



University of Arkansas
NatAgLaw@uark.edu • (479) 575-7646
www.NationalAgLawCenter.org

**Conference Report to Accompany
Food, Agriculture, Conservation, and Trade
Act of 1990
H.R. Rep. No. 101-916 (1990)**

Part 12 of 14

Title XVI- Research (pp. 1033-1086)
Title XVII- Food Stamp and Related Provisions (pp. 1086-1122)

The digitization of this Report was performed by the National Agricultural Law Center under Specific Cooperative Agreement No. 58-8201-6-140 with the United States Department of Agriculture, National Agricultural Library.

The Senate capped the amount that could be allocated to Great Lakes ports under these new allocation procedures at a level equal to the metric tonnage or the percentage share, whichever is lower, received by the Great Lakes port range in 1984, as determined by the Secretary of Agriculture. The Conference report caps the amount the Great Lakes can receive at a level not greater than the share experienced by that port range in 1984.

The Conference report adds a further provision to these new allocation procedures. Amounts of cargo allocated to ports in the Great Lakes port range under these procedures shall not be exported from a different port range except as necessary to meet U.S.-flag transportation requirements, in which case are necessary and practicable without detriment to any port range to ensure the export from the Great Lakes port range of an amount of tonnage of title II bagged, processed, or fortified commodities that is not required to be transported on U.S.-flag vessels, that is equal to the amount diverted for export from other port ranges. The conference report further provides that any determination of non-availability of United States-flag vessels resulting from the application of this new allocation procedure shall not reduce the gross tonnage of commodities required by the government-impelled preference laws to be transported on United States-flag vessels.

The Managers added a new section, which was not in either bill, requiring the Secretary of Transportation, in consultation with the Secretary of Agriculture, to conduct a study on the implementation of these new provisions and report to Congress not later than December 31, 1994, on (1) the effects of these new provisions on diversions of cargo to and from the Great Lakes port range and any resulting effects on the cost of transporting commodities, and (2) whether the authority to designate vessels as American Great Lakes Vessels has increased U.S.-flag vessel service to Great Lakes ports.

The definition of "lowest landed cost" included in the Senate bill, but not in the House amendment, was deleted.

TITLE XVI—RESEARCH

The Managers note that throughout this title whenever the term land grant colleges and universities appears it is meant to include 1890 colleges, including Tuskegee University.

The Managers note that unless otherwise specified institutions eligible to compete for grants include: State agricultural experiment stations; all colleges and universities including land grant colleges and universities; other research institutions and organizations; Federal agencies; private organizations or corporations; and individuals.

Subtitle A—Extensions and Changes to Existing Programs

Sec. 1601. Increased authorizations for, and the extension or repeal of, existing programs

(1) General Authorization of Appropriations (S 1414; H 1301(b)(4))

The Senate bill increases and extends the authorizations for the Agriculture Research Service (ARS), the Cooperative State Re-

search Service (CSRS), the Extension Service (ES), and other general research programs.

The Senate bill authorizes the ARS and various other research programs at \$730,000,000 for each of the fiscal years 1991 through 1995. The Senate provision further stipulates that beginning in fiscal year (FY) 1994, not less than 20 percent of the ARS appropriation shall be used for research directed at increasing the demand or utilization of farm or forest products, with special emphasis on the development of new nonfood uses. The Senate bill authorizes CSRS funding at \$310,000,000 for each of the fiscal years 1991 through 1995 and authorizes the following amounts for the Extension Service: \$420,000,000 for FY 1991; \$430,000,000 for FY 1992; \$440,000,000 for FY 1993; \$450,000,000 for FY 1994; and \$460,000,000 for FY 1995.

The House amendment also increases and extends the authorizations for ARS, CSRS and Extension Service. The House amendment authorizes ARS and various other research programs at \$850,000,000, CSRS at \$310,000,000, and the Extension Service at \$420,000,000 for fiscal years 1991 through 1995. The House amendment provides for a five-year pilot project to make grants to two states to implement a plan to improve coordination and efficiency in delivery of nutrition education and to evaluate the results. One-half of one percent of the Extension Service funds each fiscal year are earmarked for the purpose of implementing this project.

The Conference substitute adopts the Senate provision with an amendment which: provides \$850,000,000 for each fiscal year for ARS and various other programs; deletes the earmark of 20 percent within the ARS budget for utilization research; and removes the Extension Service nutrition pilot program earmark, thereby making the pilot program free-standing and authorized at such sums as are necessary.

(2) Supplemental and Alternative Crops (S 1489; H 1301(b)(5))

The Senate bill extends the Supplemental and Alternative Crops program, which requires the Secretary to develop and implement a pilot research program to develop supplemental and alternative crops until October 1, 1991. Such sums as are necessary are authorized to be appropriated.

The House amendment extends this program until 1995.

The Conference substitute adopts the House provision.

(3) Rangeland Research (S 1420; H 1301(b))

The Senate bill extends the Advisory Board and authorization of appropriations until 1995. A study on the impact of rangeland carrying capacity during drought is also authorized.

The House amendment contains the same provision without the study.

The Conference substitute adopts the House amendment.

(4) Dairy Goat Research (H 1301(c))

The House amendment extends the Dairy Goat Research program until 1995.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

(5) Agriculture Materials Research

The Senate bill extends the Critical Agriculture Materials Act which directs the Secretary to carry out demonstration projects to promote the development or commercialization of critical crops until 1995. Such sums as are necessary are authorized.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(6) Findings (S 1406; H 1302)

The Senate bill streamlines the findings contained in the National Agricultural Research, Extension, and Teaching Policy Act of 1977 as follows:

(1) Federal support of agricultural research and extension has contributed to the development of agriculture;

(2) The existing agriculture research system must serve as the foundation for any further strengthening of agriculture research;

(3) Agencies conducting agriculture research were established at different times and need to be fully coordinated among themselves and with non-Federal activities;

(4) Long-range planning is a key element in meeting objectives of this Act;

(5) Agriculture research agencies have been only partially successful in responding to needs and should be more efficiently transferred;

(6) The agriculture system is increasingly dependent on science and technology;

(7) Expanded agriculture research is needed to meet rising demand for agriculture products;

(8) Advances in agriculture sciences are limited by periodic imbalances between thorough development of known principles and concentration on basic research;

(9) Federal funding levels for agriculture research have not been commensurate with needs;

(10) It is the policy of the U.S. to support food and agriculture research, extension, and teaching;

(11) The partnership between the Federal Government and individual states has provided the U.S. with the most productive and efficient food and agriculture system in the world;

(12) The U.S. food and agriculture system is the basis of our national affluence;

(13) The agriculture system must be maintained and constantly adjusted;

(14) National support for the agriculture system must be reaffirmed and strengthened;

(15) Continuing or increased efforts in agriculture sciences are needed in six broad areas which are listed;

(16) The implications of economic and scientific globalization of agriculture are immediate, and of great consequence for producers and consumers. The U.S. must participate in a global network of science and education;

(17) There are some schools (primarily those with minority enrollments) that are uniquely in a position to help USDA

meet its mandate in training. USDA initiatives to benefit students are a national need; and

(18) The 1989 National Research Council report *Investing in Research*, identified an urgent need for further investment; agriculture research opportunities must be seized.

The House amendment contains similar findings with the differences being that Senate findings 16, 17, and 18 are deleted and the following two additional findings are added:

(1) Efforts should be directed toward the development of integrated production systems which are profitable, environmentally and agronomically sound, offer diverse production and market options, and increase rural economic and social vitality; and

(2) The Secretary of Agriculture should seek, on an annual basis, the assistance of the Board on Agriculture of the National Academy of Sciences, in identifying: science and technical opportunities, training and manpower needs; opportunities to advance sustainability and profitability; applications to enhance safety and nutritional attributes of food; and factors underlying the long-run international competitiveness of agriculture.

The Conference substitute deletes both the House and Senate provisions and amends current law by deleting existing findings.

(7) Research on Biomass

The Senate bill repeals the Biomass Research program.

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision, thereby repealing this program.

(8) Chapters 1-5 of Subtitle G—Solar Energy Programs (S 1489)

The Senate bill repeals certain solar energy program authorities.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision, thereby repealing the program.

(9) Technology Development for Small- and Medium-Sized Farming Operations (S 1489; H 1301(4))

The Senate bill repeals the technology development for small- and medium-sized farming operations program and a statement regarding the sense of Congress concerning the importance of such farming operations.

The House amendment extends the program until 1995.

The Conference substitute adopts the Senate provision, thereby repealing this section.

(10) Special Technology Development Research Program (S 1489)

The Senate bill repeals the special technology development research program which authorizes the Secretary to make available funds or in-kind assistance to private agencies, organizations, or individuals sharing in research projects or using federal research facilities to develop new agriculture technology.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision, thereby repealing the program.

Sec. 1602. Purposes of agricultural research and extension system

(11) Priorities for Agriculture Research and Extension System (S 1408)

The Senate bill amends existing law by adding a new section on purposes. The Senate bill provides objectives for the agricultural research and extension system that the Joint Council, the Users Advisory Board, the Technology Board and others will use to assess the success of the system. The section states that the primary purpose of basic and applied agriculture research and extension is to: (1) enhance the sustainability and competitiveness of the food production and agriculture system of the U.S.; and (2) ensure, to the extent practicable, that it maximizes competitiveness and the social, environmental, human health and food security interests of the United States.

Specific purposes, subject to varying conditions and needs of states, include that agriculture research shall, among other things:

(1) increase employment opportunities in agriculture and rural communities; strengthen the family farm system; enhance the competitiveness of small and moderated-sized owner-operated farms; contribute to more equitable rural, social, and economic structure; and enhance social and economic vivacity and quality of life of rural communities;

(2) protect the environment, including reducing soil erosion, enhancing the wildlife habitat, and protecting water from pollution;

(3) enhance human health by fostering the availability and affordability of a safe, wholesome, nutritious food supply and by developing farming systems without adverse impacts on health;

(4) ensure long-term food security by reducing reliance on consumptive use on nonrenewable resources, protecting natural resources, maintaining genetic diversity, and developing farming systems capable of meeting future food and farm product needs;

(5) enhance the efficiency, profitability and competitiveness of U.S. agriculture by the development of production systems that address constraints faced by producers and at reduced production costs; or

(6) enhance the efficiency, profitability and competitiveness of U.S. agriculture by the development of more efficient processes, new uses for existing crops, or new and alternative crops as industrial raw materials.

The Senate bill states that research should emphasize:

(1) the development of farming systems that take greater advantage of natural processes and beneficial on farm biological interactions;

(2) agroecology research;

(3) genetics research that enhances management options, farm productivity, use of inputs, and diversity of products marketed by farmer;

(4) development of farming systems appropriate to an era of climatological uncertainty;

(5) increasing demand for current farm products and new crops and products that are socially, economically, and environmentally advantageous;

(6) increasing the profitability and productivity of soil conserving land uses and farming systems;

(7) developing rural development strategies and extension programs to disseminate such strategies;

(8) transferring new technology to the agriculture community and especially small and moderate sized farms and minority farmers;

(9) extension programs that are adequately funded and staffed and involve a broad range of interested individuals;

(10) programs to strengthen international agriculture research, extension and education in USDA, and universities, land grants, and in cooperation with AID;

(11) plant and animal genome mapping and preservation of valuable germplasm; and

(12) research that develops technology to ascertain the lean content of animal carcasses.

The Senate bill provides that not later than 18 months after enactment, the Secretary shall promulgate regulations interpreting and applying the purposes to agriculture research and extension projects administered by the Secretary. All projects \$10,000 or more funded by USDA shall identify the purposes that project seeks to further and the effects of the project on the priorities in this title and the annual Joint Council and Users Advisory Board priorities. This does not override requirements for specifying objectives of projects funded by formula funding.

The House amendment contains no comparable provision

The Conference substitute adopts the Senate provision with an amendment substituting new purpose language and deleting the regulatory requirement. Subject to the varying conditions and needs of States, Federally funded agricultural research and extension programs shall be designed to, among other things, accomplish the following:

(1) continue to satisfy human food and fiber needs;

(2) enhance the long-term viability and competitiveness of the food production and agricultural system of the United States within the global economy;

(3) expand economic opportunities in rural America and enhance the quality of life for farmers, rural citizens, and society as a whole;

(4) improve the productivity of the American agricultural system and develop new agricultural crops and new uses for agricultural commodities;

(5) develop information and systems to enhance the environment and the natural resource base upon which a sustainable agricultural economy depends; or

(6) enhance human health by: (a) fostering the availability and affordability of a safe, wholesome, and nutritious food supply that meets the needs and preferences of the consumer; and (b)

assisting farmers and other rural residents in the detection and prevention of health and safety concerns.

The Managers note that it is their intent that the Secretary establish guidelines to ensure that the purposes expressed in this section are reflected in the priority setting processes for research and extension programs such that projects consistent with these purposes are emphasized and each of these purposes is advanced by the research and extension program in its entirety. However, in recognition of the importance of academic freedom, the Managers also emphasize that it is not their intent that this statement of purposes be used to prohibit any research or line of inquiry.

Sec. 1603. Definitions

(12) Definitions (S 1407; H 1303)

The Senate bill adds one definition to the National Agricultural Research, Extension, and Teaching Policy Act of 1977 for Technology Board which means the Agricultural Science and Technology Board established in this title.

The House amendment adds one definition to the National Agricultural Research, Extension, and Teaching Policy Act of 1977 for sustainable agriculture which means an integrated system of plant and animal production practices having a site-specific application that will, over the long-term: (1) satisfy human food and fiber needs; (2) enhance environmental quality and the natural resource base upon which the agricultural economy depends; (3) make the most efficient use of nonrenewable resources and on-farm resources and integrate, where appropriate, natural biological cycles and controls; (4) sustain the economic viability of farm operations; and (5) enhance the quality of life for farmers and society as a whole.

The Conference substitute adopts the House provision with an amendment adding the definition for Technology Board as provided in the Senate bill.

Sec. 1604. Joint Council on Food and Agricultural Sciences and National Agricultural Research and Extension Users Advisory Board

(13) Joint Council on Food and Agricultural Sciences (S 1409; H 1304)

The Senate bill extends the Joint Council on Food and Agricultural Sciences (Joint Council) until 1995, alters its structure, and adds new responsibilities.

The Senate bill calls for not less than 19 members: a representative of the National Institutes of Health; a representative of the National Science Foundation; a representative of the Department Of Energy; a representative of the Environmental Protection Agency; the Administrator of ARS; the Administrator of CSRS; the Administrator of ES; the Administrator of the Economic Research Service; the Chief of the Forest Service; the Director of the National Agriculture Library; the Assistant Secretary for Economics; the Assistant Secretary for Science and Education; a representative of the Experiment Station Committee on Policy; a representative of the Extension Committee on Policy; a representative of the Resi-

dent Instruction Committee on Policy; a representative of the International Committee on Policy; a representative of 1890 schools; a representative of the American Association of Schools and Colleges of Agriculture and Renewable Resources; a representative of the Council of Administrative Heads of Agriculture. One member of the Council shall be elected annually to serve as liaison to the Users Advisory Board. Co-chairpersons shall be the Assistant Secretary of Science and Education and a representative of the land grant colleges. The Secretary may appoint up to six additional members.

The Senate bill adds several responsibilities of the Joint Council to those in current law. The Council must: provide an annual review and prioritize requests for agriculture-related special research and construction grants; analyze budgets and make budget recommendations for agriculture research upon recommendation of the Users Advisory Board; determine high priority research areas with particular attention being paid to the potential of such to advance the purposes expressed in this title; and review the effectiveness of the system concerning all Federally supported agriculture research or extension projects.

The Senate bill maintains the reporting requirements in current law with the additional requirement that the reports cover research activities in other Federal agencies that conduct agricultural research and that such reports be submitted to Congress and the directors of Federal agencies that support agriculture research.

The Senate bill provides that technical panels may be established as needed to assist the Council. The duties of such panels are to define research and technology transfer needs; delineate alternatives and recommend research and technology transfer approaches; identify centers of expertise; and make recommendations regarding the overall mix of available funding. Panels shall include experts from the public and private sector, including basic science; applied research, education, economic and social dimensions.

The House amendment includes a similar provision to extend the Joint Council until 1995 and alters its structure and responsibilities.

The House amendment requires that the Joint Council consist of not less than 21 members: six representatives from State cooperative institutions (including at least one from 1890 institutions); four representatives from public colleges and universities with demonstrable capacity in food and agriculture research, extension, and teaching; a representative from colleges and universities conducting agriculture research; three representatives from private organizations or corporations (including one representative from food technology); a representative from foundations; a representative from farmers; a representative from the Office of Science and Technology Policy; two representatives from other Federal agencies; one representative from the National Academy of Sciences.

The report requirement of the House amendment is similar to the Senate provision. The existing exemption from the Federal Advisory Committee Act is retained. No provision for technical panels is provided. No new responsibilities are added. Co-chairpersons shall be the Assistant Secretary of Science and Education and

person elected from among the non-Federal membership of the Joint Council.

The Conference substitute adopts the Senate provision an with amendment. The membership of Joint Council consists of not less than 21 members: six representatives from State cooperative institutions (including at least one from 1890 institutions); four representatives from agencies within the Department of Agriculture which have significant research, extension, and teaching responsibilities; a representative from public colleges and universities with demonstrable capacity in food and agriculture research, extension, and teaching; a representative from colleges and universities conducting food and agriculture research; three representatives from private organizations or corporations (including one representative from food technology); a representative from foundations funding research in food and agricultural sciences; a representative from farmers; a representative from the Office of Science and Technology Policy; two representatives from other Federal agencies; and a representative from the National Academy of Sciences. The Joint Council shall be jointly chaired by the Assistant Secretary for Science and Education and a person elected from among the non-Federal membership of the Joint Council.

The Managers note that while the Conference substitute does not specifically designate a representative from the American Association of Schools and Colleges of Agriculture and Renewable Resources it is expected that such a representative will continue on the Joint Council as the representative from public colleges and universities having a demonstrable capacity to carry out food and agricultural research, extension, or teaching.

(14) National Agricultural Research and Extension Users Advisory Board (S 1410; H 1314)

The Senate bill extends the Users Advisory Board (UAB) until 1995 and alters its structure and responsibilities. The Secretary is required to appoint 21 members to serve staggered terms: a producer from farm cooperatives; two producers from general farm organizations; four producers representing agriculture commodities, forest and aquacultural product groups from various geographic regions; a representative of agriculture farm suppliers; a representative of food and fiber processors; an animal health representative; 1 transportation representative; a labor representative; a food marketing representative; a representative of private nonprofit organizations involved in agriculture research; a private sector representative involved with developing countries; a representative of non-research agencies of USDA; a rural develop representative; a human nutrition representative; two consumer representatives with one from nonprofit consumer advocacy organizations; and an environmental representative from a nonprofit environmental protection organization. The UAB shall elect one member to serve as liaison to the Joint Council.

The Senate bill requires that the UAB meet a sufficient number of times each year to carry out responsibilities. Three responsibilities of the UAB are added to existing law. The UAB shall: (1) provide recommendations on allocation of agriculture research funds to Federal agencies and private organizations who contribute to ag-

riculture research as well as to the Secretary; (2) identify emerging issues and suggest solutions to technical transfer problems; and (3) evaluate the results and effectiveness of agriculture research programs in meeting priorities established in this title.

The Senate bill requires that the UAB provide an oral briefing for the Secretary and an annual report of recommendations concerning: (1) allocations of responsibility and funding; (2) the effectiveness of the system and the coordination of Federal and private research initiatives; (3) new research and extension programs that need to be conducted; (4) public/private research and extension systems. The report shall be submitted to the Secretary and the appropriate committees of Congress.

The Senate bill requires that each UAB report list the membership of the UAB, including the organizational and employment affiliation of each member. The Secretary shall submit a report to House and Senate Agriculture Committees that describes the manner in which the UAB recommendations have been incorporated.

The House amendment is the same as the Senate bill with three differences: (1) the provision requiring UAB to elect a liaison to the Joint Council is deleted; (2) no liaison to the Joint Council is required; and (3) the Secretary is directed to provide support to the UAB as required.

The Conference substitute adopts the House provision.

Sec. 1605. Agricultural Science and Technology Review Board

(15) Technology Assessment (S 1411-13; H 1309)

The Senate bill establishes a new Agriculture Science and Technology Review Board. The purpose of the Board is to provide technical assessment of agriculture science issues and to consider the impact of technologies on agriculture and the social and economic wellbeing of communities. The Secretary, acting through the Joint Council, shall establish the Board.

The Senate bill requires that 11 members be appointed by the Secretary for staggered three-year terms who have expertise in: technology assessment; environmental sciences; rural sociology; international issues; social sciences; agriculture sciences; and technology transfer. The Board shall include representatives of: ARS; CSRS; ES; private foundations and nonprofit organizations; private firms; and the Land Grant System. A majority of the Board shall be from the private sector. The Board shall select a chairperson from its membership.

The Senate bill requires that the responsibilities of the Board shall include: providing technology interpretation and translation of current and emerging agriculture and environmental science issues for use by the Joint Council and UAB; and providing technology assessment of current and emerging public and private agriculture research and technology transfer initiatives.

The Senate bill calls for an annual report that includes recommendations on how research would be best directed to advance priorities established in this title, and an assessment of activities conducted by the Secretary and agriculture research universities and the private sector. The report is submitted to appropriate Commit-

tees of Congress; the Secretary, heads of Federal agencies who support agriculture research, and on request, to private organizations who have a significant involvement in agriculture research.

The House amendment establishes a new Joint Contract for Assessment of Food and Human Nutrition Research. The Secretary and the Secretary of Health and Human Services shall jointly contract with a scientific body to conduct an assessment of: progress in food science and nutrition research; the practical importance of such research to economic and societal wellbeing; priorities for future directions for research; and the supply of scientists in relevant disciplines. The scientific body shall make recommendations for the role of all Federal agencies supporting food and nutrition research.

The Conference substitute adopts the Senate provision with an amendment that strikes rural sociology from the areas of required expertise and deletes the statement that the Board may conduct an assessment of a private sector entity only to the extent that the entity is willing to cooperate in the assessment. A new section is added which provides that the Board may conduct assessments to consider the extent to which agricultural research and extension programs foster:

(A) the development of farming systems that most effectively take advantage of natural processes and beneficial biological interactions and other sustainable agriculture techniques;

(B) genetics research that result in crop varieties and livestock that enhance management options, farm productivity, use of inputs, and a diversity of products that can be marketed by the farm operator;

(C) research to develop farming systems appropriate to climatological uncertainty;

(D) research to increase the demand for current farm products, and to develop new farm crops and enterprises, that are economically, and environmentally advantageous and enhance agricultural diversity;

(E) research to enhance economic and societal wellbeing;

(F) research that develops rural economic development strategies that build on the entrepreneurial skills, self-employment tradition, and the resource base of rural communities and extension programs to disseminate those strategies;

(G) innovative extension and education programs that transfer new technology to the rural community including small- and moderate-sized family farmers and potential beginning and minority farmers with limited resources; and

(H) extension programs that substantially involve a broad range of interested individuals, commodity groups, agri-industry groups, farm groups, rural organizations, community groups, farmworkers, and environmental organizations to broaden input into research and extension priority setting.

Sec. 1606. National Agricultural Library

(16) National Agricultural Library (S 1419; H 1335)

The Senate bill establishes the National Agricultural Library (NAL). The purpose of this section is to consolidate and expand the

statutory authority of the NAL to serve as the Nation's primary agriculture information resource.

The Secretary shall appoint a Director of the NAL who shall be responsible for managing the NAL. The Director may make copies and other reproductions of library materials and provide library services for sale at prices not less than the estimated cost of the service. The funds from NAL sales shall be available for use by the NAL.

The Senate bill states that the Director may work with and receive funds from any State or other entity to carry out this section. Such sums as may be necessary are authorized to be appropriated.

The House amendment is similar to the Senate provision with several differences. The NAL is authorized to dispose of unneeded materials. The Secretary is authorized to issue rules pertaining to the NAL. No authorization for sale of materials is authorized. The House amendment provides that the Secretary must establish a nine member Board of Regents to advise on the NAL. The Board of Regents is exempted from the Federal Advisory Committee Act. Such sums as necessary are authorized for construction and equipment of the NAL, with a cap of \$500,000 on planning and \$5,000,000 for construction.

The Conference substitute adopts the Senate provision with an amendment deleting the findings.

Sec. 1607. Grants to enhance research capacity in schools of veterinary medicine

(17) Veterinary Medicine Facilities Grants (H 1306)

The House amendment amends the existing grant program that provides competitive grants to States for the purpose of meeting the costs of renovation and construction and other activities in order to improve schools of veterinary medicine. The Secretary is authorized to set aside a portion of funds appropriated for the award of grants to eligible colleges to achieve full participation of minority groups in the Nation's veterinary schools. The clinical training of any school improved under this program shall emphasize care and preventive medical programs for food animals and companion animals, including horses, which support industries of major economic importance.

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment deleting construction from the purposes for which grants may be used.

Sec. 1608. Grants and fellowships for food and agricultural sciences education

(18) Grants and Fellowships for Food and Agricultural Sciences Education (S 1418; H 1307)

The Senate bill amends current law to revise the grant and fellowship program by adding the following:

(1) The Secretary may set aside a portion of the funds appropriated for grants to colleges and universities that have unique capa-

bilities to teach food and agriculture sciences and achieve the objective of full representation of minority groups.

(2) The Secretary may set aside funds for grants to students to pursue agriculture science careers in order to address the increasing national need for trained professionals and scientists in agriculture.

(3) The Secretary shall conduct programs to develop, analyze, and provide data and information essential to the evaluation of the quality of teaching programs.

(4) The Secretary may conduct continuing education special programs with colleges and universities and organizations in the private sector by providing grants and technical assistance.

(5) This assistance may be used to conduct undergraduate scholarship programs.

A new teaching awards program is established. At least one cash award annually shall be given to an individual selected by the Secretary in recognition of excellence in teaching a food and agriculture science at a college or university within each of six regions designated by the Secretary.

The Senate bill establishes an authorization level at \$70,000,000 for each fiscal year 1990 through 1995, of which \$10,000,000 annually shall be used for national needs fellowships.

The House amendment extends and revises the grant and fellowship program. The House amendment contains a similar provision with slight differences. The grant program is available to design and implement innovative education programs. The House amendment also provides for a teaching award, but no regions are established and the Secretary must make at least one annual award. No specific authorization is designated for national needs fellowships. The sum of \$50,000,000 is authorized for each fiscal year 1990 through 1995.

The Conference substitute adopts the Senate provision with an amendment that adds as a purpose the design and implementation of innovative education programs, deletes the six regions for teaching awards, and authorizes \$60,000,000 for each fiscal year 1990 through 1995.

Sec. 1609. Grants for research on the production and marketing of alcohols and industrial hydrocarbons from agricultural commodities and forest products

(19) Research on Alcohol and Industrial Hydrocarbons (S 1489, 1974; H 1308)

The Senate bill repeals the Research on Alcohol and Industrial Hydrocarbons program. The Senate bill establishes a new grain-based alcohol fuels research program which requires the Secretary, in consultation with the Department of Energy, to establish a program to find methods to use offgrade grain, and other agriculture crops and waste materials. The sum of \$20,000,000 annually is authorized for fiscal years 1991 through 1995.

The House amendment extends and revises the authorization for grants for research on the production and marketing of alcohols and industrial hydrocarbons from agriculture commodities and forest products.

The Secretary shall award grants to colleges, universities, and Federal laboratories for the purpose of conducting research related to alcohol fuels; industrial oilseed crops; other forms of biomass fuels; other industrial hydrocarbons made from agriculture commodities and forest products; and the development of the most economical and commercially feasible means of producing, collecting, and transporting agriculture crops, wastes, residues, and byproducts for use as feedstocks for the production of alcohol and other forms of biomass energy and the development of new markets for byproducts.

The sum of \$20,000,000 annually is authorized for fiscal years 1991 through 1995. Of the amounts appropriated in any fiscal year not less than 50 percent of those amounts shall be made available for grants for research relating to the development of technologies for increasing the energy efficiency and commercial feasibility of alcohol production.

The Conference substitute adopts the House provision.

Sec. 1610. Food Science and Nutrition Research Center

(20) Nutrition Research Center (S 1976; H 1305)

The Senate bill authorizes the Secretary to award a grant to a research facility that is part of a land grant college that benefits from a dedicated non-Federal nutrition endowment of at least \$100,000,000 in order to establish at least one food science nutrition research center for the Southeast Region of the United States. Such sums as are necessary are authorized to be appropriated.

The House amendment expands the Federal-State partnership and coordination responsibilities of USDA to include a Cooperative Human Nutrition Center at the Pennington Biomedical Research Center of Louisiana State University.

The Conference substitute adopts the Senate provision.

Sec. 1611. Animal health and disease research study and Animal Health Science Research Advisory Board

(21) Animal Health and Disease Research Authorizations (S 1421; H 1301(b))

The Senate bill extends the authorization for the Animal Health Science Research Advisory Board and extends the authority of the Advisory Board to all animal health and disease programs under the Secretary.

The House amendment similarly extends the Animal Health Science Research Advisory Board until 1995. A member who represents an organization concerned with the general protection and well-being of animals is added to the Board. The House amendment requires the Board to meet at the call of the Secretary, but at least once annually, to advise the Secretary with respect to the implementation of all animal health and disease research programs.

The House amendment authorizes the Secretary to commission the National Academy of Sciences, working through the Board on Agriculture of the National Research Council, to conduct a study of the delivery system utilized to provide farmers and ranchers with animal care and veterinary medical services.

The Conference substitute adopts the House provision.

Sec. 1612. Grant programs for 1890 land-grant colleges, including Tuskegee University

(22) *Institutions (S 1425; H 1301(d))*

The House amendment requires the Secretary to make grants to 1890 institutions, including Tuskegee, that have a demonstrable capacity to carry out the teaching of food and agricultural sciences.

The House amendment states that grants shall be used to: (1) strengthen institutional educational capacities; (2) attract and support undergraduate and graduate students; (3) facilitate cooperative initiatives to maximize the development and use of resources; and (4) conduct undergraduate scholarship programs to assist in meeting national needs for training food and agriculture scientists.

The House amendment allows the Secretary to set aside a portion of the funds appropriated for grants and make such amounts available only for grants to eligible institutions that the Secretary determines have unique capabilities for achieving the objective of full representation of minority groups that are under-represented in the Nation's food and agricultural sciences workforce. The sum of \$11,000,000 is authorized for each of the fiscal years 1991 through 1995 for this program.

The House amendment also authorizes \$8,000,000 for each of the fiscal years 1991 through 1995 to be used for grants for the acquisition and improvement of facilities and equipment. Four percent of the sums appropriated shall be available to the Secretary for administration of this grants program. The remaining funds shall be available for grants to assist 1890s in the purchase of equipment and land, planning, construction, alteration, or renovation of buildings. These funds may also be used at the discretion of the institutions in the areas of research, extension, and resident instruction.

The House amendment also authorizes the Secretary to make competitive grants to five national research and training centennial centers located at 1890 colleges, or a consortia of such colleges, including Tuskegee, that: (1) have been designated by the Secretary for the fiscal years 1991 through 1995 as national research and training centennial centers; and (2) have the best demonstrable capacity to provide administrative leadership as a National Center in one of the following five areas: goat research and training; agricultural engineering development, research, and training; water quality and agricultural production research and training; sustainable agriculture research and training; and domestic and international trade and development research and training.

Such grants may be expended by the designated centennial center to: (1) pay expenses incurred in conducting research for which the center was designated; (2) print and disseminate the results of such research; (3) plan, administer, and direct such research; and (4) alter or repair buildings necessary to conduct such research.

The Secretary shall give priority to those centennial centers that assure dissemination of information and attract students and needed professionals. The sum of \$2,000,000 is authorized for each of the fiscal years 1991 through 1995 for this program.

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment prohibiting construction under the authorization for centennial centers.

Sec. 1613. International agricultural science, education, and development and international trade development centers

(23) *International Agricultural Science, Education, and Development* (S 1423; H 1312)

The Senate bill modifies existing law to include authorization for the Secretary to: (1) enter into cooperative arrangements with Departments and Ministries of Agriculture in other nations, land grant universities, the Agency for International Development (AID), international organizations, and individuals and organizations to promote sustainable global agriculture system, including efforts to develop a global system for plant genetic resources conservation; (2) expand collaboration with AID; and (3) establish, in cooperation with the Secretary of State, an arid land research program to be coordinated through the International Arid Land Consortium.

The House amendment makes similar modifications, without specific references to plant genetic resources, global development, or expansion of collaboration with AID. The Secretary is directed to cooperate with non-governmental organizations, both domestic and foreign, for the purpose of expanding the agricultural economic base of middle income and developing countries. A new section states that no activities may promote the production for export of agricultural commodities, as determined by the Secretary, where such competition will cause substantial injury to U.S. producers.

The House amendment also directs the Secretary to make determinations regarding the location and funding of international trade development centers based on a national plan for agricultural export promotion through international trade development centers. This section provides that grants shall be made available on a competitive basis in accordance with such plan.

The Conference substitute adopts the Senate provision with an amendment adding the House provision on planning for trade development centers.

The Managers encourage the Secretary to assist, through the International Agricultural Science, Education, and Development Act, research to be undertaken in Texas in order to strengthen the capabilities for food and agricultural research in order to promote bilateral study, exchanges and research with Mexican academic, scientific and research institutions. Half of the \$52 billion U.S.-Mexico two-way trade came across South Texas points of entry in 1989. The constant movement of people and goods between the two countries has led to the introduction of new animal and plant pests and diseases. Prevention, control and eradication of animals and plant pests and diseases in North America depends on collaboration with the Mexican scientific, academic, and research community on such important issues as the Africanized honey bee, screw-worm, bovine tuberculosis, foot and mouth diseases, and other threats to agricultural production.

The Managers find that the U.S. and Mexico are expected to begin free trade negotiations sometime next year. Likewise, the President's recently announced Enterprise for the Americas Initiative's main objectives are to boost growth, trade and investment in Latin America, with the ultimate goal of creating a free trade area which would encompass all of the Western Hemisphere. In order for the U.S. agricultural sector to better understand Mexico and Latin America, the Managers encourage that the Secretary, to the extent practicable and consistent with the objectives of the section, to establish an International Trade Development Center in South Texas to specialize exclusively on Mexico and the rest of Latin America in order to promote bilateral agricultural trade relations with Latin America which would, among others, identify potential export markets for U.S. agricultural products in the region.

Sec. 1614. Aquaculture assistance programs

(24) Aquaculture (S 1422; H 1314)

The Senate bill extends the aquaculture research program until 1995. The Senate also directs the Secretary to implement a fish disease program which shall include research on new diagnostic procedures, the effect of environment of fish immune systems, and systems for control of fish diseases.

The House amendment similarly extends the aquaculture research program until 1995 and expands the areas for which grants may be made to include research to further the safety and wholesomeness of certain species and products, including the development of reliable supplies of seed stock and therapeutic compounds.

The House amendment increases the number of authorized aquaculture research centers from four to five. The Secretary is authorized to make grants for the purpose of further developing and expanding aquaculture research facilities located at Illinois State University and Virginia Polytechnic Institute, and to conduct such programs as are necessary to do basic and applied research for intensive water recirculating aquaculture systems. There is authorized to be appropriated \$500,000 for each of the two facilities for fiscal years 1991 through 1995.

The Secretary is provided the discretion to award grants to Illinois State University in order to determine the feasibility of indoor intensive aquaculture systems for the Midwest. These grants may be used to further development and expansion of the existing aquaculture research facility located at the University and to conduct basic and applied research for intensive water recirculating aquaculture systems. The grants are expected to be made on a matching basis.

The interagency aquaculture coordinating group is directed to compile a listing of Federal and State laws, rules, and regulations materially affecting the production, processing, marketing, and transportation of aquacultural commodities. The interagency aquaculture coordinating group is directed to make such listing available to the public not later than January 1, 1992, and shall update and revise such listing not later than January 1, 1996, to show such laws, rules, and regulations as in effect on that date.

The House amendment states that the Secretary shall conduct a study, in consultation with the interagency aquaculture coordinating group, to assess the economic impact of animal damage to the U.S. aquaculture industry. The Secretary shall submit a report detailing the results of such study to the Committee on Agriculture and the Committee on Merchant Marine and Fisheries of the House and the Committee on Agriculture of the Senate not later than January 1, 1992.

The House amendment authorizes \$7,500,000 for each of the fiscal years 1991 through 1995. The National Aquaculture Act of 1980 is amended to authorize appropriations to carry out the National Aquaculture Act of 1980 for fiscal years 1991, 1992, and 1993, as follows: (1) to the Department of Agriculture, \$1,000,000 for each of fiscal years 1991, 1992, and 1993; (2) to the Department of Commerce, \$1,000,000 for each of fiscal years 1991, 1992, and 1993; (3) to the Department of Interior, \$1,000,000 for each of fiscal years 1991, 1992, and 1993.

The Conference substitute adopts the House amendment with an amendment adding the fish disease program from the Senate bill with reference to the interagency coordinating group and prohibiting the construction of new facilities.

Sec. 1615. National competitive research initiative

(25) National Research Initiative—Competitive Grants (S 1471; H 1315)

The Senate bill amends and expands the competitive grants program. The Senate bill awards grants in six high priority research areas: plant systems; animal systems; nutrition, food quality, and health; natural resources and the environment; engineering, products, and processes including new uses and new products; and markets, trade, and policy.

Grants, not exceeding five years shall be awarded to: (1) single investigators or co-investigators within the same discipline; (2) multidisciplinary teams proposing research on long-term applied research problems; (3) researchers for different areas of agriculture research and scientific disciplines; (4) institutions to allow for improvement of the capacity of the institution with not less than 25% and not more than 40% of funds made available in this category to be earmarked for fellowships to outstanding pre- and post-doctoral students; (5) single investigators or co-investigators who are beginning their research careers and have less than five years of post-graduate research experience; and (6) faculty of small and mid-sized institutions who have not previously been successful in obtaining competitive grants.

The House amendment also amends and expands the competitive grants program with several differences. Six high priority research areas which correspond to the six areas designated in the Senate bill but which provide greater detail are listed as follows:

(1) Plant systems, including research regarding plant genome structure and function; molecular and cellular genetics and plant and microbial biotechnology; plant-pest interactions and biocontrol systems; cover cropping, crop rotation, soil building techniques, crop varietal development, crop diversification, and integrated crop

and livestock systems; crop plant response to environmental stresses; improved nutrient qualities of plant products; new food, feed, fiber, and industrial uses of plant products; and development of new crops, best management practices, integrated crop management, and other cropping systems.

(2) Animal systems, including research regarding cellular, molecular, physiological, and behavioral bases of animal reproduction, growth, disease, and health; identification of genes responsible for improved production traits and resistance to disease, improved nutritional performance of animals; improved nutrient qualities and safety of animal products and development of new animal products; enhanced animal production practices and technologies; animal husbandry and wellbeing; and animal systems applicable to aquaculture.

(3) Nutrition, food quality, and health and welfare, including research regarding microbial contaminants and toxic contaminants and residues related to human health; production and processing facilities and systems to address the health and safety of food and farm workers and livestock; the production of nutritional feed-stuffs; links between diet and health, including the nutritional status of the population, especially critical subpopulations; nutritional education; rural family welfare; bioavailability of nutrients; postharvest physiology and practices; and improved processing technologies.

(4) Natural resources and the environment, including research regarding fundamental structures and functions of ecosystems; biological and physical bases of integrated production systems; minimizing soil losses and degradation, maintaining surface and groundwater quality, and maximizing water availability through conservation; soil tilth development, management systems to utilize scarce soil moisture, drought tolerant plant development, evaporation reduction systems, and crop practices to foster soil water absorption and retention; forest and range management and productivity; and weather and climatic effects on agriculture.

(5) Engineering, products, and processes, including research regarding new uses and new products from crops, animals, byproducts, waste products and natural resources; robotics, computing, and expert systems; energy efficiency, conservation, and the development of alternative, renewable energy sources; new hazard and risk assessment and mitigation measures; and natural resource and environmental quality and management.

(6) Markets, trade, and agricultural policy, including research regarding optimal strategies for entering and competing in domestic and overseas markets; new decision tools for on-farm and in-market systems; choices and applications of technology; new approaches to economic development and viability in the rural United States, with emphasis on family farming operations; the development of domestic and international markets for resource-conserving and organic crops; international cooperation in agricultural research, extension, and teaching; and agricultural and nutritional improvements in developing nations.

No set-aside of funds is made for fellowships. The Secretary is required to appoint a Director for the competitive grants program.

The Conference substitute adopts the Senate provision with an amendment adding the word rural prior to economic development in order to stress priority for such research. The Managers note that there is agreement on the importance of the detailed specifications for priority research areas as designated in the House bill and urge the Secretary to examine this more detailed listing. The Managers further note the importance of new opportunities in plant science research related to root systems.

(26) Grant Selection (S 1471; H 1315)

The Senate bill states that all grant proposals shall undergo review by a peer review panel of experts who shall evaluate the scientific and technical merit of such proposals and make recommendations regarding such proposals.

An advisory review panel, consisting of lay and scientific representatives of the agriculture community, is established to provide a second level of review. The primary function of the advisory review panel is to evaluate the overall competitive grants research program as reflected in the complement of proposals submitted to ensure balance among the various areas of science, capitalize on emerging technologies and address the priorities established in this title. The advisory review panel makes final recommendations on funding to the Secretary.

A technology assessment shall be included, where appropriate, that addresses the potential benefits of the research for meeting the priorities set forth in this title. A technology assessment shall be included for proposals that have the potential to influence farm scale implementation, rural communities and other factors.

Grants may not be used for the planning, repair, rehabilitation, acquisition or construction of a building or facility. Grants may be used to pay one-half the cost of purchasing and installing fixed equipment and one-half the cost of minor alterations to an existing research space when necessary to conduct the research. Matching grants may not be a consideration in making grants under this subsection.

The House amendment calls for peer review panels to evaluate grants. The language specifies that the Secretary shall allocate grants taking into account the recommendations made by a nine-member advisory board. The advisory board shall make recommendations to the Secretary on policies, priorities, and operations of the grant program.

The Secretary is required to ensure that, where appropriate, grants are consistent with the development of systems of sustainable agriculture. Similar priority research areas and grant categories are established. The House amendment states that the Secretary shall transmit to Congress an annual report describing the policies, priorities, and operations of the grant program during the preceding fiscal year. In making grant determinations the Secretary shall emphasize sustainable agriculture where appropriate.

The Conference substitute adopts the House provision with an amendment mandating an annual report, deleting the advisory board, requiring the Secretary to seek the advice of the Technology Assessment Board established in this title on the policies, priorities, and operations of the competitive grants program.

(27) Authorization (S 1471; H 1315)

The Senate bill authorizes: \$150,000,000 for FY 1991; \$275,000,000 for FY 1992; \$350,000,000 for FY 1993; \$400,000,000 for FY 1994; \$500,000,000 for FY 1995. Of the amount in any fiscal year, not less than 30% shall be available to multidisciplinary teams undertaking mission-linked research; not less than 10 percent shall be available for grants in research and education strengthening; and not more than four percent shall be available for USDA administrative costs.

The House amendment authorizes \$500,000,000 for each of the fiscal years 1991 through 1995. The House amendment states that of the appropriations for a fiscal year, not more than two percent may be used to make equipment grants and not more than four percent may be used by the Secretary to pay administrative costs.

The Conference substitute adopts the Senate provision with an amendment that provides the following distribution of grant funds: not less than 10 percent in FY 1991, 20 percent in FY 1992, and 30 percent thereafter shall be available to multidisciplinary teams; not less than 20 percent in any given fiscal year for mission-linked research; not less than 10 percent in any given fiscal year for grants in research and education strengthening; not more than four percent for USDA administrative costs and not more than two percent for equipment grants in any given fiscal year.

Sec. 1616. Special research grants

*(28) Special Grants (H 1315)**(29) Competitive, Special and Facilities Research Grants (S 1484)*

The Senate bill provides that 90 percent of the funds appropriated under section 2(c) of the Act of August 4, 1965 shall be used for grants for regional research projects and four percent may be retained by the Secretary to pay administrative costs.

The House amendment amends section 2(c)(2) of the Act of August 4, 1965 by broadening the category of institutions eligible for special grants to include: State agricultural experiment stations; all colleges and universities; other research institutions and organizations; Federal agencies; private organizations or corporations; and individuals and by prohibiting construction of facilities.

The Conference substitute adopts both the Senate and House provisions.

Sec. 1617. Minimization of conflicts of interest of employees of colleges receiving funds under the Smith-Lever Act

(30) Minimization of Conflicts of Interest (H 1316)

The House amendment amends the Smith-Lever Act to require the Secretary to ensure that each college or university seeking to receive funds has in place appropriate requirements, as determined by the Secretary, to minimize actual or potential conflicts of interest among employees of such college or university whose salaries are funded in whole or in part with such funds.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment changing requirements to guidelines.

Sec. 1618. Agricultural experiment stations and transportation of virus of foot-and-mouth disease

(31) Agricultural Experiment Stations (S 1482)

The Senate bill provides for the reapportionment of unexpended funds to states.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(32) Utilization of Testing Equipment (S 1483)

The Senate bill amends the Act of 1884 that restricts research on foot and mouth disease virus to ARS and Animal Plant Health and Inspection Service laboratories at the Plum Island Animal Disease Center in New York in order for the virus to be transported to Brookhaven National Laboratory in Long Island in order to utilize testing equipment at that location.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment in the form of a substitute that provides that the Secretary, if he determines it necessary, may conduct research and study of the foot and mouth virus within the U.S., except at Brookhaven National Laboratory, after issuing a permit under rules and regulations promulgated to protect U.S. animal health.

Subtitle B—Sustainable Agriculture Research and Education

Sec. 1619. Purpose and definitions

(32) Findings and Purposes (S 1476; H 1321)

The Senate bill states that the Congress finds that: (1) the U.S. must focus efforts on development of sustainable methods of farming that are productive and profitable; (2) different methods of production can contribute to the goal of long-term sustainability; (3) many farmers and ranchers are highly dependent on nonrenewable production inputs and natural resources and seek information on sustainable agriculture; (4) farmers and ranchers have interest in participating directly in research; (5) expanded research and extension needed to (A) improve ag productivity; (B) prevent water pollution and soil erosion and degradation; (C) protect health and safety; (D) implement conservation practices; (E) reduce use of nonrenewable production inputs, to the extent feasible and practicable; (F) explore alternative livestock production systems that lead to low input livestock production; and (G) stabilize and improve farm income through crop and enterprise diversification.

Five purposes for this subtitle are listed: (1) maintain and enhance the quality and productivity of the soil; (2) conserve soil, water, energy, and natural resources, and improve fish and wildlife habitat conditions; (3) prevent contamination of surface and groundwater; (4) protect the health and safety of farmers, farmworkers and consumers; and (5) maintain or increase the number

of economically viable self-employment opportunities in agriculture.

The House amendment contains no findings. The first five purposes are identical to the Senate bill with an additional sixth purpose of promoting the wellbeing of animals.

The Conference substitute adopts the House provision.

(34) Definitions (S 1476; H 1321)

The Senate bill includes definitions for the following terms: agribusiness, extension, non-profit organization; Secretary, State, State agricultural experiment stations, Extension Service Agents, Secretary, and pesticide.

Two different definitions of sustainable agriculture are provided. The first definition pertains to the research and extension program, technical guides, and state-federal matching program. For these programs the term sustainable agriculture means a variety of farming systems, ranging from organic systems that use no synthetic chemical inputs to those involving the prudent use of agriculture chemicals and that result in the—

(1) thorough incorporation of natural processes into the ag production process such as nutrient cycles, nitrogen fixation, and pest-predator relationships;

(2) reduction in the use of inputs with potential to harm significantly the environment or health;

(3) greater productive use of biological and genetic potential of plant and animal species;

(4) improvement of the match between cropping patterns and the productive potential and physical limitation of ag lands to ensure the long-term sustainability of current production levels; and

(5) profitable and efficient agriculture production, with emphasis on improved farm management and conservation.

The second definition of sustainable agriculture pertains to the ES training program. For this program the term sustainable agriculture means an agriculture production system that is economically viable and agronomically and environmentally sound over short and long term periods.

The House amendment includes definitions for the following terms: Extension; Secretary; Advisory Council; State; State agricultural experiment stations; sustainable agriculture; integrated crop management; and integrated resource management.

Sustainable agriculture is defined as it is earlier in the title as: an integrated system of plant and animal production practices having a site-specific application that will, over the long-term: (1) satisfy human food and fiber needs; (2) enhance environmental quality and the natural resource base upon which the agriculture economy depends; (3) make the most efficient use of nonrenewable resources and on-farm resources and integrate, where appropriate, natural biological cycles and controls; (4) sustain the economic viability of farm operations; and (5) enhance the quality of life for farmers and society as a whole.

Integrated crop management systems means an agriculture management system that integrates all controllable agriculture production factors for long-term sustained productivity, profitability, and

ecological soundness. Integrated resource management means a livestock management which utilizes an interdisciplinary systems approach which integrates all controllable agricultural production practices to provide long-term sustained productivity and profitable production of safe and wholesome food in an environmentally sound manner.

The Conference substitute adopts the House provision with an amendment adding the definitions for agribusiness and non-profit organization from the Senate bill.

Sec. 1620. Repeal of agricultural productivity research

The Senate bill amends the Agricultural Productivity Act by substituting this subtitle for that Act. (S 1426)

The House bill repeals the Agricultural Productivity Act and substitutes this subtitle for that Act. (H 1329)

The Conference substitute adopts the House provision.

CHAPTER 1—BEST UTILIZATION OF BIOLOGICAL APPLICATIONS

Sec. 1621. Research and extension projects.

(35) Research and Extension Projects (S 1476; H 1322)

The Senate bill directs the Secretary to conduct research and extension projects that facilitate and increase scientific investigation in order to: (A) reduce, to the extent feasible and practicable, the use of toxic materials in agricultural production; (B) improve low-input farm management to enhance agricultural productivity and competitiveness; and (C) promote crop, livestock, and enterprise diversification and projects that facilitate conduct of projects in order to: (A) study various agricultural production systems; (B) study farms that are managed using production practices that rely on low-input and conservation practices; (C) take advantage of the experience and expertise of farmers and ranchers through their direct participation in research projects; (D) transfer practical information to farmers; (E) promote a partnership between government, farmers, nonprofits, and universities.

On-farm research is encouraged. Language from existing law is retained in regard to sequence planting, public observation of research, agreements, and indemnification.

The House amendment is similar to the Senate bill with several differences. The purposes of the program do not include the reduction of the use of chemical pesticides, fertilizers, and toxic natural materials but do include the development of improved farm management systems which minimize health and environmental risks. Non-profit organizations are deleted from the priority list for projects. Public observation is restricted to specified times.

The Conference substitute adopts the Senate provision with an amendment adding that public observation should occur at specified times and by adding the word low-input before sustainable in order to clarify the program's emphasis on research on reducing chemical inputs.

Sec. 1622. Program administration

(36) Program Administration (S 1476; H 1323)

The Senate bill requires the program to be conducted through CSRS in close cooperation with the ES. A National Sustainable Advisory Council and a minimum of four Regional Administrative Councils are established to review and make recommendations to the Secretary regarding funding of project proposals; promote programs at the national level; coordinate research and extension activities; administer funds; facilitate cooperation between sustainable agriculture, national water quality, food safety and pest related programs; and submit a report to the Secretary.

The House amendment is similar to the Senate provision with some slight differences: close cooperation with ARS is required; an additional impact study is required; the Farmers Home Administration member from the Senate bill is deleted; a representative of the 1890 institutions is added to the National Advisory Council; the nonprofit organization representatives must have demonstrable expertise; and representatives of agribusiness and ARS are added to the Regional Administrative Councils.

The Conference substitute adopts the Senate provision with an amendment adjusting the Senate language to the House language with the exception of the additional study.

Sec. 1623. Federal-State matching grant program

(37) Federal-State Matching Grant Program (S 1476; H 1324)

The Senate bill establishes a 50-50 matching grant program to encourage States to carry out sustainable agriculture programs and activities to assist: (1) educational programs; (2) curricula revisions; (3) the establishment of sustainable agriculture undergraduate and graduate programs; (4) funding of research and extension; (5) the provision of technical assistance to farmers; and (6) farmer-to-farmer information exchanges. Farmers must be involved in the development, implementation and evaluation of all projects receiving assistance.

The House amendment establishes a similar grant program with the exception that the program does not provide for use of funds for curriculum development and undergraduate and graduate programs.

The Conference substitute adopts the House provision with an amendment adding undergraduate and graduate degree programs.

Sec. 1624. Authorization of appropriations

(38) Appropriations (S 1476, 1468; H 1326-28)

The Senate bill authorizes \$40,000,000 annually for the low-input sustainable agriculture research program, technical guides, and the State-Federal matching program for fiscal years 1991 through 1995. Not less than \$15,000,000 or not less than two-thirds, whichever is less, shall be used to carry out the low-input sustainable agriculture research program.

The House amendment authorizes \$40,000,000 annually for the sustainable agriculture research program, the Integrated Crop

Management research program, and the State-Federal matching program for fiscal years 1991 through 1995. Not less than \$15,000,000 or not less than two-thirds, whichever is less, shall be used to carry out the sustainable agriculture research program and the Integrated Crop Management research program.

The Conference substitute adopts the Senate provision. The Conference substitute reorganizes the subtitle such that technical guides are now contained within Chapter 3 and no longer covered by this authorization of appropriations.

CHAPTER 2—INTEGRATED MANAGEMENT SYSTEMS

Sec. 1627. Integrated management systems research and education

(39) Integrated Management Systems Research and Education (H 1325)

The House amendment requires the Secretary to establish a research and education program to enhance research related to farming operations, practices, and systems that optimize crop and livestock production potential and are environmentally sound. The purposes of the program shall be to:

- (1) encourage producers to adopt integrated crop and livestock management practices and systems that minimize or abate adverse environmental impacts, reduce soil erosion and loss of water and nutrients, enhance the efficient use of on-farm and off-farm inputs, and maintain or increase profitability and long-term productivity;

- (2) develop knowledge and information on integrated crop and livestock management systems and practices, including specific information for inclusion in handbooks, technical guides, and educational materials;

- (3) accumulate and analyze information on agricultural production practices researched or developed to further the development of integrated crop and livestock management systems;

- (4) facilitate the adoption of whole-farm integrated crop and livestock management systems through demonstration projects on individual farms, including small and limited resource farms; and

- (5) evaluate and recommend appropriate integrated crop and livestock management policies and programs.

The Secretary shall encourage agriculture producers to adopt and develop individual, site-specific integrated crop management practices (ICM). The Secretary shall, on a priority basis, develop and disseminate information on ICM for producers in specific localities or crop producing regions where the Secretary determines: (1) water quality is impaired as a result of local or regional agricultural production practices; or (2) the adoption of such practices may aid in the recovery of endangered or threatened species.

The Secretary shall, on a priority basis, develop programs to encourage livestock producers to develop and adopt individual, site-specific integrated resource management practices (IRM). These programs shall be designed to benefit producers and consumers through: (1) optimum use of available resources and improved production and financial efficiency for producers; (2) identifying and

prioritizing the research and educational needs of the livestock industry relating to production and financial efficiency, competitiveness, environmental stability, and food safety; and (3) utilizing an interdisciplinary approach toward preventing potential problems.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment deleting the program purpose of developing specific information for inclusion in handbooks, technical guides, and educational materials and by adding a new section authorizing the sum of \$20,000,000 to be appropriated annually through ES for each fiscal year 1991 through 1995.

CHAPTER 3—SUSTAINABLE AGRICULTURE TECHNOLOGY DEVELOPMENT AND TRANSFER PROGRAMS

Sec. 1628. Technical guides and handbooks

(40) Technical Guides/Handbooks (S 1476; H 1326)

The Senate bill requires that the Secretary, not later than 2 years after enactment of this section, after full notice and comment, develop technical guides that describe farm production systems that foster sustainable agriculture production systems, and other purposes.

The Secretary shall coordinate the work with ongoing efforts of ES and SCS to avoid duplication of effort and to develop comprehensive guides. The guides shall include detailed information on selection of crops and varieties, rotation practices, tillage systems, nutrient management systems, soil building practices, pest, weed, and disease management, soil, water, and energy conservation, livestock management, and other information as well as practical instructions to aid producers in adapting such systems.

The Secretary shall survey existing databases and information sources to aid in guide development. The Secretary may establish a grant program to assist in the development of such guides.

The House amendment is similar to the Senate provision with several slight differences. There is no requirement for public notice and comment; the Secretary is required to develop handbooks and other educational materials as well as guides; the materials must be prepared in one year; there is no provision for a grant program; and such sums as are necessary are authorized to be appropriated.

The Conference substitute adopts the House provision with an amendment that: extends the deadline for guide and handbook development to two years; adds a statement that efforts should be made to avoid duplication of effort with the Soil Conservation Service; adds pest, weed and disease management information for inclusion in the guides; and authorizes such sums as are necessary for this section.

(41) Reports (S 1476)

The Senate bill requires the Secretary to submit to the House and Senate Agriculture Committees and the National Sustainable Agriculture Advisory Council a report regarding the program under this subtitle.

The House amendment has no comparable provision.

The Conference substitute adopts the House position, thereby deleting the report requirement.

Sec. 1629. National Training Program

(42) National Extension Service Training Program in Sustainable Agriculture (S 1476; H 1327)

The Senate bill directs the Secretary to establish a National Training Program in sustainable agriculture to provide education and training for Extension Agents primarily and for other professionals involved in the education and transfer of technical information concerning sustainable agriculture.

The Secretary shall designate not less than two national training centers at existing institutions that have a specific mandate relating to sustainable agriculture to run the program and to conduct intensive training programs for specialists. The Centers should be administered by organizations that (1) have demonstrated capability relating to sustainable agriculture; (2) have a base of programming that includes both research and education related to sustainable agriculture; and (3) have cooperative relations with other agencies such as ARS, ES, land grant universities and nonprofit organizations.

A competitive grant program to provide funding for regionally administered short courses of a less intensive nature than those at the National Training Centers is also authorized. All agricultural ES agents are to be provided with training in all aspects of sustainable agriculture no later than 1995. Beginning three years after enactment of this title, all new ES agents shall demonstrate a thorough knowledge of sustainable agriculture and ICM no later than 18 months after employment.

The House amendment establishes a training program with similar purposes and goals to the Senate provision. However, no centers or competitive grants program are established. Such training may occur at a college or university located within each State. Coordination shall take place with the Water Quality and Integrated Pest Management programs established elsewhere in this title. The Secretary may provide chemical and equipment dealers with information on sustainable agriculture.

A regional coordinator shall be designated from the ES within each State to coordinate the training program. Regional specialists may be designated within each State who shall report to the State coordinator of that State.

The ES within each State shall transfer information that shall: (1) assist in developing farmer-to-farmer information exchange networks; (2) help coordinate and publicize a regular series of farm tours and field days; (3) plan for extension programming and other endeavors related to sustainable agriculture; (4) provide technical assistance to farmers making a transition; (5) consult and work closely with the Soil Conservation Service and the Agricultural Stabilization and Conservation Service; (6) develop programs in areas highly susceptible to groundwater contamination; (7) develop information sources relating to crop diversification; (8) establish a program to increase understanding of well-water testing program; (9) provide specific information on water quality practices; (10) pro-

vide specific information on nutrient management; and (11) develop whole-farm management systems.

The Conference substitute adopts the Senate provision with an amendment. The term entities is substituted for the term organizations; regional centers are substituted for not less than two national training centers; a base of programming and cooperative relationships criteria for selection of centers is deleted; regional specialists are designated in each State; and ES is given the 11 responsibilities in the House amendment.

The Managers note that there are two different levels of training being authorized under this section. The Managers intend that the more intensive course, conducted at the training centers, shall be designed for and attended by Federal, State, and Country extension agents specializing in agriculture production or urban pest control. The competitive grants shall be awarded to entities, which may be located within the State but not necessarily so, to conduct workshops to familiarize all other extension agents with basic knowledge on sustainable agriculture.

Sec. 1630. Authorization of appropriations

(43) Appropriations (S 1476; H 1326-28)

The Senate bill authorizes \$10,000,000 annually for the ES training program.

The House amendment authorizes \$40,000,000 for ES training and information dissemination for fiscal years 1991 through 1995.

The Conference substitute adopts the House provision with an amendment authorizing \$20,000,000 ES training.

Subtitle C—National Genetics Resources Program

Sec. 1632. Establishment, purpose, and functions of the National Genetic Resources Program

(44) Genetics Resources Program (S 1414(3); H 1331-34)

The Senate bill amends the current responsibilities of the Secretary to include the development of a new genome mapping program.

The House amendment establishes a new National Genetics Resources Program to provide for the collection, preservation, and dissemination of genetic material of importance to American food and agriculture production.

The Secretary shall administer the program through ARS. The Secretary shall: (1) provide for the collection, classification, preservation, and dissemination of genetic material of importance to the food and agriculture sectors of the U.S.; (2) conduct research on genetic materials collected and on methods for storage and preservation of those materials; (3) coordinate the activities of the program with similar domestic activities; (4) make available the genetic material which the program assembles; (5) expand the types of genetic resources included in the program to develop a comprehensive genetic resources program which includes plants, animal, aquatic, insect, microbiological, and other types of genetic resources of im-

portance to food and agriculture; and (6) engage in other activities the Secretary determines appropriate.

The Conference substitute adopts the House provision.

Sec. 1633. Appointment and authority of Director

The House amendment requires the Secretary to appoint a director of the national genetic resources who shall: (1) advise participants on the program activities; (2) coordinate, review and facilitate the identification and evaluation of relevant information generated under the program; (3) promote the transfer of relevant information; (4) monitor the effectiveness of the transfer of relevant information; and (5) provide to the Congress a biennial report and a report describing the 10-year projected needs and an assessment of international efforts, and an evaluation of the potential effect of various national laws and treaties on genetic resources.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. The Managers intend that the Director will report directly to the Administrator of ARS.

Sec. 1634. Advisory council

The House amendment establishes an advisory council to assist the Secretary. The advisory council shall consist of ex officio members and not more than nine members appointed by the Secretary.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Sec. 1635. Definitions and authorization of appropriations

The House amendment defines certain terms and provides such funds as may be necessary are authorized for each of the fiscal years 1991 through 1995.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Subtitle D—National Agricultural Weather Information System.

Sec. 1637. Short title and purposes

(45) Agriculture Weather Information System (H 1339-43)

The House amendment establishes a National Agriculture Weather Information System. Several congressional findings are set forth. The purpose of this program are to: (1) provide a nationally coordinated agriculture weather information system; (2) facilitate the collection, organization, and dissemination of advisory weather and climate information relevant to agriculture producers through the participation of the private sector and otherwise; (3) provide for research and education on agriculture, weather, and climate aimed at improving the quality and quantity of weather and climate information available to agriculture producers; and (4) encourage and strengthen, where feasible, greater private sector participation in providing agriculture weather and climate information and activities.

The Senate bill has not comparable provision.

The Conference substitute adopts the House provision with an amendment deleting the findings.

Sec. 1638. Agriculture Weather Office

The House amendment establishes a USDA Agriculture Weather Office to plan and administer the National Agricultural Weather Information System comprised of the Agriculture Weather Office and the activities of the State agriculture weather information systems.

The Secretary shall appoint a Director to manage that activities of the Agricultural Weather Office and to advise the Secretary on the scientific and programmatic coordination for climate, weather and remote sensing.

The office may: (1) enter into cooperative projects with the National Weather Service; (2) obtain standardized weather observation data collected through State agricultural weather information systems; (3) provide competitive grants for research in atmospheric sciences and climatology; (4) provide grants to eligible States to plan and administer State agriculture weather information systems; (5) coordinate the activities of the Office with the weather and climate research activities of CSBS, the National Science Foundation Atmospheric Services Program, and the National Climate Program; (6) encourage private sector participation in the National Agricultural Weather Information System; and (7) represent USDA on agrometeorology and climate matters with the World Meteorological Organization, the Intergovernmental Program on Climate Change, and relevant science and technology agreements.

The Secretary shall give priority to grant proposals that emphasize: (1) techniques and processes that relate to weather-induced agriculture losses, and to improving the advisory information on weather extremes; (2) improvement of site-specific weather data collection and forecasting; or (3) the effect of weather on economic and environmental costs in agriculture production.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment deleting the subsection regarding Office representation in forums on agrometeorology and climate matters. The Managers note that in adopting the House provision, the Conferees acknowledge that significant benefits to both farm producers and to the environment will likely result from the improved collection and dissemination of near real-time, site-specific agricultural weather forecasting and climatological data. The Conferees emphasize the importance of integrating any private sector businesses and capabilities into the overall activities of the program.

Given the limited amount of funding available for State grants, the Conferees strongly urge the development of State plan proposals which provide for State matching funds, and which would utilize the Federal grant funding as a means to leverage additional financial support from and participation by private sector firms, agricultural cooperatives and producer organizations.

As differentiated from the CSRS competitive grants authorized primarily for research activities by the provision, State grant funds should foster and coordinate the implementation of usable data collection and dissemination systems and should cooperate in develop-

ment of educational programs to assist producers in learning how to make the best use of the information generated.

The limitation on the use of funds for construction and equipment is not intended to unreasonably inhibit or restrict the use of State grants for the installation and equipping of remote weather and climatological sensing and data-relay transmission facilities and equipment. However, State plan proposals should clearly identify the extent to which grant monies may be utilized for such purposes, and the justifications for such utilization within the overall objectives of the plan.

Sec. 1639. National Advisory Board on Agricultural Weather

The House amendment establishes a permanent national advisory board on agriculture weather to advise the director of the agriculture weather and climatology office. The Secretary will appoint a nine-member board and membership requirements are delineated. The Board is exempted from the Federal Advisory Committee Act.

The Senate bill has no comparable provision.

The Conference substitute adopts the House version.

Sec. 1640. State agricultural weather information systems

The House amendment requires the Secretary to make grants to not fewer than ten eligible states to plan and administer advisory programs for state agriculture weather information systems. Terms of the application and state agreements are established.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Sec. 1641. Funding

The House amendment authorizes \$5,000,000 each of the fiscal years 1991 through 1995. Of the amount appropriated: not less than 15 percent and not more than 25 percent shall be used for cooperative work with the national weather service; not less than 15 percent and not more than 25 percent of such funds shall be used by CSRS for a competitive grants program; and not less than 25 percent and not more than 35 percent shall be divided equally between the participating states selected for that fiscal year.

The remaining funds shall be allocated for use by the agriculture weather office and the ES in carrying out the program. No funds shall be used for the construction of facilities. Each state or agency receiving funds shall not use more than 30 percent of such funds for equipment purchases. Any use of the funds in facilitating the distribution of agriculture and climate information to producers shall be done with consideration for the role that the private meteorological sector can play in such information delivery.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Subtitle E—Research Regarding the Production, Preparation, Processing, Handling, and Storage of Agricultural Products.

Sec. 1643. Findings, purpose, and definition

(46) Research on Production, Preparation, Processing, Handling, and Storage (H 1351-55)

The House amendment establishes a new research program on the production, preparation, processing, handling, and storage of agricultural products. The Congress finds: (1) the wholesomeness of agriculture products is important; (2) it is appropriate to periodically examine agriculture production and preparation, processing, handling and storage systems, especially with respect to harmful microbiological and chemical agents that seriously undermine product wholesomeness and fitness; and (3) additional research into the wholesomeness of agricultural products should be conducted.

It is not the purpose of this subtitle to affect the research programs of any Federal agency or department research currently conducted or to be conducted under any other statutory authority.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment deleting the findings and purpose.

Sec. 1644. Research and grant program

The House amendment requires the Secretary to conduct a research program that will: (1) establish a statistical framework to measure the potential risk associated with microbiological and chemical agents in or affecting agriculture products that seriously undermine product wholesomeness and fitness; (2) identify any microbiological or chemical agent under the statistical framework; and (3) identify the means to avoid microbiological and chemical agents in or affecting agriculture products or to control or reduce microbiological and chemical agents.

The Secretary may make competitive grants after consultation with Advisory committee and for periods not to exceed five years. The Secretary must require the grant recipient to provide matching funds for the research unless the Secretary determines that the research should be performed regardless of the lack of matching funds. No grant may be used for the planning, repair, rehabilitation, acquisition, or construction of a building or facility.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Sec. 1645. Advisory committee and grant process

The House amendment requires the Secretary to establish a nine-member committee to set research priorities for, and evaluate, proposed research projects on the production, preparation, processing, handling and storage of agriculture products.

The Secretary, on receipt of the committee's recommendations with respect to research priorities for grants, shall publish in the federal register: (1) the proposed research priorities; (2) a notice requesting persons and government entities to submit written comments on the priorities to the Secretary not later than 60 days after publication; and (3) final research priorities.

The Secretary shall refer applications to the committee for its review which shall establish peer review panels to review the scientific and technical merits of research proposals. The committee, after due consideration of the review panel comments, shall recommend grants to the Secretary. The committee and peer review panels shall identify both proposals for basic research and proposals for applied research. The committee and peer review panels are exempted from the Federal Advisory Committee Act.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment reducing the number of members appointed by the Secretary from among qualified individuals who are employees of the Federal Government from four to two; and providing that three members shall be appointed by the Chairman of the House Agriculture Committee and three members shall be appointed by the Chairman of the Senate Agriculture Committee. Peer review panels are exempted from the Federal Advisory Committee Act.

Sec. 1646. Reports to Congress

The House amendment mandates several reports.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Sec. 1647. Authorization of appropriations

The House amendment authorizes such sums as necessary for each of the fiscal years 1991 through 1995. No more than four percent of such sums may be expended for administrative costs.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Subtitle F—Plant and Animal Pest and Disease Control Program

(47) Plant and Animal Pest and Disease Control Program (H 1344-50)

Sec. 1650. Plant and animal pest and disease control program

The House amendment lists six findings regarding the importance of integrated pest management. The term "integrated pest management" (IPM) means a pest or disease population management system that uses all suitable techniques, such as biological and cultural controls as well as pesticides, in a total production system to anticipate and prevent pests and diseases from reaching economically damaging levels.

The Secretary, acting through the Assistant Secretary for Science and Education shall establish the Office of Integrated Pest Management within 180 days of enactment. The Secretary shall appoint a chief for the Office who shall investigate and report on the status of IPM and recommend new research and extension strategies on IPM.

A seven-person technical committee is established to advise the Secretary and the Chief of the Office regarding IPM research. The Secretary may accept gifts and contributions on behalf of the Office. Pilot projects on IPM strategies are established. By January, 1995 a report is required on the IPM activities being carried

out, including recommendations on the modification or elimination of the Office.

The Secretary shall undertake IPM research including research with Federal or State agencies and with private individuals or organizations, including research on IPM for cut roses and other fresh cut flowers, to be conducted through the ES. Nothing in this Act shall not be construed as limiting or repealing the authority of the Administrator of the EPA regarding IPM under FIFRA.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment. The findings, IPM office and director, and technical committees are deleted. Floraculture is substituted for cut roses and other fresh cut flowers under the research directives.

Sec. 1651. Pest and disease control data based and pesticide resistance monitoring

The House amendment mandates the establishment of a data base on available materials and methods of pest and disease control listed by commodity involved and pest or disease being controlled, specifying currently available materials or methods of chemical, biological, cultural or other means of control and the extent of pest or disease resistance to controls. The Secretary shall: (1) set pest and disease research and extension priorities based upon needs revealed by the data base; (2) make such information available through the NAL and shall provide the information to the Administrator of the EPA on an annual basis; and (3) establish a national pesticide resistance monitoring program in accordance with the recommendations made in 1985 Food Security Act.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Sec. 1652. Research on exotic pests

The House amendment authorizes research on exotic pests. The purpose of this research program is to expand the research capacity of the USDA and State cooperative institutions in the control and eradication of exotic pests. The research conducted shall include improvement of existing methods of pest control, including sterile insect release, and development of safer pesticides, inducing pheromones and an expansion of research capacity to develop new methods of pest control including containment of pests for research purposes. Such sums as needed for the program authorized under this section.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Sec. 1653. Study of the biology and behavior of chinch bugs, including factors leading to crop loss and development of improved management practices

The House amendment authorizes a study of the biology and behavior of chinch bugs including factors leading to crop loss and development of improved management practices.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Sec. 1654. Authorization of appropriations

The House amendment authorizes \$55,000,000 to carry out this subtitle for each of the fiscal years 1991 through 1995, with not less than \$30,000,000 for the ES activities.

The Senate bill has no comparable provision.

The Conference substitution adopts the House provision changing appropriations to such sums as necessary.

Subtitle G—Alternative Agricultural Research and Commercialization

Sec. 1657. Short title, purposes, and definitions.

(48) Findings and Purposes (S 1902; H 1356)

(49) Definitions (S 1903; H 1356)

The Senate bill states several findings. The purpose of this program is to: (1) authorize research in the modification of plants and plant materials in order to develop and produce marketable products other than food, feed or traditional forest or fiber products; (2) commercialize new nonfood, nonfeed uses for agriculture crops in order to create jobs, enhance rural economic development, and diversify markets; (3) encourage cooperative development and marketing efforts in order to assist commercialization; and (4) direct research and commercialization efforts toward the production of new industrial products that can be raised by family-sized agriculture producers.

The Senate bill provides definitions for 11 terms: Assistant Secretary; Board; commercialization; corporation; host institution; new industrial product development; new industrial product; regional center; research project; Secretary; and traditional forest or fiber product.

Commercialization includes activities associated with the development of prototype products or manufacturing plants; the application of technology and techniques to the development of industrial production; and the market development of new industrial uses of new and traditional agriculture and forestry products and processes that will lead to the creation of marketable goods and services. New industrial product means an item that is primarily not a food, feed or traditional forest or fiber product, including an item that exists but is not commercially available from a plant source. Research project means a project that is directed toward the development of a new marketable industrial or commercial product, other than a food, feed or traditional forest or fiber product, through biotechnology or other modification of a plant, and includes all of the various research tasks necessary to develop a new industrial product.

The House amendment has no findings. The purpose of this program is to: (1) increase commercial use of agriculture commodities through cooperative development of new uses, applications, technologies, processes, and products; (2) mobilize private sector initiatives; (3) foster economic development in rural areas through introduction of new products; (4) establish markets for new nonfood, nonfeed uses of agriculture commodities; (5) encourage cooperative

development and marketing efforts; and (6) direct commercialization efforts toward the production of new industrial products that can be raised by family farmers.

The House amendment provides definitions for nine terms: agriculture commodity; alternative agriculture product; commercialization; Institute; Secretary; Director; Board; regional center; and fund. Commercialization has the same meaning as in the Senate bill. Alternative agriculture product means a new use, application, or material that is derived from an agriculture commodity, is not in widespread commercial use, and is not expected to significantly displace a use, application, or material derived from an agriculture commodity that already is in widespread commercial use.

The Conference substitute adopts the Senate provision with an amendment broadening the scope of the purposes to include authorizing research in modification of agricultural commodities, and associated research, in order to develop and produce marketable products other than food, feed, or traditional forest or fiber products; and by adding the following purpose: fostering economic development in rural areas of the U.S. through the introduction of new nonfood, nonfeed products obtained from agricultural commodities. Definitions are provided for: agricultural commodity; alternative agricultural product; Board; Center; commercialization; Fund; host institution; new nonfood, nonfeed product development; new nonfood, nonfeed product; nonprofit organization; Secretary; and traditional forest or fiber product. Sec.

Sec. 1658. Alternative agricultural research and commercialization center

(50) Structure (S 1904, 1905; H 1357)

The Senate bill establishes a corporation and provides it with general corporate powers. An independent nonprofit corporation is established within the USDA, entitled the "Alternative Agricultural Research and Commercialization Corporation" (AARCC). The AARCC shall serve as the hub for four to nine Regional Centers, where its main activities shall be carried out. AARCC is subject to the Government Corporate Control Act. The purpose of AARCC is to provide grant assistance, contracts and cooperative agreements, loans, interest subsidies, and to technology transfer, information collection, and information dissemination; search for new industrial materials from agricultural commodities and other activities in support of new products.

The House amendment establishes a National Institute for Alternative Agriculture Products. The Secretary shall establish an Institute to be operated as an independent entity within USDA. The functions of the Institute are the same as AARCC's purposes in the Senate bill. The Institute shall administer a Revolving Fund.

The Institute will be headed by a Director, who is to be appointed by the Board and approved by the Secretary. The Director shall: (1) review applications; (2) review the conduct of research; (3) review research findings or reports; (4) make licensing and patent agreements, or other fee arrangements on the sales of products and new uses, applications, technologies, or processes developed through assistance provided through a grant, contract, or coopera-

tive agreement to which the Institute is a party; and (5) maintain channels for the dissemination and exchange of agriculture products and processes research.

The Conference substitute adopts the House provision with an amendment establishing AARCC as a Center rather than a corporation, establishing the Directors pay at level IV, and making the Director subject to the general supervision of the Board.

Sec. 1659. Alternative agricultural research and commercialization board

(51) Corporate Board/Institute Board (S 1906-11; H 1358)

The Senate bill establishes a Corporate Board of Directors, details the powers and duties of the Board, and describes other matters of concern to the Board. The Board of Directors shall be composed of nine members, including the Assistant Secretary for Science and Education and the UnderSecretary of Agriculture for Small Community and Rural Development. The Secretaries of Agriculture and Commerce shall appoint two and three members, respectively, and two members shall be appointed by the Director of the National Science Foundation.

These Directors, serving five year terms, shall represent the agricultural, scientific, financial, and managerial sectors. They may hold full-time jobs while serving as Directors and at least three members shall be from the private sector. The Board of Directors shall elect a Chairman. The Board of Directors shall approve applications for financial assistance for commercialization projects and recommend research projects to the Secretary for funding. The Secretary may veto any recommendation by the Board. The Secretary shall select research projects that are to receive funding based on recommendations by the Board.

The Board has the authority to delegate authority to the Regional Centers to carry out activities of the AARCC. The AARCC shall adopt bylaws, develop an organizational structure, and hire a limited number of staff members, which may include a General Counsel, Treasurer, and Executive Director, who shall be considered federal employees. The choice of officers and employees shall be non-partisan.

The Board may establish boards of experts to provide advice, and may hold hearings when appropriate. Board members, except for the Assistant Secretary and the UnderSecretary, shall receive compensation. Members of the Board of Directors and all other officers and employees are subject to the Ethics in Government Act. A Director or a member of an Advisory Council is precluded from voting on any matter in which such individual has a financial interest. The AARCC and its Directors, officers and employees are subject to criminal sanctions for releasing proprietary information. Administrative expenses are required to be kept to five percent in order to make available more money for research grants and financial assistance for commercialization projects.

The House amendment establishes a National Alternative Agriculture Products Board. The Board shall consist of ex officio non-voting members and not more than 12 voting members appointed by the Secretary. Voting members are to be appointed as follows:

three scientific members; three producers or processors of agricultural commodities; three members who are privately engaged in the commercialization of new products from agricultural commodities; and three members who are representatives of private industries. The Board will: (1) be responsible for the general supervision and policy control of the Institute and Regional Centers; (2) determine high priority research areas to receive assistance under that section; (3) review and approve any grant, contract, or cooperative agreement to be made by the Institute; (4) make the final decision, by majority vote, on whether and how to provide assistance to the applicant; (5) establish program policy, objectives, research and development, and commercialization priorities through a process of public hearings; and (6) develop and establish a budget plan and a long-term operating plan.

The term of office of a voting member shall be four years. Voting members shall select a chairperson from their rank to serve a two year term. The Board must meet at least three times each fiscal year. A quorum of the Board will consist of a majority of the appointed voting members of the Board. The Board may establish one or more temporary committees. Members of the Board are to receive compensation. No member may vote on any matter in which such member has a financial interest.

The Conference substitute adopts the House provision with an amendment establishing the Board with nine members appointed by the Secretary. Members are to be appointed as follows: a member who shall be an employee of the Department of Agriculture; four members of which at least one shall be a scientific member, a producer or processor of agricultural commodities and a member privately engaged in the commercialization of new products from agricultural commodities; two members from a group of four persons nominated by the Director of the National Science Foundation who have expertise in areas of applied research relating to the development or commercialization of new nonfood, nonfeed products; and two members from a group of four persons nominated by the Secretary of Commerce who have expertise in financial and managerial matters of private industries.

Sec. 1660. Research and development grants, contracts, and agreements

(52) Research and Development (S 1912; H 1359)

The Senate bill requires the Secretary to select research projects to develop and produce new industrial products, based on the recommendations of the Board. The projects shall be peer reviewed. Criteria for selection shall include: (1) the prospect of developing technologies that could make it possible to use or modify existing agricultural commodities to provide an economically viable quantity of new nonfood, nonfeed products; (2) the potential market size of the new nonfood, nonfeed product, the likely time period needed to bring the product into the stream of commerce for general use, and the likely availability of the agricultural commodity used to produce the product; (3) the potential for job creation in an economically distressed rural area; (4) the anticipated State or local participation; (5) the anticipated financial participation of private

entities; (6) the likely impact on reducing Federal crop subsidies and other Federal agricultural assistance program costs; (7) the unavailability of adequate funding from other sources; (8) the likely positive impact on resource conservation and the environment; and (9) the likely positive effect of helping family-sized farmers and rural communities near the affected agricultural and forested areas.

The funding provided under this subtitle may go to projects proposed by consortia, but may not be used to acquire, build or repair a building or facility. Grants may be made for a minimum of three years. Some priority is given to biotechnological research projects. The Board shall establish peer review committees to review each proposed project for funding. The Board may review the progress of research projects which receive funding from the Corporation, and make recommendations to the Secretary concerning continued research.

The House amendment provides that the Institute shall select the grant recipients. All applications are peer reviewed. Criteria for selection are similar although the criteria are not focused on plant research. A set-aside of not less than two-thirds of the funds each year shall be awarded for projects where the applicant has committed substantial funding and support and has entered into an agreement with a U.S. company that also commits to provide funds for at least 20 percent of the total cost of the project. Not less than five percent of the funds each year shall be awarded only for projects submitted by the 1890s. Funds committed by the Institute for any research, development, or demonstration project can in no case exceed 50 percent.

Not less than two-thirds of the funds obligated each fiscal year for grants, contracts and cooperative agreements under this section shall be awarded only for research, development, and demonstration projects for which the applicant has committed substantial funding and support from its own resources and has entered into a cooperative agreement or other contractual arrangement with a commercial company domiciled in the United States that commits such company to: (1) provide funds for at least 20 percent of the total cost of such project; and (2) engage in the commercial production and sale.

The Conference substitute adopts the Senate provision with an amendment changing the selection criteria to: (1) include the set-aside of funds for certain projects contained in the House amendment; and (2) allow not more than 25 percent of the funds obligated each fiscal year to be awarded only for projects concerning new nonfood, nonfeed products derived from animal sources. Funds committed by the Center for any project shall in no case exceed two-thirds of the total cost of the project. In selecting projects to receive funds, the Center may give preference to those projects for which the ratio of Center funds to nonCenter funds would be lowest.

Sec. 1661. Commercialization assistance

(53) Commercialization Assistance (S 1915-17; H 1359)

The Senate bill authorizes AARCC to provide low-interest loans, loan guarantees, interest subsidies, repayable grants matched by private, state or local public funds, venture capital and umbrella bonding to eligible applicants to commercialize industrial products using ag and forestry crops. The Board may establish a discretionary fund for each Regional Center. The Regional Directors shall account for expenditures from these funds twice a year. The Corporation, through the Regional Centers, shall monitor the progress of ongoing projects and provide supportive business and technical counseling as needed, assisted by the Advisory Council.

The entities eligible for assistance shall be small businesses as defined under the Small Business Act, universities or other institutions of higher education, nonprofit organizations and cooperatives. A business entity shall repay the financial assistance it receives from AARCC according to its contract with the Corporation. The AARCC is given great flexibility in negotiating the amount and type of this repayment.

The House amendment is identical except loan periods are limited to three years and no umbrella bond is authorized, no additional criteria to use in selecting among equivalent applications is included, and it allows all businesses to be eligible for assistance.

The Conference substitute adopts the House provision with an amendment to include the additional criteria provisions contained in the Senate bill.

Sec. 1662. General rules regarding the provision of assistance. (S 1905, 1913, 1915 and 1916, H 1361)

The Senate bill authorizes the Regional Centers with the assistance of the Advisory Councils to receive and review commercialization applications, and recommend funding to the Board. The Board shall make the final funding decision. The Secretary may veto these decisions. Members of regional Advisory Councils may not vote on any matter in which they have a financial interest. Regional Centers shall monitor the progress of projects which receive AARCC funding, which may include on-site reviews, written reports, and technical and business counseling, and may require recipients to demonstrate that the use of financial assistance is in compliance with the contractual agreement. AARCC may use volunteer services. AARCC shall ensure the confidentiality of applications and is subject to GAO audit. The Board shall publish in the Federal Register a notice that it is receiving application for assistance not later than 30 days prior to the period established for receipt of such applications. Entities receiving financial assistance are required to repay AARCC, and the maximum repayment period for financial assistance is 12 years. The Board may waive this repayment for an entity in some cases.

The House amendment has similar provisions, except that commercialization applications may be submitted to the Board rather than to a Regional Center. The Board may require applications or proposals for grants, contracts or cooperative agreements to include

detailed estimates of project overhead and administrative costs. In selecting such applications or proposals for awards, the Institute shall give preference to those with the lowest effective costs. The time on grants, contracts and cooperative agreements is limited to three years. The use of assistance for planning, repair, rehabilitation, acquisition or construction of a building or facility is prohibited. The Board is required to submit reports to the Secretary on its activities.

The Conference substitute adopts the House amendment with an amendment to require commercialization applications originating from regions which have a Regional Center shall be submitted to that Regional Center, to prohibit the use of grants awarded, or contracts or cooperative agreements entered into, for the acquisition or construction of a building or facility, providing that grants be renewed, and clarify that the Board shall ensure the confidentiality of commercialization applications.

Sec. 1663. Regional centers

(54) Research Centers (S 1913, 1914; H 1362)

The Senate bills establish regional centers and details their activities in the program. AARCC shall establish a minimum of four and a maximum of nine Regional Centers where AARCC's main activities will be carried out. The AARCC shall not establish any Regional Centers until not less than \$5 million has been appropriated. Each Regional Center shall be located in a different state, which reflects to the extent possible the regional climatic conditions and rural economic stress and the qualifications of the applicant to serve as a host institution. Candidates which apply for a Center must demonstrate the ability to develop a partnership between private and public sector and universities to commercialize new industrial products made from agricultural commodities. The location of Regional Centers shall be competitively awarded based on proposals submitted to the Board of Directors.

Regional Centers must be located at host institutions, which include universities or other institutions of higher education, USDA labs, State Agriculture Experiment Stations, ES facilities, or other organizations which are involved in the development or commercialization of new industrial uses for agricultural commodities, or in rural economic development. States must provide for the matching of funds provided by the federal government for administrative costs, which may include in-kind support such as office space, equipment and staff support.

Each Regional Center shall be headed by a Regional Director selected by the Board, who shall carry out the activities of AARCC and work in consultation with the regional Advisory Council appointed by the Board of Directors, and a broad network of volunteers who shall assist the Regional Director with review of applications and project oversight including technical and business counseling. Each Regional Director shall have a small support staff. The Regional Centers shall: (1) develop a network of scientists, engineers, financiers, business managers, and other specialists to assist in project review; (2) provide business and technical counseling to small businesses to commercialize new industrial uses of agricul-

ture and forestry products; (3) seek out new, nonfood, nonfeed agricultural product ideas which can contribute to rural economic growth; and (4) evaluate and recommend applicants for financial assistance for commercialization. The Regional Centers shall coordinate their activities with the Small Business Development Centers.

The House amendment establishes regional centers and details their activities in the program. This section is very similar to the Senate bill with the following differences: (1) the number of regional centers shall be not less than two nor more than five; and (2) a single advisory council is established rather than Advisory Councils for each Regional Center.

The Conference substitute adopts the House provision with an amendment to establish not less than two nor more than six Regional Centers.

Sec. 1664. Alternative Agricultural Research and Commercialization Revolving Fund

(55) Revolving Fund (S 1918; H 1361)

The Senate bill establishes a revolving fund to receive sums from the repayment of financial assistance and contributions to the Corporation. The Fund is administered by the Board and used to provide financial assistance authorized by this section as well as to pay operational costs.

The House amendment also establishes a revolving fund which is organized into two separate accounts: an account to cover research activities and an account to cover commercialization activities. All appropriated dollars as well as payments, fees, royalties, and contributions are deposited into the Fund. Not more than five percent of the funds may be used for administrative expenses of the Institute; not more than five percent for information dissemination and technology transfer; and not less than 85 percent for awards for applications for support. The Managers direct the Secretary to ensure that a portion of the funds shall be used for the development and commercialization of new industrial products from nontraditional crops.

The Conference substitute adopts the House provision with an amendment merging the two separate accounts into one account and by adding donations or other contributions to the list of contents of the Fund.

(56) Authorization (S 1919; H 1361)

The Senate bill provides authorization for the program. The Corporation is authorized to receive such sums as may be appropriated through fiscal year 2000. Of that sum, \$10,000,000 shall be made available in 1990, \$20,000,000 in FY 1991, \$30,000,000 in FY 1992, \$50,000,000 in FY 1993, and \$75,000,000 in each of the following six fiscal years to implement the research and development program. The Corporation may not establish any regional center until not less than \$5,000,000 is appropriated in any one fiscal year.

The House amendment provides such sums as necessary for this program for each fiscal years 1991 through 1995.

The Conference substitute adopts the Senate provision with an amendment deleting the sums as are necessary authorization and substituting the following amounts: \$10,000,000 in FY 1990; \$20,000,000 in FY 1991; \$30,000,000 in FY 1992; \$50,000,000 in FY 1993; and \$75,000,000 in fiscal years 1994 through 2000.

Subtitle H—Miscellaneous Research Provisions

Sec. 1668. Biotechnology risk assessment research

(57) Biotechnology Risk Assessment Research (S 1476; H 1377)

The Senate bill directs the Secretary to establish a biotechnology risk assessment research program. The purpose of the program is to: (1) support environmental assessment research to address general concerns; and (2) aid regulators in making timely decisions concerning introduction of the technology.

An open competition grant program is established within CSRS to include funds for: (1) methods to contain genetically engineered fish, plants, and microorganisms in the environment; (2) methods to monitor the dispersal of genetically engineered organisms; (3) investigating potential gene transfer between modified organisms and wild and agriculture system organisms.

The Secretary is directed to consult with the Animal and Plant Health Inspection Service, and any existing Office of Agriculture Biotechnology and Agriculture Biotechnology Research Advisory Committee are authorized concerning research areas. Such sums as necessary for the program.

The House amendment is similar to the Senate provision with the one difference: the Secretary shall withhold from the outlays of USDA for research on biotechnology as defined and determined by the Secretary, at least 1 percent of such amount for the purpose of making grants for this program.

The Conference substitute adopts the House provision.

Sec. 1670. Livestock product safety and inspection program

(58) Livestock Product Safety and Inspection Program (S 1497C)

The Senate bill establishes a livestock product safety and inspection program. The Assistant Secretary of Science and Education may provide special grants to assist efforts to improve the efficiency and effectiveness of safety and inspection systems for livestock. Entities receiving grants must provide non-Federal contributions of at least 50 percent; such contributions may be in kind. Such sums as necessary are authorized for this program.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

Sec. 1671. Plant genome mapping program

(59) Plant Genome Mapping Program (S 1414(3); H 1383(a), (b), (c), (h))

The Senate bill includes a provision adding a genome mapping program to the responsibilities of the Secretary.

The House amendment requires the Secretary to conduct a research program for the purpose of: (1) supporting basic and applied research and technology development in the area of plant genome structure and function; (2) providing U.S. leadership in biotechnology; and (3) providing crop varieties that may be cultivated profitably without negatively affecting the environment.

The Secretary may make competitive grants, for periods not to exceed five years, to various organizations and individuals for research projects in identified research areas. Grants shall be awarded in the following research areas: (1) construction of plant genome maps; (2) identification, characterization, transfer, and expression of genes of agricultural importance; (3) technology development in the areas of plant genome mapping, sequencing, gene transfer, and data management; (4) research on microorganisms associated with plants, such as plant pathogens and plant symbionts.

The Secretary shall: (1) not later than 90 days after the date of the enactment of this Act submit to the Congress a detailed plan for awarding grants under this section; (2) coordinate activities under this section with related activities sponsored by the National Science Foundation, National Institute of Health, Department of Energy, and Department of Commerce; (3) require (when the Secretary considers it to be appropriate) licensing and patent agreements, copyright fees, royalties, or other fee arrangements on the sales of products and new uses, applications, technologies, or processes developed through assistance provided under this section; and (4) submit to the Congress an annual report describing the operations of the grant program authorized by this section during the preceding fiscal year. Such sums as may be necessary to carry out this section are authorized.

The Conference substitute adopts the House provision.

Sec. 1672. Specialized research programs

(60) Lean Content (S 1408(c)(12); H 1305(b), (g))

The Senate bill includes research on lean content among several purposes for agriculture research.

The House amendment authorizes research in the development of technology which will ascertain the lean content of animal carcasses to be used for human consumption.

The Conference substitute adopts the House provision with an amendment prohibiting construction and requiring peer review.

(61) ARS Facility. (H 1305(g))

The House amendment authorizes enhanced ethanol research at the Agriculture Research Center located at Peoria, Illinois, by allowing the Center to enter into contracts, cooperative agreements and the exchange of scientific information with regard to ethanol research with the Department of Energy to further carry on and enhance ethanol research. The Agriculture Research Center located at Peoria, Illinois shall be referred to as the National Center for Agricultural Utilization and Research.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment to changing the name to the National Center for Agri-

culture Utilization Research, prohibiting construction, and requiring peer review.

(62) Aflatoxin Research (H 1385)

The House amendment authorizes the Secretary to conduct a research program for the purpose of determining the presence of aflatoxin in the food and feed chains in several areas which are outlined.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment prohibiting construction and requiring peer review.

(63) Grants for Mesquite and Prickly Pear Research (H 1389)

The House amendment establishes a research program for the purpose of developing enhanced production methods and commercial uses of mesquite. Several purposes of the research are delineated. The amendment also establishes a research program for the purpose of investigating enhanced genetic selection and processing techniques of prickly pears. Several purposes of the research are delineated. For both programs, the Secretary shall make competitive grants, for periods not to exceed five years, to a state agricultural experiment station, state land-grant college or university, or a consortium of such entities.

For the purposes of mesquite research, \$100,000 is authorized for each of the fiscal years 1991 through 1995 and \$100,000 for each of the same fiscal years for prickly pear research. Research funded under this section shall be subject to peer review at the end of the second and fourth year of such research, for the purpose of reviewing the progress and efficacy of the research and the justification and need for continued funding.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment prohibiting construction and requiring peer review.

(64) Immunoassay Research (H 1391(a))

The House amendment establishes a program to make grants to land-grant colleges and universities for research relating to immunoassay used to detect residues and diagnose animal and plant diseases. The Secretary may give preference to those land-grant colleges and universities that, as of the date of the enactment of this Act, are conducting such research.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment broadening institution eligibility, prohibiting construction, and requiring peer review.

(65) Grants for Niche Market Development (H 1394)

The House amendment requires the Secretary to make research and extension grants available for the development of agriculture production and marketing systems that will service niche markets located in nearby metropolitan areas. In awarding such grants, the Secretary shall pay particular attention to areas with a high concentration of small farm operations and that experience difficulty

in delivering products to the market due to geographic isolation. Such sums as may be necessary are authorized for this section.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment prohibiting construction and requiring peer review.

(66) Scrapie Research (H 1396)

The House amendment directs the Secretary to establish a research program to study the disease of scrapie and methods for detection, treatment, prevention, and control of scrapie. The Secretary may make grants to and contract with Federal, State, and local agencies. Such sums as necessary are authorized for this program.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment prohibiting construction and requiring peer review.

(67) Deer Tick Ecology Research (H 1397)

The House amendment authorizes an annual appropriation of \$250,000 to assist research on deer ticks and other pests that transmit Lyme disease.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment prohibiting construction and requiring peer review.

(68) New Commercial Products from Natural Plant Materials (S 1490)

The Senate authorizes the Secretary to conduct research related to the development of new commercial products derived from natural plant materials for industrial, medical, and agricultural applications.

The House has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment prohibiting construction and requiring peer review.

Sec. 1673. Agricultural telecommunications program

(69) Agriculture Telecommunications Program (S 1491; H 1386)

The Senate bill establishes a program to encourage the development and utilization of an agriculture communications network to facilitate and to strengthen agriculture extension, resident education and research, and domestic and international marketing of U.S. commodities and products through a partnership between eligible institutions and the USDA. The program will employ a communications network to disseminate and to share academic instruction, cooperative extension programming, agriculture research, and marketing information.

The objectives of the program are to: (1) make optimal use of resources by sharing resources between participating institutions; (2) improve the competitive position of U.S. agriculture in international markets by disseminating information to producers, processors, and researchers; (3) train students for careers in agriculture and food industries; (4) facilitate interaction among leading agriculture scientists; (5) enhance the ability of United States agriculture to re-

spond to environment and food safety concerns; and (6) identify new uses for farm commodities and to increase the demand for U.S. products.

Several definitions are provided including: (1) eligible institution means any Land Grant, agriculture institution of a foreign country that participates with any such Land Grant, and any other educational institution that the Secretary determines appropriate; (2) communications network refers to signal conversion equipment (including both modulators, demodulators and satellites), computer hardware and software, terminals, or related devices, used to process and exchange data through a telecommunications system in which signals are generated, modified or prepared for transmission, or received, via telecommunications terminal equipment and telecommunications transmission.

The Secretary shall establish a program, to be administered by the Assistant Secretary for Science and Education. The Secretary may approve all or part of any application submitted by an eligible institution. Applications may include requests to fund program production or program delivery, or both.

The Secretary shall establish procedures to ensure a broad dissemination of programming, giving a preference to applications that: (1) are submitted by institutions affiliated with an established agriculture telecommunications network that distributes programs to a wide geographical area; or (2) demonstrate the need for such assistance, taking into consideration the needs and the financial ability of the applicants to otherwise secure or create the telecommunications system.

The Secretary may provide funds totaling not more than 50 percent of the cost of a proposal unless the Secretary determines that an institution would otherwise be unable to carry out the proposal in which case the Secretary may provide funds totaling up to 100 percent of the cost. The Secretary may allocate not more than 10 percent of the funds appropriated under this section for the acquisition and installation of telecommunications transmission facilities. For the purpose of Agriculture Telecommunications program, \$12,000,000 is authorized for each of the fiscal years 1991 through 1995.

The House amendment establishes a similar program with slight differences in definitions: (1) eligible institution means an accredited institution of higher education determined by the Secretary to be able to meet the objectives of the program; and (2) communications network refers to television or cable television origination or distribution equipment, signal conversion equipment (including both modulators and demodulators), computer hardware and software, programs or terminals, or related devices, used to process and exchange data through a telecommunications system in which signals are generated, modified, or prepared for transmission, or received, via telecommunications terminal equipment or via telecommunications transmission.

The Conference substitute adopts the House provision. The Managers intend that grants under this program will be awarded in open competition and that land grant colleges and universities are eligible to compete for such funding.

Sec. 1674. Commission on agricultural research facilities

(70) Research Facilities (S 1494)

The Senate establishes an Agriculture Research Facilities Planning and Closure Study Commission. This section provides for an extensive review of Federally funded agricultural research facilities. An agriculture research facility is defined as an existing ARS or Forest Service facility, an agriculture facility in the process of being planned or being constructed using Federal funding or a planned agriculture facility that will use Federal funding, or any other facility under the jurisdiction of the Secretary.

The Secretary shall establish the Commission which shall be composed of 14 members: two appointed by the Secretary; three appointed by the Chairman and three by the Ranking Minority Member of Senate Agriculture Committee; and three appointed by the Chairman and three by the Ranking Minority Member of the House Agriculture Committee. The Commission shall review all currently operating and planned agriculture facilities for research importance; identify those facilities that should be closed, realigned, consolidated, or modernized; and develop recommendations concerning facilities and evaluate the facilities acquisition and modernization system utilized by USDA and recommend improvements in such system. Not later than 240 days after enactment the Commission shall submit a report concerning its findings and recommendations to the Secretary and Congress. Such sums as necessary are authorized to carry out this section.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

Sec. 1675. National centers for agricultural product quality research

(71) National Centers for Agriculture Product Quality Research (H 1390)

The Senate bill has no comparable provision.

The House amendment establishes a program for national centers for product quality research. The purposes of the National Centers are to: (1) serve as regional or commodity specific agriculture quality research and education focal points involving one or more university and Federal participants; (2) take advantage of opportunities, and establish linkages between universities and other entities with expertise, in basic biology and engineering, the development of new technology, the application of technology to practice, and related quality assurance and regulatory activities; (3) develop and enhance explicit cooperative relationships; (4) provide a mechanism for dealing with the safety and wholesomeness of new food products and processes that use biotechnology; (5) provide factual public information about agriculture product quality and wholesomeness; (6) build on existing institutional strengths and commitments; (7) serve as a management focal point for grants that deal with agriculture product quality research, extension, and teaching; and (8) to conduct research and education on the full spectrum of production, processing, transportation, and marketing for commodity classes.

The Secretary shall make grants to establish the centers. Such grants establishing centers shall be competitively awarded. Grants may be awarded for periods of up to five years and may be renewed in competition with demonstration of adequate performance. The primary institution involved in a center shall be a land-grant college. Non-Federal sponsors of a center shall contribute an amount of funds for operation of the center equal to not less than the amount awarded by the Federal Government. A program plan shall be submitted to the Congress for review at intervals of not less than once every three years. USDA must review the centers annually. Such sums as necessary are authorized for each of the fiscal years 1991 through 1995. Funds shall be appropriated through CSRS.

The Conference substitute adopts the House provision with an amendment deleting findings and prohibiting construction.

Sec. 1676. Turkey research center

(72) Turkey Research Center (H 1395(a))

The House amendment authorizes to be appropriated \$500,000 for fiscal year 1992 to be used by the ARS for planning purposes in the establishment of a facility to be known as the Agriculture Turkey Research Center to be located in Pelican Rapids, Minnesota, and operated in cooperation with the North Dakota State University.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Sec. 1677. Reservation extension agents

(73) Reservation Extension Agents (S 1486; H 1398)

The Senate bill directs the Secretary to establish reservation extension agents to provide service to Indian Reservations and tribal jurisdictions. The Secretary is required to consult with the Bureau of Indian Affairs, the Intertribal Agriculture Council and the Southwest Indian Agriculture Association in developing such a program. The Secretary, in consultation with above entities, shall consider agriculture acreage, soil classifications, and the population of Reservations in making agent placement decisions. Such sums as necessary are authorized to be appropriated.

The House amendment is similar to the Senate provision with the following additional requirements: (1) In cases where a reservation or tribal jurisdiction covers two or more states, the Secretary shall make a determination of administrative responsibilities; (2) Program Advisory Committees are established; and (3) when possible, individuals representative of the tribal group or local people being served should be selected as staff.

The Conference substitute adopts the House provision with an amendment making the establishment of an advisory committee discretionary with the State Extension Director.

Sec. 1678. Special grant to study constraints on agricultural trade

(74) Study on Constraints on Agricultural Trade (H 1388)

The House amendment requires the Secretary to provide at least two special grants to land-grants to conduct a study that will evaluate the trade impacts of technical barriers, quality factors, and end-use characteristics in agriculture trade to determine whether such factors are consistent among commodities. Objectives of the study are established. The Secretary shall report, not later than 18 months after enactment, the results of the study grants to the House and Senate Agriculture Committees.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Sec. 1679. Pilot project to coordinate food and nutrition education programs

(75) General Authorization of Appropriations (S 1414; H 1301(b)(4))

The House amendment provides for a five year pilot project to make grants to not more than two States to implement a plan to better coordination and efficiency in delivery of nutrition education and to evaluate the results. One-half of one percent of the ES funds each fiscal year shall be for the purpose of implementing this project.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment that: deletes the earmark, expands the pilot program eligibility to not less than two States, and provides such sums as necessary to carry out the program. The Managers note that this pilot program is related to the Expanded Food and Nutrition Education Program of the ES authorized under the Nutrition title of this Act.

Sec. 1680. Assistive technology program for farmers with disabilities

(76) Farmers with disabilities (S 1496; H 1842)

The Senate bill authorizes the Secretary to make demonstration grants to private nonprofit disability organizations to enable such organizations to initiate or expand community-based direct service programs that provide on-site rural rehabilitation and assistive technology for individuals with physical disabilities, and their families, who are engaged in farming or farm-related occupations.

Grants shall be awarded to State ES agencies to enable such agencies to contract with private nonprofit community-based direct service organizations. No grant shall be awarded under this subsection in an amount that is less than \$150,000. Not less than \$3,000,000 is authorized for each fiscal year 1991 and 1992, and not less than \$5,000,000 for each of the fiscal years 1993 through 1996. The sum of \$1,000,000 is authorized for a national grant for technical assistance, training and dissemination.

Such sums as are necessary are authorized to carry out a rural health infrastructure improvement demonstration project.

The House amendment has a similar provision without the list of eligible programs for grants.

The Conference substitute adopts the Senate provision clarifying that grants are competitive and by striking physical before disabilities.

Sec. 1681. Research on honeybee diseases

(77) Research on honeybee diseases (S 1042)

The Senate bill provides a sense of the Congress that: (1) diseases that affect the whole population of bees will also affect crop pollination and honey production; (2) some diseases pose a threat to the general population and should be studied; and (3) the Secretary should give priority to those diseases affecting the whole bee population.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

Sections Deleted:

(78) Responsibilities of the Secretary (S 1414)

The Senate bill adds two responsibilities to the existing law requiring the Secretary to: (1) establish a plant and animal genome mapping program; and (2) coordinate activities to preserve and document germplasm.

The House amendment provides no comparable provision.

The Conference substitute adopts the House provision thereby deleting this Section.

(79) Alternative Uses Study (S 1427)

The Senate bill encourages the Secretary to conduct a study on new uses and within six months and annually thereafter, report to the Congress on new uses development and strategies.

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision, deleting the Senate provision.

(80) Tribally Controlled Community Colleges (S 1485)

The Senate bill requires the Secretary to make annual grants to accredited tribally controlled community colleges of \$50,000 per institution for use in instruction at colleges that support food and agriculture sciences. Such sums as necessary are authorized.

The House amendment has no comparable provision.

The Conference substitute adopts the House position, deleting the Senate provision.

(81) National Community Development Award (S 1487)

The Senate bill directs the Secretary to establish the National Community Development Award for land-grant complexes that demonstrate outstanding commitment to mission-based integrated research and extension programs that: (1) contribute to local communities; (2) are in areas of research approved by the Agriculture Science and Technology Review Board; and (3) best reflect the priorities set forth in this title. Not less than 5 awards per year are to

be established. The Secretary may establish nominating and selection committees.

The House amendment has no comparable provision.

The Conference substitute adopts the House position, deleting the Senate provision.

(82) Sense of Congress Regarding Formula Funding for Agriculture Research and Extension (S 1488)

The Senate bill is a statement of the sense of Congress. It is the sense of Congress that any increase in the amount of funds for competitive grants should not be derived from a reduction in formula funding. Formula funding programs should be funded at a level that will maintain an effective research infrastructure to conduct agriculture research and tech transfer programs.

The House amendment has no comparable provision.

The Conference substitute adopts the House position thereby deleting the Senate provision.

(83) Federal Matching Funds for Market Expansion Research (H 1301(d)(3))

The House amendment extends the program through fiscal year 1995.

The Senate bill has no comparable provision.

The Conference substitute adopts the Senate provision thereby allowing the program to expire.

(84) Zebra Mussels (S 1497A)

The Senate bill establishes an interagency research, design criteria and eradication program on zebra mussels, *Dreissena polymorpha*, as they affect agriculture irrigation systems. The Secretary and the Assistant Secretary of the Army for Civil Works, in consultation with the U.S. Fish and Wildlife Service and the Environmental Protection Agency shall develop the program. For the purpose of zebra mussels research, \$2,000,000 is authorized for USDA and \$2,000,000 for the Secretary of the Army for Civil Works for each of the fiscal years 1991 through 1995.

The House amendment has no comparable provision.

The Conference substitute adopts the House position thereby deleting the Senate provision.

(85) Study on Grading and Meat Exports (H 1355B)

The House amendment requires the Secretary to establish a research program to determine if allowing destination based grading would facilitate the export of U.S. meat products.

The Senate bill has no comparable provision.

The Conference substitute adopts the Senate provision thereby deleting the House provision.

(86) Public Education Concerning Tobacco use (H 1399)

The House amendment directs the ES, in consultation with the Office on Smoking and Health in the Centers for Disease Control in Health and Human Services, to carry out a program of public education on the hazards of tobacco use and the advantages of quit-

ting or not starting tobacco use. For the purpose of this program, \$10,000,000 annually is authorized.

The Senate bill has no comparable provision.

The Conference substitute adopts the Senate provision thereby deleting the House amendment.

TITLE XVII—FOOD STAMP AND RELATED PROVISIONS

(1) Sec. 1701. Short title

The House amendment stipulates that this title be cited as the "Mickey Leland Memorial Domestic Hunger Relief Act." (Sec. 1700(a))

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

The Managers wish to name this title of the farm bill after their colleague Congressman Mickey Leland, who died last year on a humanitarian mission to Ethiopia. Significant and substantive improvements to Federal food assistance programs had been included in the House and Senate bills as introduced, however, because of the budget crisis facing the Nation most were not able to be included in this title. Nevertheless, the programs upon which needy families depend are reauthorized and some improvements are included in the final product. The Managers wish to express their disappointment that important changes and improvements to the Federal food assistance programs could not be included. The original goals remain: to reduce hunger and malnutrition for children, promote self-sufficiency, and improve the programs upon which needy families depend. The Managers are hopeful that the important and necessary improvements can be made in the future.

(2) Sec. 1711. References to the Food Stamp Act of 1977

The Senate bill stipulates that "whenever in this title an amendment is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) except to the extent otherwise specifically provided." (Sec. 2401)

The House amendment contains a similar provision. (Sec. 1700(b))

The Conference substitute adopts the Senate provision.

Subtitle A—Food Stamp Program

(3) Sec. 1712. Recipients of aged, blind, and disabled benefits in the territories

The Senate bill provides that recipients of benefits for low-income aged, blind, and disabled persons in Guam and Virgin Islands (1) be allowed to use food stamps for meals in senior citizens centers, private establishments offering meals at reduced prices, and other approved meal-service facilities, and (2) when they live in approved group living arrangements, be treated as individual households and allowed to use food stamps for meals served in the group home. (Sec. 2475(a))

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

Sec. 1713. Restaurant meals at concessional prices for the homeless

The Senate bill provides that States may approve restaurants to accept food stamps in exchange for meals for the homeless. Each such restaurant must contract with the State to provide meals at concessional (reduced) prices to homeless participants. (Sec. 2411)

The House amendment is similar to Senate bill. (Sec. 1708)

The Conference substitute adopts the House provision with a technical amendment.

(4) Sec. 1714. Categorical eligibility for recipients of general assistance

The Senate bill extends categorical eligibility ("automatic" eligibility for food stamps) to recipients of State or local general assistance (GA) benefits where the GA program meets standards set by the Secretary to assure that it serves primarily people appropriate to be categorically eligible. However, persons ineligible under section 6 or 16(e)(1) of the Food Stamp Act would continue to be ineligible. (Sec. 2431)

The House amendment makes categorically eligible for food stamp participation recipients under State general assistance programs that the Secretary certifies serve a population appropriate to be categorically eligible for assistance under the Food Stamp Act. (Sec. 1725)

The Conference substitute adopts the Senate provision with a technical amendment.

(5) Sec. 1715. Exclusion of education benefits

The House amendment provides for the exclusion from income of all education loans on which payment is deferred, grants, scholarships, and the like: (1) to the extent that they are used for tuition and mandatory school fees, including the rental or purchase of any equipment, materials, and supplies required to pursue the course of study involved at an institution of post-secondary education, a school for the handicapped, a vocational education program, or a program that provides for completion of a secondary school diploma or the equivalent, (2) to the extent that they do not exceed the amount made available as an allowance determined by such school, for books, supplies, transportation, and other miscellaneous personal expenses (other than living expenses) of the student incidental to attending the school, and (3) to the extent loans include any origination fees and insurance premiums.

The House amendment also excludes the earnings of eighteen year old high school students.

The House amendment further provides that students cannot receive an exclusion from income for expenses that have been paid by educational assistance if such educational assistance has already been excluded from income. (Sec. 1717(b))

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment deleting the provision that would exclude the earnings of eighteen year old high school students.

(6) Sec. 1716. Exclusion of clothing allowances.

The House amendment excludes from consideration as income any "back-to-school" clothing allowance provided by a State agency no more frequently than annually. (Sec. 1705(a))

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to ensure that public assistance payments are not reduced to take advantage of this provision.

The Managers wish to clarify that the amendment adopted by the Conference is intended to ensure that States do not merely rename part of their regular AFDC grants as "clothing allowances" for one month to take advantage of this exclusion. It is not intended to deny the exclusion to recipients in those States that have reduced public assistance grants generally and have provided special annual clothing allowances.

(7) Sec. 1717. Excess medical expense deduction

The Senate bill requires States to rely on reasonable estimates of expected medical expenses for the food stamp certification period (based upon verified costs and available information). The household's medical deduction would then be based on these estimates and the State could not require further reporting or verification of a change in medical expenses if such a change has been anticipated. (Sec. 2441)

The House amendment clarifies that State agencies may not require further verification of a change in medical expenses if such change has been anticipated by the State agency for the certification period. (Sec. 1741)

The Conference substitute adopts the Senate provision.

The Managers wish to point out that legislation introduced in the Senate would prevent amounts withheld from social security recipients' monthly checks to pay Medicare premiums from counting as income to the recipients' households. Although this legislation is not within the scope of the Conference, the Managers believe this suggestion deserves attention. The Managers also urge the Secretary to establish some mechanism for ensuring that food stamp households who use their own funds to pay Medicare premiums, and who appear to be entitled to have that premium paid for by Medicaid, receive appropriate referrals and that all such households be made aware of the excess medical expense deduction and the procedure for claiming it.

(8) Sec. 1718. Monthly reporting

The Senate bill replaces the existing provisions requiring monthly reporting of retrospectively budgeted households with provisions permitting State agencies not to require monthly reporting of retrospectively budgeted households; instead, these households could be permitted to report changes in income as they occur.

The Senate bill permits State agencies to implement the existing provisions requiring monthly reporting of retrospectively budgeted households during the period beginning October 1, 1988 and ending 120 days after enactment.

The Senate bill further requires that errors resulting solely from a State agency's having implemented the existing provisions requiring monthly reporting of retrospectively budgeted households not be included in calculating payment error rates for "quality control" purposes. (Sec. 2475(b))

The House amendment is the same as the Senate bill except: (1) it replaces existing provisions requiring monthly reporting of retrospectively budgeted households retroactively to October 1, 1988, rather than making implementation of existing provisions of law optional retroactively; (2) it adds a requirement that no retrospectively budgeted household would have its food stamp allotment for any month based on AFDC, SSI, or general assistance income received in two or more separate months; and (3) it adds a requirement that, for retrospectively budgeted households not required to report monthly, State agencies must establish procedures for the prompt adjustment of benefits to households who suffer severe hardship. (Sec. 1729(a) and (c))

The Conference substitute adopts the Senate provision.

The Managers are aware that the Department has been involved in litigation concerning the budgeting of certain kinds of payments. By not adopting the House language, the Managers do not intend to take a position on those issues that remain subject to litigation.

(9) Sec. 1719. Simplifying resource and eligibility determinations

The Senate bill requires the Secretary to promulgate rules by which State agencies must develop standards for identifying kinds of resources that, as a practical matter, the household is unlikely to be able to sell for any significant return because the household's interest is so slight or because of the high cost of selling the household's interest. Resources so identified must be excluded from income as inaccessible resources. (Sec. 2432)

The House amendment is similar to the Senate provision, but it also provides that any resources of a household member who receives supplemental security income benefits under Title XVI of the Social Security Act or who receives aid to families with dependent children benefits under Title IV of the Social Security Act may be deemed, at State option, to be exempt from the resource requirements prescribed under 5(g), if exempt for purposes of the Social Security Act. (Sec. 1723)

The Conference substitute adopts the House provision, with an amendment to include receiving Title XVI benefits in the territories.

(10) Sec. 1720. Emergency food for disaster victims

The Senate bill requires the Secretary to: (1) provide emergency allotments to eligible households to replace food destroyed in a disaster; (2) provide for replacement of the value of food actually lost up to a limit not greater than the applicable maximum monthly allotment for the household size; and (3) provide flexible reporting and other application requirements, taking into consideration the availability of the State agency's offices and personnel and any damage to or disruption of transportation and communication facilities. (Sec. 2412)

The House amendment contains a similar provision. (Sec. 1704)

The Conference substitute adopts the House provision with a technical amendment.

(11) Sec. 1721. Transitional housing

The Senate bill excludes from household incomes the third-party (or vendor) payments local or State governments make to transitional housing providers. The Senate bill defines "transitional housing" to mean a project whose purpose is facilitating the movement of homeless individuals to independent living within a reasonable period of time. (Sec. 2421)

The House amendment excludes from income for food stamp purposes a portion of housing assistance payments made to a third party on behalf of a household residing in transitional housing. The amount to be excluded is equal to 50 percent of the maximum shelter allowance provided to families not residing in such transitional housing under a State's plan for aid to families with dependent children approved under part A of title IV of the Social Security Act. [Note: Under the House amendment, that part of the third-party payments that exceeds (does not simply replace) the shelter allowance portion of a regular AFDC (or general assistance) grant would continue to be fully disregarded, in addition to the required one-half disregard.] (Sec. 1718)

The Conference substitute adopts the House provision.

The Managers understand transitional housing means a project that has as its purpose facilitating the movement of homeless individuals to independent living within 24 months (or a longer period if necessary to facilitate the transition to independent living.) Transitional housing includes housing primarily designed to serve deinstitutionalized individuals and other homeless individuals with mental disabilities, and homeless families with children.

(12) Sec. 1722. Exclusion of general assistance payments

The House amendment excludes from all income all vendor payment assistance provided under a general assistance program, except that provided for housing. (Sec. 1705(b)(1))

The House amendment also excludes from income all assistance provided to a third party on behalf of a household under a State or local general assistance program, or comparable program, if by State law no such assistance may be provided directly to the household in the form of a cash payment. (Sec. 1705(b)(2))

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to strike the provision excluding from income all vendor payment assistance provided under a general assistance program, except that provided for housing.

(13) Sec. 1723. Budgeting and monthly reporting on reservations

The Senate bill provides that the USDA food packages provided through the Food Distribution Program on Indian Reservations would be increased by about 10 percent. Also, the variety of foods would be increased to better address the nutritional problems faced by participants such as hypertension, diabetes and the malabsorption of certain nutrients. (Sec. 2477)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with a substitute amendment deleting the required increases in the size and variety of the food packages in FDIIR, and substituting provisions: (1) clarifying the procedure used to supplement benefits when staggered issuance of food stamps is implemented; (2) requiring the staggered issuance of food stamps on reservations; and (3) prohibiting monthly reporting and retrospective budgeting for households residing on reservations.

The Managers recommend that the Department put expiration dates on foods supplied to recipients participating in the Food Distribution Program on Indian Reservations. These dates will greatly assist participating families in knowing when they should use these commodities in food preparation.

(14) Sec. 1724. Periodic eligibility information reports

The House amendment removes the requirement that the State agency-designed forms used by households when filing periodic eligibility information reports approved by the Secretary. It also provides that these reports be considered complete if they contain the information relevant to eligibility and benefit determinations that is specified by the State agency. (Sec. 1713)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

(15) Sec. 1725. Selection of household head by household

The House amendment adds the requirement that a State agency allow a household to select an adult parent of children in the household as its head where all adult household members applying agree to the selection. (Sec. 1714)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment limiting the selection of the head of household by the household to the time of certification or when there is a change in the household composition.

(16) Sec. 1726. Expansion of employment and training program

The Senate bill allows States to include initiatives in their employment and training (E&T) program to help food stamp recipients become self-employed.

The Senate bill requires that the Secretary conduct a demonstration project to give a priority in an E&T program to volunteers (persons not required to participate). Giving this priority does not excuse the State from compliance with performance standards. The demonstration project could not be used to circumvent any Job Opportunities and Basic Skills Program (JOBS) requirements. (Sec. 2422)

The Senate bill excludes from financial resources in calculating a household's eligibility non-liquid resources necessary to allow a household to carry out a plan for self-sufficiency.

The House amendment is similar to the Senate provision, except that it amends the definition of "employment and training program". It specifically includes programs or activities that improve literacy and programs designed to increase the self-sufficiency of recipients through self-employment.

The House amendment allows four States to give priority in the provision of employment and training services to voluntary participants, but provides that giving such priority does not excuse the States from compliance with performance standards. It also allows the Secretary to approve additional States' requests to grant volunteers priority if the Secretary reports to Congress on the number and characteristics of voluntary participants (and other information determined appropriate).

The House amendment increases the limit for reimbursements to recipients for the costs incurred in employment and training activities, other than dependant care costs, from \$25 to \$75 per month. (Sec. 1715)

The Conference substitute allows two States to conduct demonstration projects giving priority to volunteers under the E&T program. It also permits self-employment initiatives and exempts from resource calculations resources necessary for these initiatives. The Conference substitute specifically includes literacy programs as components of employment and training programs. It also delays the date by which State agencies must implement new performance standards from April 1, 1991 to October 1, 1991.

(17) Sec. 1727. Eligibility for students

The Senate bill provides that no individual who is a member of a household otherwise eligible to participate in the food stamp program under this section is eligible to participate in the food stamp program as a member of that or any other household if he or she is enrolled at least half time in an institution of higher education unless he or she:

- (1) is under age eighteen or is age 50 or older;
- (2) is not physically and mentally fit;
- (3) is attending or assigned to in an institution of higher education through the Job Training Partnership Act, an employment and training program, a program under section 236 of the Trade Act of 1974, or another E&T program operated by a State or local government;
- (4) is employed a minimum of twenty hours per week or participating in a State or federally financed work study program;
- (5) is a parent with responsibility for the care of a dependent child under age six or a parent with responsibility for the care of a dependent child above the age of five and under the age of twelve for whom adequate child care is not available to enable such individual to attend class and satisfy the work requirements;
- (6) is receiving aid to families with dependent children; or
- (7) is so enrolled as a result of participation in the work incentive program under Title IV of the Social Security Act or a successor program. (Sec. 2424)

The House amendment is similar to the Senate provision, except that it makes eligible for food stamps: those in JTPA, trade adjustment assistance act, and State programs who are "assigned to or placed in" school, as opposed to "attending or assigned to" school under these programs; and single parents with responsibility for the care of a dependent child between the ages of 6 and 12 who are enrolled in school full time. (Sec. 1717(a))

The Conference substitute adopts the House provision with an amendment adding participation in a local government employment and training program to the list of requirements to be met by eligible post-secondary students in order to receive food stamps, granting the Secretary the authority to approve qualifying State and local training programs, and making technical changes.

The Managers expect that in implementing the provisions regarding eligibility of post-secondary students, the Secretary will permit eligibility in cases in which assignment or placement in an institution of higher education is made for the food stamp program by a JTPA program under contract with the State agency administering E&T programs for food stamp recipients.

(18) Sec. 1728. Staggered issuances; reservations

See Sec. 1723 for description of Conference action.

(19) Sec. 1729. Electronic benefits issuance

The House amendment provides that a State agency may, with the approval of the Secretary, implement an on-line electronic benefit transfer (EBT) system in which household benefits are issued from and stored in a central data bank and electronically accessed by household members at the point-of-sale. The House amendment directs the Secretary to issue final regulations, effective no later than April 1, 1992, that establish standards for the approval of such a system. Where participation of households is not voluntary, such EBT projects must include a "sufficient" number of retail stores and all check-out lines must have necessary equipment. (Sec. 1707)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment specifying: (1) that all registers be equipped with EBT equipment in stores in which food stamp sales are 15 percent or more of the total dollar value of food sales; (2) that in stores in which food stamp sales are less than 15 percent of the total food sales, the number of registers equipped shall be sufficient, as determined by the Secretary, to provide food stamp recipients with a level of service comparable to that provided all other customers; (3) that all reasonable start-up costs are to be amortized in determining the cost-effectiveness of a proposed EBT system; and (4) that nothing in this provision is to diminish the Secretary's authority to approve EBT demonstration projects.

The Managers expect that the Secretary will continue approval of EBT demonstration projects. Additional projects will add to the knowledge and expertise necessary to ensure successful implementation of EBT nationwide.

The Managers intend that the standards set for the number of registers that must be equipped with EBT equipment are minimum standards only.

The Managers direct the Secretary to provide in the applicable regulations that: EBT-equipped registers should be available to all customers; registers equipped with EBT equipment may not be explicitly designated for food stamp recipients; the interpretation of the term "sufficient lanes" should take into account the variation of food stamp sales volumes from store to store; and the EBT-

equipped registers should be the last to close. The regulations should include, but not be limited to, these provisions.

The Managers strongly encourage States to take advantage of equipment in use for commercial applications, believing that the practice of "piggybacking" EBT on commercial applications of electronic funds transfers could significantly reduce the cost to States.

In addition, the Managers would like to highlight a problem that currently exists in the shipping of food coupons across interstate lines by armored carriers. Armored car crew members employed by companies licensed by the Interstate Commerce Commission are required to have a valid license to carry a handgun or firearm by a gun licensing body or agency located in the crewmember's place of domicile. It is, however, impossible to get a gun permit in every jurisdiction. This creates a situation in which licensed carriers are in violation of State handgun laws when they cross interstate lines to deliver United States government property.

USDA figures show that during the month of July, 1990, a total of \$839,929,000 in food stamp coupons was shipped by armored carrier. In a recent incident in New York, an armored carrier from New Jersey was pulled over and the driver arrested for possessing a handgun. USDA had to incur an additional cost of \$3,425 to complete the delivery.

While the Managers do not wish to address this issue in this legislation, it is important to highlight this problem as one that should be addressed in the near future.

(20) Sec. 1730. Minimum benefit

The House amendment requires that the current \$10 a month minimum benefit for one- and two-person households be adjusted for food price inflation (as reflected by changes in the cost of the thrifty food plan) each October 1 and rounded to the nearest \$5. (Sec. 1742)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with a technical amendment.

(21) Sec. 1731. Issuance of aggregate allotments

The Senate bill allows States to give households with benefits at or below \$20 per month the option of receiving up to three months' benefits at once in a single allotment—households would be allowed to receive up to \$60 in coupons. Benefits would be provided in accordance with regular and expedited processing standards (except that no household would begin to receive combined allotments until it has complied with all applicable verification requirements). (Sec. 2443)

The House amendment is similar to the Senate provision, except that it requires State agencies to establish a claim for the amount of any aggregated benefits for which the household becomes ineligible. (Sec. 1743)

The Conference substitute adopts the House provision with an amendment limiting implementation of the provision to not more than two demonstration projects in two States, deleting the requirement to establish claims, and making a technical amendment.

(22) Sec. 1732. State flexibility in assisting households

The Senate bill makes optional the provision that requires States to issue combined first and second months' allotments to households applying after the fifteenth of the month. States not electing to issue combined allotments would be required to provide households eligible for "expedited service" with their first full month's allotment no later than the first business day of the month following application. (Sec. 2433)

The House amendment contains no comparable provision.

The Conference substitute permits States to aggregate first and second months' allotments to those households applying after the fifteenth of the month and who are not eligible for expedited service. States would be required to aggregate first and second months' allotments for those households applying after the fifteenth of the month and who qualify for expedited service.

(23) Sec. 1733. Periodic reauthorization of retail food stores and wholesale food concerns

The House amendment authorizes the Secretary to issue regulations providing for a biennial reauthorization of retail food stores and wholesale food concerns that accept and redeem coupons under the food stamp program. (Sec. 1762)

The Senate bill contains a similar provision. (Sec. 2453)

The Conference substitute adopts the House provision with an amendment changing "biennial" reauthorization to "periodic" reauthorization.

(24) Sec. 1734. Authorization of wholesale food concerns

The Senate bill prohibits wholesalers "co-located" with a retail food store from being authorized to accept food stamps at the same location unless they do a substantial volume of retail food business or the Secretary determines that households would suffer hardship if the business was not authorized to take food stamps. (Sec. 2451)

The House amendment contains the same bar on authorization for "combined" wholesale and retail food concerns. (Sec. 1761)

The Conference substitute adopts the Senate provision.

(25) Sec. 1735. Required submission of certain identifying information by retail food stores and wholesale food concerns

The Senate bill requires retail food stores applying for authority to accept and redeem food stamps to provide the social security numbers of their officers, owners and on-site managers. (Sec. 2452)

The Senate bill requires retailers to submit their employer identification numbers to USDA as a way of further cross-checking information about retailers. (Sec. 2454)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment deleting the requirement for on-site managers and ensuring the protection of the privacy of the social security and employer identification numbers of the officers and owners.

(26) Sec. 1736. Simplified application requirements

The Senate bill requires one household member to sign a declaration regarding the citizenship or alien status of all members of the household.

The Senate bill also provides that "explanations" of recipients' rights and responsibilities be on or near the front cover of an application, rather than requiring "instructions" to be on the front cover, as under current law. (Sec. 2434)

The House amendment is similar to Senate, but it contains no provision relating to the placement of "explanations" on the application. (Sec. 1724)

The Conference substitute adopts the Senate provision.

The Managers intend the provision requiring that "explanations" of recipients' rights and responsibilities be on or near the front cover of an application to facilitate combined applications for more than one public assistance program. The provision is not intended to diminish the responsibility of State agencies to provide prominent notice to the recipients of their rights and responsibilities.

(27) Sec. 1737. Estimates in lieu of verification for homeless households with shelter costs

The Senate bill provides that households which spend money for shelter during part of any month—and are homeless the balance of the month—can deduct an excess shelter cost "standard" or "estimate" designed to reflect those costs. This deduction would be based on standard estimates of shelter expenses developed by States under rules issued by the Secretary. State agencies must use the estimated deduction in determining allotments for homeless households unless the household verifies higher expenses. The Secretary may issue rules to preclude the use of such estimates for households with extremely low shelter costs. (Sec. 2413)

The House amendment requires State agencies to certify homeless households on the basis of expenses for shelter reported by the household, except where the household's report is questionable. The Secretary must issue rules under which State agencies may develop standard estimates of how much the homeless in the State may reasonably be expected to spend on shelter and related expenses, and may certify households based on expenses that do not exceed this estimate. (Sec. 1709)

The Conference substitute adopts the Senate provision.

(28) Sec. 1739. Nutrition education

The Senate bill authorizes the Secretary to assign responsibility for the nutrition education of people eligible for food stamps to the Cooperative Extension Service, in cooperation with the Food and Nutrition Service. (Sec. 2475(c))

The House amendment is similar to the Senate provision. (Sec. 1793(a))

The Conference substitute adopts the Senate provision with an amendment to include participants in the Food Distribution Program on Indian Reservations.

(29) Sec. 1740. Food stamp application for general assistance households

The Senate bill provides that where the agency administering the local General Assistance (GA) grant also administers the food stamp program, that households applying for GA must be given a food stamp application along with the GA application. Also, in States with State-run GA programs ("uniform" programs), the GA offices are to provide a combined food stamp-GA application. In States where local offices are separate from the State, there would be no requirements regarding food stamp matters. (Sec. 2435)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment providing that in States in which there is a single Statewide general assistance application form, this application be combined with the food stamp application. In States in which there is more than one general assistance application, offices at which both general assistance and food stamp programs are administered must make both general assistance and food stamp applications available to all applicants. If separate offices provide the general assistance and food stamp benefits, there is no requirement to combine or provide both applications.

(30) Sec. 1742. Audit of simplified food stamp applications at Social Security Administration offices

The Senate bill requires the Comptroller General to study the effectiveness of the current programs assisting social security and Supplemental Security Income applicants and recipients in filing or receiving food stamp applications at social security offices. (Sec. 2478)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with a technical amendment.

(31) Sec. 1743. Permanent disqualification

The Senate bill would permanently disqualify stores that traffick in coupons or that accept coupons in exchange for drugs, firearms, or explosives unless the Secretary decides to allow the store to pay a fine of up to \$20,000. This option of paying the fine is only available if the store had an effective program in place to prevent violations of the Act. (Sec. 2455)

The House amendment authorizes the Secretary to impose on an approved retail store or wholesale food concern, a civil money penalty of up to \$20,000 for each violation, in lieu of permanent disqualification, for the purchase of coupons or trafficking in coupons or cards that constitutes a violation of the provisions of the Act or the regulations, if the Secretary determines that there is substantial evidence that such store or food concern had an effective policy and program in effect to prevent violations of the Act and the regulations.

The House amendment provides for permanent disqualification for such stores or food concerns upon a finding of the sale for coupons of firearms, ammunition, explosives, or controlled substances

(as such term is defined in title II, section 102 of the Comprehensive Drug Abuse Prevention and Control Act of 1970). (Sec. 1763)

The Conference substitute adopts the Senate provision with an amendment specifying that, when fines for which the maximum is \$20,000 for each violation are imposed, they cannot exceed a total of \$40,000 within a two-year period. The Conference substitute expands the types of evidence that can be used to show that a fine is more appropriate than permanent disqualification.

The Managers are concerned with the manner in which the Secretary has implemented the retailer disqualification provisions of the Food Stamp Act. The Managers will carefully monitor how the Secretary implements these changes. Further, the Managers expect the Secretary to narrow the current definition of manager to more fairly describe persons who supervise the work of other employees and who direct the activities and work assignments of store employees. This definition should focus on the duties of employees, rather than simply on job titles, to determine those employees who are actually in supervisory positions. The definition should not include employees who do not have substantial supervisory responsibilities.

(32) Sec. 1745. Fines for unauthorized third parties that accept food stamps

The Senate bill imposes penalties on "firms or individuals" that trade in food stamps without authorization. The Secretary may impose a fine against any person not approved by the Secretary to accept and redeem food coupons who violates any provision of this Act or the regulations promulgated under this Act including violations concerning the acceptance of food coupons. The Attorney General of the United States may institute judicial action in any court of competent jurisdiction against such person to collect such fine. (Sec. 2457)

The House amendment is similar to the Senate provision, except that fines may be levied on any "person" violating the Act or regulations. (Sec. 1765)

The Conference substitute adopts the House provision.

(33) Sec. 1746. Fraud claims repayment

The Senate bill shortens from thirty to ten days the time in which households may elect how to repay overissuances resulting from intentional program violations. (Sec. 2458)

The House amendment is the same as the Senate provision. (Sec. 1726)

The Conference substitute adopts the House provision with an amendment shortening the time in which households may elect how to repay overissuances resulting from intentional program violations.

The Managers point out that this provision would eliminate the current two-step procedure for recovering overissuances from people convicted of intentional program violations in court or in administrative disqualification hearings. In so doing, the Managers do not intend to preclude the right of these households, or any others, to repay their overissuances more rapidly. This change is not intended to diminish households' due process rights.

(34) Sec. 1747. Computer fraud penalties

The Senate bill extends the current penalties for violating the Act or regulations under the Act to acts committed with computer "access devices". The Senate bill defines "access device" as any card, plate, code, account number, or other means of access of a type that is used under the Act or regulations, alone or in conjunction with another access device, to obtain payments, allotments, benefits, money, goods, or other things of value, or to initiate a transfer of funds. (Sec. 2459)

The House amendment is similar to Senate bill. (Sec. 1766)

The Conference substitute adopts the House provision with a technical amendment.

(35) Sec. 1748. Unlawful use of coupons in laundering monetary instruments

The House amendment provides that any person who knowingly uses or possesses coupons, authorization cards, or access devices in any manner contrary to the Act or regulations, if such coupons, authorization cards, or access devices are of a value of \$5,000 or more, has committed a felony punishable by a fine of not more than \$250,000, or imprisonment for not more than twenty years, or both. (Sec. 1767)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

(36) Sec. 1749. Coupon trafficking

The Senate bill increases the maximum fine from \$10,000 to \$20,000 for convictions of trafficking in food stamp coupons. (Sec. 2460)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(37) Sec. 1750. Retention of funds or allotments recovered or collected by States

See Sec. 1751 for description of Conference action.

(38) Sec. 1751. Quality control sanctions

The House amendment provides that no disallowance or similar action under section 16(c) of the Act or any predecessor statutory or regulatory provisions relating to disallowances for erroneous issuances (i.e., a "quality control" fiscal sanction or claim) may be applied to any State for any fiscal year before fiscal year 1991. [Sec. 1751.]

The Senate bill contains no comparable provision.

The Conference substitute provides that, as of enactment, no disallowance or similar action shall be applied to or collected from any State for fiscal years 1983 through 1985 under section 16(c) of the Act or any predecessor statutory or regulatory provisions relating to disallowances or similar actions for erroneous issuances, except for sanction collections under payment plans agreed to prior to enactment (other than where the settlement with the State incorporated a provision for ending collections based on a change in Federal law). The Conference substitute also provides that no disal-

lowance or similar action shall be applied or collected with respect to claims in which an administrative or judicial review is pending on enactment, including amounts collected prior to enactment. The Conference substitute further lowers the percentage of recovered overissuances that may be retained by States with regard to intentional violations and household errors to 25 and 10 percent, respectively.

The Managers recognize that quality control claims against the States for fiscal years 1983 through 1985 are at various stages of appeal and collection. The Conference substitute: (1) bars collection of 1983-1985 claims in all cases where an administrative or judicial appeal is pending at enactment and no amount has been collected; (2) bars collection of 1983-1985 claims in cases where an administrative or judicial appeal is pending at enactment and some collection has been made, and requires repayment of any amounts already collected in such cases; (3) bars continued collection of amounts still owed on claims where the settlement agreement with the State included a "contingency" provision ending collection on a change in Federal law (although amounts already collected would not have to be repaid); and (4) allows continued collection of amounts still owed under settlements prior to enactment (with no repayment of amounts previously collected) where an administrative or judicial appeal is not pending and the settlement did not include a "contingency" provision. The Managers do not intend that claims from any of the fiscal years 1983 through 1985 that have been fully collected be repaid in cases in which there is no judicial or administrative appeal pending.

(39) Sec. 1752. Federal match for automation

See Sec. 1763 for description of Conference action.

(40) Sec. 1753. Employment and training allocations

The Senate bill extends through 1995 current provisions which provide \$75 million per fiscal year for States to conduct the food stamp employment and training program. (Sec. 2461)

The House amendment:

(1) extends through fiscal year 1995 the current \$75 million, per year, for State agencies to carry out employment and training programs;

(2) alters the funding allocations such that the Secretary must allocate among the States for fiscal years 1991 through 1995 that portion of funds required to be allocated under item (1) that is not based on State agency performance based upon the ratio of the number of individuals eligible to register for work in each State divided by the total number of such persons in all States; and

(3) requires the Secretary to allocate an additional \$10,000,000 for each of the fiscal years 1991 through 1995 among States that would have received in any such year, under the allocation formula utilized in fiscal year 1990, an amount of funds under item (1), other than funds based on State agency performance, that exceeds the amount that such States receive under the allocation formula required by item (2), in order to maintain the level of such nonperformance

funding provided to such States at the levels provided in fiscal year 1990. (Sec. 1716)

The Conference substitute adopts the House provision with an amendment phasing in the implementation of the new allocation formula, beginning in fiscal year 1992, setting as a minimum allocation under the formula the amount of \$50,000 per State per year, deleting the provision requiring allocation of an additional \$10 million per year, and making technical changes.

It is the understanding of the Managers that the Secretary is developing regulations to allocate all non-performance employment and training funding based on the number of work registrants, beginning in fiscal year 1992. While recognizing that this new allocation formula would be an improvement, the Managers believe that a transition period should be provided to cushion the impact on States. In fiscal year 1992, State agencies entitled to an increase under the new formula based on work registrants would receive half the increase (over amounts provided under the existing, 1991, allocation formula), and State agencies whose allocation would decrease under the new formula based on work registrants would be limited to half of any decrease. Beginning with fiscal year 1993, all States would receive allocations based on work registrants. In making these allocations, the Managers expect that the Secretary will use the most recent available reliable data on individuals registered for work.

(41) Sec. 1754. Extension of pilot projects

The House amendment provides that pilot projects involving the payment of the value of allotments in the form of cash to eligible households, all of whose members are either age sixty-five or over, or entitled to supplemental security income benefits, must be continued through October 1, 1995, if a State so requests. (Sec. 1746)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

(42) Sec. 1755. Sales taxes in cash-out demonstration projects

The Senate bill provides that in any demonstration project after September 30, 1991, in which cash is provided in lieu of food stamps, the cashed-out food stamps must be increased by the State to reflect any State or local sales taxes charged on food. States are not required to make this additional payment (to compensate for taxes) regarding demonstration projects approved prior to October 1, 1990, where the demonstration already provides assistance that exceeds regular benefits by more than the estimated amount of sales tax, where sales taxes do not apply to a significant number of food items, or is a Supplemental Security Income cash-out demonstrations. The Senate bill also makes clear that benefits issued in lieu of food stamp allotments are not to be considered income or resources under any Federal, State, or local laws and that any assistance otherwise provided may not be reduced because of the receipt of benefits issued in lieu of food stamp allotments. (Sec. 2414(b))4

The House amendment provides that a new waiver, or demonstration project, may be approved after enactment only if:

(1) food stamp benefits issued in cash are increased to compensate for State or local sales taxes (or the tax is waived on purchases of food by food stamp households) and the State agency conducting such demonstration project pays the cost of such increased allotments;

(2) the Secretary determines on the basis of information provided by the State agency that such increase is unnecessary on the basis of the limited nature of the items subject to such State or local sales tax; or

(3) such project provides a household with assistance that exceeds that which the household would otherwise be eligible to receive by more than the estimated amount of any sales tax on the purchases of food that would be collected from the household. (Sec. 1706)

The Conference substitute adopts the House provision with a technical amendment.

(43) Sec. 1756. Enhanced waiver authority for demonstration projects

The Senate bill permits demonstration projects to test improved consistency/coordination between food stamp program employment and training (E&T) programs and AFDC/JOBS programs, and allows the Secretary to waive food stamp E&T requirements (and provisions affecting recipients' rights) to the extent necessary to permit a State agency to operate E&T programs for food stamp recipients under the same terms and conditions as its JOBS program. The Senate bill also requires that: (1) any work experience component be in conformity with AFDC provisions; (2) assurances will be provided that the projects will meet all AFDC/JOBS and child care requirements (except for provision of "transitional" child care); and (3) participation in an activity in which food stamp benefits are converted to cash be voluntary. The Senate bill further requires that: (1) the terms of the projects be published in the Federal Register prior to approval; (2) the appropriate House and Senate committees be notified; (3) waivers be granted only for projects approved and being evaluated by the Secretary, and in operation for no more than 4 years. (Sec. 2423)

The House amendment contains a similar provision. (Sec. 1730)

The Conference substitute adopts the House provision with an amendment giving the Secretary authority to set criteria for evaluations.

The Managers intend that the Secretary establish uniform criteria for the evaluations and exercise significant control over the evaluations to ensure the development and application of parallel methodologies in similar projects.

(44) Sec. 1757. Demonstration projects for vehicle exclusion limit

The House amendment raises the threshold at which the Secretary must begin counting the fair market value of a licensed vehicle owned by a household in determining eligibility from \$4,500 to \$5,500 by FY 1995, and indexes such threshold to inflation thereafter. Requires the Secretary to conduct demonstration projects, in rural and urban areas, excluding any licensed vehicle used to produce income, or transport elderly or disabled household mem-

bers, and one vehicle used to commute to work, seek employment, or secure food or food stamp benefits. (Sec. 1712)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment limiting the provision to the demonstration projects only.

(45) Sec. 1758. Demonstration projects for AFDC/food stamp simplification

The House amendment requires the Secretary to conduct five demonstration projects under which households in which all members receive AFDC benefits are issued food stamp benefits generally following AFDC eligibility, benefit, and administrative rules and procedures. AFDC rules, or equivalent requirements and procedures approved by the Secretary, would be applied, except for some food stamp program rules, specific directions on how benefits are to be determined, and terms and conditions set by the Secretary to ensure program integrity. Food stamps would be furnished to households making application by providing any necessary information that has not been provided as part of their application for AFDC.

The House amendment places some requirements on the AFDC/food stamp demonstration projects. Certain food stamp rules would apply: those governing household "cooperation," fraud disqualification, work requirements, bilingual personnel and materials, application processing timeframes and verification limitations, expedited service, and treatment of homeless and migrant and seasonal farmworker households. Food stamp allotments would be calculated under normal food stamp rules, except that: (1) a household's total income (before any deductions) would be its AFDC grant plus other income used to establish the AFDC benefit, excluding any amount disregarded for dependent care and certain income (e.g., lump sum payments) that may be counted under AFDC, but not food stamp, rules; and (2) a household's net income would be calculated using all regular food stamp deductions, or, alternatively, the food stamp earned income deduction could be replaced with AFDC earned income disregards to the extent the Secretary determines they are consistent with the purposes of the demonstrations. Uninterrupted food stamp assistance would be required for eligible households gaining or losing eligibility under the project.

The House amendment also requires the Secretary to solicit demonstration proposals from, and consult with, State and local agencies and directs the Secretary to consult with the Secretary of Health and Human Services on waivers of Federal AFDC rules that would assist the demonstrations. Demonstration projects would be limited to the period between Oct. 1, 1990, and September 30, 1994, and evaluation reports from the Comptroller General and the Secretary would be due by Mar. 1, 1995. (Sec. 1722)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with a technical amendment and an amendment allowing the Secretary to carry out four demonstration projects, removing the time limits on the projects, deleting the evaluation report from the Comptroller

General, and requiring an evaluation report from the Secretary within six months of the termination of any project.

(46) Sec. 1759. Grants to improve food stamp participation

The House amendment requires that of the sums appropriated pursuant to section 18, \$5,000,000 for each of the fiscal years 1992 through 1995 be used by the Secretary to fund food stamp outreach demonstration projects and related evaluations to increase participation by eligible low income households in the food stamp program through grants competitively awarded to public or private non-profit organizations. No more than 20 percent of the funds may be used for evaluations. Outreach projects must be targeted toward members of rural, elderly, and homeless populations, low-income working families with children, and non-English speaking minorities.

The House amendment requires the Secretary to select recipients for grants, to carry out projects based upon the appropriate methods to reach target populations, such as the production of electronic media campaigns; utilization of local outreach workers and volunteers; development of solutions to transportation problems; in-service training; community presentations and education; pre-screening assistance; and recruitment of authorized representatives for applicants unable to appear for certification or at authorized food stores.

The House amendment requires that in selecting grant recipients, the Secretary shall take into consideration the ability of the applicants to produce useful data for evaluation purposes, and give preference among applicant public agencies to those applicants that propose to involve nonprofit organizations in projects to be carried out with such grants.

The House amendment requires that at least one grant, in an amount not to exceed \$500,000, be provided for the development of outreach materials aimed at the general food stamp eligible population along with specific target populations.

The House amendment further requires the Secretary to evaluate a sufficient number of projects to be able to determine their effectiveness.

The House amendment requires the Secretary to examine and report on previous research regarding reasons for non-participation and effective methods to conduct outreach and reduce barriers to participation. An interim report on the results of the evaluation carried out under this requirement must be provided to the Congress no later than February 1, 1993, and a final report no later than February 1, 1995.

The House amendment requires the Secretary, within 180 days after the date of the enactment, to publish a notice to implement this amendment. The Secretary must accept proposals from organizations for projects for fiscal year 1992 for 90 days following the date such notice is published; and begin to award grants beginning no later than January 1, 1992.

The House amendment requires that of the sums appropriated, not more than \$1,000,000 in fiscal year 1991 be used by the Secretary to make grants to public or private nonprofit organizations, in one or more areas of the United States, that have projects designed

to improve the effectiveness of the food stamp program in delivering food assistance to homeless individuals. (Sec. 1734)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment making the provision subject to appropriations, making conforming changes, and deleting the provision requiring \$1 million in grants in fiscal year 1991.

(47) Sec. 1760. Reauthorization of food stamp program

The House amendment authorizes to be appropriated such sums as are necessary for the fiscal years 1991 through 1995 to carry out the provisions of the Act. It also amends the Secretary's reporting requirements. Under current law the Secretary must report to Congress whether reductions in the value of allotments issued to households certified to participate in the food stamp program will be necessary. The House amendment requires the Secretary to report whether supplemental appropriations will be needed to support the operation of the program through the end of the fiscal year.

The House amendment also amends the provisions governing the actions the Secretary must take if insufficient funds are provided to pay full benefits throughout the year. Under current law, the Secretary is required to direct State agencies to reduce the value of such allotments upon a finding that the requirements of participating States will exceed the amount "authorized to be appropriated". This section requires the Secretary to so direct State agencies upon a finding that such requirements will exceed the "appropriation" itself. (Sec. 1781)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

(48) Sec. 1761. Nutrition education improvements

The House amendment provides that, of sums appropriated to carry out the provisions of the Food Stamp Act, not more than \$2,000,000 in any fiscal year may be used by the Secretary to make two-year competitive grants that will: (1) enhance interagency cooperation in nutrition education activities; and (2) develop cost effective ways to inform people eligible for food stamps about nutrition, resource management, and community nutrition education programs, such as the expanded food and nutrition education program. Awards will be made to one or more cooperative extension services, as defined in section 1404(5) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, in coordination with local or State agencies serving low income people. Each project must include an evaluation component and must develop an implementation plan for replication in other States. The Secretary must report to the appropriate committees of Congress on the results of the projects and must disseminate these results through the cooperative extension service system and to State welfare offices, local food stamp program offices, and other entities serving low income households. (Sec. 1793)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with a technical amendment.

The Managers intend the Secretary to coordinate these grants with similar Cooperative Extension Service grants.

(49) Sec. 1762. Nutrition Assistance Program in Puerto Rico

The House amendment reauthorizes the Nutrition Assistance Program for Puerto Rico through fiscal year 1995. The Secretary is required to pay to the Commonwealth of Puerto Rico \$985,000,000 for fiscal year 1991, \$1,029,000,000 for fiscal year 1992, \$1,074,000,000 for fiscal year 1993, \$1,121,000,000 for fiscal year 1994, and \$1,170,000,000 for fiscal year 1995, to finance 100 percent of the expenditures for food assistance provided to needy persons and 50 percent of the administrative expenses related to the provision of such assistance.

The House amendment also requires the Comptroller General of the United States to conduct a study of—

(1) the nutritional needs of the citizens of the Commonwealth of Puerto Rico, including—

(A) the adequacy of the nutritional level of the diets of members of households receiving assistance under the nutrition assistance program and other households not currently receiving the assistance;

(B) the incidence of inadequate nutrition among children and the elderly residing in the Commonwealth;

(C) the nutritional impact of restoring the level of nutritional assistance provided to households in the Commonwealth to the level of such assistance provided to other households in the United States; and

(D) such other factors as the Comptroller General considers appropriate;

(2) the potential alternative means of providing nutritional assistance in the Commonwealth of Puerto Rico, including—

(A) the impact of restoring the Commonwealth to the food stamp program;

(B) increasing the benefits provided under the nutrition assistance program to the aggregate value of food stamp coupons that would be distributed to households in the Commonwealth if the Commonwealth were to participate in the food stamp program; and

(C) the usefulness of adjustments to standards of eligibility and other factors appropriate to the circumstances of the Commonwealth comparable to those adjustments made under the Act (7 U.S.C. 2011 et seq.) for Alaska, Hawaii, Guam and the Virgin Islands of the United States.

The House amendment also requires that the Comptroller General submit a final report on the findings of the required study no later than August 1, 1992, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate. (Sec. 1782)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with technical amendments and an amendment providing for funding of the Nutrition Assistance Program in Puerto Rico at the Congressional Budget Office baseline at the time of enactment of this Act.

(50) Sec. 1763. Automated data processing and information retrieval systems

The House amendment amends the Act by requiring that the Secretary develop by October 1, 1992, standards for initial and continued approval of automated data processing and information retrieval systems for State agencies, taking into consideration the state of the art in automation technology. The House amendment requires States to meet the standards developed by the Secretary.

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment requiring that the Secretary review and revise current regulations and set standards for approval of automation systems. The regulations will require that when States improve their systems, they incorporate all or part of systems already developed, unless a new system would be less costly. The Secretary is required to review the systems periodically and report to the appropriate committees of Congress on the extent to which States are operating effective systems. The Conference substitute lowers the automatic data processing Federal reimbursement level from 75 percent to 63 percent beginning with fiscal year 1992, except for proposals for systems approved prior to the date of enactment.

Subtitle B—Commodity Distribution Programs

(51) Sec. 1771. Commodity distribution program; commodity supplemental foods program

(a) Reauthorization of commodity supplemental food program and other food donation programs

The House amendment reauthorizes through fiscal year 1995 the Commodity Supplemental Food Program and other food donation programs under the Agriculture and Consumer Protection Act of 1973. Under this authority the Secretary is authorized to purchase and distribute agricultural commodities with funds appropriated from the general fund of the Treasury.

The House amendment also extends authority through fiscal year 1995 for pilot projects for low income elderly persons and for administrative funding for the Commodity Supplemental Food Program. (Sec. 1785(a) (1) and (2))

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with a technical amendment.

(b) Commodity assistance for infants and children

The House amendment revises section 4(a) of the Agriculture and Consumer Protection Act of 1973, and section 416(a)(3) of the Agricultural Act of 1949 to explicitly include hospitals and facilities caring for needy infants and children in the category of institutions eligible for commodity donations. (Sec. 1777)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with a technical amendment.

(c) Commodity program for elderly

The Senate bill allows the Commodity Supplemental Food Program (CSFP) to serve sites in which only elderly persons receive the food assistance. (Sec. 2473)

The House amendment is similar to Senate bill. (Sec. 1773(1) & (3))

The Conference substitute adopts the Senate provision.

(d) Administrative funding

The Senate bill alters the administrative funding formula for the Commodity Supplemental Food Program. The Senate bill changes the amount of administrative funding from an amount not to exceed 15 per centum of the sum of the amount appropriated for the commodity supplemental food program and the value of all additional commodities donated by the Secretary to State and local agencies to an amount not to exceed 20 percent of the amount appropriated for the Commodity Supplemental Food Program and 15 percent of the value of all donated commodities. (Sec. 2462)

The House amendment is similar to the Senate bill. (Sec. 1773(2))

The Conference substitute adopts the Senate provision with an amendment providing that administrative funding for CSFP shall not exceed 20 percent of the amount appropriated for the program and deleting the provision that provides administrative funding based on a percentage of the value of all donated commodities.

(e) Referrals to other programs

The Senate bill requires CSFP State agencies to provide information regarding other programs such as food stamps, Medicaid and Medicare to CSFP participants. (Sec. 2473)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with a technical amendment.

The Managers intend to ensure that relevant information about other Federal programs that can help needy CSFP participants and applicants will be made available to them. Local program operators will be expected to provide written information about the food stamp, AFDC, child support enforcement and Medicaid programs to each pregnant or postpartum woman who participates in the program or applies for benefits. Relevant written information about the Medicaid, food stamp, and SSI programs is expected to be provided to elderly program participants. The Managers intend that the written information provided to program recipients will be relevant to their needs.

The Managers also intend that each agency will be required to maintain materials showing the eligibility requirements for Medicaid participation by pregnant women, infants and children up to age six. These agencies also will be expected to make referrals to the Medicaid program to elderly persons who apply for CSFP benefits.

(f) Advance warning for decline in persons served under program

The Senate bill requires an advance warning from the Secretary to State agencies operating the program if it appears that a decline in commodities to be supplied will occur because of significantly higher prices for purchased commodities. (Sec. 2473)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(52) Sec. 1772. Emergency food assistance program

(a) Reauthorization of TEFAP

The House amendment reauthorizes TEFAP through fiscal year 1995. It also extends the program termination date to September 30, 1995, and reauthorizes \$50 million for administrative funding for each of the fiscal years 1991 through 1995. The House amendment requires the Secretary to spend \$175,000,000 during fiscal year 1991 and \$190,000,000 during fiscal year 1992 and authorizes to be appropriated \$220,000,000 for each of the fiscal years 1993 through 1995 to purchase, process, and distribute additional commodities under section 214(e) of TEFAP. Any amounts provided for fiscal years 1993 through 1995 will be available only to the extent and in such amounts as are provided in advance in appropriations acts. (Sec. 1783)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with technical amendments and amends the special purchasing provision to authorize, instead of require, the House-recommended funding levels for fiscal years 1991 and 1992.

(b) Demonstration project

The Senate bill allows the Secretary to undertake a demonstration project under which surplus commodities are processed into an end product that is more readily useable for household consumption. (Sec. 2472(1))

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(c) Additional requirements

The Senate bill prohibits the Secretary from requiring a State to impose additional recordkeeping or application requirements on program recipients unless the Secretary determines that existing requirements or procedures are inadequate. (Sec. 2472(2))

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(d) Federal Register estimates

The Senate bill extends through FY 1995 the current law requirement that the Secretary publish annually in the Federal Register (as soon as feasible, but before the beginning of each fiscal year) estimates of the types and amounts of commodities likely to be available in that year, and the stipulation that the types and amounts of commodities published may differ from those estimated. (Sec. 2472(4))

The House Amendment contains a similar provision. (Sec. 1771(a)(5))

The Conference substitute adopts the House provision.

(e) Commodity availability

The House amendment adds a provision requiring that, whenever commodities acquired by the CCC are made available for donation to domestic food programs in amounts that exceed Federal obligations, the Secretary make some portion of such commodities available to TEFAP agencies. It also permits the Secretary to distribute to TEFAP, CCC commodities that become available on a seasonal or irregular basis. (Sec. 1771(a)(4))

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision permitting additional seasonal or irregular donations of CCC commodities to TEFAP, and amends the provision requiring donations of some portion of surplus commodities to TEFAP by specifying that when making donations of surplus CCC stocks to domestic food programs, the Secretary is to give equal consideration to TEFAP emergency feeding organizations, and take into account the types and amounts of commodities available and appropriate for donation to TEFAP.

(f) Name change

The House amendment strikes "Temporary" from the name of the Temporary Emergency Food Assistance Act and Program. (Sec. 1771 (a)(1) and (2))

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

(g) Group eligibility

The House amendment adds a provision allowing State agencies, with the approval of the Secretary, to permit local TEFAP recipient agencies to be eligible for commodities on the basis of service to a substantial number of low-income persons rather than by individual income determination, if this will reduce administrative burdens and ensure that most program recipients are low-income persons. (Sec. 1771(a)(3))

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(h) Direct expenses

The Senate bill permits local recipient agencies to use Federal administrative funding to cover their costs of repackaging and reprocessing commodities. (Sec. 2472(3))

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(53) Sec. 1773. Commodity distribution reform

(a) Clarifying amendment

The House amendment amends the Commodity Distribution Reform Act and WIC Amendments of 1987 to clarify that food banks are included among the recipient agencies represented under the National Commodity Distribution Advisory Council. (Sec. 1775)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

The Managers intend that the representation on the council provided by this section will be a representative from a food bank participating in TEFAP.

(b) Advance funding for State Option Contracts

The Senate bill authorizes the Secretary to use Section 32 and CCC funds to pay for all, or a portion of the cost of food or the processing or packaging of food on behalf of a State commodity distribution agency; requires the State distribution agency to reimburse the Secretary for agreed-upon costs associated with this activity within 150 days of delivery of the commodity, and if they do not do so within 30 days, requires the Secretary to offset the amount not paid from an appropriate account; and requires the Secretary to reimburse the CCC or Section 32 account for all funds borrowed. (Sec. 2471)

The House amendment has a similar provision. (Sec. 1774)

The Conference substitute adopts the Senate provision

(c) Commodity Processing Program

The Senate bill requires the Secretary to establish a commodity processing program to promote and facilitate the reprocessing of bonus commodities into end-use products useful to local recipient agencies, and to issue regulation governing this commodity processing program. (Sec. 2471)

The House Amendment contains no comparable provision.

The Conference substitute revises the Senate provision to require a report by the Comptroller General of the United States which evaluates the extent to which: States process entitlement commodities, governmental requirements for participating in processing vary among States, and commodity entitlement recipients are satisfied with access to and service provided by entitlement commodity processing. The report is required to be submitted to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition and Forestry by no later than January 1, 1992, and the Comptroller is required to consult with representatives of State and Federal commodity distribution authorities, local elected school authorities, local school food service authorities and food processors regarding the scope and design of the report.

(d) Commodity Warehousing and Distribution

The Senate bill revises current requirements concerning State commodity warehousing and distribution by: (1) exempting from these requirements all commodities provided to programs other than child nutrition programs, and States that do not charge local recipient agencies for any costs associated with commodity distribution; (2) linking the requirement for use of the most cost-effective and efficient warehousing and distribution systems to local recipient agency costs rather than to the overall State costs of warehousing and distribution; and (3) requiring that State agencies consider commercial warehousing and distribution systems when determining the most cost-effective and efficient systems instead of requiring that commercial vendors be used unless a waiver is granted by

the USDA based on proof that other systems are more cost effective and efficient for local recipient agencies.

The House amendment contains no comparable provision

The Conference substitute adopts the Senate provision with an amendment that maintains the current law requirements for both elderly and child nutrition program commodities, and that maintains the mandate for use of commercial vendors unless States are granted waivers based on a showing that the use of public systems provides lower costs and greater efficiency to local recipient agencies.

The Managers point out that the Conference substitute revises some of the commodity reform provisions enacted in 1987 that place requirements on States for the warehousing and distribution of USDA commodities to local recipient agencies. The changes are intended to protect against disruptions in commodity distribution to small recipient agencies such as commodity supplemental food programs, charitable institutions and TEFAP. They are also designed to promote the use of warehousing and distribution systems that provide commodities at the lowest possible cost and best efficiency to schools, child care facilities, summer food and elderly nutrition programs.

The Managers wish to make clear that the changes in this bill do not diminish in any way the responsibility of all State agencies to evaluate their commodity warehousing and distribution systems for child and elderly nutrition programs, regardless of whether these local recipient agencies are charged for these services. Moreover, in States that charge local child and elderly nutrition programs for any costs associated with commodity distribution, the determination of the most cost-effective and efficient warehousing and distribution systems requires comparison of the direct and indirect costs to local recipient agencies of both commercial and public systems. The Managers expect that these changes will lead to lower costs to local agencies using USDA commodities, and will improve the efficiency of commodity distribution to these agencies.

(e) Commodity acceptability information.

The Senate bill changes current law by requiring that a report on recipient acceptance of commodities be prepared annually, rather than semiannually. (Sec. 1966)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(f) Food bank projects

The House amendment makes permanent the food bank projects established under the Commodity Distribution Reform Act and WIC Amendments of 1987 to provide and redistribute agricultural commodities and food products.

The House amendment provides that no later than July 1, 1991, the Secretary must submit a report to Congress on each project carried out under this section. Thereafter, the Secretary must submit biennial reports to Congress on such projects. (Sec. 1772)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment deleting the requirements for reports.

*(54) Sec. 1774. Hunger prevention programs**(a) Reauthorization of soup kitchen and food bank commodity distribution.*

The House amendment extends through fiscal year 1995 the special purchasing requirement for distribution of commodities to soup kitchens and food banks under section 110 of the Hunger Prevention Act of 1988 and requires the Secretary to spend \$32,000,000 to purchase and distribute such commodities in each of the fiscal years 1991 through 1995. (Sec. 1784)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment changing the mandatory spending requirement for commodity purchases in fiscal years 1992-1995 to an authorization for appropriations of up to \$40 million in each of these fiscal years.

(b) Food pantry

The Senate bill defines the term "food pantry" under Section 110 of the Hunger Prevention Act of 1988 to mean "a public or non-profit private organization whose primary purpose is to distribute food to low-income or unemployed households, including food from sources other than the USDA, to relieve situations of emergency and distress. (Sec. 2462)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment striking the words "whose primary purpose" from the definition, and adding a new provision that explicitly permits States to distribute commodities to food pantries under the soup kitchen and food bank program if food banks do not operate in the State.

(c) Gleaning clearinghouses

The House amendment replaces existing provisions of law governing gleaning activities. It defines the term "to glean" to mean to collect without charge unharvested crops from the fields of farmers, or to obtain agricultural products from farmers, processors, or retailers, in order to distribute such products to needy individuals, including unemployed and low-income individuals.

The House amendment authorizes the Secretary to establish a National Gleaning Clearinghouse. Through the Clearinghouse, the Secretary is authorized to—

(1) encourage public and nonprofit private organizations to initiate and carry out gleaning activities;

(2) collect from public and private sources information relating to the kinds, amounts, and geographical locations of agricultural products not completely harvested;

(3) gather and compile other statistics;

(4) establish and operate a toll-free telephone line;

(5) prepare, publish, and make available to the public, at cost and on a continuing basis, a handbook on gleaning that includes such information and advice as may be useful in operating efficient gleaning activities and projects, including information regarding how to—

(a) organize groups to engage in gleaning; and

(b) distribute to needy individuals, including low-income and unemployed individuals, food and other agricultural products that have been gleaned; and

(6) advertise in print, on radio, television, or through other media, as the Secretary considers to be appropriate, the services offered by the Clearinghouse (Sec. 1791)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment authorizing the Secretary to assist States or private nonprofit organizations in establishing gleaning clearinghouses.

(d) Cheese and nonfat dry milk

The Senate bill requires that the Commodity Credit Corporation make available to the Commodity Supplemental Food Program (to the extent available) not less than 9 million pounds of cheese and not less than 4 million pounds of nonfat dry milk for each of the fiscal years 1991 through 1995. (Sec. 2464)

The House amendment requires that, to the extent that inventory levels permit, the Commodity Credit Corporation provide 7 million pounds of cheese in each of the fiscal years 1991 through 1995 to the Secretary for donation to the commodity supplemental food program. (Sec. 1785)

The Conference substitute adopts the Senate provision with a technical amendment.

(55) Sec. 1775. Reprocessing agreements with private companies

(a) Reauthorization

The Senate bill extends the National Commodity Processing program through 1995. (Sec. 2465)

The House amendment is the same as the Senate provision. (Sec. 1786)

The Conference substitute adopts the House provision.

The Managers note with concern that the Department of Agriculture prohibits charitable institutions, certain nutrition programs for the elderly, and summer food service program sites from receiving bonus flour through National Commodity Processing program sales in States in which schools do not participate in the Department's bonus flour system. This policy imposes a real hardship on the affected State recipient agencies and is particularly unfair when the State commodity distribution agency for schools is different from the State agency distributing commodities to these smaller programs. Excluding these agencies from NCP reduces the range of processed food products available to them, and in many cases makes it difficult for these sites to use bonus commodities. This is particularly true of those smaller agencies which are unable to participate in State processing because the volume of their food purchases is too low. Many of these same agencies, however, might be able to take advantage of NCP contracts if the Department's current policy were changed to permit the decision for receipt of bonus flour to be made by the State agency administering the affected program. The Managers therefore direct the Department to revise its policy so that no local commodity recipient agency will be denied eligibility for bonus commodities under NCP because of the

decision of a State agency that is not responsible for commodity distribution to the local community recipient agency.

(b) Processed end products

The Senate bill would permit elderly nutrition programs to enter into agreements with national companies for the reprocessing of all the commodities they receive from the USDA, both bonus and entitlement. (Sec. 2474)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with a substitute amendment requiring the Secretary to "encourage access" to processed entitlement commodities if in the Secretary's judgement it is cost effective. The Secretary may meet this obligation in a number of ways, including State processing contracts, State Option Contracts, and direct purchase of commodities. Beginning in fiscal year 1994, the Secretary may also utilize private processing contracts operated as part of the National Commodity Processing Program (NCP).

The Conference substitute also requires the Secretary to conduct a pilot project in no more than three States to provide entitlement commodities to elderly nutrition programs pursuant to private processing contracts operated as part of the NCP program. As with the current NCP program, the expense of reprocessing shall be paid by the eligible agencies.

The Managers intend that nothing in this section shall affect the Secretary's responsibilities regarding the provision of bonus commodities to elderly nutrition sites through the NCP program. It is the understanding of the Managers that it is the Secretary's intent to operate this pilot project in three States.

(56) Sec. 1776. Nutrition education

The Senate bill authorizes to be appropriated for the Expanded Food and Nutrition Education Program: \$63 million in fiscal year 1991, \$68 million in fiscal year 1992, \$73 million in fiscal year 1993, \$78 million in fiscal year 1994 and \$83 million in fiscal year 1995. (Sec. 2466)

The House amendment reauthorizes at \$8 million annually, through fiscal year 1995, the special nutrition education program, which provides food, nutrition, and consumer education to low-income individuals. (Sec. 1787)

The Conference substitute adopts both provisions.

(57) Sec. 1777. Notifying shelters of the Charitable Institutions Program

The Senate bill requires the Secretary or appropriate State agencies to inform shelters for the homeless or for battered women and children about the availability of donated commodities. (Sec. 2415)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment requiring the Secretary, at least once during fiscal year 1991, to direct appropriate State agencies to inform shelters for the homeless or for battered women and children about the availability of donated commodities.

(58) Sec. 1778. Welfare simplification and coordination advisory committee

The House amendment establishes an Advisory Committee on Welfare Simplification and Coordination. The Committee would: (1) identify differing policies in the food stamp program, Social Security Act cash and medical assistance programs, and housing assistance programs for low-income families and individuals that make it difficult to apply for and obtain benefits from more than one program and restrict administrators' ability to provide efficient, timely, and appropriate benefits; (2) examine the reasons for differing programs and policies and previous coordination efforts; (3) evaluate how and to what extent differing programs and policies hinder the receipt of benefits from more than one program and restrict administrators; (4) recommend common or simplified programs and policies; and (5) describe the effects of these common or simplified programs and policies and the reasons for recommending them.

The House amendment provides that the Committee would consist of no fewer than nine and no more than fifteen members appointed by the Secretary of Agriculture, after consultation with the Secretaries of Health and Human Services and Housing and Urban Development, the Commissioner of Social Security, State and local officials administering the programs under review, and representatives of recipients and recipient advocacy organizations. Members would (1) be persons who have experience in administering the programs under review, are familiar with the programs' rules, goals, and limitations, and have demonstrated expertise in evaluating the operations of and interaction among the programs and (2) include representatives of administrators and recipients. The Secretary would provide administrative support and reimbursement for necessary expenses and the Committee would be required to submit a final report, with recommendations, not later than April 1, 1992.

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with a technical amendment and an amendment: (1) reducing the size of the Committee; (2) directing the Committee to consult with representatives of administrators and recipients; (3) restructuring the composition of the Committee to individuals who are familiar with the rules, goals, and limitations of the programs under review, who may include persons with expertise in evaluating program interactions, administrators, and representatives of administrators and recipients; (4) narrowing the scope of the Committee's review to significant policy differences and recommendations; (5) moving the date for the Committee's final report to July 1, 1993; and (6) allowing interim reports from the Committee (including reports on less than the full range of programs under review).

(59) Sec. 1779. School lunch studies

The Senate bill requires the USDA to conduct a study of the national school lunch program to determine: the quantity of bonus commodities lost to schools, by State, since the 1987-88 school year; the amount of indirect costs charged to school food programs by schools; the current cost of providing a school lunch; why schools

stopped participating in the program during the 1980's and if low-income children in such schools continued to receive free meals; changes in responsibility and costs associated with changes, at the State agency level; changes in responsibility and costs to local school food authorities because of Federal administrative and audit requirements; and the amount charged to students for nonfree and reduced price meals. It also requires the Secretary to provide the results of this study in a report issued to the Congress by October 1, 1992. (Section 2479)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment requiring two studies: (1) one to be conducted with available funds to determine the quantity of bonus commodities lost, by States since the 1987- 88 school year; what school food service authorities charge for nonfree and reduced price meals; and trends in school participation and student participation; and (2) one requiring, if funds are appropriated for this purpose, that the Secretary study the cost of producing school lunches; the reasons why schools choose not to participate in the lunch program; State costs incurred in the administration of lunch and breakfast programs; why children eligible for free and reduced price meals don't apply or participate in the program; and such other information as the Secretary considers necessary. The Conference substitute requires the Secretary to submit interim reports on the studies being conducted; on October 1, 1991 for the study using available funds and on October 1, 1992 for the study conducted if funds are made available by appropriation, and a final report of both studies by October 1, 1993.

(60) Sec. 1781. Effective dates

The Senate bill provides that unless otherwise noted in the bill, the amendments made by the nutrition title are to be effective and implemented 120 days after enactment. (Sec. 2495)

The House amendment stipulates that except as otherwise provided, the provisions of that title will be effective on October 1, 1990. (Sec. 1794)

The Conference substitute adopts the House provision with an amendment stipulating that except as otherwise provided in the title, the title and the amendments made by the title shall be implemented and effective not later than October 1, 1991.

Additional Provisions Deleted in Conference

(61) Shelter deductions

The House amendment raises the "cap" on the maximum excess monthly shelter expense deductions to:

Fiscal year	48 States and DC	Alaska	Hawaii	Guam	Virgin Islands
1991.....	\$219	\$380	\$312	\$265	\$161
1992.....	234	406	333	283	172
1993.....	283	491	403	343	208

The House amendment removes the cap on excess shelter expense deductions after FY 93. (Sec. 1701)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(62) Benefit levels

The House amendment amends the definition of "thrifty food plan" adjusting the cost of the diet to reflect:

Fiscal year	Percent of cost of Thrifty Food Plan in the preceding June
1991.....	103
1992.....	103 and $\frac{1}{2}$
1993.....	103 and $\frac{1}{2}$
1994.....	104
1995.....	105

The House amendment also requires special adjustments to be made in calculating food stamp benefits for Hawaii and Alaska. (Sec. 1702)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

The Managers wish to point out that the House amendment contained language specifying the procedures by which the Secretary should calculate the thrifty food plans for Alaska and Hawaii. Since the House amendment was passed, the Managers have been informed that the Secretary has reexamined current law and determined that it already requires the methodology specified in the House amendment. The Managers, like the House Committee, fully concur in this analysis of current law. The House provision was meant as a clarification of current law, not a change. Therefore, the Managers have omitted it from the final legislation. The Managers appreciate the Secretary's attention to this matter.

(63) Issuance of benefits

The House amendment provides that first month renewed benefits for households applying to be recertified must be pro-rated (reduced) if the household's participation has lapsed for more than one month. (Sec. 1703)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(64) Child support disregard

The House amendment excludes from income the first \$50 per month of child support payments. States would not be required to pay the Federal Government the cost of additional benefits provided to households as the result of the exclusion of child support payments from income. (Sec. 1711)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(65) Household definition

The House amendment amends the definition of "household" to include an individual who lives with others but customarily pur-

chases food and prepares meals for home consumption separate and apart from the others, or a group of individuals who live together and customarily purchase food and prepare meals together for home consumption. However, this section requires that parents and their minor children who live together, and spouses, be treated as a household regardless of the above. (Sec. 1721)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(66) Commission on Coordination of Family Support and Food Stamp Policies

The House amendment establishes a Commission on the Coordination of Family Support and Food Stamp Policies, consisting of 15 members including: the Secretary of Health and Human Services; the Secretary of Agriculture; Members of the House and Senate; and State and local officials.

The House amendment provides that the purpose of the commission is to study and consider methods to better coordinate AFDC and food stamp procedures and to make recommendations for developing common policies and definitions for use under both programs that would eliminate inconsistency to participation to the maximum extent possible in a manner consistent with the protective purposes of the programs.

The House amendment requires a report to the President and the Congress within one year after the date of enactment.

The House amendment authorizes to be appropriated such sums as may be necessary to carry out its provisions. (Sec. 1727)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(67) Dependent care expenses

The House amendment raises the dependent care deduction from \$160 to \$200 per month for each child under age 2 and \$175 per month for each other dependent for purposes of computing household income.

The House amendment increases the amount of payments or reimbursements State agencies must make to participants in employment and training programs for the actual costs of dependent care. (Sec. 1728)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(68) Flexibility for State informational activities

The House amendment provides that State agencies may inform low-income households about availability, eligibility requirements, application procedures, and benefits of the food stamp program, including those activities allowed under regulations in effect on June 1, 1981.

The House amendment amends section 16(a) of the Act to provide that the Secretary's authorization to pay to State agencies an amount equal to 50 per centum the administrative costs involved in each State agency's operation of the food stamp program, includes authorization to pay such per centum of the costs of assistance to

households, including the costs of counseling activities and pre-screening costs. (Sec. 1732)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(69) Vehicles necessary to carry fuel or water

The House amendment requires the Secretary to exclude from financial resources the value of a vehicle that a household depends upon to carry fuel for heating or water for home use when such transported fuel or water is the primary source of fuel or water for the household. (Sec. 1733)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(70) Asset limits for the disabled

The House amendment raises from \$2000 to \$3000 the value of resources that a household with a disabled member may own and still be eligible to participate in the food stamp program. (Sec. 1745)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(71) Issuance of warning letters

The House amendment authorizes the Secretary to issue a warning letter to, instead of imposing a civil money penalty on, a retail or wholesale food concern that violates the Act or regulations. (Sec. 1768)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(72) Distribution of milk

The House amendment requires the Secretary to make milk acquired by the Commodity Credit Corporation available to States for distribution to food banks and soup kitchens when such milk is made available for donation to domestic food programs during fiscal years 1991 through 1995. (Sec. 1776)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(73) Special provision regarding sequestration

The House amendment provides that, notwithstanding any other provision of law, if a final order is issued for any of the fiscal years 1991 through 1995 under section 252(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, or any subsequent enactment extending the effect of such provision, and such order is not subsequently rescinded, the amount made available to carry out the food stamp program under section 18 of the Act must be reduced by the amount equal to the amount of the percentage reduction for domestic programs required under such order multiplied by the additional cost over the preceding year, as contained in the Congressional Budget Office's final estimate of the cost of this Act prior to enactment, of the increases as provided for in certain sections of the House amendment for the fiscal year for which a final order has been issued. The House amendment provides that the reduction required by this section must be achieved by reducing the

increases in certain provisions by one and one-third times the percentage reduction for domestic programs required under such order. (Sec. 1795)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(74) Assistance to homeless preschool children

The Senate bill provides additional Federal funding for a program set up under the Child Nutrition and WIC Reauthorization Act of 1989. That program allows for pilot projects in which private nonprofit groups receive federal reimbursement for meals served to homeless preschool children living in homeless shelters. Of the funds appropriated for the School Lunch Act, and in addition to other funding, not less than \$500,000 in FY 1991, \$750,000 in FY 1992; \$2 million in FY 1993 and \$3 million in FY 1994 would be available to increase funding for this program. Unused funds would be returned to the Treasury. (Sec. 2476)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(75) Indian Nutrition Gardening Program

The Senate bill establishes an Indian Nutrition Gardening Program to provide technical assistance and training to Indian tribes and Alaska Natives for the development and operation of gardening programs; establish the Indian and Alaska Native Gardening Grant Program; and provide a supplemental source of fresh produce for Indians and Alaska Natives.

The Secretary is authorized to assist Native American Indians (or Alaskan Natives) living on or near reservations (or in certain areas of Alaska) in setting up gardening programs to supplement their nutritional needs.

The Extension Service would fund the purchase of seeds, seedlings, fertilizer, greenhouses, equipment, tools and other items needed for gardening.

The Extension Service would provide training and technical assistance in setting up these large gardens.

The fresh produce generated by the program would be used to supplement the diets of needy Native Americans (those on food stamps, the Food Distribution Program on Indian Reservations, or WIC, or those with special dietary needs, or the elderly).

Funds may be used for purchase or lease of equipment; purchase of seeds, fertilizers and other resources; construction of greenhouses, fences and structures; accounting and distribution of produce; labor; and management.

This gardening program is also available for Native Hawaiians in areas in Hawaii set aside for the use of Native Hawaiians under the Act of July 9, 1921.

There is authorized to be appropriated for these purposes \$8 million in fiscal years 1991 and 1992 and \$10 million in each of fiscal years 1993 and 1994. Some of these funds may also be used for grants to an agency of the State of Hawaii administering assistance to Native Hawaiians for the purpose of buying components of irrigation systems not normally eligible for assistance under the Soil Conservation and Domestic Allotment Act.

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

The Managers believe that an Indian subsistence gardening project could help alleviate nutritional deficiencies present on Indian reservations. The program would provide a supplemental source of produce for Indians and Alaska Natives who have special dietary needs, or are elderly, or participate in the food stamp, commodities, or WIC program. This program could address the increasing prevalence of diet-related diseases among Native Americans and help combat nutritional deficiencies among Native Americans. The Managers will continue to pursue the concept of an Indian subsistence gardening project in 1991.

The Managers direct the Secretary to promote and improve the nutritional aspect of daily diets for Native Americans living on reservations. In doing so the Secretary may seek the advice and assistance of the USDA Cooperative Extension Service, USDA Food Distribution Service, and the Bureau of Indian Affairs to develop the most feasible means to address nutritional deficiencies among Native Americans.

TITLE XVIII—CREDIT

(1) Training or Experience Requirement for Farm Ownership/Operating Loans

The Senate bill contains a minimum experience/training requirement for loan eligibility to three of the previous five years with one of those three being actual on-farm experience (Section 1302; 1306).

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

The Managers recognize that there is currently a regulatory one year experience requirement for first-time producers who wish to obtain credit, both direct loans and loan guarantees, from the Farmers Home Administration. The Managers understand that in the past this requirement has been waived or modified for first-time producers if it was determined that the producer had a reasonable prospect of success.

The Managers intend that the Farmers Home Administration should consider the effect of contract farming arrangements in which the contracting company provides farm management training and assistance to the farmer and exercises close managerial oversight. The Managers intend that the Farmers Home Administration consider whether such a contractual arrangement provides a reasonable prospect of success in the applicant's proposed farming operation. If the Farmers Home Administration determines that such arrangement does provide a reasonable prospect of success, the one year minimum experience requirement may be waived.

(2) Soil and Water Loan Program

The Senate bill updates authorized uses of the soil and water conservation loan program to reflect current conservation practices, and allows loans under this program to be made at the limited resource interest rate (Section 1303).