(c) The *House* amendment excludes as income for food stamp program purposes any payments or allowances made under any State or local laws for the purpose of providing energy assistance if they are (1) designated as energy assistance by the State or local legislative body, and (2) determined by the Secretary to be provided on a seasonal basis for an aggregate period not to exceed 6 months in any year. (Sec. 1206)

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, would not allow State or local energy assistance payments to be excluded as income in the food stamp program.)

The *Conference* substitute adopts the *House* amendment with an amendment that would exclude as income for food stamp program purposes any payments or allowances (including tax credits) that are calculated as if provided on a seasonal basis, even if not provided on a seasonal basis because it would be administratively infeasible or impracticable to do so. The conferees intend that those States that are currently making such payments or allowances that are excluded from income comply with this provision by the close of the next State legislative session, including any special session, that begins after the promulgation of final regulations to implement this provision but in any case not later than six months after promulgation of such regulations.

(7) *Disallowance of deductions for expenses paid by vendor payments (Sec. 1307)*

The *House* amendment prohibits the deduction from income for food stamp program purposes of expenses paid on behalf of households by third parties. (Sec. 1207(a))

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, contains a provision identical to that in the *House* amendment.)

The *Conference* substitute adopts the *House* amendment.

(8) *Attribution of income and resources to sponsored aliens (Sec. 1308)*

The *House* amendment requires that a portion of the income and resources of the sponsor of a legally admitted alien, and of the spouse living with the sponsor, be attributed to the alien when applying for food stamps. Sponsors who have executed an affidavit of support or similar agreement as a prerequisite for entry of a permanent resident alien would have the portion of their income exceeding 130 percent of the applicable Federal poverty level for the sponsor's size of household attributed to the alien, along with any countable resources exceeding \$1,500. This attribution would apply during the 3 years following the alien's entry. The alien would be required to provide specified information to the State agency. Both the alien and any sponsor would be liable for overpayment of food stamp benefits due to the failure to provide correct information unless the failure was without fault or for good cause. (Sec. 1207(b))

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, contains provisions identical to those in the *House* amendment.)

The *Conference* substitute adopts the *House* amendment.

(9) *Resources (Sec. 1309)*

The *House* amendment would except from the requirement that the Secretary follow regulations in force on June 1, 1977, in determination of household resources, the regulations relating to licensed vehicles. However, the legislative requirement to count the fair market value of any non-excluded vehicle to the extent it exceeds \$4,500 is not changed. (Sec. 1208)

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, allows the Secretary to revise any of the present rules governing assets, except for those which are legislatively established.)

The *Conference* substitute adopts the *House* amendment.

(10) *Work requirements (Sec. 1310, 1311)*

(a) The *House* amendment extends the scope of the existing law disqualifying *applicant* households for 60 days, if the primary wage earner has voluntarily quit a job without good cause, to include *recipient* households. (Sec. 1209)

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, contains the same provision as the *House* amendment, except that it would lengthen the disqualification period to 90 days.)

The *Conference* substitute adopts the *House* amendment.

(b) The *House* amendment automatically disqualifies food stamp households if a member has failed to meet the work requirements of another Federal program if those requirements are comparable to those in the food stamp program. (Sec. 1209)

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, contains a provision identical to that in the *House* amendment.)

The *Conference* substitute adopts the *House* amendment.

(c) The *House* amendment (1) exempts from work registration requirements household members charged with the care of children

under 6 years of age, and (2) permits household members charged with care of children age 6 through 11 to refuse a job offer and remain eligible if adequate child care for the children is lacking. (Sec. 1209)

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, contains the same provision as the *House* amendment, except that it does not provide for a "good cause" refusal of a job offer due to lack of child care.)

The *Conference* substitute adopts the *House* amendment.

(d) The *House* amendment changes the frequency with which food stamp recipients subject to the work registration requirements must formally reregister for employment, from once every 6 months to once every 12 months. (Sec. 1210)

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, contains a provision identical to that in the *House* amendment.)

The *Conference* substitute adopts the *House* amendment.

(11) *State issuance liability (Sec. 1312)*

The *House* amendment makes States strictly liable for any losses occurring in the handling and issuing of food stamps, including losses involving failure of coupon issuers to comply with prescribed requirements. However, in the case of losses resulting from mail issuance of authorization documents or allotments, the degree of State liability would be prescribed by the Secretary. (Sec. 1211)

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, would also make States strictly liable for any losses occurring in the handling and issuing of food stamps. In cases of mail issuance losses, (1) States with a significant volume of such issuances would be liable for losses involving food stamps themselves to the extent losses exceed one percent of the value of allotments issued by mail, and (2) States would be liable for losses involving authorization documents to the extent prescribed by the Secretary. Further, S. 1007 would authorize the Secretary to restrict the use of mail issuance in any State or part of a State where it is determined that it jeopardizes program integrity or is not cost effective.)

The *Conference* substitute adopts the *House* amendment.

(12) *Sixty-day transfer of certification (Sec. 1316)*

The *House* amendment eliminates the existing requirement that food stamp benefits remain uninterrupted for up to 60 days when an eligible household moves to another political jurisdiction. (Sec. 1212)

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, contains a provision identical to that in the *House* amendment.)

The *Conference* substitute adopts the *House* amendment.

(13) *Recertification notice (Sec. 1318)*

The *House* amendment removes the requirement that State agencies notify recipient households that their current certification period is expiring immediately before they must reapply to retain uninterrupted eligibility. However, where the expiring certification

period is 6 months or longer, notice of the need to reapply would have to be given within the 30 days prior to the start of the last month of the certification period. (Sec. 1213)

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, contains the same provision as the *House* amendment, except that there is no provision concerning notification in cases where the certification period is 6 months or longer.)

The *Conference* substitute adopts the *House* amendment with an amendment striking out the requirement that notice of the need to reapply be given within 30 days prior to the start of the last month of the certification period where the expiring period is 6 months or longer. The conferees understand that the Secretary will expect State agencies to continue to provide households having certification periods of 6 months or longer with notices of expiration of their certifications no earlier than 30 days prior to the start of the last month of their certification period.

(14) Access of Comptroller General to information (Secs. 1313, 1319)

The *House* amendment provides that the Comptroller General of the United States is to have access to applicant and recipient records and records relating to retail and wholesale food concerns, for audit and examination purposes. (Sec. 1214)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(15) Expedited service

The *House* amendment makes expedited (3-day) service available to households with liquid assets of \$100 or less, if (1) their gross monthly income is \$150 or less, or (2) they are "destitute" in that their income for the month of application, in the political jurisdiction where they are applying, is from a new source from which no more than \$25 is expected in the 10 days following application. (Sec. 1215)

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, makes expedited service available to households with liquid assets of \$100 or less, if (1) their gross monthly income is \$85 or less, or (2) they are "destitute" migrant or seasonal farmworker households. The definition of a "destitute" migrant or seasonal farmworker household is left to the discretion of the Secretary. State agencies would be required, to the extent practicable, to verify the income and cash resources of applicant households.)

The *Conference* substitute deletes the *House* amendment.

The conferees take note of the fact that even though guaranteed expedited service, certain destitute migrant households may encounter hardships as a result of other provisions already enacted which require the initial month's benefits be prorated from the date of application. Current interim final regulations issued by the Department on September 4, 1981, provide destitute migrants applying late in a month only a few days' benefits on an expedited basis; the next month's allotment will not be issued until the first month's circumstances are verified. Where migrants must seek such verification from outside the State, the issuance of the second

month's benefits may be unreasonably delayed. The conferees therefore direct the Department when issuing final regulations on this matter to assure that, when verification must be acquired from outside the State, destitute migrant households applying for expedited service in the second half of the month be provided with a reasonable opportunity to obtain such verification without a loss or delay in benefits.

(16) Restoration of lost benefits (Sec. 1320)

The *House* amendment requires that a request for restoration of improperly denied benefits be made by the household concerned before they are restored. It also provides that benefits not be restored for any period more than 1 year prior to (1) the receipt of a request or discovery of an improper denial and notification of the household by the State agency, in the case of administrative determinations, or (2) in judicial actions, the commencement of court action, discovery and notification of the improper denial by the State agency, or the filing of a request for restoration of improperly denied benefits. (Sec. 1216)

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, has the same provision as the *House* amendment, except that notification of the household does not affect the 1 year period.)

The *Conference* substitute adopts the *House* amendment with an amendment striking out the provision tying the 1 year period for restoration to the date the State agency notifies a household of its lost benefits. The conferees, however, intend that State agencies be required to notify households of known improper denials as soon after discovery as possible and that households be told of the proper form for making a request for restoration of lost benefits.

(17) Information (Sec. 1321)

(a) The *House* amendment requires State agencies to request and use quarterly wage data collected by the Social Security Administration and State unemployment compensation agencies for the purpose of verifying the earnings of food stamp recipients. If the information is not available from State unemployment compensation agencies, the State food stamp agency would be required to request similar earnings information from the Social Security Administration. (Sec. 1217)

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, contains the same provision as the *House* amendment, except that it would also move up the date after which unemployment compensation agencies must furnish information to State food stamp agencies from January 1983 to January 1982.)

The *Conference* substitute adopts the *House* amendment. The conferees urge the Secretary to work in conjunction with State unemployment compensation agencies to speed up the furnishing of information from those agencies to State food stamp agencies so that such furnishing occurs as soon as possible before January 1, 1983.

(b) The *House* amendment requires that, in areas where authorization cards are used to issue food stamps and recipients are required to use photo identification cards to receive their allotments,

contracts between the State agency and issuing agents must stipulate that (1) a photo identification card be furnished at the time an authorization card is presented, and (2) the number on the photo identification card be recorded on the authorization card. If the issuing agent fails to comply with these requirements and the State agency determines that the authorization card was stolen or not received by the eligible household, the issuing agent would be liable for the value of food stamps issued in the transaction. (Sec. 1217)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(18) *Nutrition education program (Sec. 1322)*

The *House* amendment removes the existing requirement that the Secretary use the Department of Agriculture's expanded food and nutrition education program (EFNEP) to conduct nutrition education activities, replacing it with authority for the Secretary to use the techniques of EFNEP in any food stamp nutrition education activities. (Sec. 1218)

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, contains a provision identical to that in the *House* amendment.)

The *Conference* substitute adopts the *House* amendment.

(19) *Alaska fee agents (Sec. 1323)*

The *House* amendment allows Alaska to use "fee agents" who may not be State employees in administering the food stamp program in rural areas of Alaska, except for certification of eligibility and determination of benefits. (Sec. 1219)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adapts the *House* amendment with an amendment striking outreach from the activities which may be performed by the fee agents.

(20) *Use of certified mail*

The *House* amendment requires the Secretary to permit State agencies to use certified mail to issue food stamps, with the Federal Government paying 75 percent of the cost of doing so. (Sec. 1220)

The *Senate* bill contains no comparable provision.

The *Conference* substitute deletes the *House* amendment.

(21) *Staffing (Sec. 1325)*

The *House* amendment eliminates the requirement that the Secretary establish staffing standards for State agencies administering the food stamp program. (Sec. 1221)

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, contains a provision identical to that in the *House* amendment.)

The *Conference* substitute adopts the *House* amendment.

(22) *Incentives for error reduction efforts and corrective action plans (Sec. 1326)*

The *House* amendment adds to the requirements that States must meet in order to qualify for additional (more than the standard 50 percent) Federal funding of their administrative costs, a re-

quirement that all States, except those with rates of administrative error below 5 percent of benefit payments, develop "corrective action plans" for further reducing error. Further, all States would have to meet requirements set by the Secretary for low rates of improper denial in order to receive additional Federal funding of administrative costs. (Sec. 1222)

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, contains provisions identical to those in the *House* amendment.)

The *Conference* substitute adopts the *House* amendment.

(23) Social Security account numbers (Sec. 1327)

The *House* amendment requires food stamp households to furnish the Social Security account numbers of all household members. (Sec. 1223)

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, contains a provision identical to that in the *House* amendment.)

The *Conference* substitute adopts the *House* amendment.

(24) Extending and amending cash-out pilot projects (Sec. 1328)

(a) The *House* amendment extends, through September 1985, the time during which States may continue, at their option, to operate "cash-out" pilot projects paying food stamp benefits in cash, rather than stamps. (Sec. 1224)

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, contains a provision identical to that in the *House* amendment, except that the *Senate* provision extends only to existing cash-out pilot projects.)

The *Conference* substitute adopts the *House* amendment, with an amendment limiting the extension, at State request, of pilot projects through September 30, 1985, to those projects operating as of October 1, 1981, and serving eligible households all of whose members are either age 65 or over entitled to SSI benefits.

(b) The *House* amendment expands "cash-out" pilot projects to include those (1) paying food stamp benefits in standardized cash amounts varied only according to household size, and (2) serving eligible households any one of whose members receives aid to families with dependent children (AFDC) or SSI benefits. (Sec. 1224)

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, contains the same provision as the *House* amendment, except that (1) the standardized benefits vary according to household size, income and expense characteristics, and (2) all household members must be AFDC or SSI recipients in order to qualify for "cash-out".)

The *Conference* substitute adopts the *House* amendment. The conferees expect that, with respect to projects carried out under this authority, a variety of factors besides household size will be considered in determining the average value of allotments paid to households participating in the projects and such allotments will be adjusted to reflect the presence in the food stamp household of members that are not recipients of AFDC or SSI benefits.

(25) Nutritional monitoring (Sec. 1329)

The *House* amendment requires the Secretary, by way of contracts or grants to public or private organizations, to implement pilot projects that will test means of measuring the nutritional status of low income people in order to develop minimum criteria and methods for monitoring nutritional status that could be applied nationwide. Annual reports to the Agriculture Committees would be required beginning in July 1982. (Sec. 1225)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(26) Study of retrospective accounting and periodic reporting

The *House* amendment requires the Secretary to study the effects of using retrospective accounting and monthly reporting systems in the food stamp program, specifically including a review of the effect of these systems on benefit and administrative costs, rates of administrative error, and the degree to which eligible households are denied benefits for failure to file monthly reports. It also requires pilot projects in which monthly reporting is conducted in conjunction with prospective (rather than retrospective) accounting. An interim report to Congress would be required by March 1, 1983, with a final report due on March 1, 1985. (Sec. 1226)

The *Senate* bill contains no comparable provisions.

The *Conference* substitute deletes the *House* amendment.

(27) Pilot projects to simplify the processing of applications for certain AFDC, SSI, and Medicaid recipients (Sec. 1330)

The *House* amendment authorizes pilot projects in which households having members who are AFDC, SSI, or Medicaid recipients and whose incomes are below the applicable food stamp income eligibility standard would be deemed automatically eligible for food stamp benefits. Their food stamp benefit would be standardized and based on household size and (1) their AFDC or SSI benefit (or income used to determine Medicaid eligibility), or (2) at the State's option, the applicable "standard of need" under such programs. Standardized benefits issued to households in these pilot projects would be adjusted to ensure that average allotments by household size are not less than they would have been if benefits had been determined on an individual household basis under normal rules. These pilot projects could be conducted in any political subdivision, at its request, or Statewide, at a State's request. Consultation with the Secretary of Health and Human Services would be required to ensure unified and simplified processing of applications. Administrative costs of such projects would be shared in accordance with the provisions of section 16 of the Food Stamp Act of 1977. (Sec. 1227)

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, contains the same provision as the *House* amendment, except (1) it would authorize only two pilot projects, (2) it would not include Medicaid recipients, (3) it would require that all members of the household be AFDC or SSI recipients, (4) it would require that all households have gross incomes below 130 percent of the applicable Federal poverty level, (5) it contains no explicit stipulation that a political subdivision

may request to operate a pilot project, and (6) it contains no explicit provision regarding the sharing of administrative costs.)

The *Conference* substitute adopts the *House* amendment with an amendment limiting the number of projects the Secretary may conduct to 2 Statewide projects and 14 projects in political subdivisions. The conferees expect that, in determining the value of allotments paid to each household, factors such as household size, income, and expenses will be taken into account, and the allotments will be adjusted to reflect the presence in the food stamp household of members who are not recipients of AFDC, SSI or Medicaid benefits.

(28) Food stamp funding and program extension (Sec. 1331)

The *House* amendment extends the authorization for appropriations for the food stamp program through September 30, 1985, with the following ceilings on annual appropriations:

	<i>Millions</i>
Fiscal year 1982.....	\$11,300
Fiscal year 1983.....	11,170
Fiscal year 1984.....	11,115
Fiscal year 1985.....	11,305

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, extends the appropriations authorization through September 30, 1985, with the following ceiling on appropriations:

	<i>Millions</i>
Fiscal year 1982.....	\$10,870
Fiscal year 1983.....	11,290
Fiscal year 1984.....	11,325
Fiscal year 1985.....	11,840)

The *Conference* substitute adopts the *House* amendment with an amendment striking the authorization for appropriations for fiscal years 1983, 1984, and 1985. The conferees intend that Congress, early in 1982, consider reauthorization of food stamp program appropriations for fiscal years 1983, 1984, and 1985, together with the periods upon which adjustments in the thrifty food plan are based. The conferees recognize that the authorization ceiling in the *Conference* substitute may prove inadequate to allow full funding of benefits. The conferees intend that the Secretary not take any requisite action under section 18(b) of the Food Stamp Act of 1977 to reduce allotments until 60 days have elapsed after the date the Secretary announces any intention to reduce benefits. During this period of time, Congress would have the opportunity to consider legislation to amend the authorization ceiling based upon revised cost estimates.

(29) Incentives, sanctions, and claims (Sec. 1332)

The *House* amendment requires that all funds collected from claims owed the Department of Agriculture be credited to the appropriation account for the fiscal year in which the collection occurs, and that all incentive payments made to States because they have low rates of administrative error be paid out of the appropriation account for the fiscal year in which the payments are made. (Sec. 1229)

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, contains a provision identical to that in the *House* amendment.)

The *Conference* substitute adopts the *House* amendment.

(30) *Workfare (Sec. 1333)*

The *House* amendment directs the Secretary to permit political subdivisions of a State to establish workfare programs for food stamp recipients under which nonexempt recipients would be required to accept public service job offers and work in return for compensation in the form of the household's monthly food stamp benefit. The number of hours of work required of members of a food stamp household would be calculated by dividing the household's monthly benefit by the minimum wage rate.

The *House* amendment also provides that:

Any political subdivision could apply to operate an approved workfare program for its food stamp recipients;

Food stamp recipients normally exempt from work registration would be exempt from having to comply with a workfare requirement, except unemployment compensation registrants and those AFDC work registrants involved in work training less than 20 hours per week;

Workfare job offers would be made by the political subdivision operating the workfare program;

The maximum number of hours that could be required of a household would be 20 hours per week, or when combined with other regular or predictable part-time work, 30 hours per week;

Upon a household member's failure to comply with workfare requirements, the household would be ineligible for food stamps for 2 months, unless someone in the household satisfies all outstanding workfare obligations prior to the end of the 2-month disqualification;

In calculating the workfare administrative costs that the Federal Government will share (50 percent), reimbursements to workfare participants for work-related expenses are to be included; workfare participants must be reimbursed for work-related expenses, up to \$25 per month. The Secretary may suspend, cancel, or withdraw the Federal share of administrative expenses on a finding that there is noncompliance with Federal workfare rules by the local jurisdiction;

Workfare jobs may not have the effect of replacing or preventing employment of nonworkfare persons and must provide the same conditions and benefits provided to others performing comparable work for comparable hours;

Political subdivisions operating a workfare program could allow a job search period of up to 30 days prior to a workfare job assignment;

Political subdivisions could establish and operate workfare programs in which participation would be voluntary for food stamp recipients. (Sec.1230)

The *Senate* bill contains no comparable provisions.

(NOTE.—S.1007, as approved by the *Senate*, contains the same provisions as the *House* amendment, except:

It would require that *States* rather than political subdivisions apply to operate workfare programs;

While exempting most recipients normally exempt from work registration, it would not exempt students or those who have registered for work under AFDC or employment compensation rules; States agencies would be allowed to exempt additional categories of recipients;

Job offers could be made by political subdivisions, State agencies, Comprehensive Employment and Training Act (CETA) "prime sponsors," or any other public employer;

The maximum number of workfare hours that could be required would be 40 hours per week, when combined with any other hours worked for compensation in cash or in kind;

Upon failure to comply with workfare requirements, the non-complying *individual* would be ineligible for 6 months and benefits for the remainder of the household could not be increased as the result of the ineligibility of that member;

No provision is made for payment of work-related expenses;

No provision is included relating to providing workfare participants with benefits and conditions comparable to nonworkfare persons;

No provision is included regarding a job search period prior to a workfare assignment;

No provision is included regarding the establishment of workfare programs where participation is voluntary;

To the maximum extent practicable, States and political subdivisions must be allowed to design and operate food stamp workfare programs that are compatible with similar workfare programs they might operate;

States and political subdivisions must be allowed to require that food stamp recipients subject to food stamp workfare requirements comply with any AFDC workfare program they might operate, in which case compliance with an AFDC workfare program would be treated as compliance with food stamp workfare rules;

The Secretary may permit States and political subdivisions to require that food stamp recipients subject to food stamp workfare requirements comply with any non-AFDC workfare programs they might operate, if the Secretary finds that they meet the provisions and protections provided in the Food Stamp Act, in which case compliance with the non-AFDC workfare program would be treated as compliance with food stamp workfare rules;

States would be allowed to provide job counseling to match food stamp workfare participants with suitable workfare jobs and assistance to enable workfare participants to obtain non-workfare employment;

Federal regulations regarding the establishment and operation of food stamp workfare programs would have to be issued within 60 days of enactment of this legislation;

It would not prevent filling *existing* job vacancies by workfare participants in preference to other applicants; and

Evaluation of workfare programs would be required, with particular emphasis on the extent to which they reduce the

need for food stamp benefits and help achieve the purposes of the Food Stamp Act of 1977.

The *Conference* substitute adopts the *House* amendment with an amendment in the nature of a substitute.

The conferees intend that private nonprofit employers be able to participate in this workfare program and extend offers to perform work to food stamp recipients required to work pursuant to this section by virtue of contractual arrangements with the political subdivisions that operate the workfare program.

The conferees intend that the Secretary, to the maximum extent practicable, make it possible for political subdivisions to design and operate workfare programs for food stamp recipients that are compatible and consistent with similar workfare programs operated by such subdivisions. Compliance on the part of a political subdivision with a workfare program operated under title IV of the Social Security Act shall be treated as compliance with food stamp workfare requirements. Compliance on the part of a political subdivision with other workfare programs that the Secretary determines meet the provisions and protections provided under this section shall be treated as compliance with this section's workfare requirement.

The conferees are concerned that the Secretary issue the regulations to implement this section as soon as possible but no later than 120 days after the enactment of this Act and conduct appropriate evaluation of the workfare program, with particular emphasis upon the extent to which the program reduces the need for food stamp benefits and helps to achieve the purposes of the Act.

The conferees do not intend that federally-shared administrative expenses include the costs of equipment, tools or materials used in connection with the work performed by workfare participants or the costs of supervising workfare participants and, further, do not intend that participants be reimbursed for meals away from home. The conferees expect that political subdivisions will keep State agencies informed of their applications for workfare and the operation of their projects.

The *conference* substitute includes a provision that will allow any political subdivision that wishes to apply for and to operate a workfare program. Since enactment of the 1977 farm bill (Public Law 95-113), workfare projects have operated as pilot projects and in some cases have been subject to obstructive tactics by, among others, organizations, persons, firms, or corporations. Section 18(a)(2) of the Food Stamp Act of 1977 provides that no funds appropriated under the Food Stamp Act of 1977 or any other Act of Congress may be used directly or indirectly to interfere with or impede the implementation of any provision of that Act or any rule regulation, or project thereunder, with a certain specified exception.

Now that workfare will become a permanent provision of the Food Stamp Act of 1977, the conferees direct the Comptroller General to prepare a report to Congress concerning section 18(a)(2) of that Act. The conferees intend that such report will contain information regarding how this section has been interpreted; how it has been implemented; and how it might be improved upon if obstructive tactics are found to have occurred.

The report shall be presented to the Congress before the food stamp program is reauthorized for fiscal year 1983.

(31) Reporting of abuses by the public (Sec. 1314)

The *House* amendment requires that stores participating in the food stamp program display a sign providing information on how persons may report observed cases of food stamp abuse. (Sec. 1231)

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, contains a provision identical to that in the *House* amendment.)

The *Conference* substitute adopts the *House* amendment.

(32) Notice of verification (Sec. 1317)

The *House* amendment requires that each food stamp application contain a notice to the applicant that the information provided will be subject to verification and that if any *material* part of the information is incorrect food stamps may be denied and criminal prosecution may result. (Sec. 1231)

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, contains the same provision as the *House* amendment, except that the notice is to warn that criminal prosecution may result if *any* part of the information provided is incorrect.)

The *Conference* substitute adopts the *House* amendment.

(33) Disclosure of information to law enforcement officials (Sec. 1319)

The *House* amendment provides specific authority for local, State, or Federal law enforcement officials to have access to information furnished by food stamp applicants for the purpose of investigating alleged violations of the Food Stamp Act of 1977 or program regulations. (Sec. 1231)

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, contains the same provision as the *House* amendment, except that access could be provided for the purposes of investigating "a possible or alleged" violation.)

The *Conference* substitute adopts the *House* amendment.

(34) Minimum mandatory court sentence for criminal offenses; work restitution program (Sec. 1324)

The *House* amendment requires a prison sentence for the second and subsequent convictions for violations of the Food Stamp Act of 1977 or program regulations. It authorizes courts to suspend any convicted violator from the program for up to 18 months, in addition to any regular disqualification period under the Food Stamp Act of 1977. Further, it authorizes courts to permit work approved by the court as restitution for losses incurred by the violation, and, if the violator agrees to perform the work, to withhold imposition of sentence on condition the work is performed. Upon successful completion of any assigned work, the court may suspend the sentence. (Sec. 1231)

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate* contains provisions identical to those in the *House* amendment.)

The *Conference* substitute adopts the *House* amendment.

(35) Extension of authorities, penalties for fraud, and miscellaneous provisions (Sec. 1334)

(a) The *House* amendment would extend, through September 30, 1985, the Secretary's authority to purchase and distribute food commodities to institutions, commodity supplemental food programs, disaster relief areas, summer camps for needy children, needy families on Indian reservations and in the Trust Territory of the Pacific Islands, elderly nutrition projects, and other commodity distribution outlets. (Sec. 1232)

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, contains a provision identical to that in the *House* amendment.)

The *Conference* substitute adopts the *House* amendment.

(b) The *House* amendment establishes criminal penalties for the misuse of federally donated commodities of a fine of not more than \$1,000 or imprisonment of not more than 1 year (or both) if the value of the commodities involved is less than \$100; and a fine of not more than \$10,000 or imprisonment for not more than 5 years (or both) if the value of the commodities involved is \$100 or more. (Sec. 1232)

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, contains a provision identical to that in the *House* amendment.)

The *Conference* substitute adopts the *House* amendment.

(36) Commodity supplemental food program—pilot projects for the elderly and administrative costs (Sec. 1335)

(a) The *House* amendment requires the Secretary to institute two pilot commodity supplemental food distribution projects directed at low-income elderly persons, including the distribution of commodities to these persons in their homes. (Sec. 1233)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment with an amendment making institution of the pilot projects discretionary with the Secretary and limiting the operation of the projects to 2 years. The conferees expect the Secretary to report annually to the appropriate authorizing and appropriating Committees of the House and Senate as to the progress and findings of these pilot projects.

(b) The *House* amendment extends, through September 30, 1985, authority to provide administrative funds to operate commodity supplemental food programs serving low-income pregnant women, new mothers, infants, and children. It provides that these administrative funds: (1) come from annual appropriations from general revenue; (2) be provided through State agencies, not directly to local projects; and (3) be subject to a nationwide limit of 15 percent of the amount appropriated for provision of the commodities. (Sec. 1233)

The *Senate* bill contains no comparable provisions.

(NOTE.—S. 1007, as approved by the *Senate*, contains provisions identical to those in the *House* amendment.)

The *Conference* substitute adopts the *House* amendment.

(37) *Retail redemption (Sec. 1315)*

The *House* amendment adds institutions insured by the Federal Savings and Loan Insurance Corporation (savings and loan institutions) as financial institutions permitted to accept food stamps for redemption from retail stores and wholesalers. (Sec. 1234)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(38) *Effective date (Sec. 1338)*

The *House* amendment stipulates that, except as otherwise provided, the amendments made by this title shall be effective upon such dates as the Secretary prescribes, taking into account the need for orderly implementation. (Sec. 1235)

The *Senate* bill contains no comparable provision.

(NOTE.—S. 1007, as approved by the *Senate*, contains the same provision as the *House* amendment.)

The *Conference* substitute adopts the *House* amendment.

(39) *Authority of Office of Inspector General (Sec. 1337)*

The *House* amendment gives the following powers to any person employed by the Department of Agriculture's Office of Inspector General who conducts investigations of felony criminal violations of statutes administered by the Secretary of Agriculture, if the person is jointly designated by the U.S. Attorney General and the Department's Inspector General:

The power to make an arrest without a warrant if any criminal felony violation is committed, or if the employee has probable cause to believe that such violation is being committed, in the presence of the employee;

The power to execute a warrant for an arrest, for search of premises, or seizure of evidence, if the warrant is issued under the authority of the United States upon probable cause to believe that a violation has been committed; and

The power to carry a firearm. (Sec. 1236)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment with an amendment (1) striking the Attorney General as a joint designator of Office of Inspector General personnel to have the powers specified, and (2) providing that the Attorney General may disapprove the designation of such personnel by the Inspector General. The conferees intend that any designation not specifically disapproved by the Attorney General within 30 days after the date of submission shall be deemed approved. Any designation of authority under this section shall apply only while personnel of the Office of Inspector General are engaged in investigations of alleged or suspected felony violations of statutes administered by the Secretary or any agency of the Department of Agriculture.

(40) Household definition (Sec. 1302)

The *House* amendment allows disabled parents living with their children to apply as separate food stamp households. (Sec. 1237)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(41) Reimbursement exclusion (Sec. 1305)

The *House* amendment provides that adjustments made to AFDC benefits on account of work-related or child care expenses cannot be treated as "reimbursements" for those expenses and excluded from being counted as income for food stamp purposes. (Sec. 1238)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

TITLE XIV—NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT AMENDMENTS OF 1981

(1) Short title (Sec. 1401)

The *House* amendment designated title XIII as the "National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1981". (Sec. 1301)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

(2) Findings (Sec. 1402)

The *Senate* bill revises the Congressional findings set out in section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (hereinafter referred to as the 1977 Act) to emphasize: the significant contribution to the Nation's agricultural system resulting from Federal support of agricultural research, extension, and teaching; the need to preserve and strengthen the important Federal-State partnership in the conduct of research, extension, and teaching in the food and agricultural sciences; that the future food supply is jeopardized by inflating costs and declining rates of increase in productivity; and that long-range planning for research, extension, and teaching is a key element in meeting the objectives of the 1977 Act and all elements in the food and education system are encouraged to expand their planning and coordination efforts. (Sec. 1401)

The *House* amendment expands on the existing findings to emphasize the success of the Federal-State partnership in carrying out the policy of the United States to support food and agricultural research, extension, and teaching in cooperation with the food and agricultural industry, and focuses on the need for reaffirmation and expansion of national support of cooperative research, extension, and teaching efforts to meet major needs and challenges in: food and agricultural system productivity; development of new food, fiber, and energy sources; agricultural energy use and production; natural resources; promotion of the health and welfare of people; human nutrition; and international food and agriculture.

The *House* amendment also provides that long-range planning for research, extension, and teaching is encouraged by all elements in the food and agricultural science and education system. (Sec. 1302)

The *Conference* substitute adopts the *House* amendment.

(3) *Purposes (Sec. 1403)*

The *Senate* bill expands the purposes of the 1977 Act to include improving coordination and planning of extension and teaching activities as well as research in the food and agricultural sciences. (Sec. 1402)

The *House* amendment expands the purposes of the 1977 Act to include improving and strengthening the Federal-State partnership; reducing unnecessary and pernicious regulations; and improving the cooperation among all who are involved in the food and agricultural sciences. (Sec. 1303)

The *Conference* substitute adopts the *Senate* provision.

(4) *Definitions (Sec. 1404)*

(a) The *Senate* bill broadens the definition of "food and agricultural sciences" by providing that the term encompasses basic, applied, and developmental research, and extension and teaching in the food, agricultural, renewable natural resources, forestry, and social sciences in the broadest sense of those terms, including certain enumerated activities relating to:

Domestic and export market expansion for U.S. agricultural products;

Production inputs to improve productivity;

Animal health;

Human nutrition;

Home economics and family life;

Rangeland management;

Aquaculture; and

Energy production, use, and conservation.

(Sec. 1403(1))

The *House* amendment is the same except that it broadens the definition of home economics and also includes reference to "physical sciences". In addition, the *House* amendment enumerates the same activities as in the *Senate* bill, except for "energy production, use, and conservation", plus the following:

Agriculture, including soil and water conservation and use, the use of organic waste materials, plant and animal production and protection and plant health;

Processing, distributing, marketing, and utilization of food and agricultural products;

Forestry, including production of forest and range products, multiple use of forest and rangelands, and urban forestry;

Rural community welfare and development; and

Youth development.

(Sec. 1304(1))

The *Conference* substitute adopts the *House* amendment.

(b) The *Senate* bill expands the definition of "State," applicable to the 1977 Act; except for subtitle H, to include American Samoa, the Commonwealth of the Northern Marianas, and the Trust Territory of the Pacific Islands. (Sec. 1403(2))

The *House* amendment is the same except that it also makes the definition applicable to subtitle H of the 1977 Act (the current defi-

nition of "State" in subtitle H is deleted by section 1329 of the *House* amendment). (Sec. 1304(2))

The *Conference* substitute adopts the *House* amendment.

(c) The *Senate* bill defines the term "teaching" to mean formal classroom instruction, laboratory instruction, and practicum experience in the food and agricultural sciences and related matters conducted by colleges and universities offering baccalaureate or higher degrees. (Sec. 1403(3))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(d) The *House* amendment defines "cooperating forestry schools" as those institutions eligible to receive funds under the McIntire-Stennis Act of 1962. (Sec. 1304(5))

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(e) The *House* amendment defines "State cooperative institutions" or "State cooperative agents" as those institutions designated by the First and Second Morrill Acts, including the Tuskegee Institute; the Hatch Act of 1887; the Smith-Lever Act of 1914; the McIntire-Stennis Act of 1962; and subtitles E (Animal Health and Disease Research), L (Aquaculture), and M (Rangeland Research) of this title. (Sec. 1304(5))

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(5) Responsibilities of the Secretary and coordinating role of the Department of Agriculture (Sec. 1405)

(a) The *Senate* bill deletes the requirement that the Secretary of Agriculture keep informed of manpower developments in the food and agricultural sciences. (Sec. 1404)

The *House* amendment contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

(b) The *House* amendment directs the Secretary to take the initiative in overcoming barriers to long-range planning by developing, in conjunction with the States and appropriate agencies and institutions, a long-term needs assessment for food, fiber, and forest products and by determining the research required to meet the identified needs. (Sec. 1305)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(6) Joint Council on Food and Agricultural Sciences (Sec. 1407)

(a) The *Senate* bill extends the term of the Joint Council to December 31, 1986—basically a 4-year extension. (Sec. 1406(1))

The *House* amendment extends the term of the Joint Council from 5 to 8 years. (Sec. 1307(a))

The *Conference* substitute provides for the term of the Joint Council to expire on September 30, 1985.

(b) The *Senate* bill provides that the Joint Council shall be composed of not fewer than 25 representatives of organizations, agencies, colleges, and universities that conduct or assist in conducting programs or research, extension, or teaching in the food and agricultural sciences, other public and private institutions, producers, and representatives of the public who are interested in and have a

potential to contribute to the foundation of national policy in the food and agricultural sciences; provides that the term of members shall be 3 years; and specifies that the Joint Council will be co-chaired by the senior policy official at the Department of Agriculture responsible for research, extension, and teaching. (Sec. 1406(2))

The *House* amendment is the same except that it broadens the list of agencies and organizations eligible to be represented on the Joint Council to those involved in "forestry sciences" in addition to food and agricultural sciences; includes as eligible organizations those conducting animal health, aquaculture, and rangeland research; provides that the terms of members shall be *up to* 3 years; provides that Joint Council members must be selected only from nominations submitted by the organizations and agencies eligible to be represented on the Joint Council; and specifies that the Assistant Secretary of Agriculture responsible for research, extension, and teaching will serve as cochairperson. (Sec. 1307(b))

The *Conference* substitute adopts the *House* amendment.

The conferees intend that the land-grant institutions and other institutions eligible to be represented on the Joint Council shall nominate at least three nominees for each vacancy that occurs on the Joint Council after the effective date of this section. Should the Secretary find that the slate of nominees submitted to fill such vacancy needs to be enlarged, it is the understanding of the conferees that the Secretary may request that the nominating institutions submit the names of additional nominees for the Secretary's consideration.

(c) Both the *Senate* bill (Sec. 1406(5)) and the *House* amendment (Sec. 1307(e)) require the Joint Council to submit a report to the Secretary by June 30 of each year containing recommendations on priorities and areas of responsibility among Federal, State and private organizations in carrying out the research, extension, and teaching programs.

In addition, the *House* amendment requires that the annual report of the Joint Council specify the level of financial need and other support necessary to carry out the program; provides for a second annual report on November 30 specifying ongoing research, extension, and teaching programs, their accomplishments, and their future expectations; provides for a report on June 30, 1983, to be updated every 2 years, outlining a 5-year plan for food and agricultural sciences; and requires that all of these reports be submitted to the Congress, the President, and to the constituent organizations of the Joint Council, in addition to the Secretary. (Sec. 1307(b))

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment but limits the required distribution of Council reports to the Secretary.

(d) The *Senate* bill provides that these amendments constitute the sole charter under which the Joint Council will operate; authorizes it to establish bylaws; and authorizes it to establish such panels as it finds appropriate to assist it in meeting its responsibilities. These panels are exempted from the Federal Advisory Committee Act and from the provisions of title XVIII of the Food and Agriculture Act of 1977. Sec. 1406(6))

The *House* amendment contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

(7) *National Agricultural Research and Extension Users Advisory Board (Sec. 1408)*

The *Senate* bill extends the term of the National Agricultural Research and Extension Users Advisory Board to December 31, 1986—basically a 4-year extension. (Sec. 1407)

The *House* amendment extends the term of the Advisory Board from 5 years to 8 years. (Sec. 1308)

The *Conference* substitute provides for the term of the Advisory Board to expire on September 30, 1985.

(8) *Existing research programs (Sec. 1409)*

The *Senate* bill repeals (by substitution of new provisions) section 1409 of the 1977 Act that relates to coordination of existing research programs and states the intent of Congress not to limit the authority of the Secretary of Health, Education and Welfare. (Sec. 1408)

The *House* amendment retains section 1409 and changes the reference to Health, Education, and Welfare to Health and Human Services. (Sec. 1309)

The *Conference* substitute adopts the *House* amendment.

(9) *Federal-State partnership and coordination (Sec. 1410)*

(a) The *Senate* bill amends section 1409 of the 1977 Act to enumerate the primary statutes on which the unique Federal-State partnership in food and agricultural research, extension, and teaching is based. (Sec. 1408)

The *House* amendment adds a new section 1409A to the 1977 Act which is the same as the *Senate* bill except that it includes reference to subtitle G of the 1977 Act (relating to research and extension at 1890 land-grant colleges) as a primary statute upon which the partnership, with regard to research and extension, is based. (Sec. 1310)

The *Conference* substitute adopts the *House* amendment.

(b) The *House* amendment authorizes the Secretary to establish Human Nutrition Centers in State cooperative institutions and other institutions to focus on particular high priority nutrition problems and to promote the health and welfare of the people through cooperative research, extension, and teaching programs including new cooperative initiatives in home economics and related disciplines. (Sec. 1310)

The *Senate* bill has no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(c) The *House* amendment requires the Secretary to assure that the cooperative research, extension, and teaching programs adequately address the challenges set forth in paragraph (10) of section 1302 of the *House* amendment. (Sec. 1310)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(10) *Secretary's report (Sec. 1411)*

The *House* amendment requires that the Secretary's annual report for January 1, 1983, on research, extension, and teaching ac-

tivities include the Secretary's long term needs assessment for food, fiber, and forest products developed pursuant to the provisions of section 1305(11) of the *House* amendment. (Sec. 1311)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment with an amendment changing the date for the Secretary's annual report on this provision to January 1, 1984.

(11) *General provisions; additional Assistant Secretary of Agriculture (Sec. 1414)*

(a) The *Senate* bill authorizes appropriations for the expenses of the staff of the Joint Council and the Advisory Board. (Sec. 1412(a))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(b) The *Senate* bill requires the Joint Council, the Advisory Board, and the Subcommittee on Food, Agricultural, and Forestry Research, to the extent practicable, to (i) conduct joint meetings and exchange reports, (ii) coordinate such meetings with and distribute such reports to others in the national agricultural research, extension, and teaching system, and (iii) appoint persons to serve as liaisons with each other and other members of such system. (Sec. 1412(a))

The *House* amendment also applies to "others in the agricultural science and education system." (Sec. 1314(a))

The *Conference* substitute adopts the *House* amendment.

(c) The *Senate* bill establishes an additional Assistant Secretary of Agriculture with such duties and responsibilities as the Secretary may prescribe. (Sec. 1412(a) and (b))

The *House* amendment is similar except that it specifies that the new Assistant Secretary will perform duties necessary to carry out research, extension, and teaching programs. (Sec. 1314(a) and (b))

The *Conference* substitute adopts the *House* amendment.

(12) *Program for competitive, special, and facilities grants for agricultural research (Sec. 1415)*

(a) The *Senate* bill provides that in allocating competitive grants to high priority research under section 2(b) of the Act of August 4, 1965, the Secretary should take into consideration determinations of the Advisory Board in addition to determinations of the Joint Council in identifying high priority research areas. (Sec. 1413(a)(1))

The *House* amendment has no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(b) The *House* amendment defines high priority research areas to include: basic research aimed at the discovery of new scientific principles and techniques that may be applicable in agriculture and forestry; research aimed at the development of new and innovative products, methods and technology relating to biological nitrogen fixation, photosynthesis, and other processes that will improve and increase the production of agricultural forestry resources; basic and applied research in the fields of (i) animal productivity and health; (ii) soil and water; and (iii) human nutrition; and research to develop new strains of crops, new promising crops, including guayule and jojoba. (Sec. 1315(a)(1))

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment. In defining high priority research areas, however, it is not the intention of the conferees that present funding for ongoing research projects be reduced in order to shift funds into any other high priority areas.

(c) The *Senate* bill extends the authorization for appropriations for competitive research grants through fiscal year 1987 at the level of \$50 million annually. (Sec. 1413(a)(2))

The *House* amendment extends the authorization for appropriations through fiscal year 1985 at the following levels: \$35 million for fiscal year 1983; \$40 million for fiscal year 1984; \$45 million for fiscal year 1985. (Sec. 1315(a)(2))

The *Conference* substitute adopts the *Senate* provision but extends the authorization for appropriations only through fiscal year 1985.

(13) Amendments to the Research Facilities Act of 1963 (Sec. 1416)

The *Senate* bill extends the authorization for appropriations for the Research Facilities Act of 1963 through fiscal year 1987 at the current level of \$31 million annually. (Sec. 1414)

The *House* amendment extends the authorization for appropriations through fiscal year 1985 at the following levels: \$15 million for fiscal year 1982; \$19 million for fiscal year 1983; \$23 million for fiscal year 1984; and \$27 million for fiscal year 1985. (Sec. 1316)

The *Conference* substitute adopts the *Senate* provision but extends the authorization for appropriations only through fiscal year 1985.

(14) Apportionment of funds appropriated for schools of veterinary medicine (Sec. 1417)

The *House* amendment deletes the requirement, from section 1415 of the 1977 Act, that at least 50 percent of the grant funds appropriated under that section must go to States that have accredited schools of veterinary medicine (Sec. 1339)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(15) Federal support of higher education in the food and agricultural sciences (Sec. 1418)

(a) The *Senate* bill amends the 1977 Act to require the Secretary of Education to *delegate* to the Secretary of Agriculture the authority to carry out all functions and duties under the Act of June 29, 1935. (Sec. 1415(1))

The *House* amendment is the same except that it uses the word "transferred" instead of "delegate". (Sec. 1317(b))

The *Conference* substitute adopts the *House* amendment.

(b) The *Senate* bill extends the authorization for appropriations for higher education grants for an additional 5 years through fiscal year 1987 at the current level of \$50 million. (Sec. 1415(3))

The *House* amendment extends the authorization for appropriations for an additional 3 years through fiscal year 1985 at the following levels: \$25 million for fiscal year 1982; \$30 million for fiscal year 1983; \$35 million for fiscal year 1984; and \$40 million for fiscal year 1985. (Sec. 1317(c))

The *Conference* substitute adopts the *Senate* provision but extends the authorization for appropriations only through fiscal year 1985.

(16) Transfer of functions under the Second Morrill Act (Sec. 1419)

The *Senate* bill transfers all *functions of and offices* administered by the Secretary of Education, including teaching funds, under the Act of August 30, 1890, to the Secretary of Agriculture. (Sec. 1416)

The *House* amendment is similar, except that it transfers all *functions and duties*. (Sec. 1318)

The *Conference* substitute adopts the *House* amendment with a technical amendment adding reference to the Act of March 4, 1907.

(17) National Agricultural Science Award (Sec. 1420)

The *Senate* bill changes the title of the award authorized in section 1418 of the 1977 Act to the National Agricultural Science Award; clarifies that these awards may be made for research or advanced studies in the food and agricultural sciences, including the social sciences; and provides that the awards will be open to persons in agricultural research, extension, teaching, or any combination thereof. (Sec. 1417)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(18) Redesignation of instruction funding (Sec. 1421)

The *House* amendment amends the Act of August 30, 1890 (Second Morrill Act) and the Act of March 4, 1907 to specify that funds provided under these Acts for instruction shall be applied only for instruction in the food and agricultural sciences. (Sec. 1319)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(19) Alcohol and industrial hydrocarbons (Sec. 1422)

The *Senate* bill includes Federal laboratories as eligible recipients for research grants in the production and marketing of alcohol and industrial hydrocarbons from agricultural products. In addition, it extends the authorization of appropriations for such grants for 5 years, and limits the total amount to be appropriated over the 10-year period (fiscal years 1978-1987) to \$40 million. (Sec. 1418)

The *House* amendment is similar except that it does not extend eligibility for research grants to Federal laboratories, extends the authorization for appropriations for only 3 years, and limits total appropriations for the 8-year period beginning with fiscal year 1978 to \$40 million. (Sec. 1320)

The *Conference* substitute adopts the *Senate* provision but extends the authorization of appropriations only through fiscal year 1985 and limits the total amount to be appropriated over the 8-year period to \$40 million.

(20) Assessment of food and human nutrition research centers

The *House* amendment requires the Secretary of Agriculture to assess and report to Congress on the accomplishments, costs and benefits of existing regional food and human nutrition research

centers as established by the U.S. Department of Agriculture and make recommendations relating to funding levels, the status of grants to build or supply the regional research centers, and progress toward achieving cooperation with States and others in the use of Federal facilities in nutrition research. (Sec. 1321)

The *Senate* bill contains no comparable provision.

The *Conference* substitute deletes the *House* amendment.

The conferees expect that the regular evaluation of agricultural research, extension, and teaching required elsewhere in this title will include such an assessment of existing regional food and human nutrition research centers established by the Department of Agriculture. The conferees expect that any evaluation of these research centers take into account the fact that recently established centers have not had full opportunity to completely develop their primary missions.

(21) Nutrition education program (Sec. 1423)

The *Senate* bill amends section 1425 of the 1977 Act to establish a new formula for the allocation of funds appropriated for the conduct of the expanded food and nutrition education program under which any funds annually appropriated under section 3(d) of the Smith-Lever act for that program, up to the amount appropriated for the program in fiscal year 1981 shall be allocated to the States in the same proportion as the funds were allocated in fiscal year 1981, except that the Secretary may retain up to 2 percent of such funds for allocation to States that did not participate in the program in fiscal year 1981.

In addition, it provides that any funds appropriated annually for the program in excess of the amount appropriated for fiscal year 1981 shall be allocated as follows: 4 percent for administration; 10 percent of the remainder to be distributed equally among the States; and the remainder to be allocated to each State in an amount that bears the same ratio to the total amount to be allocated under the formula as the population of the State living at or below 125 percent of the income poverty guidelines bears to the total population of all the States living at or below 125 percent of such guidelines. (Sec. 1419)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(22) Repeal of section 1426 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (Sec. 1424)

The *Senate* bill repeals section 1426 of the 1977 Act, which provided for the development and distribution of educational materials on food and nutrition education to state departments of education for use in classrooms and lunchrooms of elementary and secondary schools. (Sec. 1420)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(23) Human nutrition research and information management system (Sec. 1425)

The *House* amendment requires the Secretary of Agriculture and the Secretary of Health and Human Services to formulate and

submit to Congress, within 120 days after enactment of the bill, a plan for a human nutrition research and information management system based on on-line data support capability allowing for fiscal accounting, management and control of cross-agency human nutrition research activities. (Sec. 1322)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment with an amendment extending to 180 days the time for the implementation of the provisions of this section.

(24) Conforming amendment (Sec. 1426)

The *House* amendment amends section 1429 of the 1977 Act to reflect the change in eligible recipients made in section 1324 of the *House* amendment. (Sec. 1323)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(25) Eligible institutions for animal health and disease research funds (Sec. 1427)

(a) The *Senate* bill redefines eligible institutions for purposes of animal health and disease research funding to limit eligibility to State agricultural experiment stations and accredited colleges of veterinary medicine. (Sec. 1421(1))

The *House* amendment makes a similar change except that it also makes accredited "schools" of veterinary medicine eligible and limits eligibility of State agricultural experiment stations to those which conduct animal health and disease research. (Sec. 1324)

The *Conference* substitute adopts the *House* amendment.

(b) The *Senate* bill redefines the term "dean" to mean the dean of an accredited college of veterinary medicine. (Sec. 1421(2))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision with an amendment to include deans of "schools" of veterinary medicine.

(26) Animal Health Science Research Advisory Board (Sec. 1428)

The *Senate* bill extends the term of the Animal Health Science Research Advisory Board to December 31, 1986. (Sec. 1422)

The *House* amendment contains no comparable provision.

The *Conference* substitute provides for the term of the Board to expire on September 30, 1985.

(27) Appropriations for animal health and disease research programs at eligible institutions (Sec. 1429)

The *House* amendment authorizes to be appropriated not to exceed \$25 million annually, during fiscal year 1982 through 1985, for continuing animal health and disease research programs at eligible institutions. The current authorization (at the same level) has no termination date. (Sec. 1325)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(28) *Appropriations for research on specific national or regional animal health or disease problems (Sec. 1430)*

The *House* amendment authorizes an increase in funds for research on specific national or regional animal health or disease problems from \$15 million to \$35 million annually for the period beginning October 1, 1981, and ending September 30, 1985. The current authorization has no termination date. (Sec. 1326)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(29) *Extension at 1890 land-grant colleges, including Tuskegee Institute (Sec. 143)*

(a) The *Senate* bill requires that annual appropriations, beginning with fiscal year 1982, for extension at the 1890 land-grant colleges, including Tuskegee Institute, be in an amount not less than 5½ percent of the total appropriations for such year under the Smith-Lever Act. (Sec. 1424(1))

The *House* amendment is similar except that the requirement for appropriations begins with fiscal year 1983, and the amount to be appropriated is not to be less than 7 percent of the Smith-Lever appropriations. (Sec. 1327(1))

The *Conference* substitute adopts the *Senate* provision with an amendment under which the annual appropriation for extension at the 1890 land-grant colleges, including Tuskegee Institute, would be required to be in an amount not less than 5½ percent of the total appropriations for fiscal year 1982 under the Smith-Lever Act, and for each fiscal year thereafter through fiscal year 1985 in an amount not less than 6 percent of the total appropriation for the Smith-Lever Act.

(b) The *Senate* bill requires that a comprehensive program of extension for each State be developed and submitted to the Secretary for approval every 5 years. (Sec. 1424(3))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(c) The *Senate* bill requires that the annual plans of work be coordinated with the State plan for extension work and be submitted to the Secretary as part of the State plan by the State director of the cooperative extension service. (Sec. 1424(3))

The *House* amendment provides only that plans of work be submitted to the Secretary by the eligible institution as a part of the State plan of work. (Sec. 1327(4))

The *Conference* substitute adopts the *House* amendment. The conferees believe that the 1890 institutions should continue submitting their plans directly to the Secretary of Agriculture but would expect these institutions to coordinate their plans with the State extension director, such coordination being necessary and helpful towards the development of an effective and efficient extension system.

(30) *Agricultural research at 1890 land-grant colleges, including Tuskegee Institute (Sec. 1432)*

The *House* amendment adds a new subsection providing that the Secretary of Agriculture shall make a grant to one 1890 college (Prairie View A & M University), which has initiated a dairy goat

research program and has the best demonstrable capacity to carry out dairy goat research, to be expended to pay expenses incurred in conducting dairy goat research. These grant funds would be provided on a quarterly basis and must be accounted for within 60 days after the end of the fiscal year in a detailed statement submitted to the Secretary. Lost or unaccounted-for funds must be replaced by the college. Appropriations for this program are authorized through fiscal year 1985 in an amount equal to 1 percent of the aggregate amount appropriated to carry out section 1445 of the 1977 Act in the preceding fiscal year. (Sec. 1328(b))

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(31) *Authorization for appropriations for solar energy model farms and demonstration projects (Sec. 1434)*

The *Senate* bill amends section 1454 of the 1977 Act to extend the authorization for appropriations for solar model farms and demonstration projects through September 30, 1986. (Sec. 1427)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision but extends the authorization for appropriations only through fiscal year 1985.

(32) *Solar energy definition (Sec. 1435)*

The *House* amendment deletes the definition of "State" from subtitle H, section 1457 of the 1977 Act. The effect is to expand subtitle H to the Commonwealth of the Northern Marianas and the Trust Territory of the Pacific Islands. (Sec. 1329)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(33) *International agricultural research and extension (Sec. 1436)*

(a) The *Senate* bill authorizes the Secretary to expand the operational coordination of the Department of Agriculture with institutions and other persons throughout the world performing agricultural and related research and extension activities and to conduct coordinated research and extension on problems of significance to food and agriculture in the United States. (Sec. 1428)

The *House* amendment retains current law which does not include reference to related research and extension or to problems of significance relating to food. (Sec. 1330)

The *Conference* substitute adopts the *Senate* provision.

(b) The *Senate* bill authorizes the Secretary to work with transitional as well as developed countries, to provide for the training of persons from transitional and developed countries when engaged in agricultural and related research and extension activities; and to station scientists at national and international institutions in such countries. (Sec. 1428)

The *House* amendment is similar except that it refers to food, agricultural, and related research and extension; does not provide authority for training; and retains the reference in current law to the stationing of United States scientists in such countries. (Sec. 1330)

The *Conference* Substitute adopts the *Senate* provision.

(c) The *Senate* bill requires the Secretary to draw upon and enhance the resources of colleges and universities for developing linkages among such institutions, the Federal Government, international research centers and counterpart agencies, and institutions in both developed and less developed countries to improve food and agricultural programs in the United States throughout the world. (Sec. 1428)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(d) The *Senate* bill authorizes the Secretary to provide specialized services, on an advance of funds or a reimbursable basis, to U.S. colleges and universities carrying out international agricultural and related research, extension, and teaching development projects and activities. (Sec. 1428)

The *House* bill is similar except that it applies only to research projects and activities. (Sec. 1330)

The *Conference* substitute adopts the *Senate* provision.

(34) Authorization for appropriations for existing and certain new agricultural research programs (Sec. 1437)

(a) The *Senate* bill amends section 1463(a) of the 1977 Act to extend the authorization for appropriations for agricultural research programs as follows: \$780 million for fiscal year 1983; \$835 million for fiscal year 1984; \$890 million for fiscal year 1985; \$945 million for fiscal year 1986; and \$1 billion for fiscal year 1987. (Sec. 1429(1))

The *House* amendment only extends the authorization through fiscal year 1985 as follows: \$800 million for fiscal year 1983; \$820 million for fiscal year 1984; and \$840 million for fiscal year 1985. (Sec. 1331(a))

The *Conference* substitute adopts the *Senate* provision but extends the authorization for appropriations only through fiscal year 1985.

(b) The *Senate* bill amends section 1463(b) of the 1977 Act to extend the authorization for appropriations for agricultural research at State experiment stations as follows: \$230 million for fiscal year 1983; \$240 million for fiscal year 1984; \$250 million for fiscal year 1985; \$260 million for fiscal year 1986; and \$270 million for fiscal year 1987. (Sec. 1429(2))

The *House* amendment only extends the authorization through fiscal year 1985 as follows: \$245 million for fiscal year 1983; \$270 million for fiscal year 1984; and \$295 million for fiscal year 1985. (Sec. 1331(b))

The *Conference* substitute adopts the *Senate* provision but extends the authorization for appropriations only through fiscal year 1985.

(c) The *Senate* bill provides that not less than 25 percent of the funds generally provided for agricultural research in any fiscal year must be appropriated for agricultural research under the provisions of the Hatch Act of 1887 at State agricultural experiment stations. (Sec. 1429(3))

The *House* amendment is the same except that it is effective beginning October 1, 1983. (Sec. 1331(c))

The *Conference* substitute adopts the *House* amendment.

(35) *Authorization for appropriations for extension programs (Sec. 1438)*

The *Senate* bill extends the authorization for appropriations for extension programs as follows: \$360 million for fiscal year 1983; \$370 million for fiscal year 1984; \$380 million for fiscal year 1985; \$390 million for fiscal year 1986; and \$400 million for fiscal year 1987. (Sec. 1430)

The *House* amendment only extends the authorization for extension through fiscal year 1985, as follows: \$370 million for fiscal year 1983; \$390 million for fiscal year 1984; and \$410 million for fiscal year 1985. (Sec. 1332)

The *Conference* substitute adopts the *Senate* provision but extends the authorization for appropriations only through fiscal year 1985.

(36) *Program evaluation studies (Sec. 1439)*

The *Senate* bill requires regular evaluation of agricultural research, extension, and teaching programs by the Secretary and authorizes the Secretary to encourage the regular evaluation of such programs within the States through the development of cooperative evaluation programs. (Sec. 1431(a))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(37) *General authority to enter into contracts, grants, and cooperative agreements (Sec. 1439)*

(a) The *Senate* bill authorizes the Secretary to enter into contracts or award grants or enter into cooperative agreements with various institutions and organizations to further the research, extension, or teaching programs in the food and agricultural sciences of the Department. (Sec. 1431(a))

The *House* amendment is the same except such authority extends to recipients "either foreign or domestic". (Sec. 1310)

The *Conference* substitute adopts the *House* amendment.

(b) The *Senate* bill waives any requirements for competition, including advertising, and limitations on the advance of funds. (Sec. 1431(a))

The *House* amendment contains the same waiver but includes the restriction "unless otherwise provided in this title". (Sec. 1310)

The *Conference* substitute adopts the *House* amendment.

(38) *Indirect costs and tuition remission (Sec. 1439)*

The *Senate* bill prohibits the use of appropriated funds received by State cooperative institutions, under authority of sections 1433, 1434, 1444, and 1445 of the 1977 Act, the Hatch Act of 1887, the Smith-Lever Act, and the McIntire-Stennis Act of 1962, for the reduction of indirect costs or for tuition remission. (Sec. 1431(a))

The *House* amendment is the same, but also includes funds appropriated under the First and Second Morrill Acts, the Act of August 4, 1965, and for aquaculture and rangeland research. In addition, the *House* amendment prohibits charging indirect costs or tuition remission against funds in connection with certain cooperative agreements between the Department and State cooperative in-

stitutions involving programs or projects of mutual interest and contribution by all parties involved. (Sec. 1333)

The *Conference* substitute adopts the *House* amendment.

(39) Aquaculture research (Sec. 1440)

The *House* amendment establishes a new subtitle L in the 1977 Act that provides for a program of coordinated research and extension activities to encourage the development management and production of aquatic food species in accordance with the National Aquaculture Act of 1980. This provision would:

- authorize the Secretary to make grants to eligible institutions which must be matched by the State in which the institution is located, including Federal laboratories, to fund research and extension activities to advance the production and marketing of aquaculture products;

- authorize the Secretary to provide assistance to States in the formulation of aquaculture development plans through matching grants of not more than \$50,000 to any one State;

- authorize the Secretary to establish in the United States up to four aquaculture research, development, and demonstration centers to work on projects of regional or national application; funds for these centers could not be used for construction or acquisition of new buildings;

- require the Secretary to report to Congress and the President, within within 1 year after enactment and by March 1 of each year thereafter, on the Department's progress in aquaculture research;

- require the Secretary to establish a 12 member Aquaculture Advisory Board, with a term of 5 years, to advise the Secretary and make recommendations; the Board would be composed of 4 officials of the Science and Education Administration of the Department, 2 members representing cooperative extension services, 2 members representing State agricultural experiment stations, and 4 members representing national aquaculture organizations;

- authorize appropriations of \$7.5 million annually through fiscal year 1985 and provide that funds appropriated will be allocated by the Secretary for work done as mutually agreed by the Secretary and the eligible institutions. (Sec. 1334)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment with an amendment providing for the term of the Aquaculture Advisory Board to expire on September 30, 1985.

(40) Rangeland research (Sec. 1440)

(a) The *Senate* bill requires that the development and implementation of any rangeland research program be coordinated with the programs carried out under the *Forest and Rangeland Renewable Resources Planning Act of 1974*, the *Soil and Water Resources Conservation Act of 1977*, and the *Renewable Resources Extension Act of 1978*. (Sec. 1432)

The *House* amendment is similar except that it only requires coordination with the programs carried out under the *Renewable Resources Extension Act of 1978*. (Sec. 1334)

The *Conference* substitute adopts the *House* amendment.

(b) The *Senate* bill requires the Secretary to establish a Rangeland Research Advisory Board with a term that expires December 31, 1986 (basically a 5-year term). (Sec. 1432)

The *House* amendment establishes the Board for a term of 4 years. (Sec. 1334)

The *Conference* substitute adopts the *House* amendment with an amendment providing for the term of the Rangeland Research Advisory Board to expire on September 30, 1985.

(c) The *Senate* bill authorizes appropriations to carry out the rangeland research provisions of not to exceed \$10 million annually. (Sec. 1432)

The *House* amendment authorizes appropriations of \$10 million annually for the period October 1, 1981 through September 30, 1985, and thereafter such sums as may be authorized by law. (Sec. 1334)

The *Conference* substitute adopts the *House* amendment.

(41) *Cooperative State forestry (Sec. 1441)*

(a) The *Senate* bill specifically includes State agricultural experiment stations among the agencies to be represented on the council required to be appointed under the McIntire-Stennis Act of 1962. (Sec. 1433(c))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(b) The *Senate* bill authorizes the use of funds made available to the Secretary for administration of the McIntire-Stennis Act of 1962 for the transportation of non-Federal scientists to research meetings. (Sec. 1433(c))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(42) *Additional agricultural research support*

The *Senate* bill provides for funds under section 32 of the Act of August 24, 1935, to be available to support agricultural research, extension, and teaching programs. (Sec. 1434)

The *House* amendment contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

(43) *Prohibition against reduction of State funds upon increase in Federal allotment (Sec. 1442)*

The *House* amendment amends the Hatch Act of 1887 and the McIntire-Stennis Act of 1962 to discourage reductions in State funding under these Acts as a result of any increase in Federal funding by requiring the Secretary to reduce succeeding year funding to institutions in any State by an amount equal to any reduction in funding by the State and to reapportion that money to other States. (Sec. 1337)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(44) *Excess Federal property (Sec. 1443)*

The *Senate* bill amends the Federal Property and Administrative Services Act of 1949 to permit the Secretary to obtain excess Federal personal property and, where title is retained in the United

States, to furnish it to State or county extension services, State agriculture experiment stations, 1890 land-grant colleges, including Tuskegee Institute, accredited colleges of veterinary medicine and cooperating forestry schools, to further the purposes of the Smith-Lever Act, the Hatch Act of 1887, the McIntire-Stennis Act of 1962, and the research and extension programs authorized by sections 1433, 1434, 1444, and 1445 of the 1977 Act. (Sec. 1435)

The *House* amendment is similar except that it does not specifically include reference to accredited colleges of veterinary medicine and cooperating forestry schools under the McIntire-Stennis Act of 1962 or to sections 1433 and 1434 of the 1977 Act. In addition, the *House* amendment includes a definition of "State". (Sec. 1338)

The *Conference* substitute adopts the *Senate* provision with an amendment to include the definition of "State" contained in the *House* amendment.

(45) Rural development and small farm research and extension (Sec. 1444)

The *Senate* bill (Sec. 1436(a)) amends title V of the Rural Development Act of 1972, as follows:

Section 501 is amended to express that the overall purpose of the title is to provide opportunities for increased numbers of people to work and enjoy a high quality of life by providing for the support of activities to supplement and extend programs that address special research and education needs in States experiencing rapid social and economic adjustments or unique problems caused by rural isolation, and that address national and regional rural development policies, strategies, issues, and programs, and by identifying specific goals for improving the quality of rural life.

Section 502 is amended to authorize the Secretary in cooperation with colleges and universities to conduct: (i) rural development extension programs consisting of the collection, interpretation, and dissemination of information from research, providing technical services and educational activities, and feasibility studies and planning assistance to a wide range of State and local government units, and organizations involved in community and rural development, Indian tribes, and industries employing people in rural areas; (ii) rural development research including research, investigations, and feasibility studies that may develop information that may be useful in planning and carrying out rural development programs; (iii) small farm research programs consisting of the development of methods to initiate and upgrade small farm operations, the development of new enterprises through which small farm families can make use of the resources available to them, and the development of methods to increase services and facilities needed by small farm families; (iv) small farm extension programs to improve small farm operations, to increase the use of USDA and other services, to assist in the formation of cooperatives, and to develop new enterprises to make better use of resources available to small farm families; and (v) a program of special grants to strengthen research and education and develop strategies on national and regional rural development issues, including energy development and improved federal programs for rural areas.

Section 503 is amended to authorize appropriations as necessary to carry out the purposes of the title. Funds appropriated for rural development research and extension programs are to be distributed as follows: (i) 4 percent to the Secretary for administration; (ii) 10 percent to finance work serving two or more States; (iii) 20 percent to be allocated equally among the States; and (iv) 66 percent to be allocated under a formula based on the ratio of the rural and farm populations of each State to the total rural and farm population of all the States, except that no State may receive more than \$75,000 until all States have been allocated a minimum of \$75,000. In addition, this section provides: for grant funds to be distributed on a competitive or matching fund basis; for grant funds to be used to pay salaries, to obtain supplies, equipment, and services, and to rent and maintain facilities; that the payment of funds to any State for the rural development research and extension programs, and the small farm research and extension programs, is contingent upon the Secretary's approval of a plan of work and budget for such programs which are to be jointly developed in each State by the land-grant colleges and universities eligible to receive funds under the First and Second Morrill Acts, including Tuskegee Institute; that funds shall be available for use by each State in the fiscal year for which appropriated and the following fiscal year, and shall be accounted for as prescribed by the Secretary; and that the funds provided to each State may be used to finance programs through or at private and public colleges and universities other than the land-grant institutions responsible for administering the programs.

Section 504 is amended to provide: that title V programs will be administered by the eligible land-grant college or university in each State or if there is more than one by the institution mutually agreed upon and approved by the Secretary; and that all private and public supported colleges and universities in a State shall be eligible to participate in title V programs. In addition, this section requires the responsible institution of each State to designate a program coordinator and to name a 12 member advisory council to review and approve budgets and plans of work and to advise the chief administrative officer of such institution with regard to matters pertaining to the programs.

Section 505 is amended to provide that if the Secretary determines that a State is not eligible to receive part or all of the funds to which it is otherwise entitled for rural development research and extension programs that the matter shall be reported to the President and the State may appeal to Congress within a specified period of time.

Section 506 is amended to establish definitions for "rural development", "State", and "small farm".

Section 507 provides that the Secretary may issue regulations.

The *Senate* bill also redesignates section 509 of title V as section 508 and repeals section 510 relating to annual reports by the Secretary. (Sec. 1436(b))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provisions.

(46) Increased emphasis on marketing education programs for small and medium size family farming operations (Sec. 1445)

The *Senate* bill requires the Secretary to take steps to place greater emphasis on providing marketing education for persons engaged in small and medium size family farming operations in connection with marketing research and education programs. (Sec. 1437)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(47) Soybean Research Advisory Institute (Sec. 1446)

The *Senate* bill establishes a temporary 11 member Soybean Research Advisory Institute within the Department of Agriculture. The members would be appointed by the Secretary from soybean research experts and would represent producers, processors, land-grant colleges and universities, Federal research agencies, and private industry on a geographically balanced basis.

The functions of the Institute would be:

To assess the effectiveness of current soybean research programs in the United States.

To assess impediments to increased U.S. soybean production and ways to eliminate them;

To evaluate available means and the potential for increasing U.S. soybean production;

To estimate the funding requirements to carry out a coordinated national program of soybean research aimed at increasing domestic soybean production and profitability; and

To develop plans for and sponsor an international conference on soybean research.

In addition, the Institute would be required to report its findings regarding research on soybean production and utilization and any recommendations to Congress by March 1, 1983, after which it would cease to exist. Institute members would serve without compensation but would be entitled to travel expenses, including per diem in lieu of subsistence, authorized for persons employed intermittently in U.S. Government service. (Sec. 1438)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(48) Administrative jurisdiction over lands (Sec. 1447)

The *Senate* bill vests in the Secretary of Agriculture sole jurisdiction for the administration of the approximately 45,013 acres of land on which the United States Sheep Experiment Station in Idaho and the Summer Range in Montana are located. (Sec. 1440)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

TITLE XV—RESOURCE CONSERVATION

SUBTITLE A—SOIL AND WATER CONSERVATION

(1) Policy (Sec. 1501)

(a) The *Senate* bill reaffirms the policy of Congress to promote soil and water conservation, improve the quality of the Nation's

waters, and preserve and protect natural resources through the use of effective conservation and pollution abatement programs. (Sec. 1501(a))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(b) The *Senate* bill requires the Secretary of Agriculture to submit a report to Congress by December 31, 1981, setting forth a comprehensive soil and water conservation policy, including recommendations as to how the various soil and water conservation programs that are administered by agencies within the Department of Agriculture can be strengthened and improved. (Sec. 1501(b))

The *House* amendment contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

SUBTITLE B—SPECIAL AREAS CONSERVATION PROGRAM

(2) Findings (Sec. 1502)

The *Senate* bill provides that Congress finds:

(a) studies by the Department of Agriculture indicate that billions of tons of soil are eroded annually from non-Federal lands in the United States, much of which represents soil eroded from croplands;

(b) nearly one-half of the 413 million acres of croplands have soils with moderate, high, or very high risk of damage by sheet and rill erosion;

(c) the severity of erosion-related problems varies widely from one geographic area to the next;

(d) some of the most productive agricultural areas of the United States are also those having the most serious and chronic erosion-related problems;

(e) solutions to such chronic erosion-related problems should be designed to address the local social, economic, environmental, and other conditions unique to the area involved to ensure that the goals and policies of the Federal Government are effectively integrated with the concerns of the local community;

(f) certain range and pasturelands in the United States are producing less than their potential and therefore their productive capacity could be substantially improved by application of intensified range and pasture management practices; the protection of these lands is essential to controlling erosion, improving ecological conditions, enhancing wildlife and riparian habitats, improving water quality and yield, and meeting the need to produce food and fiber in a manner that is more energy efficient; and

(g) there is a need for—

(i) reducing seepage from on-farm and off-farm irrigation ditches and conveyance systems;

(ii) improving water conservation and utilization; and

(iii) installing measures to capture on-farm irrigation return flows. (Sec. 1502)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(3) *Formulation and implementation of special areas conservation program (Sec. 1503)*

(a) The *Senate* bill provides that contracts, entered into by the Secretary of Agriculture to carry out the special areas conservation program, shall be designed to provide assistance to the owners or operators of the farm, ranch, or other land in the designated area in making voluntary changes in their cropping systems which are needed to conserve or protect the soil, water, and related resources and to carry out the appropriate conservation measures. (Sec. 1503(b))

The *House* amendment is the same except that it includes a reference to contracts designed to provide assistance for voluntary changes in *uses of land or water*. (Sec. 1501(b))

The *Conference* substitute adopts the *Senate* provision.

(b) The *Senate* bill provides that the conservation plan that serves as the basis for contracts entered into by the Secretary in connection with the special areas program, must be approved by the Secretary. In addition, the Secretary is directed to provide landowners and operators, on request, technical assistance as needed to prepare and submit conservation plans to the Secretary. (Sec. 1503(c))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(c) The *Senate* bill provides that the conservation plan include conservation practices and measures determined to be practical to protect the land from *erosion or water-related problems* and to identify *conservation systems*, in addition to identifying conservation measures, needed to reduce erosion and conserve water on range and pasturelands. (Sec. 1503(c) (1) and (6))

The *House* amendment provides for the plan to include conservation practices and measures determined to be practical to protect the land from *erosion-related damage*, but makes no reference to identifying *conservation systems* or reducing erosion and conserving water on *pasturelands*. (Sec. 1501(c) (1) and (6))

The *Conference* substitute adopts the *Senate* provision.

(d) The *House* amendment provides for the landowners and operators to develop the conservation plan *in cooperation with* the approving soil and water conservation district board. (Sec. 1501(c)(6))

The *Senate* bill contains no comparable provision.

The *Conference* substitute deletes the *House* amendment.

(e) The *Senate* bill provides that, under any contract entered into under this subtitle, the landowner or operator must agree that upon transfer, during the contract period, of the rights or interests of the owner or operator in the land on which the plan is to be carried out, the landowner or operator must forfeit all rights to further payments under the contract and refund to the United States all payments received thereunder, including interest, unless the transferee of any such land agrees with the Secretary to assume all obligations of the contract. (Sec. 1503(d)(4))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(f) The *Senate* bill provides that the Secretary shall, in determining the amount of the shared costs, take into consideration the *social and economic conditions* unique to each designated geograph-

ic area and the degree of conservation to be achieved. The Secretary shall determine the maximum amount of *cost-share assistance* that may be provided to any single recipient. (Sec. 1503(e))

The *House* amendment provides that, in determining the amount of shared costs, the Secretary shall take into consideration the particular *environmental conditions*, in addition to social and economic conditions, of the geographic area involved, and shall determine the maximum amount of *financial assistance* that may be provided to any single recipient. (Sec. 1501(e))

The *Conference* substitute adopts the *House* amendment.

(g) The *Senate* bill authorizes the Secretary to agree to modifications of contracts determined to be *desirable to carry out* or facilitate the administration of the program, or to accomplish equitable treatment with respect to similar conservation or *other programs* administered by the Secretary. (Sec. 1503(f))

The *House* amendment is similar, except that it provides for the Secretary to make contract modifications that are determined to *carry out* or facilitate the administration of the program, or to accomplish equitable treatment with respect to *other* similar conservation or *commodity programs* administered by the Secretary. In addition, the *House* amendment allows for contract modifications determined by the Secretary to accommodate adjustments in crop production. (Sec. 1501(f))

The *Conference* substitute adopts the *Senate* provision.

(h) The *Senate* bill provides that the Secretary may also enter into contracts with landowners or operators for the purpose of maintaining any conservation treatment established under this subtitle or other conservation treatment which has been adequately established, and to provide assistance as necessary to retain the treatment on the land. (Sec. 1503(g))

The *House* amendment provides that the Secretary may also enter into contracts with landowners or operators for the purpose of maintaining a conservation practice or measure established under this subtitle or *otherwise established*, and to provide necessary assistance. (Sec. 1501(g))

The *Conference* substitute adopts the *Senate* provision with an amendment to substitute the words "practice or measure" for the word "treatment" wherever it appears.

(4) Program to be directed at specific problems (Sec. 1504)

(a) The *Senate* bill provides that the special areas conservation program be directed toward identifying and correcting erosion-related or *water management-related* problems and that assistance may only be provided to areas designated by the Secretary as having severe and chronic erosion-related or *water management-related* problems. (Sec. 1504(a))

The *House* amendment is the same except that it refers to *irrigation water management problems*. (Sec. 1502(a))

The *Conference* substitute adopts the *Senate* provision.

(b) The *Senate* bill provides that *in designating a geographic area as a special area*, the Secretary shall prepare and publish a report setting forth an assessment of the problems, objectives, and priorities in the area, a schedule for implementation of the program, and an explanation of how the program takes into consideration

ongoing programs, in the area, of Federal, State and local agencies, including soil conservation districts. (Sec. 1504(b))

The *House* amendment is similar, except that it requires the Secretary to prepare the report in connection with *identifying a geographic area as one appropriate for designation* as a special area, and requires that the report also reflect how the program takes into effect ongoing programs of State Agricultural Stabilization and Conservation Committees. The *House* amendment also provides that in designating special areas, the Secretary must review national resources inventory data, river basin plans, special studies, and other resource information; consider tons of soil loss prevented, acres protected and volume of water conserved; and evaluate the degree and type of interagency cooperation, the degree of local acceptance of the present target activity and the significant favorable and adverse impacts of the targeted activity. (Sec. 1502(b))

The *Conference* substitute adopts the *Senate* provision with an amendment providing that, among other things, in making designations of special areas the Secretary would (i) review national resources inventory data, river basin plans, special studies, and other resource information; and (ii) consider tons of soil loss prevented, acres protected, volume of water conserved, the degree and type of interagency cooperation, the degree of local acceptance of the present target activity, and the significant favorable and adverse impacts of the targeted activity.

(c) The *Senate* bill provides that the Secretary shall, within existing authorities, assure that all Department of Agriculture programs operating in a designated special area complement the conservation objectives outlined for such area. (Sec. 504(b))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision with an amendment to provide that, to the extent practicable, the Secretary must assure that all Department of Agriculture conservation programs operating in a designated special area complement the conservation objectives outlined for such area.

(5) Contract limitations (Sec. 1505)

The *Senate* bill provides that special areas may be designated at any time within 10 years after the *date of enactment* of this title. (Sec. 1505)

The *House* amendment provides for designation of special areas at any time within 10 years of the *effective date* of this title (October 1, 1981). (Sec. 1503)

The *Conference* substitute adopts the *House* amendment with an amendment providing that the time period during which the designation of special areas can be made will begin with the date of enactment of this subtitle and will end on September 30, 1991.

(6) Notification of Congress and approval of designations (Sec. 1506)

The *House* amendment provides that the Secretary may not enter into a contract with respect to land in a specific area unless the Agriculture Committees of the House and Senate pass resolutions approving the Secretary's report prepared in connection with identifying an area for designation. (Sec. 1504)

The *Senate* bill has no comparable provision.

The *Conference* substitute provides that the Secretary may not enter into a contract with respect to land in a specific area until 45 days after submission to the agriculture committees of the House and Senate of the Secretary's report prepared in connection with identifying and designating the geographic area as a special area.

(7) *Improvement of technology (Sec. 1508)*

The *Senate* bill provides for the Secretary to expend funds directly or through grants for research to assist in developing *new or improving existing technologies* for controlling *erosion or water-related problems* in designated areas. (Sec. 1508)

The *House* amendment is similar except that it only provides for developing *new technologies* for controlling *erosion-related or irrigation water management problems*. (Sec. 1506)

The *Conference* substitute adopts the *Senate* provision.

(8) *Grants*

The *House* amendment provides that the Secretary may provide grants to any State containing lands within a designated special area to conduct an evaluation and analysis of the local and State tax structures, rules, and regulations and their impact on the acceptance, implementation, and maintenance of conservation practices, or measures, or other pertinent items that may be needed for an effective program. (Sec. 1507)

The *Senate* bill contains no comparable provision.

The *Conference* substitute deletes the *House* amendment.

(9) *Authorization for appropriations (Sec. 1509)*

The *Senate* bill authorizes to be appropriated *annually*, to be available until expended, such sums as may be necessary to carry out the program authorized by this subtitle. (Sec. 1510)

The *House* amendment is the same except that it does not specifically require *annual* appropriations. (Sec. 1508)

The *Conference* substitute adopts the *Senate* provision.

(10) *Report to Congress (Sec. 1510)*

The *Senate* bill provides for the Secretary to submit a report to Congress which shall include recommendations for additional legislation as necessary to solve identified *soil, water, and related resources problems* in designated areas and to utilize new technology and research related to such problems. (Sec. 1511)

The *House* amendment provides for the Secretary to submit a report to Congress which shall include recommendations for additional legislative action necessary to apply related research findings or more effectively solve *erosion-related or irrigation water management problems* in designated areas along with other pertinent matters. (Sec. 1509)

The *Conference* substitute adopts the *Senate* provision.

(11) *Protection of participants (Sec. 1511)*

The *Senate* bill provides that no person shall be disqualified from participating in, or suffer any forfeiture or reduction in benefits under, any other program administered by the Secretary by virtue

of participation in the program provided for in this subtitle. (Sec. 1512)

The *House* amendment provides that the Secretary shall, to the extent feasible, provide for protection of program participants from indirect or direct disqualifications, discrimination, forfeiture, or reduction of eligibility, or penalty under other agricultural programs for participating in the program authorized by this subtitle. (Sec. 1510)

The *Conference* substitute adopts the *Senate* provision.

SUBTITLE C—SMALL WATERSHED PROGRAM AND BANKHEAD-JONES
FARM TENANT PROGRAM

(12) *Amendments to small watershed program (Sec. 1512)*

(a) The *Senate* bill amends the definition of "local organization" in section 2 of the Watershed Protection and Flood Prevention Act, by expanding the list of organizations embraced therein to include Indian tribes or tribal organizations having authority under Federal, State, or Indian tribal law to carry out, maintain and operate the works of improvement, thus making them eligible to sponsor small watershed projects. (Sec. 1513(a))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(b) The *Senate* bill amends sections 2, 5(3), and 5(4), respectively, of the Watershed Protection and Flood Prevention Act by increasing to \$5,000,000 (from the present \$1,000,000) the threshold level of the estimated Federal contribution to construction costs of any planned work of improvement under that Act beyond which appropriations for such plan may be made only if such plan has been approved by resolutions adopted by the appropriate committees of the Senate and House of Representatives and beyond which the plans must be submitted to various Federal agencies for comment prior to being transmitted to Congress for approval. (Sec. 1513(b), (e), and (f))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(c) The *Senate* bill amends section 3(6) of the Watershed Protection and Flood Prevention Act to authorize the Secretary of Agriculture to contribute toward the costs of conservation and development of the *energy resources* of lands within the area included in the plans for works of improvement under agreements for small watershed projects that are eligible for Federal cost sharing assistance under that Act. (Sec. 1513(c))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(d) The *Senate* bill amends section 4(1) of the Watershed Protection and Flood Prevention Act to authorize the Secretary of Agriculture to share up to one-half of the costs of the land, easements, or rights-of-way acquired or to be acquired by the local organization for mitigation of fish and wildlife habitat losses. Such acquisition is not limited to the confines of the watershed project boundaries. (Sec. 1513(d))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision. In approving this authorization for cost-sharing by the Department of Agriculture, it is the intent of the conferees that the Secretary ensure, to the maximum extent possible, that land acquisition for mitigation of fish and wildlife habitat losses will only be from willing sellers.

(13) *Amendment to the Bankhead-Jones Farm Tenant Act (Sec. 1513)*

The *Senate* bill amends section 31 of title II of the Bankhead-Jones Farm Tenant Act to add the development of energy resources to the list of purposes, which the Secretary of Agriculture is authorized and directed to develop, under the program of land conservation and utilization authorized in that Act. (Sec. 1514)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

SUBTITLE D.—MATCHING GRANTS FOR CONSERVATION ACTIVITIES

(14) *Grants program (Sec. 1514)*

The *House* amendment directs the Secretary of Agriculture to formulate and implement a program for furthering the conservation of soil, water, and related resources through annual grants, for non-capital expenditures, to local units of government through State soil conservation agencies for use in the furtherance of specified conservation objectives. The grants are to augment rather than replace other technical and financial assistance.

A local unit of government may be eligible for a grant if (i) it has in effect a current long-range program that the State soil conservation agency determines is adequate and a current annual work plan consistent with its long-range program, and (ii) it certifies that it has arranged for equal matching funds or in-kind services from regional, State, local, or private sources. The matching ratio is 50-50 unless the funds are to be used for a primarily national, rather than local or State, objective, in which case the non-Federal share is reduced to no more than 25 percent. (Sec. 1511)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment with an amendment providing that the formulation and implementation of the grants program is discretionary with the Secretary rather than mandatory.

(15) *Program implementation and review (Sec. 1515)*

The *House* amendment encourages the local unit of government, in connection with implementing the plan or program, to seek the input and cooperation of local agencies, organizations, citizens, and agencies of the Department of Agriculture or other Federal agencies, cooperative extension services, and others that the Secretary or the Governor of a State may designate as advisors. The Secretary, or the Secretary's designee at the State level, the State soil conservation agency, and the State Agricultural Stabilization and Conservation Committee may recommend changes or additions to the program or annual plan in order to meet urgent conservation needs or priorities. (Sec. 1512)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(16) *Plans (Sec. 1516)*

The *House* amendment provides that programs and annual plans may include the following resource conservation objectives: (a) soil erosion prevention and control; (b) cropland, forest, woodland, pasture or rangeland improvement; (c) water conservation, development, and management, and water quality improvement; (d) agricultural land retention or preservation; (e) demonstration projects to test and publicize the effectiveness of natural resource management systems adapted to local conditions; (f) fish and wildlife habitat improvement; (g) animal waste management; (h) watershed protection and flood prevention; (i) sediment control and stormwater management in urbanizing areas; (j) environmentally sound energy conservation and production; (k) leadership in natural resources aspects of rural community planning and development; or (l) other purposes authorized or required by local or State conservation laws. In addition, for objectives which will require more than 1 year to reach, the Secretary is authorized to sign long-term agreements of not more than 10 years with the local unit of government or State agency to provide multi-year funding assistance, contingent upon the appropriation of funds. (Sec. 1513)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(17) *Matching funds (Sec. 1517)*

The *House* amendment authorizes the use of Federal matching grants, as agreed between the State conservation agency and the Secretary, to provide technical assistance to landowners and operators for planning and application of conservation practices and resource management systems. The assistance would be administered by the State soil conservation agency through local conservation districts, be fully coordinated with technical assistance for ongoing resource conservation programs; and be in accord with established technical standards. The grant funds would be transferred under an agreement entered into by the State soil conservation agency, State ASC Committee and the Secretary or the Secretary's designee. (Sec. 1514)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(18) *Records (Sec. 1518)*

The *House* amendment requires local units of government of State agencies receiving assistance to keep such records as the Secretary requires, including among others, records that disclose the disposition of grant funds, total cost of projects, and the local portion of the costs. The Secretary and Comptroller General or their representatives shall have access to all records. (Sec. 1515)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(19) Authorization of appropriations (Sec. 1519)

The *House* amendment authorizes appropriation of such sums as may be necessary to carry out this subtitle, to remain available until expended. No appropriations would be authorized after fiscal year 1992, except as otherwise authorized by law. The Secretary is required to report to the House and Senate agriculture committees by January 1, 1986, and again by January 1, 1991, evaluating the program and recommending ways to strengthen it. (Sec. 1516)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

SUBTITLE E—CONSERVATION LOAN PROGRAM

(20) Conservation loans (Sec. 1520)

The *House* amendment amends the Commodity Credit Corporation Charter Act to authorize the Commodity Credit Corporation (CCC), beginning October 1, 1981, to make loans to the extent authorized in prior appropriation acts, to agricultural producers for those natural resource conservation and environmental enhancement measures that are recommended by county and State ASC Committees and are included in the producer's approved conservation plan. Loans shall not exceed \$25,000 per year to each producer, the loan period shall not exceed 10 years, and the rate of interest shall be based on the rate charged CCC by the Treasury. Loans of more than \$10,000 must be secured and the total of all loans made in each year may not exceed \$200 million. (Sec. 1517)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

SUBTITLE G—VOLUNTEERS FOR DEPARTMENT OF AGRICULTURE PROGRAMS

(21) Establishment of program (Secs. 1526 and 1527)

(a) The *Senate* bill authorizes the Secretary of Agriculture to recruit and train volunteers for activities related to matters administered by the Secretary through the Soil Conservation Service. The Secretary is authorized to pay the volunteers' incidental expenses for such items as transportation, uniforms, lodging and subsistence. (Sec. 1520)

The *House* amendment requires the Secretary to establish a program to use volunteers in carrying out all of the programs of the Department and provides that the program may not be used to displace any departmental employees including local, county, and State ASC Committees, and the Secretary is not authorized to pay incidental expenses of the volunteers. (Sec. 1518)

The *Conference* substitute adopts the *House* amendment with an amendment to make the program discretionary rather than mandatory.

(b) The *House* amendment requires that all funds appropriated for this program remain available until expended. (Sec. 1519)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

SUBTITLE—DESIGNATION OF LANDS SET ASIDE OR DIVERTED

(22) Lands set aside or diverted

The *House* amendment authorizes the Secretary of Agriculture, in connection with any land set-aside or diversion program, to delegate to appropriate local soil and water conservation boards the power to disapprove lands designated by a producer for set-aside or diversion, if the board finds that the designated lands would make a less than average contribution to soil conservation when compared with other lands which the producer could have so designated. In addition, if the designation is disapproved, the local board could specify which of the producer's lands would be acceptable for purposes of set-aside or diversion and the producer would be permitted to submit an amended application to participate in the program. (Sec. 1525)

The *Senate* bill contains no comparable provision.

The *Conference* substitute deletes the *House* amendment.

SUBTITLE H—RESOURCE CONSERVATION AND DEVELOPMENT

(23) Congressional findings

The *House* amendment makes findings that—

(a) the rural areas of the Nation are confronted by critical resource utilization, economic, and environmental problems;

(b) these problems are the result of increasing pressures on rural areas to meet domestic and foreign demand for food, fiber, and wood; inadequate public and private investment to fund actions to meet the increasing demands on land and national resources; and social, economic, and environmental conditions too complex for individual communities to deal with; and

(c) these problems have caused and, unless remedied, will continue to cause the decline of the family farm system, small business enterprise and job opportunities, as well as a decline in the amenities and environmental quality of rural life throughout the United States. (Sec. 1539(a))

The *Senate* bill contains no comparable provision.

The *Conference* substitute deletes the *House* amendment.

*(24) Definitions (Sec. 1529)**(a) Area plan*

The *Senate* bill defines the term "area plan" as a resource conservation and utilization plan for a designated area which includes primary elements of land conservation and water management, and may include one or more secondary elements such as community development or others, the purpose of which is energy conservation, protection of agricultural land from conversion to other uses, or protection of fish and wildlife habitats. (Sec. 1524(1))

The *House* amendment defines the term "area plan" as a resource conservation and utilization plan developed for a designated rural area which includes one or more basic elements of land conservation and utilization, water management, community development, or other basic elements, including energy conservation, envi-

ronmental protection and the preservation of unique natural and cultural resources. (Sec. 1540(3))

The *Conference* substitute adopts the *Senate* provision with an amendment providing for the resource conservation and utilization plan to include one or more of the specified elements without making any distinction between "primary" and "secondary" elements.

(b) Designated area

The *Senate* bill defines the term "designated area" as a geographic area designated by the Secretary to receive assistance under the program. (Sec. 1524(2))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(c) Planning process

The *Senate* bill defines the term "planning process" to mean the continuing effort of a State, local unit of government, or local non-profit organization to develop and carry out effective resource conservation and utilization plans for a *designated area*. (Sec. 1524(3))

The *House* amendment is the same, except that it refers to *designated rural areas*. (Sec. 1540(2))

The *Conference* substitute adopts the *Senate* provision. However, the conferees expect that assistance under the resource conservation and development program be provided by the Secretary primarily for the benefit of rural areas.

(d) Financial assistance

The *Senate* bill defines the term "financial assistance" to mean cost-sharing arrangements made available through Federal contracts, grants or loans. (Sec. 1524(4))

The *House* amendment is the same, except that it does not include Federal contracts as an element in the definition. (Sec. 1540(8))

The *Conference* substitute adopts the *Senate* provision.

(e) Local unit of government

The *Senate* bill defines the term "local unit of government" to include any Indian tribe or tribal organization established under Federal, State or Indian tribal law. (Sec. 1524(5))

The *House* amendment does not include Indian tribes or tribal organizations in this definition; however, it does include any water conservation district and any irrigation, watershed, or drainage district which are not referred to in the *Senate* bill. (Sec. 1540(5))

The *Conference* substitute adopts the *Senate* provision.

(f) Nonprofit organization

The *Senate* bill defines the term "nonprofit organization" to include any community association, wildlife group, or other organization that is incorporated to provide the facilities and services included in the area plan. (Sec. 1524(6))

The *House* amendment is the same, except that it requires that the association, group, or organization be *approved by the Secretary*. (Sec. 1540(6))

The *Conference* substitute adopts the *House* amendment.

(g) *State*

The *Senate* bill defines the term "State" to include the District of Columbia, Guam, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and American Samoa. (Sec. 1524(8))

The *House* amendment contains no comparable provision in its definition of "State" (Sec. 1504(4))

The *Conference* substitute adopts the *Senate* provision.

(h) *Technical assistance*

The *Senate* bill defines the term "technical assistance" to include services provided by non-Federal personnel working through the Department of Agriculture, and makes reference to laying out and inspecting *works of improvement*. (Sec. 1524(9))

The *House* amendment contains no comparable provision in its definition of "technical assistance", but does include reference to *advising* which is not in the *Senate* bill. (Sec. 1540(7))

The *Conference* substitute adopts the *Senate* provision.

(25) *Resource Conservation and Development Program (Sec. 1530)*

(a) The *Senate* bill directs the Secretary of Agriculture to provide technical and financial assistance to permit States, local units of government, and local nonprofit organizations to operate and maintain a *planning and implementation process* for needed resource conservation and development. (Sec. 1525)

The *House* amendment is the same, except that it refers to the operation and maintenance of a *planning process for the development of plans and actions*. (Sec. 1541)

The *Conference* substitute adopts the *Senate* provision.

(b) The *Senate* bill includes as one of the program objectives the improvement of *social conditions* in rural areas of the United States. (Sec. 1525)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(26) *Selection of designated areas (Sec. 1531)*

The *Senate* bill provides that the Secretary shall select designated areas for assistance on the basis of the primary elements of the area resource conservation plan. (Sec. 1526)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision with a conforming amendment deleting the reference to "primary" elements of the area plan.

(27) *Authority of the Secretary (Sec. 1532)*

(a) The *Senate* bill authorizes the Secretary to provide technical assistance to any State, local unit of government, or local nonprofit organization within a *designated area* to assist in developing and implementing an area plan for that area. (Sec. 1527(1))

The *House* amendment authorizes the Secretary to provide technical assistance and *advice, upon request*, to any State, local unit of

government, or local nonprofit organization within a *designated rural area* to assist in developing an area plan. (Sec. 1542(1))

The *Conference* substitute adopts the *Senate* provision.

(b) The *Senate* bill provides that the Secretary may assist in carrying out an area plan approved by the Secretary for any *designated area* by providing technical and financial assistance to *State and local public agencies and nonprofit organizations*. (Sec. 1527(3))

The *House* amendment provides that the Secretary may assist in carrying out an area plan approved by the Secretary for any *rural area* by providing technical and financial assistance to local public agencies and nonprofit organizations. (Sec. 1542(3))

The *Conference* substitute adopts the *Senate* provision.

(28) Agreements; terms and conditions (Sec. 1533)

(a) The *Senate* bill requires that the works of improvement for which assistance is to be provided must be included in an area plan and be approved by the *State agency, local unit of government, or nonprofit organization*. (Sec. 1528(a)(2))

The *House* amendment is the same, except that it only requires that the works of improvement be approved by the local unit of government. (Sec. 1543(a)(2))

The *Conference* substitute adopts the *Senate* provision.

(b) The *Senate* bill provides for technical and financial assistance only if the cost of the land or interest in land acquired or to be acquired under such plan by any State, local unit of government, or local nonprofit organization is to be borne by such State, local unit of government, or local nonprofit organization. (Sec. 1528(a)(5))

The *House* amendment is the same, *except* in the case of land or interest in land acquired or to be acquired for the purpose of conserving or protecting fish or wildlife, for public recreational purposes, or to protect the public from a threat to its health and welfare. (Sec. 1543(a)(5))

The *Conference* substitute adopts the *Senate* provision.

(c) The *Senate* bill provides that the Secretary may withdraw technical and financial assistance if the Secretary determines that such assistance is no longer needed or that sufficient progress has not been made toward developing or implementing the primary elements of the plan. (Sec. 1528(d))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(29) Identification of groups or problems for special consideration in area plans

The *House* amendment provides that any area plan may identify for special emphasis assistance any particular group or any particular natural resource or water utilization problem. (Sec. 1544)

The *Senate* bill contains no comparable provision.

The *Conference* substitute deletes the *House* amendment.

(30) Resource Conservation and Development Policy Board (Sec. 1534)

The *Senate* bill requires that the members of the Resource Conservation and Development Policy Board must be employees of the Department of Agriculture. (Sec. 1529)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(31) Evaluation of the program (Sec. 1535)

The *Senate* bill requires the Secretary to evaluate the program and submit a report to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry by September 30, 1986. (Sec. 1530)

The *House* amendment is the same, except that the Secretary is required to submit the report to *Congress* not later than December 31, 1986. (Sec. 1547)

The *Conference* substitute adopts the *House* amendment.

(32) Limitation on provision of assistance (Sec. 1536)

The *Senate* bill limits the program to providing technical and financial assistance to not more than 225 active designated areas. (Sec. 1532)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(33) Authorization for appropriations (Sec. 1538)

The *Senate* bill authorizes to be appropriated, for each of the 5 fiscal years beginning October 1, 1982, and ending September 30, 1987, such sums as may be necessary to carry out the provisions of this program. The appropriated funds shall remain available until expended. (Sec. 1534)

The *House* amendment authorizes to be appropriated such sums as may be necessary to carry out this program, except that not more than \$60 million may be appropriated for technical and financial assistance for any fiscal year and not more than \$15 million may be appropriated for loans for any fiscal year. (Sec. 1548)

The *Conference* substitute adopts the *Senate* provision with an amendment providing that not more than \$15 million may be appropriated for loans in any fiscal year.

(34) Separability provision

The *House* amendment provides that if a part of this subtitle is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of this subtitle is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid part. (Sec. 1549)

The *Senate* bill contains no comparable provision.

The *Conference* substitute deletes the *House* amendment.

SUBTITLE 1—FARMLAND PROTECTION POLICY ACT

(35) Short title (Sec. 1539)

The *Senate* bill designates the subtitle as the "Farmland Protection Policy Act". (Sec. 1535)

The *House* amendment designates the subtitle as the "Agricultural Land Resources Policy Act". (Sec. 1528)

The *Conference* substitute adopts the *Senate* provision.

(36) Technical assistance (Sec. 1543)

The *House* amendment encourages the Secretary of Agriculture to provide technical assistance to any State, locality, or qualifying nonprofit organization for the development of programs or policies to limit the conversion of productive agricultural land to nonagricultural uses. (Sec. 1532)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(37) Farmland resource information (Sec. 1544)

The *House* amendment directs the Secretary, through existing agencies or interagency groups and in cooperation with State Extension services, to design and implement educational programs and materials, and distribute educational materials, emphasizing the importance of agricultural land to the well-being of the Nation. In addition, the Secretary is directed to designate one or more agricultural land information centers to serve as central depositories and distribution points for a broad selection of information regarding agricultural land. (Sec. 1533)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(38) Grants; contracts (Sec. 1545)

The *House* amendment authorizes the Secretary to carry out the subtitle, with existing facilities and funds otherwise available, through grants, contracts, or other appropriate means. (Sec. 1534)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

SUBTITLE J—MISCELLANEOUS PROVISIONS

(39) Local search and rescue operations (Sec. 1550)

The *Senate* bill authorizes the Secretary of Agriculture, through the use of Soil Conservation Service personnel and equipment, to assist local public authorities, on request, in search and rescue operations carried out in connection with emergencies caused by tornadoes, fires, floods, snowstorms, earthquakes and similar disasters. (Sec. 1543)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(40) Reclamation (Sec. 1551)

The *Senate* bill amends section 406(d) of the Surface Mining Control and Reclamation Act of 1977 to permit the Secretary to carry out, without regard to the statutory acreage limitations otherwise applicable to reclamation projects partially funded by the Department of Agriculture, experimental reclamation treatment projects in all lands within a hydrologic unit when the Secretary determines that the treatment of such land as one hydrologic unit will achieve greater remedial effects than would be achieved if reclamation was individually undertaken on the smaller parcels. (Sec. 1544)

The *House* amendment has no comparable provision.

The *Conference* substitute adopts the *Senate* provision with amendments providing (i) that experimental reclamation treatment

projects may be carried out by the Secretary specifically to control erosion and improve water quality, and (ii) that such projects may involve not more than 25,000 acres of land within any hydrologic unit.

(41) Payments for land removed from production for conservation purposes (Sec. 1552)

(a) The *Senate* bill authorizes the Secretary, in connection with contracts entered into under this section, to make payments in amounts equal to the number of acres removed from production for this purpose multiplied by 50 percent of the typical annual rent paid for similar land in the county. (Sec. 1545)

The *House* amendment provides for these payments to be made in such amounts as the Secretary determines to be necessary to effectuate the purposes of the program, but *not to exceed* an amount equal to the number of acres removed from production for this purpose multiplied by 50 percent of the typical annual rent paid for similar land in the county. (Sec. 1526)

The *Conference* substitute adopts the *House* amendment.

(b) The *House* amendment authorizes the appropriation of such sums as may be necessary to carry out the provision of the program, such sums to remain available until they are expended. (Sec. 1527)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(42) Special shelterbelt program

The *Senate* bill provides that—

(a) Congress finds it is in the public interest to establish and maintain shelterbelts for purposes of reducing wind erosion. (Sec. 1115(a))

(b) the Secretary is authorized to formulate and carry out a program, beginning on October 1, 1981, for the establishment and maintenance of shelterbelts and to issue any necessary implementing regulations. (Sec. 1115 (a) and (h))

(c) in effectuating the shelterbelt program, the Secretary is authorized to enter into 5-year agreements with landowners and operators for the establishment and maintenance of shelterbelts identified in an appropriate conservation plan for the entire operating unit. (Sec. 1115(c))

(d) a shelterbelt is defined as a vegetative barrier with a linear configuration composed of trees and shrubs and other approved perennial vegetation. (Sec. 1115(c))

(e) in the agreement with the Secretary, each landowner and operator shall agree—

(i) to establish a conservation plan for his entire operating unit, in cooperation with and approved by the soil and water conservation district, and to carry out the plan;

(ii) to place all land subject to wind erosion into the program;

(iii) not to adopt any practices specified by the Secretary in the agreement that would tend to defeat the purpose of the agreement;

(iv) to forfeit all rights to future payments and refund to the United States any payments received in the event of a violation of the agreement that the Secretary determines warrants termination of the agreement, or to make refunds or accept payment adjustments for violations that do not warrant a termination;

(v) in the event the land is transferred during the term of the agreement, to forfeit all rights to future payments and to refund all payments received during the year of the transfer unless the transferee agrees to assume all obligations under the agreement; and

(vi) to additional provisions included in the agreement by the Secretary to effectuate the purpose of the program. (Sec. 1115(d))

(f) in return for the agreement of the landowner or operator, the Secretary shall (i) bear such part of the cost of the establishment and maintenance of the shelterbelt, as the Secretary determines to be appropriate, and (ii) make an annual payment to the landowner or operator, in an amount to be determined by the Secretary to be fair and reasonable in consideration of the establishment and maintenance of the shelterbelt. The Secretary shall annually reexamine the compensation being provided. (Sec. 1115(e))

(g) the Secretary may terminate any agreement by mutual consent with the landowner or operator, if the Secretary determines that such termination is in the public interest, and may agree to modify any agreement if it is determined that such modification is beneficial to the program. (Sec. 1115(f))

(h) this section is applicable to the several States, Puerto Rico, and the Virgin Islands. (Sec. 1115(g))

(i) there are authorized to be appropriated such sums as are necessary to carry out the provisions of this section. (Sec. 1115(i))

The *House* amendment contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

(43) *Conservation tillage (Sec. 1553)*

(a) The *Senate* bill makes findings to the effect that—

(i) domestic and international demand for American agricultural products is great and increasing;

(ii) the ability of the United States to meet that demand is impaired by the annual loss of 5 billion tons of soil due to erosion;

(iii) the battle against soil erosion is being lost despite annual expenditures of millions of dollars by the Federal Government on conservation research and assistance;

(iv) conservation tillage is estimated to reduce soil erosion by 50 to 90 percent over conventional farming practices; and

(v) conservation tillage may increase yield, decrease fuel use and labor and equipment costs, and increase retention of soil moisture. (Sec. 1127(a))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(b) The *Senate* bill urges and requests the Secretary of Agriculture to—

(i) promote the use of conservation tillage as a means of controlling soil erosion and improving profitability, and

(ii) conduct research to resolve questions regarding the advantages and disadvantages of conservation tillage over other soil conservation practices. (Sec. 1127(b))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(44) Regulations (Sec. 1554)

The *House* amendment authorizes the Secretary of Agriculture to issue regulations as necessary to carry out this title (Title XV—Resource Conservation). (Sec. 1551)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

TITLE XV—CREDIT, RURAL DEVELOPMENT AND FAMILY FARMS

(1) Farmers Home Administration real estate and operating loans to cooperatives (Sec. 1601)

The *House* amendment deletes the requirement of the Consolidated Farm and Rural Development Act that only cooperatives having an ownership and operating interest in a farm no larger than a family farm are eligible for farm ownership or operating loans. (Sec. 1401)

(NOTE.—The amendment would not change the current requirement that (i) the majority interest in the cooperative be held by owner-operators of family-size farms and (ii) the cooperative, to be eligible, must be unable to obtain sufficient credit elsewhere.)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment with the understanding that in order to ensure that the benefits of this provision would inure to small size cooperatives that consist of operators of family farms, the Farmers Home Administration may administer the provision in such a manner as to limit cooperatives which may qualify for farm ownership or operating loans to those cooperatives whose members do not exceed 50 in number, each of whom operates a farm that is not larger than a family farm.

(2) Equalizing access to credit for widows and other single parents (Sec. 1602)

The *Senate* bill deletes from the Consolidated Farm and Rural Development Act the requirement that the Secretary give preference to persons who are married in making or ensuring farm ownership loans. (Sec. 1129)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(3) Lease of facilities (Sec. 1603)

The *House* amendment authorizes the Secretary to consent to long term leases of facilities financed under the Consolidated Farm and Rural Development Act if such leases are necessary to ensure

continuation of services for which the financing was extended. (Sec. 1407)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(4) *Borrower's net worth (Sec. 1604)*

The *House* amendment directs the Secretary to require applicants for loans under the Consolidated Farm and Rural Development Act to submit written statements showing their net worth. (Sec. 1402)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(5) *Report on characteristics of borrowers*

The *House* amendment requires the Secretary to submit annually to the House Committee on Agriculture and Senate Committee on Agriculture, Nutrition, and Forestry a report describing the characteristics of borrowers initially receiving farm ownership and operating loans made, insured, or guaranteed under the Consolidated Farm and Rural Development Act. The report is to be made on a State-by-State basis and is to include each borrower's age, education, farming experience, net worth, amount of farm ownership, operating and other loans outstanding, gross farm income, and other income. All such information is to be provided separately for borrowers receiving low-income loans and those receiving regular loans. (Sec. 1402)

The *Senate* bill contains no comparable provision.

The *conference* substitute deletes the *House* amendment.

The conferees intend that the Secretary, in administering the FmHA water and waste disposal loan program (as revised under the Omnibus Budget Reconciliation Act of 1981), consider the community's ability to pay in establishing interest rates for loans made for the purpose of upgrading existing facilities or constructing new facilities as required to meet applicable health or sanitary standards. In addition, any area in which the median family income of the persons to be served is below 80 percent of the State nonmetropolitan median family income should be considered an area that has a significant portion of low income persons to be served by such a facility, and the Secretary should provide loans to such areas with interest rates not to exceed 5 percent.

Also, it is the intent of the conferees, with respect to program, that the Secretary—

(a) act at once to establish the project selection system provided in the conference report on the Omnibus Budget Reconciliation Act of 1981;

(b) for the purpose of targeting 75 percent of fiscal year 1982 grant funds under the water and waste disposal grant program to low income areas, determine that a low income community is one in which the persons to be served have a median family income less than 80 percent of the State nonmetropolitan median income; and

(c) permit agencies (such as county health units) to determine whether a proposed facility is needed to meet applicable health and sanitary standards, irrespective of whether such

agencies have enforcement powers to require that such standards be met.

(6) Extension of the Emergency Agricultural Credit Adjustment Act of 1978 (Sec. 1605)

The *House* amendment extends through September 30, 1982, the economic emergency loan program authorized by the Emergency Agricultural Credit Adjustment Act of 1978. (Sec. 1403)

The *Senate* bill contains no comparable provision.

The *Conference* substitute provides for the extension of the economic emergency loan program through September 30, 1982, with a modification limiting to \$600,000,000 the amount of new loans that may be insured or guaranteed under the program during any fiscal year.

The Emergency Agricultural Credit Adjustment Act of 1978 provides the Secretary broad authority to determine the scope of the economic emergency loan program and eligibility for participation in the program in accordance with the Act's provisions. The statute creates no entitlement for farmers to receive loans and is discretionary in nature. It is the intent of the conferees, in agreeing to an extension of the Act, that the Secretary judiciously use the authority to insure and guarantee loans to farmers under the Act. Of course, the conferees intend that the Secretary use the authority in the Act to cope with economic emergencies.

(7) Farm storage facility loan program (Sec. 1606)

The *House* amendment requires that the Secretary make farm storage facility loans available in areas in which the Secretary determines that there is a deficiency of farm storage facilities. (Sec. 1404)

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment.

(8) United States policy on family farms (Sec. 1608)

The *House* amendment directs that there be included in the annual report on family farms an assessment of how reductions in commodity price support programs have affected family farmers and the family farm structure. (Sec. 1406)

The *Senate* bill contains no comparable provision.

The *Conference* substitute deletes the *House* amendment. The conferees urge that the report on family farm operations include an evaluation of the impact of changes in the price support programs on family farmers and the family farm structure.

TITLE XVII—FLORAL RESEARCH AND CONSUMER INFORMATION

(1) Short title (Sec. 1701)

The *Senate* bill provides that this title will be designated as the "Floral Research and Consumer Information Act". (Sec. 1701)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(2) Congressional findings and declaration of policy (Sec. 1702)

The *Senate* bill sets forth findings and a declaration of policy that provide, in part, that—

(a) flowers and plants are an integral part of American life providing natural beauty, comfort, and pleasure;

(b) flowers and plants are produced by many individual growers throughout the United States and in foreign countries and move in or directly burden or affect interstate commerce;

(c) the maintenance, expansion, and development of existing and new markets are vital to the welfare of the floral industry; however, because the industry consists primarily of small businesses, it has been unable to undertake the research and promotion programs necessary to ensure its welfare;

(d) it is in the public interest to provide an adequate and steady supply of fresh flowers and plants;

(e) it is essential and in the public interest to authorize the establishment of an effective and continuous coordinated program of research, education, and promotion designated to strengthen the position of the floral industry in the marketplace; and

(f) nothing in this title shall be construed to erect a trade barrier to flowers and plants produced in foreign countries. (Sec. 1702)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(3) Definitions (Sec. 1703)

The *Senate* bill sets forth definitions for the following terms as used in this title: "Secretary", "person", "cut flowers", "potted flowering plants", "foliage plants", "propagational material" (defined to exclude seeds), "flowers and plants", "United States" (defined to include the 50 States, D.C., and the territories and possessions of the United States.), "promotion", "research", "consumer education", "marketing", "producer", "Floraboard", "importer", "commodity groups", and "cost of plant material". (Sec. 1703)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(4) Floral research and promotion orders (Sec. 1704)

The *Senate* bill provides for the issuance of national orders, and amendments to orders, applicable to persons engaged in production, sale, importation, or handling of flowers and plants. (Sec. 1704)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(5) Notice and hearing (Sec. 1705)

The *Senate* bill provides for the Secretary to give notice and opportunity for hearing on a proposed order when there is reason to believe that issuance of an order will tend to effectuate the policy of this title. A hearing may be requested by certified organizations, the Secretary, or any other interested person. (Sec. 1705)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(6) *Finding and issuance of an order (Sec. 1706)*

The *Senate* bill provides for the issuance of an order if the Secretary determines, after notice and hearing, that the order will tend to effectuate the policy of this title. This determination must be based on the evidence in the hearing record. (Sec. 1706)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(7) *Required terms in orders (Sec. 1707)*

The *Senate* bill requires that orders issued under this title contain provisions providing:

(a) for the establishment of a board, designated the "Floraboard", consisting of up to 75 members appointed by the Secretary to staggered 3 year terms; for the Floraboard to administer the order, to make rules and regulations, to investigate violations, and to recommend amendments to the order; and for the Floraboard to appoint from its members an executive committee, of up to 15 members, with authority to hire a staff and conduct routine business;

(b) for the Floraboard to be composed of producers and importers nominated by certified organizations or by other groups of producers or importers under specified circumstances when they are not adequately represented by certified organizations; for the membership of the initial Floraboard to be equally representative of each commodity group within the industry (cut flowers, potted flowering plants, and foliage plants), subject to being periodically adjusted after the first 2 years based on assessments and refunds; and for producer representation on the Floraboard to exceed importer representation at all times;

(c) that all plans and projects of the Floraboard must be submitted to and approved by the Secretary before becoming effective;

(d) that the Floraboard shall annually submit to the Secretary for approval a budget of anticipated expenses and disbursements;

(e) for the payment of assessments to the Floraboard, as prescribed in the order, for each sale of flowers and plants by producers (based on the dollar value of the sales less the cost of plant material), by producer/retailers (at the wholesale value less the cost of plant material), and by importers (based on the dollar value of the sales, unless the importer is a retailer in which case the assessment will be based on the purchase price). In the case of consignment sales, the assessment would be based on the sales value less commission, stateside freight, and cost of plant material. Assessments would be used to pay reasonable expenses of the Floraboard (including a reserve and USDA administrative costs) as determined by the Secretary;

(f) for the initial assessment, after approval of the order, to be set at not more than one-half of 1 percent of the value of flowers and plants, and after the first 2 years for the Floraboard to make annual adjustments in the assessment rate of up to one-quarter of 1 percent of the value of flowers and plants; not to exceed a maximum rate of 1½ percent;

(g) for the Floraboard to maintain books and records and to submit reports to the Secretary as prescribed and to account appropriately for the receipt and disbursement of funds;

(h) for the Floraboard to enter into contracts and agreements, as approved by the Secretary, with industry groups, profit or nonprofit companies, and private and governmental groups to develop and carry out plans and projects under the order;

(i) for the Floraboard to convene advisory panels representing various segments of the flower and plant industry to assist in the development of marketing and research programs;

(j) that no funds collected by the Floraboard shall be used to influence governmental policy or action except to seek amendments to the order; and

(k) that Floraboard and advisory panel members shall serve without compensation but will be reimbursed for reasonable travel expenses. (Sec. 1707)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision with an amendment to clarify the language relating to the payment of assessments by producers and importers.

The conferees recognize the experience and expertise of the wholesale and retail segments of the industry in marketing and promoting flowers and plants. As adopted, the *Senate* provision provides for payment of all assessments by the producers and importers; therefore, only producers and importers will be members of the Floraboard. However, the conferees desire that the Floraboard utilize the expertise of the wholesale and retail segments of the industry in marketing flowers and plants. Therefore, it is the intent of the conferees that the Floraboard make extensive use of the expertise of the wholesale and retail segments of the industry by appointing and consulting with an advisory panel from those segments of the industry on all marketing and promotion programs of the Floraboard. The conferees consider the wholesale and retail segments of the industry to include florists, mass marketers, and allied trades.

(8) *Permissive terms in orders (Sec. 1708)*

The *Senate* bill provides that each order may contain one or more provisions providing:

(a) for appropriate plans or projects involving advertising, sales promotion, urban beautification, and consumer information directed toward increasing the general demand for flowers and plants, except that the use of unfair or deceptive acts or practices and references to private brand or trade names in connection with any plans or projects is prohibited;

(b) for research, marketing, and development projects designed to improve and expand marketing and utilization of flowers and plants, and for the dissemination of data collected by such activities;

(c) that producers, wholesalers, retailers, and importers of flowers and plants maintain and make available to the Floraboard and the Secretary, for inspection, specified books and records, and file reports as designated in the order; that such

information made available to employees of the Floraboard or the Secretary shall be kept confidential and shall not be released, except as determined necessary by the Secretary in connection with a lawsuit. This restriction would not prevent general statements regarding statistical data not identified to the person that furnished it, publication by the Floraboard of general statements regarding refunds or the amount of assessments and refund rates for commodity groups, or publication by the Secretary of the names of persons violating the order. Any violation would be punishable as a misdemeanor. Such information shall not be made available to other agencies of the Federal Government except as necessary to the implementation and enforcement of this title; and

(d) that the order may contain other terms and conditions necessary and incidental to its administration but not inconsistent with this title. (Sec. 1708)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(9) *Requirement of referendum (Sec. 1709)*

(a) The *Senate* bill provides that no order shall become effective until it has been approved in a referendum of domestic producers and importers, not exempt from this title, who are engaged in the production or importation of flowers and plants during a representative period determined by the Secretary. Approval requires a favorable vote of two-thirds of the producers and importers voting or of a majority of those voting if they represent two-thirds of the total value of flowers and plants produced and imported by those voting. (Sec. 1709(a))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(b) The *Senate* bill requires that the Secretary be reimbursed from assessments for any expenses incurred in conducting the referendum, except for the salaries of government employees. (Sec. 1709(b))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(c) The *Senate* bill authorizes the Floraboard to reimburse from assessment funds certain expenses incurred by organizations that work for the adoption of an order. These expenses include legal fees, travel expenses, and educational expenses. Expense claims must be reasonable and properly documented. (Sec. 1709(c))

The *House* amendment contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

(10) *Suspension and termination of orders (Sec. 1710)*

The *Senate* bill requires the Secretary to terminate or suspend any order or provision of an order that the Secretary finds obstructs or does not tend to effectuate the declared policy of this title. In addition, upon the request of at least 10 percent of the number of producers and importers that voted in the referendum approving the order, the Secretary is directed to hold a referendum to determine if any such order should be terminated or suspended, and may conduct such a referendum at any time. The order shall

be suspended or terminated 6 months after the Secretary determines that a majority of those voting favor suspension or termination. Termination or suspension of an order, or any provision of an order, shall not be considered to be an order. (Sec. 1710)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(11) Provisions applicable to amendments (Sec. 1711)

The *Senate* bill provides that the provisions of this title applicable to orders are also applicable to amendments to orders. (Sec. 1711)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(12) Exemptions (Sec. 1712)

The *Senate* bill provides for the exemption from assessments of any producer or importer with total sales of flowers and plants of \$100,000 or less, subject to annual adjustment by the Floraboard, during the 12 consecutive months prior to the date an assessment is due, as prescribed in the order or in the rules and regulations. Any exempt producer or importer cannot vote in a referendum. Total sales of a producer or importer shall also include the following: for an individual—sales attributable to the individual's spouse, children, grandchildren, and parents; for a partnership—sales attributable to other partners; for a corporation—sales attributed to subsidiaries owned or controlled by the corporation; for any producer or importer—sales attributable to any corporation of which the producer or importer owns 50 percent or more of the stock, including stock owned by the producer's or importer's spouse, children, grandchildren, parents, partners, and corporations. (Sec. 1712)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(13) Producer or importer refund (Sec. 1713)

The *Senate* bill provides that any producer or importer who pays an assessment may demand and receive a refund. To be valid, a refund request must be made in accordance with the requirements in the regulations, but not later than 60 days after the end of the month in which the assessment was paid. Refunds must be made by the Floraboard within 60 days after submission of satisfactory proof that the producer or importer paid the assessment for which the refund is sought. (Sec. 1713)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(14) Petition and review (Sec. 1714)

The *Senate* bill authorizes any person subject to an order to petition the Secretary in writing for modification or exemption from any provision of an order on the grounds that it is not in accordance with law. After opportunity for a hearing, the Secretary will issue a final ruling on the petition. The United States district court in the district where the petitioner resides or conducts business would have jurisdiction to review the Secretary's ruling if a complaint seeking review is filed within 20 days after entry of the

ruling. If the court finds the ruling not in accordance with law, it will remand the matter to the Secretary for appropriate action. The pendency of any proceeding to challenge an order will not prevent the Secretary from exercising authority granted in this title to enforce the provisions of the order or regulations. (Sec. 1714)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(15) *Enforcement (Sec. 1715)*

(a) The *Senate* bill provides that the United States district courts will have jurisdiction to restrain violations of the order or regulations by any person. The Secretary must refer civil actions to the Attorney General for appropriate action, except that the Secretary may, in the alternative, enforce the program through an administrative proceeding or a suitable written notice or warning. (Sec. 1715(a))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(b) The *Senate* bill authorizes the Secretary to enforce the provisions of the order or regulations by administrative action to impose a civil penalty of not less than \$500 or more than \$5,000 for each violation or to issue a cease and desist order, or both. No civil penalty or cease and desist order may be imposed without notice and an opportunity for a hearing. The Secretary's order will be final unless, within 30 days after the date of the order, it is appealed by the affected person to the United States court of appeals where the person resides or conducts business. The Secretary is directed to provide the court with a certified copy of the administrative record. The Secretary's findings may only be set aside if found to be unsupported by substantial evidence. Any person who fails to obey a final cease and desist order will be subject, after opportunity for a hearing, to the imposition of civil penalties by the Secretary of up to \$500 for each day that the failure to comply continues. If any person fails to pay a civil penalty after it becomes final the Secretary shall refer the matter to the Attorney General who shall collect the amount of the penalty in the district court. The order imposing the penalty, however, will not be subject to review in such collection action. (Sec. 1715(b))

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(16) *Certification of organizations (Sec. 1716)*

The *Senate* bill establishes criteria for the Secretary to follow in certifying organizations, to represent producers or importers of flowers and plants, that may request the issuance of an order or make nominations for Floraboard membership. The main considerations for each organization are:

Geographic territory covered;

Nature and size of the active membership;

Proportion of membership accounted for by producers and importers and the volume of production by State or importation by country that they account for;

Extent of the representation of producer and importer members in setting the organization's policies;

Evidence of stability and permanency;

Source of operating funds;

Functions;

Representation of producers and importers on the governing board; and

Willingness and ability of the organization to further the objectives of this title.

The primary consideration in certifying an organization shall be whether the organization's membership consists of a substantial number of producers and importers who produce and import a substantial volume of flowers and plants. The Secretary is required to certify any organization determined eligible under these criteria. When more than one organization is certified in a geographic area, the organizations may caucus for purposes of making nominations to the Floraboard. (Sec. 1716)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(17) *Regulations (Sec. 1717)*

The *Senate* bill authorizes the Secretary to issue regulations to carry out this title. (Sec. 1717)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(18) *Investigations and subpoena power (Sec. 1718)*

The *Senate* bill authorizes the Secretary to make any investigation deemed necessary to carry out his responsibilities under this title or to investigate any suspected violation of this title or of an order or rule or regulation issued under this title. The Secretary may administer oaths and affirmations, subpoena witnesses and records, and may invoke the aid of the courts of the United States in requiring attendance and testimony of witnesses and production of documents. Failure to obey a court order may be punishable as contempt of court. (Sec. 1718)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(19) *Separability (Sec. 1719)*

The *Senate* bill provides that if any provision of this title is held invalid, it will not affect the validity of the remainder of the title. (Sec. 1719)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(20) *Authorization (Sec. 1720)*

The *Senate* bill authorizes appropriations to carry out the provisions of this title but not to pay any of the expenses of the Floraboard in administering any order. (Sec. 1720)

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

JESSE HELMS,
 BOB DOLE,
 S. I. HAYAKAWA,
 RICHARD G. LUGAR,
 THAD COCHRAN,
 WALTER D. HUDDLESTON,

Managers on the Part of the Senate.

E DE LA GARZA,
 GEORGE E. BROWN, Jr.,
 DAVID R. BOWEN,
 CHARLIE ROSE,
 FRED RICHMOND,
 BILL WAMPLER,
 PAUL FINDLEY

(on all matters except title IX
 of the Senate bill and modi-
 fications committed to con-
 ference),

TOM HAGEDORN,
 TOM COLEMAN,
 RON MARLENEE,
 WILLIAM M. THOMAS,

The following solely for consideration of section 915 and title XI (except for section 1112 and subtitle B) of the House amendment and sections 1002, 1111, 1113, 1201-1203, and 1205, and title XIII of the Senate bill:

CLEMENT J. ZABLOCKI,
 L. H. FOUNTAIN,
 DANTE B. FASCELL,
 LEE H. HAMILTON,
 JONATHAN B. BINGHAM,
 WM. S. BROOMFIELD,
 LARRY WINN, Jr.,
 BENJAMIN A. GILMAN,
 ROBERT J. LAGOMARSINO,

The following solely for consideration of title IX of the Senate bill and modifications thereof committed to conference:

ARLAN STANGELAND,

The following solely for consideration of title VII of the House amendments and title VII of the Senate bill:

JOE SKEEN,

Managers on the Part of the House.

