

DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY

Federal Funds

OFFICE OF THE SECRETARY

For necessary expenses of the Office of the Secretary of Agriculture, \$18,355,000: Provided, That not to exceed \$11,000 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

For necessary salaries and expenses of the Office of the Assistant Secretary for Administration, \$739,000.

OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS

(INCLUDING TRANSFERS OF FUNDS)

For necessary salaries and expenses of the Office of the Assistant Secretary for Congressional Relations to carry out the programs funded by this Act, including programs involving intergovernmental affairs and liaison within the executive branch, \$4,099,000: Provided, That these funds may be transferred to agencies of the Department of Agriculture funded by this Act to maintain personnel at the agency level: Provided further, That no other funds appropriated to the Department by this Act shall be available to the Department for support of activities of congressional relations.

OFFICE OF THE UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS

For necessary salaries and expenses of the Office of the Under Secretary for Research, Education and Economics to administer the laws enacted by the Congress for the Economic Research Service, the National Agricultural Statistics Service, the Agricultural Research Service, and the Cooperative State Research, Education, and Extension Service, \$654,000.

OFFICE OF THE UNDER SECRETARY FOR MARKETING AND REGULATORY PROGRAMS

For necessary salaries and expenses of the Office of the Under Secretary for Marketing and Regulatory Programs to administer programs under the laws enacted by the Congress for the Animal and Plant Health Inspection Service; the Agricultural Marketing Service; and the Grain Inspection, Packers and Stockyards Administration; \$792,000.

OFFICE OF THE UNDER SECRETARY FOR FOOD SAFETY

For necessary salaries and expenses of the Office of the Under Secretary for Food Safety to administer the laws enacted by the Congress for the Food Safety and Inspection Service, \$659,000.

OFFICE OF THE UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES

For necessary salaries and expenses of the Office of the Under Secretary for Farm and Foreign Agricultural Services to administer the laws enacted by Congress for the Farm Service Agency, the Foreign Agricultural Service, the Risk Management Agency, and the Commodity Credit Corporation, \$695,000.

OFFICE OF THE UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT

For necessary salaries and expenses of the Office of the Under Secretary for Natural Resources and Environment to administer the laws enacted by the Congress for the Forest Service and the Natural Resources Conservation Service, \$822,000.

OFFICE OF THE UNDER SECRETARY FOR RURAL DEVELOPMENT

For necessary salaries and expenses of the Office of the Under Secretary for Rural Development to administer programs under the laws enacted by the Congress for the Rural Housing Service, the Rural Business-Cooperative Service, and the Rural Utilities Service, \$695,000.

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

For necessary salaries and expenses of the Office of the Under Secretary for Food, Nutrition and Consumer Services to administer the laws enacted by the Congress for the Food and Nutrition Service, \$655,000.

OFFICE OF THE ASSISTANT SECRETARY FOR CIVIL RIGHTS

For necessary salaries and expenses of the Office of the Assistant Secretary for Civil Rights, \$897,000.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)			
Identification code 12-9913-0-1-352	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Office of the Secretary	5	4	16
00.02 Under/Assistant Secretaries	11	10	11
00.03 Trade negotiations and biotechnology resources	1	1	2
00.04 Info share (CCE/HS)	3		
00.05 Avian influenza supplemental	4		
09.01 Homeland security reimbursable	11	11	11
09.02 Reimbursable program	3	3	3
10.00 Total new obligations	38	29	43
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2	6	6
22.00 New budget authority (gross)	40	29	43
22.10 Resources available from recoveries of prior year obligations	3		
23.90 Total budgetary resources available for obligation	45	35	49
23.95 Total new obligations	-38	-29	-43
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance carried forward, end of year	6	6	6
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	26	15	29
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	8	14	14
58.10 Change in uncollected customer payments from Federal sources (unexpired)	6		
58.90 Spending authority from offsetting collections (total discretionary)	14	14	14
70.00 Total new budget authority (gross)	40	29	43
Change in obligated balances:			
72.40 Obligated balance, start of year	1	5	8
73.10 Total new obligations	38	29	43
73.20 Total outlays (gross)	-27	-26	-43
73.40 Adjustments in expired accounts (net)	1		
73.45 Recoveries of prior year obligations	-3		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-6		
74.10 Change in uncollected customer payments from Federal sources (expired)	1		
74.40 Obligated balance, end of year	5	8	8
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	27	25	39
86.93 Outlays from discretionary balances		1	4
87.00 Total outlays (gross)	27	26	43
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-9	-14	-14

OFFICE OF THE ASSISTANT SECRETARY FOR CIVIL RIGHTS—
Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-9913-0-1-352	2006 actual	2007 est.	2008 est.
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-6		
88.96 Portion of offsetting collections (cash) credited to expired accounts	1		
Net budget authority and outlays:			
89.00 Budget authority	26	15	29
90.00 Outlays	18	12	29

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

Funds are proposed for the Office of the Secretary's account for negotiating and monitoring trade agreements; for technical trade support in the areas of biotechnology, sanitary and phyto-sanitary issues. Additional funding is also proposed for the expenses of the Provincial Reconstruction Teams in Iraq and Afghanistan. USDA continues to support the agricultural reconstruction and development in these countries by providing agricultural advisors to assist on activities such as irrigation system rehabilitation, post-harvest loss reduction, and marketing system improvements. USDA has placed advisors in the Ministry of Agriculture in Iraq to assist agriculture planning, extension, and food safety and inspection.

Object Classification (in millions of dollars)

Identification code 12-9913-0-1-352	2006 actual	2007 est.	2008 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	7	9	10
12.1 Civilian personnel benefits	2	2	2
23.3 Communications, utilities, and miscellaneous charges	1		
25.2 Other services	15	4	17
99.0 Direct obligations	25	15	29
99.0 Reimbursable obligations	11	14	14
99.5 Below reporting threshold	2		
99.9 Total new obligations	38	29	43

Employment Summary

Identification code 12-9913-0-1-352	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	84	87	87

FUND FOR RURAL AMERICA

Program and Financing (in millions of dollars)

Identification code 12-0012-0-1-999	2006 actual	2007 est.	2008 est.
Change in obligated balances:			
72.40 Obligated balance, start of year	1		
73.20 Total outlays (gross)	-1		
74.40 Obligated balance, end of year			
Outlays (gross), detail:			
86.98 Outlays from mandatory balances	1		

Net budget authority and outlays:

89.00 Budget authority			
90.00 Outlays	1		

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

Trust Funds

GIFTS AND BEQUESTS

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-8203-0-7-352	2006 actual	2007 est.	2008 est.
01.99 Balance, start of year			
Receipts:			
02.60 Gifts and bequests, Departmental Administration	1	1	1
04.00 Total: Balances and collections	1	1	1
Appropriations:			
05.00 Gifts and bequests	-1	-1	-1
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 12-8203-0-7-352	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Gifts and bequests	1	1	1
10.00 Total new obligations (object class 99.5)	1	1	1
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2	2	2
22.00 New budget authority (gross)	1	1	1
23.90 Total budgetary resources available for obligation	3	3	3
23.95 Total new obligations	-1	-1	-1
24.40 Unobligated balance carried forward, end of year	2	2	2

New budget authority (gross), detail:

Mandatory:			
60.26 Appropriation (trust fund)	1	1	1

Change in obligated balances:

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

Outlays (gross), detail:

86.97 Outlays from new mandatory authority		1	1
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Net budget authority and outlays:

89.00 Budget authority	1	1	1
90.00 Outlays		1	1

The Secretary is authorized to accept and administer gifts and bequests of real and personal property to facilitate the work of the Department. Property and the proceeds thereof are used in accordance with the terms of the gift or bequest (7 U.S.C. 2269).

EXECUTIVE OPERATIONS

Federal Funds

EXECUTIVE OPERATIONS

CHIEF ECONOMIST

For necessary expenses of the Chief Economist, including economic analysis, risk assessment, cost-benefit analysis, energy and new uses, and the functions of the World Agricultural Outlook Board, as author-

ized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1622g), \$11,347,000.

NATIONAL APPEALS DIVISION

For necessary expenses of the National Appeals Division, \$15,056,000.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

For necessary expenses of the Office of Budget and Program Analysis, \$9,035,000.

HOMELAND SECURITY STAFF

For necessary expenses of the Homeland Security Staff, \$2,412,000.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-0705-0-1-352	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Chief Economist	12	11	11
00.03 National Appeals Division	14	14	15
00.04 Budget and program analysis	8	8	9
00.05 Homeland Security Staff	1	1	2
09.01 Reimbursable program	2	2	2
10.00 Total new obligations	37	36	39
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	38	36	39
23.95 Total new obligations	-37	-36	-39
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance carried forward, end of year			
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	34	34	37
Mandatory:			
62.00 Transferred from other accounts	2	2	2
70.00 Total new budget authority (gross)	38	36	39
Change in obligated balances:			
72.40 Obligated balance, start of year	8	12	13
73.10 Total new obligations	37	36	39
73.20 Total outlays (gross)	-35	-35	-39
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-2		
74.10 Change in uncollected customer payments from Federal sources (expired)	4		
74.40 Obligated balance, end of year	12	13	13
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	27	30	33
86.93 Outlays from discretionary balances	6	3	4
86.97 Outlays from new mandatory authority	2	2	2
87.00 Total outlays (gross)	35	35	39
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-2		
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-2		
88.96 Portion of offsetting collections (cash) credited to expired accounts	2		
Net budget authority and outlays:			
89.00 Budget authority	36	36	39
90.00 Outlays	33	35	39

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

The Office of the Chief Economist advises the Secretary of Agriculture on the economic implications of Department

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

WORKLOAD INDICATORS

	2006 actual	2007 est.	2008 est.
World Agricultural Supply and Demand Estimates Reports issued	12	12	12
Weekly Weather and Crop Bulletin issued	52	52	52

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

The Office of Budget and Program Analysis coordinates the preparation of departmental budget estimates and legislative reports; administers systems for the allotment and apportionment of funds; provides policy, program and budgetary analysis of United States Department of Agriculture (USDA) programs and proposals; and provides staff assistance to USDA agencies in meeting their responsibility for the development and review of regulations.

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

Object Classification (in millions of dollars)

Identification code 12-0705-0-1-352	2006 actual	2007 est.	2008 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	21	23	24
12.1 Civilian personnel benefits	5	5	5
21.0 Travel and transportation of persons	1	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	6	4	6
26.0 Supplies and materials	1	1	1
99.0 Direct obligations	35	35	38
99.0 Reimbursable obligations	2	1	1
99.9 Total new obligations	37	36	39

Employment Summary

Identification code 12-0705-0-1-352	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	219	240	252
Reimbursable:			
2001 Civilian full-time equivalent employment	3	5	4

OFFICE OF THE CHIEF FINANCIAL OFFICER

For necessary expenses of the Office of the Chief Financial Officer, \$30,863,000, of which \$24,787,000 shall be available until expended: Provided, That hereafter the Chief Financial Officer shall actively market and expand cross-servicing activities of the National Finance Center.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution

OFFICE OF THE CHIEF FINANCIAL OFFICER—Continued

(P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-0014-0-1-352	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Office of the Chief Financial Officer	6	6	31
09.01 Reimbursable	3	3	3
10.00 Total new obligations	9	9	34
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	10	11	36
23.95 Total new obligations	-9	-9	-34
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	6	6	31
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)		5	5
58.10 Change in uncollected customer payments from Federal sources (unexpired)	4		
58.90 Spending authority from offsetting collections (total discretionary)	4	5	5
70.00 Total new budget authority (gross)	10	11	36
Change in obligated balances:			
72.40 Obligated balance, start of year	-3		-2
73.10 Total new obligations	9	9	34
73.20 Total outlays (gross)	-10	-11	-34
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-4		
74.10 Change in uncollected customer payments from Federal sources (expired)	8		
74.40 Obligated balance, end of year		-2	-2
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	6	11	34
86.93 Outlays from discretionary balances	4		
87.00 Total outlays (gross)	10	11	34
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources Against gross budget authority only:	-5	-5	-5
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-4		
88.96 Portion of offsetting collections (cash) credited to expired accounts	5		
Net budget authority and outlays:			
89.00 Budget authority	6	6	31
90.00 Outlays	5	6	29

The Secretary established the Office of the Chief Financial Officer (OCFO) in 1995 under authority provided in Reorganization Plan Number 2 of 1953 (7 U.S.C. 2201) to comply with the CFO Act of 1990. OCFO focuses on the Department's financial and performance management activities to improve program delivery and assure maximum contribution to the Secretary's Strategic Goals.

Funding is requested to implement the Financial Management Modernization Initiative (FMMI) for the Department. Through FMMI, USDA will replace outdated mainframe technology with a modern, interactive core financial system which will strengthen the Departments internal controls, eliminate material weaknesses, and diminish improper payments. By consolidating several systems from across the Department, FMMI will allow for improved financial management and functional capability for USDA.

PERFORMANCE MEASURES

	2006 actual	2007 est.	2008 est.
Achieve an unqualified opinion on the USDA financial statements	Unqualified	Unqualified	Unqualified
Anti-deficiency violations	No	No	No

Object Classification (in millions of dollars)

Identification code 12-0014-0-1-352	2006 actual	2007 est.	2008 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	4	4	4
12.1 Civilian personnel benefits	1	1	1
25.2 Other services	1	1	26
99.0 Direct obligations	6	6	31
99.0 Reimbursable obligations	3	3	3
99.9 Total new obligations	9	9	34

Employment Summary

Identification code 12-0014-0-1-352	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	38	38	38
Reimbursable:			
2001 Civilian full-time equivalent employment	17	17	17

OFFICE OF THE CHIEF INFORMATION OFFICER

For necessary expenses of the Office of the Chief Information Officer, \$17,024,000.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-0013-0-1-352	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Office of the Chief Information Officer	16	16	17
09.01 Reimbursable program	55	55	55
10.00 Total new obligations	71	71	72
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	91	71	72
23.95 Total new obligations	-71	-71	-72
23.98 Unobligated balance expiring or withdrawn	-21		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	16	16	17
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	18	55	55
58.10 Change in uncollected customer payments from Federal sources (unexpired)	57		
58.90 Spending authority from offsetting collections (total discretionary)	75	55	55
70.00 Total new budget authority (gross)	91	71	72
Change in obligated balances:			
72.40 Obligated balance, start of year	2	-29	-29
73.10 Total new obligations	71	71	72
73.20 Total outlays (gross)	-67	-71	-72
73.40 Adjustments in expired accounts (net)	-1		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-57		
74.10 Change in uncollected customer payments from Federal sources (expired)	23		
74.40 Obligated balance, end of year	-29	-29	-29
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	43	71	72
86.93 Outlays from discretionary balances	24		
87.00 Total outlays (gross)	67	71	72

Offsets:			
	Against gross budget authority and outlays:		
88.00	Offsetting collections (cash) from: Federal sources	-41	-55 -55
	Against gross budget authority only:		
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-57	
88.96	Portion of offsetting collections (cash) credited to expired accounts	23	
Net budget authority and outlays:			
89.00	Budget authority	16	16 17
90.00	Outlays	26	16 17

The Clinger-Cohen Act of 1996 required the establishment of a Chief Information Officer (CIO) for all major Federal agencies. The Act requires USDA to maximize the value of information technology acquisitions to improve the efficiency and effectiveness of USDA programs. To meet the intent of the law and to provide a Departmental focus for information resources management issues, Secretary's Memorandum 1030-30, dated August 8, 1996, established the Office of the Chief Information Officer (OCIO). The CIO serves as the primary advisor to the Secretary and Mission Area Heads on information technology issues. OCIO provides leadership for the Department's information and information technology (IT) management activities in support of USDA program delivery.

OCIO is leading USDA's efforts to transform the Department's delivery of information, programs, and services using integrated services that simplify citizen's interaction with their Government. OCIO is designing the Department's Enterprise Architecture to efficiently support USDA's move towards consolidation and standardization. OCIO is strengthening USDA's Computer Security Program to mitigate threats to USDA's information and IT assets and support the Department's Homeland Security efforts. OCIO continues to facilitate the USDA IT Capital Planning and Control investment review process by providing guidance and support to the Department's Executive IT Investment Review Board, which approves all major technology investments to ensure that they economically and effectively support program delivery.

In addition, OCIO is coordinating the Departments participation in 21 Presidential E-Government initiatives and 8 Lines of Business to support the President's Management Agenda goal to expand E-Government. Through these activities, the Department is transforming and enhancing its program delivery while improving the availability of information to the public.

Funded through the USDA Working Capital Fund, OCIO provides automated data processing (ADP) and wide-area telecommunications services to all USDA agencies through the National Information Technology Center and the Telecommunications Services and Operations organization, with locations in Ft. Collins, Colorado; Kansas City, Missouri; and Washington, D.C. Direct ADP services are provided to the Office of the Secretary, Office of the General Counsel, Office of Communications, Office of the Chief Financial Office, and Executive Operations.

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

PERFORMANCE MEASURES

Office of the Chief Information Officer

	FY 2005	FY 2006	FY 2007
Increase Return on Investment (ROI) for eGovernment and Lines of Business (LOB) common solutions	N.A.	5%	5%
Percent of USDA IT systems that are certified, accredited, or otherwise authorized as being properly secured	100%	100%	100%
Percent of identified population that completed annual security awareness refresher training	90%	90%	90%

Number of program security reviews completed	8	8	8
Through the use of Earned Value Management (EVM), increase the percentage of USDA IT projects that are within 10% of cost/schedule/performance objectives	100%	100%	100%

Object Classification (in millions of dollars)

Identification code 12-0013-0-1-352	2006 actual	2007 est.	2008 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	7	7	7
12.1 Civilian personnel benefits	1	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	7	7	8
99.0 Direct obligations	16	16	17
99.0 Reimbursable obligations	55	55	55
99.9 Total new obligations	71	71	72

Employment Summary

Identification code 12-0013-0-1-352	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	66	66	66
Reimbursable:			
2001 Civilian full-time equivalent employment	3	3	3

COMMON COMPUTING ENVIRONMENT

Program and Financing (in millions of dollars)

Identification code 12-0113-0-1-352	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Common computing environment	110	45	
09.01 Reimbursable program	21	21	5
10.00 Total new obligations	131	66	5
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	14	27	10
22.00 New budget authority (gross)	118	49	5
22.10 Resources available from recoveries of prior year obligations	26		
23.90 Total budgetary resources available for obligation	158	76	15
23.95 Total new obligations	-131	-66	-5
24.40 Unobligated balance carried forward, end of year	27	10	10
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	110	38	
40.35 Appropriation permanently reduced	-1		
43.00 Appropriation (total discretionary)	109	38	
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	11	11	5
58.10 Change in uncollected customer payments from Federal sources (unexpired)	-2		
58.90 Spending authority from offsetting collections (total discretionary)	9	11	5
70.00 Total new budget authority (gross)	118	49	5
Change in obligated balances:			
72.40 Obligated balance, start of year	64	18	15
73.10 Total new obligations	131	66	5
73.20 Total outlays (gross)	-153	-69	-20
73.45 Recoveries of prior year obligations	-26		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	2		
74.40 Obligated balance, end of year	18	15	
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	97	49	5
86.93 Outlays from discretionary balances	56	20	15

COMMON COMPUTING ENVIRONMENT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-0113-0-1-352	2006 actual	2007 est.	2008 est.
87.00 Total outlays (gross)	153	69	20
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-11	-11	-5
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	2		
Net budget authority and outlays:			
89.00 Budget authority	109	38	
90.00 Outlays	142	58	15

The Department of Agriculture Reorganization Act of 1994 requires the Secretary of Agriculture to procure and use computer systems in a manner that enhances efficiency, productivity, and client services, and that promotes computer information sharing among agencies of the Department. The USDA Service Center Modernization Initiative (SCMI) created the common computing environment (CCE) to optimize information sharing, customer service, and staff efficiencies. The funds provided under this account fund essential capital investments. Without these investments, the Department's ability to provide timely and efficient services will continue to erode. A reorganization that combines the information technology (IT) staffs of the Service Center Agencies (SCA) into one IT organization with OCIO went into effect on November 28, 2004. The organization, the Information Technology Services (ITS), replaced a network of cross-agency teams used to co-ordinate IT infrastructure investment within the SCA and allows for unified management of the IT infrastructure. The ITS delivers the following classes of technology services: Acquisition and Asset Management, Application Development and Deployment, Customer Support and End User Computing, Data Utility, Hosting, Security, Telecommunications and Web Services. Service Level Agreements (SLAs) that specify performance metrics will be negotiated with the SCA for each class of service. For 2008, funding for this account is being requested through the individual agencies.

Object Classification (in millions of dollars)

Identification code 12-0113-0-1-352	2006 actual	2007 est.	2008 est.
Direct obligations:			
23.3 Communications, utilities, and miscellaneous charges	2		
25.2 Other services	36	45	
25.3 Other purchases of goods and services from Government accounts	30		
26.0 Supplies and materials	20		
31.0 Equipment	22		
99.0 Direct obligations	110	45	
99.0 Reimbursable obligations	21	21	5
99.9 Total new obligations	131	66	5

WORKING CAPITAL FUND

Program and Financing (in millions of dollars)

Identification code 12-4609-0-4-352	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
09.01 Administration	33	28	28
09.02 Communications	8	7	7
09.03 Finance and management	210	180	190
09.04 Information technology	311	277	283
09.05 Executive secretariat	3	3	3
09.06 Corporate systems	56	70	75

09.09 Subtotal, operating expenses	621	565	586
09.12 Finance and management	16	4	6
09.13 Information technology		8	6
09.15 Corporate systems	9	3	5
09.19 Subtotal, purchase of equipment	25	15	17
10.00 Total new obligations	646	580	603

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	98	93	109
22.00 New budget authority (gross)	637	596	588
22.10 Resources available from recoveries of prior year obligations	1		
22.22 Unobligated balance transferred from other accounts	3		
23.90 Total budgetary resources available for obligation	739	689	697
23.95 Total new obligations	-646	-580	-603
24.40 Unobligated balance carried forward, end of year	93	109	94

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	60		
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	668	596	588
58.10 Change in uncollected customer payments from Federal sources (unexpired)	-91		
58.90 Spending authority from offsetting collections (total discretionary)	577	596	588
70.00 Total new budget authority (gross)	637	596	588

Change in obligated balances:

72.40 Obligated balance, start of year	-42	73	33
73.10 Total new obligations	646	580	603
73.20 Total outlays (gross)	-621	-620	-589
73.45 Recoveries of prior year obligations	-1		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	91		
74.40 Obligated balance, end of year	73	33	47

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	547	516	509
86.93 Outlays from discretionary balances	74	104	80
87.00 Total outlays (gross)	621	620	589

Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-661	-592	-584
88.40 Non-Federal sources	-7	-4	-4
88.90 Total, offsetting collections (cash)	-668	-596	-588
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	91		

Net budget authority and outlays:

89.00 Budget authority	60		
90.00 Outlays	-47	24	1

This fund finances by advances or reimbursements certain central services in the Department of Agriculture, including duplicating and other visual information services, art and graphics, video services, supply, centralized accounting systems, centralized automated data processing systems for payroll, personnel, and related services, voucher payments services, and Information Technology systems. The National Finance Center's expenses are also funded through this fund. The capital consists of \$400 thousand appropriated (7 U.S.C. 2235), and subsequent appropriations of \$45 million as of September 30, 2006. Earnings are kept at a low level through adjustments in rates charged for services to maintain as nearly as possible the nonprofit nature of the fund.

Object Classification (in millions of dollars)

Identification code 12-4609-0-4-352	2006 actual	2007 est.	2008 est.
Reimbursable obligations:			

Personnel compensation:				
11.1	Full-time permanent	154	169	165
11.3	Other than full-time permanent	1	2	2
11.5	Other personnel compensation	9	1	1
11.9	Total personnel compensation	164	172	168
12.1	Civilian personnel benefits	43	46	45
21.0	Travel and transportation of persons	6	4	4
22.0	Transportation of things	1	1	1
23.1	Rental payments to GSA	3	5	4
23.2	Rental payments to others	10	2	3
23.3	Communications, utilities, and miscellaneous charges	107	66	83
24.0	Printing and reproduction	1	1	1
25.2	Other services	256	249	256
26.0	Supplies and materials	16	13	13
31.0	Equipment	39	21	25
99.9	Total new obligations	646	580	603

Employment Summary

Identification code 12-4609-0-4-352	2006 actual	2007 est.	2008 est.
Reimbursable:			
2001 Civilian full-time equivalent employment	2,325	2,965	2,723

OFFICE OF CIVIL RIGHTS

Federal Funds

OFFICE OF CIVIL RIGHTS

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of Civil Rights, \$23,147,000.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-3800-0-1-352	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Office of Civil Rights	20	20	23
09.01 Reimbursable program	5	4	5
10.00 Total new obligations	25	24	28
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	25	24	28
23.95 Total new obligations	-25	-24	-28
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	20	20	23
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)		4	5
58.10 Change in uncollected customer payments from Federal sources (unexpired)	5		
58.90 Spending authority from offsetting collections (total discretionary)	5	4	5
70.00 Total new budget authority (gross)	25	24	28
Change in obligated balances:			
72.40 Obligated balance, start of year	-1	7	7
73.10 Total new obligations	25	24	28
73.20 Total outlays (gross)	-22	-24	-28
73.40 Adjustments in expired accounts (net)	5		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-5		
74.10 Change in uncollected customer payments from Federal sources (expired)	5		
74.40 Obligated balance, end of year	7	7	7
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	22	24	28
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-5	-4	-5

Against gross budget authority only:			
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-5	
88.96	Portion of offsetting collections (cash) credited to expired accounts	5	

Net budget authority and outlays:

89.00	Budget authority	20	20	23
90.00	Outlays	17	20	23

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

Object Classification (in millions of dollars)

Identification code 12-3800-0-1-352	2006 actual	2007 est.	2008 est.	
Direct obligations:				
11.1	Personnel compensation: Full-time permanent	12	13	13
12.1	Civilian personnel benefits	3	3	3
25.2	Other services			2
25.3	Other purchases of goods and services from Government accounts	4	4	4
99.0	Direct obligations	19	20	22
99.0	Reimbursable obligations	5	4	4
99.5	Below reporting threshold	1		2
99.9	Total new obligations	25	24	28

Employment Summary

Identification code 12-3800-0-1-352	2006 actual	2007 est.	2008 est.	
Direct:				
1001	Civilian full-time equivalent employment	140	144	144
Reimbursable:				
2001	Civilian full-time equivalent employment	6	10	10

DEPARTMENTAL ADMINISTRATION

Federal Funds

DEPARTMENTAL ADMINISTRATION

(INCLUDING TRANSFERS OF FUNDS)

For Departmental Administration, \$24,608,000, to provide for necessary expenses for management support services to offices of the Department and for general administration, security, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department: Provided, That this appropriation shall be reimbursed from applicable appropriations in this Act for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551-558.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-0120-0-1-352	2006 actual	2007 est.	2008 est.	
Obligations by program activity:				
00.08	Departmental administration	22	23	25
09.01	Reimbursable program	23	17	18
10.00	Total new obligations	45	40	43
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	48	40	43

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

Program and Financing (in millions of dollars)—Continued

Identification code 12-0120-0-1-352	2006 actual	2007 est.	2008 est.
23.95 Total new obligations	-45	-40	-43
23.98 Unobligated balance expiring or withdrawn	-3		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	23	23	25
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	4	17	18
58.10 Change in uncollected customer payments from Federal sources (unexpired)	21		
58.90 Spending authority from offsetting collections (total discretionary)	25	17	18
70.00 Total new budget authority (gross)	48	40	43
Change in obligated balances:			
72.40 Obligated balance, start of year	-7	-14	-12
73.10 Total new obligations	45	40	43
73.20 Total outlays (gross)	-42	-38	-43
73.40 Adjustments in expired accounts (net)	1		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-21		
74.10 Change in uncollected customer payments from Federal sources (expired)	10		
74.40 Obligated balance, end of year	-14	-12	-12
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	44	38	41
86.93 Outlays from discretionary balances	-2		2
87.00 Total outlays (gross)	42	38	43
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources Against gross budget authority only:	-14	-17	-18
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-21		
88.96 Portion of offsetting collections (cash) credited to expired accounts	10		
Net budget authority and outlays:			
89.00 Budget authority	23	23	25
90.00 Outlays	28	21	25

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

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

Object Classification (in millions of dollars)

Identification code 12-0120-0-1-352	2006 actual	2007 est.	2008 est.
Direct obligations:			

11.1 Personnel compensation: Full-time permanent	14	15	15
12.1 Civilian personnel benefits	3	4	4
23.3 Communications, utilities, and miscellaneous charges	1		1
25.2 Other services	2	2	2
25.3 Other purchases of goods and services from Government accounts	1	1	2
31.0 Equipment	1		
99.0 Direct obligations	22	22	24
99.0 Reimbursable obligations	22	16	17
99.5 Below reporting threshold	1	2	2
99.9 Total new obligations	45	40	43

Employment Summary

Identification code 12-0120-0-1-352	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	176	180	180
Reimbursable:			
2001 Civilian full-time equivalent employment	64	87	86

HAZARDOUS MATERIALS MANAGEMENT
(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Department of Agriculture, to comply with the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9601 et seq.) and the Resource Conservation and Recovery Act (42 U.S.C. 6901 et seq.), \$12,200,000, to remain available until expended: Provided, That appropriations and funds available herein to the Department for Hazardous Materials Management may be transferred to any agency of the Department for its use in meeting all requirements pursuant to the above Acts on Federal and non-Federal lands. (42 U.S.C. 6961, et seq., 42 U.S.C. 9601, et seq.)

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-0500-0-1-304	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Hazardous materials management	17	12	12
10.00 Total new obligations (object class 25.2)	17	12	12
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	6	1	1
22.00 New budget authority (gross)	12	12	12
23.90 Total budgetary resources available for obligation	18	13	13
23.95 Total new obligations	-17	-12	-12
24.40 Unobligated balance carried forward, end of year	1	1	1
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	12	12	12
Change in obligated balances:			
72.40 Obligated balance, start of year	18	24	23
73.10 Total new obligations	17	12	12
73.20 Total outlays (gross)	-11	-13	-13
74.40 Obligated balance, end of year	24	23	22
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	11	11	11
86.93 Outlays from discretionary balances		2	2
87.00 Total outlays (gross)	11	13	13
Net budget authority and outlays:			
89.00 Budget authority	12	12	12
90.00 Outlays	11	13	13

Under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and the Resource Con-

servation and Recovery Act (RCRA), the Department has the responsibility to meet the same standards for environmental cleanup and regulatory compliance regarding hazardous wastes and hazardous substances as private businesses. With substantial commitments under these Acts, a central fund has been established so that the Department's agencies may be reimbursed for their cleanup efforts. Projects are selected for funding according to objective criteria.

Employment Summary

Identification code 12-0500-0-1-304	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	7	7	7

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

For payment of space rental and related costs pursuant to Public Law 92-313, including authorities pursuant to the 1984 delegation of authority from the Administrator of General Services to the Department of Agriculture under 40 U.S.C. 486, for programs and activities of the Department which are included in this Act, and for alterations and other actions needed for the Department and its agencies to consolidate unneeded space into configurations suitable for release to the Administrator of General Services, and for the operation, maintenance, improvement, and repair of Agriculture buildings and facilities, and for related costs, \$216,837,000, to remain available until expended, of which \$156,590,000 shall be available for payments to the General Services Administration for rent and the Department of Homeland Security for building security: Provided, That amounts which are made available for space rental and related costs for the Department of Agriculture in this Act may be transferred between such appropriations to cover the costs of additional, new, or replacement space 15 days after notice thereof is transmitted to the Appropriations Committees of both Houses of Congress.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-0117-0-1-352	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Rental payments to GSA: Non-recurring repairs	147	140	157
00.02 Building operations and maintenance	41	39	60
00.04 Strategic space plan	2		
09.02 Reimbursable program	5	3	3
10.00 Total new obligations	195	182	220
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	4	11	11
22.00 New budget authority (gross)	190	182	220
22.10 Resources available from recoveries of prior year obligations	12		
23.90 Total budgetary resources available for obligation	206	193	231
23.95 Total new obligations	-195	-182	-220
24.40 Unobligated balance carried forward, end of year	11	11	11
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	188	179	217
40.35 Appropriation permanently reduced	-2		
43.00 Appropriation (total discretionary)	186	179	217
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	2	3	3
58.10 Change in uncollected customer payments from Federal sources (unexpired)	2		
58.90 Spending authority from offsetting collections (total discretionary)	4	3	3
70.00 Total new budget authority (gross)	190	182	220

Change in obligated balances:			
72.40 Obligated balance, start of year	52	18	20
73.10 Total new obligations	195	182	220
73.20 Total outlays (gross)	-215	-180	-220
73.45 Recoveries of prior year obligations	-12		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-2		
74.40 Obligated balance, end of year	18	20	20

Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	188	180	218
86.93 Outlays from discretionary balances	27		2
87.00 Total outlays (gross)	215	180	220

Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-2	-3	-3
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-2		

Net budget authority and outlays:			
89.00 Budget authority	186	179	217
90.00 Outlays	213	177	217

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

Object Classification (in millions of dollars)

Identification code 12-0117-0-1-352	2006 actual	2007 est.	2008 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	6	7	7
12.1 Civilian personnel benefits	2	2	2
23.1 Rental payments to GSA	147	140	157
23.3 Communications, utilities, and miscellaneous charges	9	8	10
25.2 Other services	26	22	41
99.0 Direct obligations	190	179	217
99.0 Reimbursable obligations	5	3	3
99.9 Total new obligations	195	182	220

Employment Summary

Identification code 12-0117-0-1-352	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	74	86	86

OFFICE OF COMMUNICATIONS

Federal Funds

OFFICE OF COMMUNICATIONS

For necessary expenses to carry out services relating to the coordination of programs involving public affairs, for the dissemination of agricultural information, and the coordination of information, work, and programs authorized by Congress in the Department, \$9,720,000: Provided, That not to exceed \$2,000,000 may be used for farmers' bulletins.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-0150-0-1-352	2006 actual	2007 est.	2008 est.
Obligations by program activity:			

OFFICE OF COMMUNICATIONS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-0150-0-1-352	2006 actual	2007 est.	2008 est.
00.01 Public affairs	9	9	10
10.00 Total new obligations	9	9	10
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	9	10	11
23.95 Total new obligations	-9	-9	-10
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	9	9	10
58.00 Spending authority from offsetting collections: Offsetting collections (cash)		1	1
70.00 Total new budget authority (gross)	9	10	11
Change in obligated balances:			
72.40 Obligated balance, start of year	1	1	1
73.10 Total new obligations	9	9	10
73.20 Total outlays (gross)	-9	-10	-11
73.40 Adjustments in expired accounts (net)		1	1
74.40 Obligated balance, end of year	1	1	1
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	9	9	10
86.93 Outlays from discretionary balances		1	1
87.00 Total outlays (gross)	9	10	11
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources		-1	-1
Net budget authority and outlays:			
89.00 Budget authority	9	9	10
90.00 Outlays	9	9	10

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

Object Classification (in millions of dollars)

Identification code 12-0150-0-1-352	2006 actual	2007 est.	2008 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	7	6	6
12.1 Civilian personnel benefits	1	1	1
99.0 Direct obligations	8	7	7
99.0 Reimbursable obligations		2	2
99.5 Below reporting threshold	1		1
99.9 Total new obligations	9	9	10

Employment Summary

Identification code 12-0150-0-1-352	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	70	79	79

OFFICE OF THE INSPECTOR GENERAL

Federal Funds

OFFICE OF THE INSPECTOR GENERAL

For necessary expenses of the Office of the Inspector General, including employment pursuant to the Inspector General Act of 1978, \$83,998,000, including such sums as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(9) of the Inspector General Act of 1978, and including not to exceed \$125,000 for certain confidential operational expenses, including the payment of informants, to be expended under the direction of the Inspector General pursuant to Public Law 95-452 and section 1337 of Public Law 97-98. (7 U.S.C. 450b, 2201, 2202, 2220, 2270; Public Law 100-504.)

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-0900-0-1-352	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Office of the Inspector General	81	82	82
09.01 Reimbursable program	3	3	3
10.00 Total new obligations	84	85	85
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3	4	2
22.00 New budget authority (gross)	85	83	88
23.90 Total budgetary resources available for obligation	88	87	90
23.95 Total new obligations	-84	-85	-85
24.40 Unobligated balance carried forward, end of year	4	2	5
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	81	79	84
40.35 Appropriation permanently reduced	-1		
43.00 Appropriation (total discretionary)	80	79	84
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	4	4	4
58.10 Change in uncollected customer payments from Federal sources (unexpired)	1		
58.90 Spending authority from offsetting collections (total discretionary)	5	4	4
70.00 Total new budget authority (gross)	85	83	88
Change in obligated balances:			
72.40 Obligated balance, start of year	5	8	13
73.10 Total new obligations	84	85	85
73.20 Total outlays (gross)	-82	-83	-87
73.40 Adjustments in expired accounts (net)	-1		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-1		
74.10 Change in uncollected customer payments from Federal sources (expired)	3	3	3
74.40 Obligated balance, end of year	8	13	14
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	75	76	80
86.93 Outlays from discretionary balances	7	7	7
87.00 Total outlays (gross)	82	83	87
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-7	-4	-4
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-1		
88.96 Portion of offsetting collections (cash) credited to expired accounts	3		
Net budget authority and outlays:			
89.00 Budget authority	80	79	84
90.00 Outlays	75	79	83

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

70.00	Total new budget authority (gross)	42	43	46
Change in obligated balances:				
72.40	Obligated balance, start of year	2	4	4
73.10	Total new obligations	42	43	46
73.20	Total outlays (gross)	-40	-43	-46
74.40	Obligated balance, end of year	4	4	4
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	38	41	44
86.93	Outlays from discretionary balances	2	2	2
87.00	Total outlays (gross)	40	43	46
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-3	-4	-4
Net budget authority and outlays:				
89.00	Budget authority	39	39	42
90.00	Outlays	37	39	42

Object Classification (in millions of dollars)

Identification code 12-0900-0-1-352	2006 actual	2007 est.	2008 est.	
Direct obligations:				
11.1	Personnel compensation: Full-time permanent	52	52	52
12.1	Civilian personnel benefits	15	16	16
21.0	Travel and transportation of persons	5	5	5
23.3	Communications, utilities, and miscellaneous charges	2	2	2
25.2	Other services	4	4	4
25.3	Other purchases of goods and services from Government accounts	1	1	1
26.0	Supplies and materials	1	1	1
31.0	Equipment	1	1	1
99.0	Direct obligations	81	82	82
99.0	Reimbursable obligations	3	3	3
99.9	Total new obligations	84	85	85

Employment Summary

Identification code 12-0900-0-1-352	2006 actual	2007 est.	2008 est.	
Direct:				
1001	Civilian full-time equivalent employment	595	615	620

OFFICE OF THE GENERAL COUNSEL

Federal Funds

OFFICE OF THE GENERAL COUNSEL

For necessary expenses of the Office of the General Counsel, \$41,721,000. (7 U.S.C. 2201; 2202, 2214a.)

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-2300-0-1-352	2006 actual	2007 est.	2008 est.	
Obligations by program activity:				
00.01	Office of the General Counsel	39	39	42
09.00	Reimbursable program	3	4	4
10.00	Total new obligations	42	43	46
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	42	43	46
23.95	Total new obligations	-42	-43	-46
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	39	39	42
58.00	Spending authority from offsetting collections: Offsetting collections (cash)	3	4	4

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

Object Classification (in millions of dollars)

Identification code 12-2300-0-1-352	2006 actual	2007 est.	2008 est.	
Direct obligations:				
11.1	Personnel compensation: Full-time permanent	28	29	31
12.1	Civilian personnel benefits	7	7	8
23.3	Communications, utilities, and miscellaneous charges	1	1	1
25.2	Other services	1	1	1
26.0	Supplies and materials	1	1	1
31.0	Equipment	1	1	1
99.0	Direct obligations	39	39	42
99.0	Reimbursable obligations	3	4	4
99.9	Total new obligations	42	43	46

Employment Summary

Identification code 12-2300-0-1-352	2006 actual	2007 est.	2008 est.	
Direct:				
1001	Civilian full-time equivalent employment	295	301	306
Reimbursable:				
2001	Civilian full-time equivalent employment	22	24	24

ECONOMIC RESEARCH SERVICE

Federal Funds

ECONOMIC RESEARCH SERVICE

For necessary expenses of the Economic Research Service in conducting economic research and analysis, \$82,544,000. (7 U.S.C. 292, 411, 427, 1441a, 1704, 1761-68, 2201, 2202, 2225, 3103, 3291, 3311, 3504; 22 U.S.C. 3101; 42 U.S.C. 1891-93; 44 U.S.C. 3501-11; 50 U.S.C. 2061 et seq.)

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

ECONOMIC RESEARCH SERVICE—Continued

Program and Financing (in millions of dollars)

Identification code 12-1701-0-1-352	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Economic Research Service	75	75	83
09.00 Reimbursable program	1	2	2
10.00 Total new obligations	76	77	85
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	76	77	85
23.95 Total new obligations	-76	-77	-85
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	76	75	83
40.35 Appropriation permanently reduced	-1		
43.00 Appropriation (total discretionary)	75	75	83
58.00 Spending authority from offsetting collections: Offsetting collections (cash)	1	2	2
70.00 Total new budget authority (gross)	76	77	85
Change in obligated balances:			
72.40 Obligated balance, start of year	28	30	23
73.10 Total new obligations	76	77	85
73.20 Total outlays (gross)	-74	-84	-84
73.40 Adjustments in expired accounts (net)	-2		
74.10 Change in uncollected customer payments from Federal sources (expired)	2		
74.40 Obligated balance, end of year	30	23	24
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	57	67	74
86.93 Outlays from discretionary balances	17	17	10
87.00 Total outlays (gross)	74	84	84
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-1	-2	-2
Net budget authority and outlays:			
89.00 Budget authority	75	75	83
90.00 Outlays	73	82	82

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

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

The 2008 Budget request includes a program increase of \$5 million to strengthen and enhance the ERS market analysis and outlook program to provide timely analysis of global agricultural product markets and a program increase of \$1 million to strengthen ERS' research and modeling capacity in the area of bio-energy. Particular emphasis will be given to the market impacts associated with bio-energy development.

Object Classification (in millions of dollars)

Identification code 12-1701-0-1-352	2006 actual	2007 est.	2008 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	37	38	42
11.3 Other than full-time permanent	1	1	1
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	39	40	44
12.1 Civilian personnel benefits	8	8	9
13.0 Benefits for former personnel	1		
21.0 Travel and transportation of persons	1	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1

25.2 Other services	6	6	7
25.3 Other purchases of goods and services from Government accounts	11	11	11
25.5 Research and development contracts	5	5	7
26.0 Supplies and materials	1	1	1
31.0 Equipment	1	1	1
41.0 Grants, subsidies, and contributions	1	1	1
99.0 Direct obligations	75	75	83
99.0 Reimbursable obligations	1	2	2
99.9 Total new obligations	76	77	85

Employment Summary

Identification code 12-1701-0-1-352	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	400	412	442
Reimbursable:			
2001 Civilian full-time equivalent employment	4	4	4

NATIONAL AGRICULTURAL STATISTICS SERVICE

Federal Funds

NATIONAL AGRICULTURAL STATISTICS SERVICE

For necessary expenses of the National Agricultural Statistics Service in conducting statistical reporting and service work, \$167,699,000, of which up to \$54,325,000 shall be available until expended for the Census of Agriculture. (7 U.S.C. 411, 411a, 411b, 427, 471, 475, 476, 501, 951, 953, 955-57, 2201, 2202, 2204, 2225, 2248, 3103, 3311, 3504; 18 U.S.C. 1902, 1905, 2072; 42 U.S.C. 1891-93; 44 U.S.C. 3501-11; 50 U.S.C. 2061 et seq., 2251 et seq.)

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-1801-0-1-352	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Agricultural estimates	103	104	107
00.02 Statistical research and service	6	7	7
00.03 Census of agriculture	31	29	54
09.01 Reimbursable program	21	18	15
10.00 Total new obligations	161	158	183
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2	1	1
22.00 New budget authority (gross)	160	158	183
23.90 Total budgetary resources available for obligation	162	159	184
23.95 Total new obligations	-161	-158	-183
24.40 Unobligated balance carried forward, end of year	1	1	1
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	140	140	168
40.35 Appropriation permanently reduced	-1		
43.00 Appropriation (total discretionary)	139	140	168
58.00 Spending authority from offsetting collections: Offsetting collections (cash)	10	18	15
58.10 Change in uncollected customer payments from Federal sources (unexpired)	10		
58.90 Spending authority from offsetting collections (total discretionary)	20	18	15
Mandatory:			
60.26 Appropriation (trust fund)	1		
70.00 Total new budget authority (gross)	160	158	183
Change in obligated balances:			
72.40 Obligated balance, start of year	16	13	10
73.10 Total new obligations	161	158	183
73.20 Total outlays (gross)	-163	-161	-185

74.00	Change in uncollected customer payments from Federal sources (unexpired)	- 10		
74.10	Change in uncollected customer payments from Federal sources (expired)	9		
74.40	Obligated balance, end of year	13	10	8
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	139	143	165
86.93	Outlays from discretionary balances	23	18	20
86.97	Outlays from new mandatory authority	1		
87.00	Total outlays (gross)	163	161	185
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	- 15	- 15	- 12
88.40	Non-Federal sources	- 5	- 3	- 3
88.90	Total, offsetting collections (cash)	- 20	- 18	- 15
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	- 10		
88.96	Portion of offsetting collections (cash) credited to expired accounts	10		
Net budget authority and outlays:				
89.00	Budget authority	140	140	168
90.00	Outlays	143	143	170

Agricultural estimates.—The Service provides the official National and State estimates of acreage, yield, and production of crops, stocks, and value of farm commodities, and numbers of inventory values of livestock items. Data on approximately 120 crops and 45 livestock products are covered in over 500 reports issued each year. Detailed data are also collected on agricultural chemical use, labor, and expenditures. In addition, the Census of Agriculture is conducted every five years which provides comprehensive data on the Nation's agricultural industry down to the county level. Incentives and promotional items are used by NASS to support outreach efforts to maximize response rates on surveys and the Census of Agriculture.

The work under this activity is conducted through 46 field offices serving the 50 States and Puerto Rico; most of these offices are operated as joint State and Federal services. Cooperative arrangements with State agencies provide additional State and county data.

Census of Agriculture.—The Census of Agriculture is conducted every five years. A proposed program increase of \$24.7 million due to cyclical activities will be used for many significant data collection and processing activities to occur in 2008.

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

Object Classification (in millions of dollars)

Identification code 12-1801-0-1-352	2006 actual	2007 est.	2008 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	71	75	77
11.3	Other than full-time permanent	1	1	1
11.5	Other personnel compensation	1	1	1
11.9	Total personnel compensation	73	77	79
12.1	Civilian personnel benefits	18	18	20
21.0	Travel and transportation of persons	2	2	2
22.0	Transportation of things	1	1	1
23.3	Communications, utilities, and miscellaneous charges	5	5	9
25.2	Other services	22	22	35
25.3	Other purchases of goods and services from Government accounts	9	7	14
25.7	Operation and maintenance of equipment	3	1	1
26.0	Supplies and materials	2	2	2
31.0	Equipment	5	5	5

99.0	Direct obligations	140	140	168
99.0	Reimbursable obligations	21	18	15
99.9	Total new obligations	161	158	183

Employment Summary

Identification code 12-1801-0-1-352	2006 actual	2007 est.	2008 est.	
Direct:				
1001	Civilian full-time equivalent employment	1,029	1,033	1,033
Reimbursable:				
2001	Civilian full-time equivalent employment	106	106	106

AGRICULTURAL RESEARCH SERVICE

Federal Funds

SALARIES AND EXPENSES

For necessary expenses to enable the Agricultural Research Service to perform agricultural research and demonstration relating to production, utilization, marketing, and distribution (not otherwise provided for); home economics or nutrition and consumer use including the acquisition, preservation, and dissemination of agricultural information; and for acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed \$100, and for land exchanges where the lands exchanged shall be of equal value or shall be equalized by a payment of money to the grantor which shall not exceed 25 percent of the total value of the land or interests transferred out of Federal ownership, \$1,021,517,000: Provided, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed one for replacement only: Provided further, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building shall not exceed \$375,000, except for headhouses or greenhouses which shall each be limited to \$1,200,000, and except for 10 buildings to be constructed or improved at a cost not to exceed \$750,000 each, and the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building or \$375,000, whichever is greater: Provided further, That the limitations on alterations contained in this Act shall not apply to modernization or replacement of existing facilities at Beltsville, Maryland: Provided further, That appropriations hereunder shall be available for granting easements at the Beltsville Agricultural Research Center: Provided further, That the foregoing limitations shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a): Provided further, That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing or operating any research facility or research project of the Agricultural Research Service, as authorized by law: Provided further, That the Secretary, through the Agricultural Research Service, or successor, is authorized to lease approximately 40 acres of land at the Central Plains Experiment Station, Nunn, Colorado, to the Board of Governors of the Colorado State University System, for its Shortgrass Steppe Biological Field Station, on such terms and conditions as the Secretary deems in the public interest: Provided further, That the Secretary understands that it is the intent of the University to construct research and educational buildings on the subject acreage and to conduct agricultural research and educational activities in these buildings: Provided further, That as consideration for a lease, the Secretary may accept the benefits of mutual cooperative research to be conducted by the Colorado State University and the Government at the Shortgrass Steppe Biological Field Station: Provided further, That the term of any lease shall be for no more than 20 years, but a lease may be renewed at the option of the Secretary on such terms and conditions as the Secretary deems in the public interest: Provided further, That the Agricultural Research Service may convey all rights and title of the United States, to a parcel of land comprising approximately 19 acres, located in Section 2, Township 18 North, Range 14 East in Oktibbeha County, Mississippi, originally conveyed by the Board of Trustees of the Institution of Higher Learning of the State of Mississippi, and described in instruments recorded in Deed Book 306 at pages 553-554, Deed Book 319 at page 219, and Deed Book 33 at page 115, of the public land records of Oktibbeha County, Mississippi, including facilities, and fixed equipment, to the Mis-

SALARIES AND EXPENSES—Continued

Mississippi State University, Starkville, Mississippi, in their "as is" condition, when vacated by the Agricultural Research Service: Provided further, That none of the funds appropriated under this heading shall be available to carry out research related to the production, processing, or marketing of tobacco or tobacco products. (7 U.S.C. 328, 427, 427i, 1281 note, 1621, 2201, 2204, 2225, 3101 note; 10 U.S.C. 2306; 16 U.S.C. 590(a)-590(b), 590(k); 18 U.S.C. 1114; 19 U.S.C. 1306(a), 1306(c); 20 U.S.C. 191-194; 21 U.S.C. 114c, 114e-131; 42 U.S.C. 1476(e), 1483.)

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-1400-0-1-352	2006 actual	2007 est.	2008 est.
01.00 Balance, start of year		6	6
Adjustments:			
01.91 Adjustments	4		
01.99 Balance, start of year	4	6	6
Receipts:			
02.20 Proceeds of land sales, ARS	2		
04.00 Total: Balances and collections	6	6	6
07.99 Balance, end of year	6	6	6

Program and Financing (in millions of dollars)

Identification code 12-1400-0-1-352	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Product quality/value added	105	99	104
00.02 Livestock production	85	80	71
00.03 Crop production	201	190	169
00.04 Food safety	95	90	80
00.05 Livestock protection	66	62	65
00.06 Crop protection	187	176	150
00.07 Human nutrition research	84	80	84
00.08 Environmental stewardship	223	210	171
00.09 National Agricultural Library	24	21	20
00.10 Repair and maintenance of facilities	18	17	17
00.11 Collaborative research program	6		
00.12 Homeland security	36	33	91
00.13 Construction/miscellaneous fees	5	12	
09.00 Reimbursable program	87	87	87
10.00 Total new obligations	1,222	1,157	1,109
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2	12	
22.00 New budget authority (gross)	1,235	1,145	1,109
23.90 Total budgetary resources available for obligation	1,237	1,157	1,109
23.95 Total new obligations	-1,222	-1,157	-1,109
23.98 Unobligated balance expiring or withdrawn	-3		
24.40 Unobligated balance carried forward, end of year	12		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,152	1,058	1,022
40.35 Appropriation permanently reduced	-11		
42.00 Transferred from other accounts	6		
43.00 Appropriation (total discretionary)	1,147	1,058	1,022
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	30	87	87
58.10 Change in uncollected customer payments from Federal sources (unexpired)	58		
58.90 Spending authority from offsetting collections (total discretionary)	88	87	87
70.00 Total new budget authority (gross)	1,235	1,145	1,109
Change in obligated balances:			
72.40 Obligated balance, start of year	304	303	317
73.10 Total new obligations	1,222	1,157	1,109
73.20 Total outlays (gross)	-1,219	-1,143	-1,096
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-58		

74.10 Change in uncollected customer payments from Federal sources (expired)	54		
74.40 Obligated balance, end of year	303	317	330
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	953	850	825
86.93 Outlays from discretionary balances	266	293	271
87.00 Total outlays (gross)	1,219	1,143	1,096
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-71	-71	-71
88.40 Non-Federal sources	-13	-16	-16
88.90 Total, offsetting collections (cash)	-84	-87	-87
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-58		
88.96 Portion of offsetting collections (cash) credited to expired accounts	54		
Net budget authority and outlays:			
89.00 Budget authority	1,147	1,058	1,022
90.00 Outlays	1,135	1,056	1,009

The Agricultural Research Service conducts research to provide the means for a safer, more economical supply of agricultural products for the Nation and to provide producers with technologies to competitively supply these products. Technology needs of regulatory, technical assistance and education agencies of USDA and other Federal agencies are supported through ARS research. The Service uses coordinated, interdisciplinary approaches to perform basic and applied research on soil and water conservation, plant and animal sciences, commodity conversion and delivery, human nutrition, and integrated agricultural systems. In 2008, the Service proposes increased emphases for critical research needs in agriculture, such as: support for homeland security efforts to protect the Nation's food supply (emerging and exotic diseases of animals, food safety, and security for overseas biological control laboratories); renewable energy sources; equipment for the National Centers for Animal Health; obesity; genomics; genetic resources (specialty crops and plant introduction stations); organic production systems; and agricultural information services. Consistent with the 2007 Budget, the 2008 Budget also proposes to eliminate funding for unrequested Congressional earmarks added to the Service since 2001. In 2006, the Service submitted 83 new patent applications, participated in 54 new Cooperative research and development agreements (CRADAs), licensed 25 new products, and developed 51 new plant varieties to release to industry for further development and marketing.

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

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

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

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

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

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

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

Environmental Stewardship.—Agriculture relies on a natural resource base whose sustainability depends on sound, science-based production practices. The management of our

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

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

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

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

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

Object Classification (in millions of dollars)

Identification code 12-1400-0-1-352	2006 actual	2007 est.	2008 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	512	516	516
11.3 Other than full-time permanent	13	13	13
11.5 Other personnel compensation	13	13	13
11.9 Total personnel compensation	538	542	542
12.1 Civilian personnel benefits	144	146	147
21.0 Travel and transportation of persons	22	19	17
22.0 Transportation of things	1	1	1
23.2 Rental payments to others	1	1	1
23.3 Communications, utilities, and miscellaneous charges	48	36	32
24.0 Printing and reproduction	2	1	1
25.1 Advisory and assistance services	1	1	1
25.2 Other services	1	6	1
25.3 Other purchases of goods and services from Government accounts	1	1	1
25.4 Operation and maintenance of facilities	37	28	24
25.5 Research and development contracts	172	157	138
25.7 Operation and maintenance of equipment	9	7	7
25.8 Subsistence and support of persons	1	1	1
26.0 Supplies and materials	92	72	63
31.0 Equipment	43	33	29

SALARIES AND EXPENSES—Continued

Object Classification (in millions of dollars)—Continued

Identification code 12-1400-0-1-352		2006 actual	2007 est.	2008 est.
32.0	Land and structures	6	5	4
41.0	Grants, subsidies, and contributions	16	13	12
99.0	Direct obligations	1,135	1,070	1,022
99.0	Reimbursable obligations	87	87	87
99.9	Total new obligations	1,222	1,157	1,109

Employment Summary

Identification code 12-1400-0-1-352		2006 actual	2007 est.	2008 est.
Direct:				
1001	Civilian full-time equivalent employment	8,390	8,273	8,023
Reimbursable:				
2001	Civilian full-time equivalent employment	184	184	184

BUILDINGS AND FACILITIES

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the agricultural research programs of the Department of Agriculture, where not otherwise provided, \$16,000,000, to remain available until expended. In addition, of the unobligated balances available under this heading, \$16,000,000 are cancelled.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-1401-0-1-352		2006 actual	2007 est.	2008 est.
Obligations by program activity:				
00.01	Building and facilities projects	271	104	95
10.00	Total new obligations	271	104	95
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	373	261	297
22.00	New budget authority (gross)	159	140	.....
23.90	Total budgetary resources available for obligation	532	401	297
23.95	Total new obligations	-271	-104	-95
24.40	Unobligated balance carried forward, end of year	261	297	202
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	160	140	16
40.35	Appropriation permanently reduced	-1	.....	.....
40.36	Unobligated balance permanently reduced .....	.....	.....	-16
43.00	Appropriation (total discretionary)	159	140	.....
Change in obligated balances:				
72.40	Obligated balance, start of year	137	237	189
73.10	Total new obligations	271	104	95
73.20	Total outlays (gross)	-171	-152	-135
74.40	Obligated balance, end of year	237	189	149
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	69	21	.....
86.93	Outlays from discretionary balances	102	131	135
87.00	Total outlays (gross)	171	152	135
Net budget authority and outlays:				
89.00	Budget authority	159	140	.....
90.00	Outlays	171	152	135

This account provides funds for the acquisition of land, construction, repair, improvement, extension, alterations, and purchases of fixed equipment or facilities of or used by the

Agricultural Research Service. The 2008 Budget request provides for additional funding required for the planning and design of the Southeast Poultry Research Laboratory at Athens, Georgia.

Object Classification (in millions of dollars)

Identification code 12-1401-0-1-352		2006 actual	2007 est.	2008 est.
Direct obligations:				
25.2	Other services	268	103	94
32.0	Land and structures	3	1	1
99.9	Total new obligations	271	104	95

Trust Funds

MISCELLANEOUS CONTRIBUTED FUNDS

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-8214-0-7-352		2006 actual	2007 est.	2008 est.
01.99	Balance, start of year .....	.....	.....	.....
Receipts:				
02.20	Deposits of miscellaneous contributed funds, Science and Education Administration	17	18	18
04.00	Total: Balances and collections	17	18	18
Appropriations:				
05.00	Miscellaneous contributed funds	-17	-18	-18
07.99	Balance, end of year .....	.....	.....	.....

Program and Financing (in millions of dollars)

Identification code 12-8214-0-7-352		2006 actual	2007 est.	2008 est.
Obligations by program activity:				
00.01	Miscellaneous contributed funds	16	17	17
10.00	Total new obligations	16	17	17
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	14	15	16
22.00	New budget authority (gross)	17	18	18
23.90	Total budgetary resources available for obligation	31	33	34
23.95	Total new obligations	-16	-17	-17
24.40	Unobligated balance carried forward, end of year	15	16	17
New budget authority (gross), detail:				
Mandatory:				
60.26	Appropriation (trust fund)	17	18	18
Change in obligated balances:				
72.40	Obligated balance, start of year	5	5	5
73.10	Total new obligations	16	17	17
73.20	Total outlays (gross)	-16	-17	-18
74.40	Obligated balance, end of year	5	5	4
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	13	13	13
86.98	Outlays from mandatory balances	3	4	5
87.00	Total outlays (gross)	16	17	18
Net budget authority and outlays:				
89.00	Budget authority	17	18	18
90.00	Outlays	16	17	18

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

Object Classification (in millions of dollars)

Identification code 12-8214-0-7-352		2006 actual	2007 est.	2008 est.
Direct obligations:				
Personnel compensation:				

11.1	Full-time permanent	4	4	4
11.5	Other personnel compensation	1	1	1
11.9	Total personnel compensation	5	5	5
12.1	Civilian personnel benefits	1	1	1
21.0	Travel and transportation of persons	1	1	1
25.2	Other services	3	4	4
25.5	Research and development contracts	3	3	3
26.0	Supplies and materials	3	3	3
99.9	Total new obligations	16	17	17

Employment Summary

Identification code 12-8214-0-7-352	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	93	93	93

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

Federal Funds

INTEGRATED ACTIVITIES

For the integrated research, education, and extension grants programs, including necessary administrative expenses, \$20,120,000, as follows: for a competitive international science and education grants program authorized under section 1459A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3292b), to remain available until expended, \$1,990,000; for grants programs authorized under section 2(c)(1)(B) of Public Law 89-106, as amended, \$2,475,000, to remain available until September 30, 2009 for the critical issues program; \$1,378,000 for the regional rural development centers program; and \$14,277,000 for the Food and Agriculture Defense Initiative authorized under section 1484 of the National Agricultural Research, Extension, and Teaching Act of 1977, to remain available until September 30, 2009. (7 U.S.C. 450i(c)(1)(B), 3292b, 3351, 7626.)

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-1502-0-1-352	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.10 Organic research and extension init.	3	3	3
00.20 Water quality	13	13	
00.30 Food safety	15	15	
00.40 Regional pest management centers	4	4	
00.50 Crops at risk from food quality protection act implementation	1	1	
00.60 Food quality protection act risk mitigation program	4	4	
00.70 Methyl bromide transition program	3	3	
00.71 Homeland Security	10	10	14
00.86 International science and education grants	1	2	2
00.87 Rural development centers	1	1	1
00.88 Organic transition	2	2	
00.89 Critical issues—plant and animal diseases	2	1	3
10.00 Total new obligations	59	59	23
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1		
22.00 New budget authority (gross)	58	59	23
23.90 Total budgetary resources available for obligation	59	59	23
23.95 Total new obligations	-59	-59	-23
24.40 Unobligated balance carried forward, end of year			
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	56	56	20
40.35 Appropriation permanently reduced	-1		
43.00 Appropriation (total discretionary)	55	56	20
Mandatory:			
60.00 Appropriation	3	3	3

70.00	Total new budget authority (gross)	58	59	23
Change in obligated balances:				
72.40	Obligated balance, start of year	126	131	130
73.10	Total new obligations	59	59	23
73.20	Total outlays (gross)	-53	-60	-63
73.40	Adjustments in expired accounts (net)	-1		
74.40	Obligated balance, end of year	131	130	90
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	8	7	7
86.93	Outlays from discretionary balances	43	47	50
86.98	Outlays from mandatory balances	2	6	6
87.00	Total outlays (gross)	53	60	63
Net budget authority and outlays:				
89.00	Budget authority	58	59	23
90.00	Outlays	53	60	63

Under the Integrated Activities account, research, education and/or extension grants are awarded for competitive and non-competitive programs. In 2008, the Budget proposes that Section 406 activities, formerly supported under the Integrated account, be supported within the Research and Education account. These grants will be administered through the National Research Initiative (NRI). This will allow greater flexibility and responsiveness to changing needs in these targeted activities.

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

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

Food and agriculture defense initiative (homeland security).—The program provides support to a unified network of public agricultural institutions to identify and respond to high risk biological pathogens in the food and agricultural system. The 2008 Budget includes an increase to enhance agricultural defense. In particular, funding will maintain and enhance risk management tools for Asian soybean rust and other pathogens of legumes. Additional funding for these laboratories is included in the Animal and Plant Health Inspection Service.

Object Classification (in millions of dollars)

Identification code 12-1502-0-1-352	2006 actual	2007 est.	2008 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	1		
41.0 Grants, subsidies, and contributions	58	59	23
99.9 Total new obligations	59	59	23

Employment Summary

Identification code 12-1502-0-1-352	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	8	4	4

INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS

Program and Financing (in millions of dollars)

Identification code 12-1503-0-1-352	2006 actual	2007 est.	2008 est.	
Change in obligated balances:				
72.40	Obligated balance, start of year	18	1	1
73.20	Total outlays (gross)	-18		
73.40	Adjustments in expired accounts (net)	1		

INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS—
Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1503-0-1-352	2006 actual	2007 est.	2008 est.
74.40 Obligated balance, end of year	1	1	1
Outlays (gross), detail:			
86.98 Outlays from mandatory balances	18		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	18		

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

RESEARCH AND EDUCATION ACTIVITIES

For payments to agricultural experiment stations, for cooperative forestry and other research, for facilities, and for other expenses, \$562,518,000, as follows: to carry out the provisions of the Hatch Act of 1887 (7 U.S.C. 361a-i), \$164,430,000, of which, notwithstanding the provisions of section 3(b) and (c) of the Hatch Act of 1887 (7 U.S.C. 361c(b) and (c)) and after allocation of the amount provided under section 3(c)(4) of such act (7 U.S.C. 361c(c)(4)), \$66,070,000 shall be allocated in the same proportions as funds were allocated under sections 3(b), 3(c)(1) and (2) of such act (7 U.S.C. 361c(b) and (c)(1) and (2)) for fiscal year 2007, and \$98,360,000 shall be available for continued funding of current grants and competitive award of grants with terms not to exceed five years under the Multistate Research Fund established under section 3(c)(3) of such act (7 U.S.C. 361c(c)(3)); for grants for cooperative forestry research (16 U.S.C. 582a through a-7), \$20,487,000, of which \$7,515,000 shall be allocated to eligible institutions on the same basis as such funds were allocated in FY 2007 and \$12,972,000 shall be available for competitive grants to institutions eligible under 16 U.S.C. 582a-1 under the terms specified in subsections (c) through (f) of section 1232 of Public Law 101-624 (16 U.S.C. 582a-8(c) through (f)) subject to a 100 percent match by the recipient; for payments to the 1890 land-grant colleges, including Tuskegee University and West Virginia State University (7 U.S.C. 3222), \$38,331,000, of which \$1,507,000 shall be made available only for the purpose of ensuring that each institution shall receive no less than \$1,000,000; for special grants for agricultural research (7 U.S.C. 450i(c)), \$3,258,000; for special grants for agricultural research on improved pest control (7 U.S.C. 450i(c)), \$14,856,000; for competitive research grants (7 U.S.C. 450i(b)), \$256,500,000, to remain available until expended; for the 1994 research grants program for 1994 institutions pursuant to section 536 of Public Law 103-382 (7 U.S.C. 301 note), \$1,067,000, to remain available until expended; for higher education graduate fellowship grants (7 U.S.C. 3152(b)(6)), \$4,455,000, to remain available until expended (7 U.S.C. 2209b); for higher education challenge grants (7 U.S.C. 3152(b)(1)), \$5,445,000; for a higher education multicultural scholars program (7 U.S.C. 3152(b)(5)), \$988,000, to remain available until expended (7 U.S.C. 2209b); for a higher education agrosecurity education program (7 U.S.C. 3351), \$5,000,000 to remain available until expended; for an education grants program for Hispanic-serving Institutions (7 U.S.C. 3241), \$5,588,000; for noncompetitive grants for the purpose of carrying out all provisions of 7 U.S.C. 3242 (section 759 of Public Law 106-78) to individual eligible institutions or consortia of eligible institutions in Alaska and in Hawaii, with funds awarded equally to each of the States of Alaska and Hawaii, \$2,967,000; for a secondary agriculture education program and 2-year post-secondary education (7 U.S.C. 3152(j)), \$990,000; for aquaculture grants (7 U.S.C. 3322), \$3,956,000; for sustainable agriculture research and education (7 U.S.C. 5811), \$9,138,000; for a program of capacity building grants (7 U.S.C. 3152(b)(4)) to colleges eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321-326 and 328), including Tuskegee University and West Virginia State University, \$12,375,000, to remain available until expended (7 U.S.C. 2209b); for payments to the 1994 Institutions pursuant to section 534(a)(1) of Public Law 103-382, \$2,227,000; for resident instruction grants for insular areas under section 1491 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3363), \$495,000; and for necessary expenses of Research and Edu-

cation Activities, \$9,965,000, of which \$2,723,000 for the Research, Education, and Economics Information System and \$2,151,000 for the Electronic Grants Information System, are to remain available until expended: Provided, That none of the funds appropriated under this heading shall be available to carry out research related to the production, processing, or marketing of tobacco or tobacco products: Provided further, That this paragraph shall not apply to research on the medical, biotechnological, food, and industrial uses of tobacco.

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND

For the Native American Institutions Endowment Fund authorized by Public Law 103-382 (7 U.S.C. 301 note), \$11,880,000, to remain available until expended.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-1500-0-1-352	2006 actual	2007 est.	2008 est.
01.00 Balance, start of year	67	79	91
01.99 Balance, start of year	67	79	91
Receipts:			
02.40 Earnings on investments, Native American institutions endowment fund	3	3	3
04.00 Total: Balances and collections	70	82	94
Appropriations:			
05.00 Research and education activities	-3	-3	-3
05.01 Research and education activities	12	12	12
05.99 Total appropriations	9	9	9
07.99 Balance, end of year	79	91	103

Program and Financing (in millions of dollars)

Identification code 12-1500-0-1-352	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Payments under the Hatch Act	177	183	165
00.02 Cooperative forestry research	22	23	20
00.03 Payments to 1890 colleges and Tuskegee Univ. and West Virginia State College	37	38	38
00.04 Special research grants	164	139	32
00.05 National research initiative competitive grants	171	267	257
00.06 Animal health and disease research	5	5	
00.07 Federal Administration	51	40	10
00.08 Higher education	44	35	41
00.09 Native American Institutions Endowment Fund	3	3	3
00.10 Veterinary Medical Services Act	1		
09.00 Reimbursable program	12	15	15
10.00 Total new obligations	687	748	581
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	116	116	38
22.00 New budget authority (gross)	687	670	581
23.90 Total budgetary resources available for obligation	803	786	619
23.95 Total new obligations	-687	-748	-581
24.40 Unobligated balance carried forward, end of year	116	38	38
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	691	664	575
40.00 Appropriation			
40.20 Appropriation (special fund)	3	3	3
40.35 Appropriation permanently reduced	-7		
40.45 Portion precluded from obligation (-)	-12	-12	-12
41.00 Transferred to other accounts	-1		
42.00 Transferred from other accounts	1		
43.00 Appropriation (total discretionary)	675	655	566
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)		15	15
58.10 Change in uncollected customer payments from Federal sources (unexpired)	12		
58.90 Spending authority from offsetting collections (total discretionary)	12	15	15

70.00	Total new budget authority (gross)	687	670	581
Change in obligated balances:				
72.40	Obligated balance, start of year	758	834	882
73.10	Total new obligations	687	748	581
73.20	Total outlays (gross)	-610	-700	-674
73.40	Adjustments in expired accounts (net)	-5		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-12		
74.10	Change in uncollected customer payments from Federal sources (expired)	16		
74.40	Obligated balance, end of year	834	882	789
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	369	351	305
86.93	Outlays from discretionary balances	241	349	369
87.00	Total outlays (gross)	610	700	674
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources Against gross budget authority only:	-16	-15	-15
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-12		
88.96	Portion of offsetting collections (cash) credited to expired accounts	16		
Net budget authority and outlays:				
89.00	Budget authority	675	655	566
90.00	Outlays	594	685	659
Memorandum (non-add) entries:				
92.01	Total investments, start of year: Federal securities: Par value	64	76	88
92.02	Total investments, end of year: Federal securities: Par value	76	88	88

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

Payments under the Hatch Act.—Funds under the Hatch Act are allocated on a formula basis to agricultural experiment stations of the land-grant colleges in the 50 States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, Micronesia, and Northern Mariana Islands. The Budget proposes that beginning in 2008, an alternative approach be taken to expand and continuously re-compete the Hatch Act multi-state awards by redirecting a portion of the formula funds to nationally, competitively awarded multi-state/multi-institutional projects.

Cooperative forestry research.—These funds are allocated by formula to land-grant colleges or agricultural experiment stations in the 50 States, Puerto Rico, Guam, the Virgin Islands, and other State-supported colleges and universities having a forestry school and offering graduate training in forestry sciences. The 2008 Budget proposes an alternative approach under this program to redirect a portion of the formula funds to nationally, competitively awarded multi-state/multi-institutional projects.

Animal health and disease research.—Funds, distributed by formula, support livestock and poultry disease research in approximately sixty-seven colleges of veterinary medicine and in eligible agricultural experiment stations. No funding is proposed for this program in 2008.

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

Special research grants.—This program addresses research areas of national interest. Funding is proposed for grant programs in IR-4 minor crop pest management, pest management alternatives, and sustainable agriculture. Funding is also proposed for integrated pest management. Advances in these areas will provide producers with safe, alternative pest control methods resulting in more farmers increasing the number of acres on which Integrated Pest Management (IPM) methods are used. Funding proposed for IR-4 minor crop pest management and minor use animal drugs will address the growing need for registration of safe pesticides and drugs for minor crops and animals and lead to reduced levels of chemical and drug residues in food products by half. These pest management programs will be coordinated to address Food Quality and Protection Act issues. The IR-4 and IPM programs are contained under improved pest control funding. Improved pest control also includes Pest Management Alternatives, and Expert IPM Decision Support System Programs. A grant program for global change is proposed for research at universities as part of a coordinated Federal initiative. Funding is also proposed for the National Biological Impact Assessment Program, and aquaculture centers. The 2008 Budget eliminates funding for unrequested earmarks.

National research initiative competitive grants.—Funding is being proposed for the National Research Initiative (NRI). Research scientists throughout the U.S. scientific community compete for funding under this program. The performance goal has been to attract the widest possible involvement of U.S. scientists in agricultural research to increase the knowledge base related to U.S. agriculture, food, and the environment and maintain world leadership in agricultural science and engineering. NRI funding has resulted in increased participation by universities which are not traditionally considered agricultural schools and of highly skilled researchers in projects addressing agricultural issues. The outcomes include the efficient communication of research results to scientific, engineering, and community user groups. These grants support research in plants and animals; natural resources and the environment; nutrition, food safety, and health; markets, trade, and rural development; and processing for adding value or developing new products. In 2008, the Budget proposes that Section 406 activities, formerly supported under the Integrated account, be supported within the Research and Education account and administered under the NRI.

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

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

Higher education.—Funding is proposed for graduate fellowships grants, competitive challenge grants, Hispanic-serving institutions education grants program, and a multicultural scholars program. Funding is also proposed for Native American institutions, Alaska Native-serving and Native Hawaiian-serving Institutions, Secondary Agriculture Education and 2-year Post-secondary and Resident Instruction Grants for Insular Areas programs. These programs enable universities to broaden their curricula; increase faculty development; student research projects; and the number of new scholars recruited in the food and agricultural sciences. In addition, an increased number of graduate students, including minority graduate students, will be enrolled in the agricultural sciences. Fund-

RESEARCH AND EDUCATION ACTIVITIES—Continued

ing is also proposed for a capacity building program at the 1890 institutions as part of the USDA initiative to strengthen these institutions through a broadening of curricula, increased faculty development and student research projects. Funding is proposed in the 2008 Budget for a Higher Education Agrosecurity Program to provide educational and professional development for personnel in securing the Nation's agriculture and food supply.

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

Native American Institutions Endowment Fund.—This program provides for an endowment for the 1994 land-grant institutions (33 Tribally controlled colleges) to strengthen the infrastructure of these institutions and develop Indian expertise for the food and agricultural sciences and businesses and their own communities. At the termination of each fiscal year, the Secretary shall withdraw the income from the endowment fund for the fiscal year, and after making adjustments for the cost of administering the fund, distribute the adjusted income on a formula basis to the 1994 land-grant institutions.

Object Classification (in millions of dollars)

Identification code 12-1500-0-1-352	2006 actual	2007 est.	2008 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	18	18	19
12.1 Civilian personnel benefits	5	5	5
21.0 Travel and transportation of persons	2	1	1
23.1 Rental payments to GSA	1		
25.1 Advisory and assistance services	1	1	1
25.2 Other services	2	1	1
25.5 Research and development contracts	5	3	1
26.0 Supplies and materials	1		
41.0 Grants, subsidies, and contributions	640	702	537
99.0 Direct obligations	675	731	565
99.0 Reimbursable obligations	12	17	16
99.9 Total new obligations	687	748	581

Employment Summary

Identification code 12-1500-0-1-352	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	234	242	242
Reimbursable:			
2001 Civilian full-time equivalent employment	9	9	9

BUILDINGS AND FACILITIES

Program and Financing (in millions of dollars)

Identification code 12-1501-0-1-352	2006 actual	2007 est.	2008 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	1
24.40 Unobligated balance carried forward, end of year	1	1	1
Change in obligated balances:			
72.40 Obligated balance, start of year	5	5	5
74.40 Obligated balance, end of year	5	5	5
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

Funds provide grants to States and other eligible recipients for the acquisition of land, construction, repair, improvement, extension, alteration and purchase of fixed equipment or facilities to carry out agricultural research, extension, and teaching programs. No funding is proposed in 2008.

EXTENSION ACTIVITIES

For payments to States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, Micronesia, Northern Marianas, and American Samoa, \$431,125,000, as follows: payments for cooperative extension work under the Smith-Lever Act, to be distributed under sections 3(b) and 3(c) of said Act, and under section 208(c) of Public Law 93-471, for retirement and employees' compensation costs for extension agents, \$273,181,000; payments for extension work at the 1994 Institutions under the Smith-Lever Act (7 U.S.C. 343(b)(3)), \$3,240,000; payments for the nutrition and family education program for low-income areas under section 3(d) of the Act, \$62,280,000; payments for the pest management program under section 3(d) of the Act, \$10,651,000; payments for New Technologies for Ag Extension under Section 3(d) of the Act, \$2,970,000; payments to upgrade research, extension, and teaching facilities at the 1890 land-grant colleges, including Tuskegee University and West Virginia State University, as authorized by section 1447 of Public Law 95-113 (7 U.S.C. 3222b), \$16,609,000, to remain available until expended; payments for youth-at-risk programs under section 3(d) of the Smith-Lever Act, \$8,396,000; for youth farm safety education and certification extension grants, to be awarded competitively under section 3(d) of the Act, \$494,000; payments for carrying out the provisions of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1671 et seq.), \$4,052,000; payments for federally-recognized Tribes Extension Program under section 3(d) of the Smith-Lever Act, \$2,970,000; payments for sustainable agriculture programs under section 3(d) of the Act, \$3,754,000; payments for cooperative extension work by the colleges receiving the benefits of the second Morrill Act (7 U.S.C. 321-326 and 328) and Tuskegee University and West Virginia State University, \$34,073,000, of which \$1,724,884 shall be made available only for the purpose of ensuring that each institution shall receive no less than \$1,000,000; and for necessary expenses of Extension Activities, \$8,455,000.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-0502-0-1-352	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Smith-Lever Act, 3(b) and 3(c)	273	273	273
00.02 Youth at risk	8	7	8
00.04 Expanded food and nutrition education program (EFNEP)	62	62	62
00.05 Pest management	10	10	11
00.06 Farm Safety	5	5	
00.09 Indian reservation extension agents	2	2	3
00.13 Payments to 1890 colleges and Tuskegee Univ. and West Virginia State College	34	34	34
00.15 Renewable resources extension act	4	4	4
00.16 Federal administration	25	25	8
00.19 1890 facilities (section 1447)	17	17	17
00.21 Sustainable agriculture	4	4	4
00.22 1994 institutions activities	3	3	3
00.23 Youth farm safety program			1
00.24 Rural health and safety education	2	2	
00.25 Grants to youth serving organizations	2	2	
00.26 Risk management education	5	5	5
00.27 New technologies for ag. extension	1	1	3
09.00 Reimbursable program	19	20	20
10.00 Total new obligations	476	476	456
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	476	476	456
23.95 Total new obligations	-476	-476	-456
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	456	451	431
40.35 Appropriation permanently reduced	-5		
43.00 Appropriation (total discretionary)	451	451	431
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	1	20	20
58.10 Change in uncollected customer payments from Federal sources (unexpired)	19		
58.90 Spending authority from offsetting collections (total discretionary)	20	20	20
Mandatory:			

62.00	Transferred from other accounts	5	5	5
70.00	Total new budget authority (gross)	476	476	456
Change in obligated balances:				
72.40	Obligated balance, start of year	330	367	380
73.10	Total new obligations	476	476	456
73.20	Total outlays (gross)	-440	-463	-516
73.40	Adjustments in expired accounts (net)	4		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-19		
74.10	Change in uncollected customer payments from Federal sources (expired)	16		
74.40	Obligated balance, end of year	367	380	320
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	273	291	279
86.93	Outlays from discretionary balances	163	167	232
86.98	Outlays from mandatory balances	4	5	5
87.00	Total outlays (gross)	440	463	516
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-17	-20	-20
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-19		
88.96	Portion of offsetting collections (cash) credited to expired accounts	16		
Net budget authority and outlays:				
89.00	Budget authority	456	456	436
90.00	Outlays	423	443	496

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

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

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

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

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

In 2008, funding has been requested for the EFNEP, pest management, children, youth and families at risk, a youth

farm safety education and certification pilot project, Federally-recognized Tribes extension, sustainable agriculture, new technologies for Agricultural Extension, Renewable Resources Extension Act, 1994 (Native American) institutions, and 1890 colleges and Tuskegee University and West Virginia State University facilities.

Object Classification (in millions of dollars)

Identification code 12-0502-0-1-352	2006 actual	2007 est.	2008 est.	
Direct obligations:				
11.1	Personnel compensation: Full-time permanent	10	12	12
12.1	Civilian personnel benefits	2	2	3
21.0	Travel and transportation of persons	1	1	1
25.2	Other services	4	5	2
25.5	Research and development contracts	3	2	1
41.0	Grants, subsidies, and contributions	437	434	417
99.0	Direct obligations	457	456	436
99.0	Reimbursable obligations	19	20	20
99.9	Total new obligations	476	476	456

Employment Summary

Identification code 12-0502-0-1-352	2006 actual	2007 est.	2008 est.	
Direct:				
1001	Civilian full-time equivalent employment	165	183	183

OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS

For grants and contracts pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279), \$6,930,000, to remain available until expended.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-0601-0-1-351	2006 actual	2007 est.	2008 est.	
Obligations by program activity:				
00.10	Outreach for socially disadvantaged farmers	6	6	7
10.00	Total new obligations (object class 41.0)	6	6	7
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	6	6	7
23.95	Total new obligations	-6	-6	-7
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	6	6	7
Change in obligated balances:				
72.40	Obligated balance, start of year	11	11	9
73.10	Total new obligations	6	6	7
73.20	Total outlays (gross)	-6	-8	-9
74.40	Obligated balance, end of year	11	9	7
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	6	6	7
86.93	Outlays from discretionary balances		2	2
87.00	Total outlays (gross)	6	8	9
Net budget authority and outlays:				
89.00	Budget authority	6	6	7
90.00	Outlays	6	8	9

Outreach for Socially Disadvantaged Farmers Grants.—This competitive program is authorized under section 2501 of Title XXV of the Food, Agriculture, Conservation, and Trade Act of 1990. The Secretary of Agriculture is authorized to make grants to eligible institutions and organizations so that they

OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS—Continued

may provide outreach and technical assistance to encourage and assist socially disadvantaged farmers and ranchers to own and operate farms and ranches and to participate in agricultural programs.

Employment Summary

Identification code 12-0601-0-1-351	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	2	2	2

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

Federal Funds

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For expenses, not otherwise provided for, necessary to prevent, control, and eradicate pests and plant and animal diseases; to carry out inspection, quarantine, and regulatory activities; and to protect the environment, as authorized by law, \$945,550,000, of which \$4,163,000 shall be available for the control of outbreaks of insects, plant diseases, animal diseases and for control of pest animals and birds to the extent necessary to meet emergency conditions; of which \$16,098,000 shall be used for the Cotton Pests program for cost share purposes or for debt retirement for active eradication zones; of which \$33,125,000 shall be available for a National Animal Identification program; of which \$57,044,000 shall be used to conduct a surveillance and preparedness program for highly pathogenic avian influenza: Provided, That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by the States of at least 40 percent: Provided further, That this appropriation shall be available for the operation and maintenance of aircraft and the purchase of not to exceed four, of which two shall be for replacement only: Provided further, That, in addition, for sudden, urgent and unforeseen circumstances which threaten any segment of the agricultural production industry of this country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as may be deemed necessary, to be available only in such emergencies for the arrest and eradication of contagious or infectious disease or pests of animals, poultry, or plants, and for expenses in accordance with sections 10411 and 10417 of the Animal Health Protection Act (7 U.S.C. 8310 and 8316) and sections 431 and 442 of the Plant Protection Act (7 U.S.C. 7751 and 7772), and any unexpended balances of funds transferred for such emergency purposes in the preceding fiscal year shall be merged with such transferred amounts: Provided further, That appropriations hereunder shall be available pursuant to law (7 U.S.C. 2250) for the repair and alteration of leased buildings and improvements, but unless otherwise provided the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

In fiscal year 2008, the agency is authorized to collect fees to cover the total costs of providing technical assistance, goods, or services requested by States, other political subdivisions, domestic and international organizations, foreign governments, or individuals, provided that such fees are structured such that any entity's liability for such fees is reasonably based on the technical assistance, goods, or services provided to the entity by the agency, and such fees shall be credited to this account, to remain available until expended, without further appropriation, for providing such assistance, goods, or services.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-1600-0-1-352	2006 actual	2007 est.	2008 est.
01.00 Balance, start of year	87	87	87
01.99 Balance, start of year	87	87	87

Receipts:			
02.20 Fees, Animal welfare user fee account—legislative proposal subject to PAYGO			9
02.60 1990 food, agricultural quarantine inspection fees	418	455	494
02.99 Total receipts and collections	418	455	503
04.00 Total: Balances and collections	505	542	590
Appropriations:			
05.00 Salaries and expenses	-418	-455	-494
07.99 Balance, end of year	87	87	96

Program and Financing (in millions of dollars)

Identification code 12-1600-0-1-352	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Pest and disease exclusion	157	156	182
00.02 Plant and animal health monitoring	183	229	299
00.03 Pest and disease management programs	343	334	325
00.04 Animal care	18	18	22
00.05 Scientific and technical services	79	79	103
00.06 Contingencies	5	4	4
00.07 Emergency program funding	151		
00.08 Information technology infrastructure	4	5	5
00.10 Physical/operational security	1	1	6
00.11 Citrus Canker/Section 32	377	100	
00.12 Agricultural Quarantine Inspection User Fees	183	182	194
01.00 Total direct program	1,501	1,108	1,140
09.01 Reimbursable program	94	89	89
10.00 Total new obligations	1,595	1,197	1,229
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	255	305	304
22.00 New budget authority (gross)	1,597	1,196	1,229
22.10 Resources available from recoveries of prior year obligations	49		
23.90 Total budgetary resources available for obligation	1,901	1,501	1,533
23.95 Total new obligations	-1,595	-1,197	-1,229
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance carried forward, end of year	305	304	304
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	887	825	946
40.35 Appropriation permanently reduced	-8		
42.00 Transferred from other accounts	60		
43.00 Appropriation (total discretionary)	939	825	946
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	89	89	89
58.10 Change in uncollected customer payments from Federal sources (unexpired)	-7		
58.90 Spending authority from offsetting collections (total discretionary)	82	89	89
Mandatory:			
60.20 Appropriation (special fund)	418	455	494
61.00 Transferred to other accounts	-241	-273	-300
62.50 Appropriation (total mandatory)	177	182	194
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	400	100	
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-1		
69.90 Spending authority from offsetting collections (total mandatory)	399	100	
70.00 Total new budget authority (gross)	1,597	1,196	1,229
Change in obligated balances:			
72.40 Obligated balance, start of year	472	434	373
73.10 Total new obligations	1,595	1,197	1,229
73.20 Total outlays (gross)	-1,603	-1,258	-1,210
73.40 Adjustments in expired accounts (net)	-4		
73.45 Recoveries of prior year obligations	-49		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	8		
74.10 Change in uncollected customer payments from Federal sources (expired)	15		
74.40 Obligated balance, end of year	434	373	392

Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	761	790	893
86.93	Outlays from discretionary balances	319	101	124
86.97	Outlays from new mandatory authority	512	273	184
86.98	Outlays from mandatory balances	11	94	9
87.00	Total outlays (gross)	1,603	1,258	1,210
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-432	-130	-30
88.40	Non-Federal sources	-68	-59	-59
88.90	Total, offsetting collections (cash)	-500	-189	-89
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	8		
88.96	Portion of offsetting collections (cash) credited to expired accounts	11		
Net budget authority and outlays:				
89.00	Budget authority	1,116	1,007	1,140
90.00	Outlays	1,103	1,069	1,121

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

Pest and disease exclusion.—The Agency develops protocols for trade and travel to prevent the entry of plant or animal pests and diseases into the United States and conducts quarantines and treatments of regulated products. APHIS develops and conducts preclearance programs to ensure that agricultural products destined for U.S. ports-of-entry do not present a risk to U.S. agriculture. APHIS engages in cooperative programs in foreign countries to control pests of imminent concern to the United States. APHIS also certifies plants and plant products for export and regulates imports and exports of designated endangered plant species. The 2008 Budget proposes increases to enhance overseas surveillance and eradication efforts such as the fruit fly, foot-and-mouth disease, and screwworm and to identify exotic animal diseases more effectively.

Plant and animal health monitoring.—The Agency conducts programs to assess animal and plant health and to detect endemic and exotic diseases and pests. The plant and animal health monitoring programs are primarily cooperative efforts of the Federal and State governments, and industry. The Agency also carries out surveys in cooperation with the States to detect harmful plant and animal pests and diseases and to determine if there is a need for pest eradication programs. The 2008 Budget includes significant increases in monitoring programs to enhance agricultural defense efforts including the National Animal Health Laboratory, National Veterinary Stockpile, plant safeguarding activities, emergency coordination at the national level, and the regulatory oversight and inspection activities related to select agents. The request includes \$57 million for an early detection system and preparedness plan for highly pathogenic avian influenza.

Pest and disease management programs.—The Agency carries out programs to control and eradicate infestations and animal diseases that threaten the United States; to reduce agricultural losses caused by predatory animals, birds, and rodents; to provide technical assistance to States, counties, farmer or rancher groups, and foundations; and to ensure compliance with interstate movement and disease control regulations. Interstate shipments of plants, livestock, and related materials are monitored and regulated to prevent the spread of disease. APHIS protects agriculture from detrimental ani-

mal predators through identification, demonstration, and application of the most appropriate methods of control. The Budget implements a consistent set of cost-share criteria among Federal and non-Federal partners to respond to a plant and animal infestation. In addition, the 2008 Budget includes increases related to pests and diseases such as emerald ash borer, low pathogenic avian influenza, potato cyst nematode, sudden oak death, and tuberculosis.

Animal care.—The Agency conducts regulatory activities that ensure the humane care and handling of animals used in research, exhibition, or the wholesale pet trade. The Agency is also responsible for administering the Horse Protection Act, which prohibits the showing, selling, or exhibition of sore horses. The 2008 request includes additional funding for increased inspection activities as well as for programs related to birds, rats and mice.

Scientific and technical services.—APHIS develops methods to control animals and pests that are detrimental to agriculture, other wildlife, and public safety. The Agency regulates genetic research to guard against the release of potentially harmful organisms into the environment. APHIS also conducts veterinary diagnostic laboratory activities and biologic regulatory enforcement to ensure that the products developed for combatting disease are potent, safe, and pure. It also provides and directs technology development in coordination with other groups in APHIS to support programs of the Agency and its cooperators at the State, national, and international levels. The 2008 Budget includes increases for biotechnology regulatory services, plant methods, veterinary biologics, and veterinary diagnostics. Several of these increases enhance agricultural defense.

The 2008 Budget also proposes significant increases to continue enhanced security efforts initially implemented with 2002 emergency supplemental funds in response to the September 11, 2001, terrorist attacks.

Object Classification (in millions of dollars)

Identification code 12-1600-0-1-352	2006 actual	2007 est.	2008 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	328	302	340
11.3	Other than full-time permanent	16	9	11
11.5	Other personnel compensation	31	5	7
11.9	Total personnel compensation	375	316	358
12.1	Civilian personnel benefits	107	95	107
13.0	Benefits for former personnel	2	1	1
21.0	Travel and transportation of persons	37	31	35
22.0	Transportation of things	12	11	13
23.1	Rental payments to GSA	10	4	5
23.2	Rental payments to others	2	1	1
23.3	Communications, utilities, and miscellaneous charges	25	21	24
24.0	Printing and reproduction	3	2	2
25.2	Other services	390	365	414
26.0	Supplies and materials	68	69	78
31.0	Equipment	45	42	46
41.0	United States-Colombia Commission to Prevent Foot-and-Mouth Disease	1	1	1
41.0	Joint Screwworm eradication programs	10	10	10
41.0	Joint Commission on the Mediterranean Fruit Fly	6	6	6
41.0	Other grants, subsidies, and contributions	231	68	22
42.0	Other insurance claims and indemnities	176	64	16
43.0	Interest and dividends	1	1	1
99.0	Direct obligations	1,501	1,108	1,140
99.0	Reimbursable obligations	94	89	89
99.9	Total new obligations	1,595	1,197	1,229

Employment Summary

Identification code 12-1600-0-1-352	2006 actual	2007 est.	2008 est.	
Direct:				
1001	Civilian full-time equivalent employment	6,316	6,447	6,203
Reimbursable:				

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

Employment Summary—Continued

Identification code 12-1600-0-1-352	2006 actual	2007 est.	2008 est.
2001 Civilian full-time equivalent employment	833	833	833

BUILDINGS AND FACILITIES

For plans, construction, repair, preventive maintenance, environmental support, improvement, extension, alteration, and purchase of fixed equipment or facilities, as authorized by 7 U.S.C. 2250, and acquisition of land as authorized by 7 U.S.C. 428a, \$8,931,000, to remain available until expended.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-1601-0-1-352	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Buildings and facilities	10	10	7
10.00 Total new obligations	10	10	7
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	10	7	3
22.00 New budget authority (gross)	5	6	9
22.10 Resources available from recoveries of prior year obligations	2		
23.90 Total budgetary resources available for obligation	17	13	12
23.95 Total new obligations	-10	-10	-7
24.40 Unobligated balance carried forward, end of year	7	3	5
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	5	6	9
Change in obligated balances:			
72.40 Obligated balance, start of year	5	8	10
73.10 Total new obligations	10	10	7
73.20 Total outlays (gross)	-5	-8	-10
73.45 Recoveries of prior year obligations	-2		
74.40 Obligated balance, end of year	8	10	7
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1	1	2
86.93 Outlays from discretionary balances	4	7	8
87.00 Total outlays (gross)	5	8	10
Net budget authority and outlays:			
89.00 Budget authority	5	6	9
90.00 Outlays	5	8	10

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

The 2008 Budget proposes \$8.9 million for this program, which consists of repairs, alterations, preventive maintenance, and renovations for currently owned APHIS facilities, including additional funding to address safety issues with several facilities.

Object Classification (in millions of dollars)

Identification code 12-1601-0-1-352	2006 actual	2007 est.	2008 est.
Direct obligations:			
25.2 Other services	8	8	5

26.0	Supplies and materials	2	2	2
99.9	Total new obligations	10	10	7

Trust Funds

MISCELLANEOUS TRUST FUNDS

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-9971-0-7-352	2006 actual	2007 est.	2008 est.
01.99 Balance, start of year			
Receipts:			
02.20 Deposits of miscellaneous contributed funds, APHIS	16	14	14
04.00 Total: Balances and collections	16	14	14
Appropriations:			
05.00 Miscellaneous trust funds	-16	-14	-14
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 12-9971-0-7-352	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Miscellaneous trust funds	16	14	14
10.00 Total new obligations	16	14	14
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	12	12	12
22.00 New budget authority (gross)	16	14	14
23.90 Total budgetary resources available for obligation	28	26	26
23.95 Total new obligations	-16	-14	-14
24.40 Unobligated balance carried forward, end of year	12	12	12
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)	16	14	14
Change in obligated balances:			
72.40 Obligated balance, start of year	1	2	2
73.10 Total new obligations	16	14	14
73.20 Total outlays (gross)	-15	-14	-14
74.40 Obligated balance, end of year	2	2	2
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	15	14	14
Net budget authority and outlays:			
89.00 Budget authority	16	14	14
90.00 Outlays	15	14	14

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

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

Object Classification (in millions of dollars)

Identification code 12-9971-0-7-352	2006 actual	2007 est.	2008 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	8	7	7
11.5 Other personnel compensation	2	1	1
11.9 Total personnel compensation	10	8	8
12.1 Civilian personnel benefits	1	1	1
21.0 Travel and transportation of persons	2	2	2
25.2 Other services	1	1	1
26.0 Supplies and materials	1	1	1

31.0	Equipment	1	1	1
99.9	Total new obligations	16	14	14

Employment Summary

Identification code 12-9971-0-7-352	2006 actual	2007 est.	2008 est.	
Direct:				
1001	Civilian full-time equivalent employment	150	150	150

FOOD SAFETY AND INSPECTION SERVICE

Federal Funds

SALARIES AND EXPENSES

For necessary expenses to carry out services authorized by the Federal Meat Inspection Act, the Poultry Products Inspection Act, and the Egg Products Inspection Act, including not to exceed \$50,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), \$930,120,000, of which no less than \$839,130,000 shall be available for Federal food safety inspection; and in addition, \$1,000,000 may be credited to this account from fees collected for the cost of laboratory accreditation as authorized by section 1327 of the Food, Agriculture, Conservation and Trade Act of 1990 (7 U.S.C. 138f): Provided, That of the total amount made available under this heading, no less than \$20,653,000 shall be obligated for regulatory and scientific training: Provided further, That not to exceed \$565,000 is for construction of a laboratory sample receiving facility at the Russell Research Center in Athens, Georgia: Provided further, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building. (7 U.S.C. 450, 1901-06; 10 U.S.C. 2306; 18 U.S.C. 1114; 21 U.S.C. 451-470, 601-624, 641-645, 661, 671-680, 691-692; 694-695; Public Law 99-641.)

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-3700-0-1-554	2006 actual	2007 est.	2008 est.
01.99	Balance, start of year		
Receipts:			
02.20	Fees, Food safety inspection user fee account—legislative proposal subject to PAYGO		96
04.00	Total: Balances and collections		96
07.99	Balance, end of year		96

Program and Financing (in millions of dollars)

Identification code 12-3700-0-1-554	2006 actual	2007 est.	2008 est.	
Obligations by program activity:				
00.01	Salaries and expenses	830	830	930
09.01	Reimbursable program	142	126	130
10.00	Total new obligations	972	956	1,060
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	26	4	4
22.00	New budget authority (gross)	953	956	1,060
23.90	Total budgetary resources available for obligation	979	960	1,064
23.95	Total new obligations	-972	-956	-1,060
23.98	Unobligated balance expiring or withdrawn	-3		
24.40	Unobligated balance carried forward, end of year	4	4	4
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	838	830	930
40.35	Appropriation permanently reduced	-8		
41.00	Transferred to other accounts	-4		
42.00	Transferred from other accounts	4		

43.00	Appropriation (total discretionary)	830	830	930
Spending authority from offsetting collections:				
58.00	Offsetting collections (cash)	130	126	130
58.10	Change in uncollected customer payments from Federal sources (unexpired)	-7		
58.90	Spending authority from offsetting collections (total discretionary)	123	126	130
70.00	Total new budget authority (gross)	953	956	1,060

Change in obligated balances:

72.40	Obligated balance, start of year	82	95	93
73.10	Total new obligations	972	956	1,060
73.20	Total outlays (gross)	-962	-958	-1,049
73.40	Adjustments in expired accounts (net)	-6		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	7		
74.10	Change in uncollected customer payments from Federal sources (expired)	2		
74.40	Obligated balance, end of year	95	93	104

Outlays (gross), detail:

86.90	Outlays from new discretionary authority	871	875	968
86.93	Outlays from discretionary balances	91	83	81
87.00	Total outlays (gross)	962	958	1,049

Offsets:

Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-6	-2	-2
88.40	Non-Federal sources	-124	-124	-128
88.90	Total, offsetting collections (cash)	-130	-126	-130
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	7		

Net budget authority and outlays:

89.00	Budget authority	830	830	930
90.00	Outlays	832	832	919

The primary objectives of the Food Safety and Inspection Service (FSIS) are to ensure that meat, poultry, and egg products are wholesome, unadulterated, and properly labeled and packaged, as required by the Federal Meat Inspection Act, the Poultry Products Inspection Act, and the Egg Products Inspection Act. In carrying out this mission, FSIS oversight responsibility covers 20 percent of the American food dollar. Providing adequate resources for Federal food safety agencies is a priority of the Administration, and the 2008 Budget proposes a \$100 million increase from the 2006 enacted funding level for inspection of meat, poultry, and egg products. This increase includes initiatives to cover the pay costs for existing employees in the Federal and State inspection programs, to support the full cost of expanding the inspection force to meet industry demand, for food and agriculture defense initiatives, and to prepare for risk-based inspection. In addition, legislation will be submitted for two new user fees. One fee is a licensing fee that all facilities will pay based on production levels. The second fee will be a performance fee charged to facilities that fail testing, have recalls, or are linked to outbreaks.

FEDERALLY FUNDED INSPECTION ACTIVITIES

	2006 actual	2007 est.	2008 est.
Federally inspected establishments:			
Slaughter plants	121	124	128
Processing plants	4,029	3,997	3,992
Combination slaughter and processing plants	927	922	920
Talmadge-Aiken plants	368	375	370
Import establishments	151	153	155
Egg plants	64	67	68
Other plants	622	618	620
Federally inspected and passed production (millions of pounds):			
Meat slaughter	46,855	47,000	47,500
Poultry slaughter	56,683	57,000	57,500

SALARIES AND EXPENSES—Continued

FEDERALLY FUNDED INSPECTION ACTIVITIES—Continued

	2006 actual	2007 est.	2008 est.
Egg products	4,400	4,400	4,400
Import/export activity (millions of pounds):			
Meat and poultry imported	3,889	4,100	4,300
Meat and poultry exported	7,096	7,698	8,310
States and territories with cooperative programs: ¹			
Intrastate inspection	27	27	27
Talmadge-Aiken inspection	9	9	9
Number of slaughter and/or processing plants (excludes exempt plants)	1,981	2,001	2,021
Pounds inspected slaughter (millions)	500	500	500
Compliance activities:			
Surveillance activities	19,349	20,300	21,315
Enforcement actions completed	2,101	2,200	2,300
Product Testing (samples analyzed):			
Food chemistry	2,529	2,500	2,500
Food microbiology	88,882	95,000	100,000
Chemical residues	30,795	30,000	30,000
Antibiotic residues	120,192	120,000	120,000
Pathology samples	4,734	4,700	4,700
Egg Products:			
Food microbiology	1,346	1,400	1,400
Chemical residues	14	0	0
Consumer Education and public outreach:			
Meat and poultry hotline calls received	84,500	85,000	85,500
Website visits	35,000,000	35,500,000	36,000,000
Electronic messages received	6,500	17,000	17,500
Publications distributed	939,000	948,500	956,000
Personal contacts (meetings, workshops, etc.)	1,000	30,000	30,000
E-mail alert service subscribers	25,000	30,000	35,000
Epidemiological Investigations:			
Cooperative efforts with State and public health offices	63	70	75
Illnesses reported and treated ²	1,419	1,500	1,500
Field Automation and Information Management Project:			
Number of computers to be provided to federal field inspection staff	519	1,612	949
Number of computers to be provided to state field inspection staff	100	235	540

¹ States with cooperative agreements which are operating programs.² Data must be collected over a number of years to chart national trends and estimate the incidence of foodborne illness and treatment.

Object Classification (in millions of dollars)

Identification code 12-3700-0-1-554	2006 actual	2007 est.	2008 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	469	480	507
11.3 Other than full-time permanent	13	13	14
11.5 Other personnel compensation	22	23	23
11.9 Total personnel compensation	504	516	544
12.1 Civilian personnel benefits	169	172	190
13.0 Benefits for former personnel	1	2	2
21.0 Travel and transportation of persons	32	32	42
22.0 Transportation of things	4	4	5
23.1 Rental payments to GSA	1	1	1
23.2 Rental payments to others	1	1	1
23.3 Communications, utilities, and miscellaneous charges	10	10	14
24.0 Printing and reproduction	2	2	2
25.1 Advisory and assistance services	4	4	4
25.2 Other services	28	11	36
25.3 Other purchases of goods and services from Government accounts	16	16	17
25.4 Operation and maintenance of facilities			1
25.7 Operation and maintenance of equipment	1	1	2
26.0 Supplies and materials	10	10	14
31.0 Equipment	3	3	8
41.0 Grants, subsidies, and contributions	43	43	46
42.0 Insurance claims and indemnities	1	1	1
99.0 Direct obligations	830	829	930
99.0 Reimbursable obligations	140	126	130
99.5 Below reporting threshold	2	1	
99.9 Total new obligations	972	956	1,060

Employment Summary

Identification code 12-3700-0-1-554	2006 actual	2007 est.	2008 est.
Direct:			

1001 Civilian full-time equivalent employment	9,339	9,339	9,430
Reimbursable:			
2001 Civilian full-time equivalent employment	39	39	39

Trust Funds

EXPENSES AND REFUNDS, INSPECTION AND GRADING OF FARM PRODUCTS

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-8137-0-7-352	2006 actual	2007 est.	2008 est.
01.99 Balance, start of year			
Receipts:			
02.20 Deposits of fees, Inspection and grading of farm products, Food Safety and Quality Service	6	6	6
04.00 Total: Balances and collections	6	6	6
Appropriations:			
05.00 Expenses and refunds, inspection and grading of farm products	-6	-6	-6
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 12-8137-0-7-352	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Expenses and refunds, inspection and grading of farm products	6	6	6
10.00 Total new obligations	6	6	6
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	1
22.00 New budget authority (gross)	6	6	6
23.90 Total budgetary resources available for obligation	7	7	7
23.95 Total new obligations	-6	-6	-6
24.40 Unobligated balance carried forward, end of year	1	1	1

New budget authority (gross), detail:

Mandatory:			
60.26 Appropriation (trust fund)	6	6	6

Change in obligated balances:

73.10 Total new obligations	6	6	6
73.20 Total outlays (gross)	-6	-6	-6

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	6	6	6
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Net budget authority and outlays:

89.00 Budget authority	6	6	6
90.00 Outlays	6	6	6

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

Object Classification (in millions of dollars)

Identification code 12-8137-0-7-352	2006 actual	2007 est.	2008 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	2	2	2
11.5 Other personnel compensation	2	2	2
11.9 Total personnel compensation	4	4	4
12.1 Civilian personnel benefits	1	1	1
25.2 Other services	1	1	1

99.9	Total new obligations	6	6	6
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88.00	Offsetting collections (cash) from: Federal sources	-1		
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Employment Summary

Identification code 12-8137-0-7-352	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	46	46	46

Net budget authority and outlays:

89.00	Budget authority	38	38	44
90.00	Outlays	37	38	43

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

Federal Funds

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the United States Grain Standards Act, for the administration of the Packers and Stockyards Act, for certifying procedures used to protect purchasers of farm products, and the standardization activities related to grain under the Agricultural Marketing Act of 1946, \$44,385,000: Provided, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building. (7 U.S.C. 71, 74-79, 84-87, 181-229, 1621-27.)

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-2400-0-1-352	2006 actual	2007 est.	2008 est.
01.99 Balance, start of year			
Receipts:			
02.20 Fees, Grain inspection, packers and stockyards user fee account—legislative proposal subject to PAYGO			22
04.00 Total: Balances and collections			22
07.99 Balance, end of year			22

Program and Financing (in millions of dollars)

Identification code 12-2400-0-1-352	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Standardization	4	4	4
00.02 Compliance	7	7	7
00.03 Methods development	7	7	8
00.04 Packers and stockyards program	20	20	24
09.01 Reimbursable program	1	1	1
10.00 Total new obligations	39	39	44

Budgetary resources available for obligation:

22.00 New budget authority (gross)	39	38	44
23.95 Total new obligations	-39	-39	-44

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	38	38	44
58.00 Spending authority from offsetting collections: Offsetting collections (cash)	1		
70.00 Total new budget authority (gross)	39	38	44

Change in obligated balances:

72.40 Obligated balance, start of year	10	11	12
73.10 Total new obligations	39	39	44
73.20 Total outlays (gross)	-38	-38	-43
74.40 Obligated balance, end of year	11	12	13

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	33	31	36
86.93 Outlays from discretionary balances	5	7	7
87.00 Total outlays (gross)	38	38	43

Offsets:

Against gross budget authority and outlays:

The Grain Inspection, Packers and Stockyards Administration's (GIPSA) Grain Regulatory Program promotes and enforces the accurate and uniform application of the United States Grain Standards Act (USGSA) and applicable provisions of the Agricultural Marketing Act of 1946 (AMA). GIPSA identifies, evaluates, and implements new or improved techniques for measuring grain quality. GIPSA also establishes and updates testing and grading standards to facilitate the marketing of U.S. grain, oilseeds, and related products. GIPSA briefs foreign buyers, assesses foreign inspection and weighing techniques, and responds to foreign quality and quantity complaints. An advisory committee consisting of members from the grain industry exists to advise the Agency regarding efficient and economical implementation of the USGSA. The Grain Quality Improvement Act of 1986 was enacted on November 10, 1986, to improve the quality of U.S. grain by prohibiting the introduction and reintroduction of dockage and foreign material to grain.

GIPSA's Packers and Stockyards Program is responsible for administering the Packers and Stockyards Act of 1921 (P&S Act), which prohibits unfair, deceptive, and fraudulent practices by market agencies, dealers, packers, swine contractors, and live poultry dealers in the livestock, poultry, and meatpacking industries. The P&S Act makes it unlawful for a regulated entity to engage in unfair, unjustly discriminatory, or deceptive practices. Packers, live poultry dealers, and swine contractors are also prohibited from engaging in specific anti-competitive practices. GIPSA conducts two broad types of activities, regulatory and investigative, in its administration and enforcement of the P&S Act. GIPSA activities cover two general areas: Business Practices and Financial Protection. Business Practices are further divided into Competition and Trade Practices. The Agency also carries out the Secretary's responsibilities under Section 1324 of the Food Security Act of 1985 covering "central filing systems" established by States for pre-notification of security interests against farm products.

MAIN WORKLOAD FACTORS

Grain Regulatory Program	2006 actual	2007 est.	2008 est.
U.S. standards and factors (attribute tests) in effect at end of year			
Standards reviews and factors in progress	132	134	136
Standards reviews and factors completed	3	2	2
On-site investigations	3	3	3
Designations renewed	18	18	18
Registration certificates issued	88	90	90
Packers and Stockyards Program	2006 actual	2007 est.	2008 est.
Investigations	625	635	650
Regulatory Activities	1,383	1,400	1,450
Market agencies/dealers registered	5,547	5,550	5,550
Stockyards posted	1,426	1,420	1,420
Slaughtering and processing packers subject to the Act (estimated)	6,000	6,000	6,000
Distributors, brokers, and dealers subject to the Act (estimated)	6,800	6,800	6,800
Poultry operations subject to the Act	200	200	200

Object Classification (in millions of dollars)

Identification code 12-2400-0-1-352	2006 actual	2007 est.	2008 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	22	22	26
12.1 Civilian personnel benefits	6	6	7
21.0 Travel and transportation of persons	2	2	2
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	5	5	5

SALARIES AND EXPENSES—Continued

Object Classification (in millions of dollars)—Continued

Identification code 12-2400-0-1-352	2006 actual	2007 est.	2008 est.
26.0 Supplies and materials	1	1	1
31.0 Equipment	1	1	1
99.0 Direct obligations	38	38	43
99.0 Reimbursable obligations	1	1	1
99.9 Total new obligations	39	39	44

Employment Summary

Identification code 12-2400-0-1-352	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	311	316	332
Reimbursable:			
2001 Civilian full-time equivalent employment	5	5	5

LIMITATION ON INSPECTION AND WEIGHING SERVICES EXPENSES

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

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-4050-0-3-352	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
09.00 Limitation on inspection and weighing services expenses	37	42	42
10.00 Total new obligations	37	42	42

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	4	6	6
22.00 New budget authority (gross)	39	42	42
23.90 Total budgetary resources available for obligation	43	48	48
23.95 Total new obligations	-37	-42	-42
24.40 Unobligated balance carried forward, end of year	6	6	6

New budget authority (gross), detail:

Mandatory:			
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	41	42	42
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-2		
69.90 Spending authority from offsetting collections (total mandatory)	39	42	42

Change in obligated balances:

72.40 Obligated balance, start of year	-3	-2	-2
73.10 Total new obligations	37	42	42
73.20 Total outlays (gross)	-38	-42	-42
74.00 Change in uncollected customer payments from Federal sources (unexpired)	2		
74.40 Obligated balance, end of year	-2	-2	-2

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	38	42	42
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Offsets:

Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-41	-42	-42
Against gross budget authority only:			

88.95 Change in uncollected customer payments from Federal sources (unexpired)	2		
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Net budget authority and outlays:

89.00 Budget authority			
90.00 Outlays	-3		

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

Fee supported programs include direct services, supervision activities and administrative functions. Direct services include official grain inspection and weighing by GIPSA employees at certain export ports as well as the inspection of U.S. grain shipped through Canada. The Agency supervises the inspection and weighing activities performed by its own employees. The Agency also oversees the inspection and weighing of grain performed by employees of 6 delegated States and 55 designated State and private agencies. The Agency provides an appeal service of original grain inspections and a registration system for grain exporting firms. Through support from the Association of American Railroads and user fees, GIPSA conducts a railroad track scale testing program. In addition, the agency provides grading services, on request, for rice and grain related products under the authority of the Agricultural Marketing Act of 1946 (AMA).

	2006 actual	2007 est.	2008 est.
Export grain inspected and/or weighed (million metric tons):			
By Federal personnel	76.2	73.9	83.2
By delegated States	26.6	34.4	37.0
Quantity of grain inspected (official inspections) domestically (million metric tons)	174.8	139.0	136.7
Number of grain official inspections and reinspections:			
By Federal personnel	93,067	100,000	100,000
By delegated state/official agency licenses	2,799,169	3,000,000	3,200,000
Number of appeals (Grain, Rice, and Pulses)	4,075	1,700	1,700
Number of appeals to the Board of Appeals and Review (Grain, Rice, and Pulses)	634	400	400
Quantity of rice inspected (million metric tons)	2.8	3.1	3.1
Quantity of rice exports (million metric tons)	3.6	3.8	3.7

Object Classification (in millions of dollars)

Identification code 12-4050-0-3-352	2006 actual	2007 est.	2008 est.
Reimbursable obligations:			
Personnel compensation:			
11.1 Full-time permanent	17	22	22
11.3 Other than full-time permanent	1	1	1
11.5 Other personnel compensation	8	6	6
11.9 Total personnel compensation	26	29	29
12.1 Civilian personnel benefits	5	6	6
21.0 Travel and transportation of persons	1	1	1
23.1 Rental payments to GSA		1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	3	3	3
26.0 Supplies and materials	1	1	1
99.9 Total new obligations	37	42	42

Employment Summary

Identification code 12-4050-0-3-352	2006 actual	2007 est.	2008 est.
Reimbursable:			
2001 Civilian full-time equivalent employment	329	353	353

AGRICULTURAL MARKETING SERVICE

Federal Funds

MARKETING SERVICES

For necessary expenses to carry out services related to consumer protection, agricultural marketing and distribution, transportation,

and regulatory programs, as authorized by law, and for administration and coordination of payments to States, \$74,988,000, including funds for the wholesale market development program for the design and development of wholesale and farmer market facilities for the major metropolitan areas of the country: Provided, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

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

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed \$61,233,000 (from fees collected) shall be obligated during the current fiscal year for administrative expenses: Provided, That if crop size is understated and/or other uncontrollable events occur, the agency may exceed this limitation by up to 10 percent with notification to the Committees on Appropriations of both Houses of Congress.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109–289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12–2500–0–1–352	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Market news service	31	31	35
00.02 Inspection and standardization	7	7	8
00.03 Market protection and promotion	29	30	25
00.04 Wholesale market development	4	4	4
00.05 Transportation services	3	3	3
09.01 Reimbursable program	57	70	64
10.00 Total new obligations	131	145	139
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	27	30	30
22.00 New budget authority (gross)	135	145	139
23.90 Total budgetary resources available for obligation	162	175	169
23.95 Total new obligations	–131	–145	–139
23.98 Unobligated balance expiring or withdrawn	–1		
24.40 Unobligated balance carried forward, end of year	30	30	30
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	75	75	75
58.00 Spending authority from offsetting collections: Offsetting collections (cash)	60	70	64
70.00 Total new budget authority (gross)	135	145	139
Change in obligated balances:			
72.40 Obligated balance, start of year	21	27	26
73.10 Total new obligations	131	145	139
73.20 Total outlays (gross)	–127	–146	–141
73.40 Adjustments in expired accounts (net)	–1		
74.10 Change in uncollected customer payments from Federal sources (expired)	3		
74.40 Obligated balance, end of year	27	26	24
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	81	137	131
86.93 Outlays from discretionary balances	46	9	10
87.00 Total outlays (gross)	127	146	141
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	–2	–3	–3
88.40 Non-Federal sources	–58	–67	–61
88.90 Total, offsetting collections (cash)	–60	–70	–64

Net budget authority and outlays:			
89.00 Budget authority	75	75	75
90.00 Outlays	67	76	77

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

The individual Marketing Services activities include:

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

Inspection, grading and standardization.—Nationally uniform standards of quality for agricultural products are established and applied to specific lots of products to: promote confidence between buyers and sellers; reduce hazards in marketing due to misunderstandings and disputes arising from the use of nonstandard descriptions; and encourage better preparation of uniform quality products for market. Grading services are provided on request for cotton and tobacco.

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

MARKET NEWS PROGRAM

	2006 actual	2007 est.	2008 est.
Percentage of reports released on time	97%	95%	95%

COTTON AND TOBACCO USER FEE PROGRAM

	2006 actual	2007 est.	2008 est.
Cotton classed (bales in millions)	25	21	20
Domestic tobacco graded (million pounds)	16	16	16
Imported tobacco inspected (million kilograms)	175	175	175

FEDERALLY FUNDED INSPECTION AND MARKETING ACTIVITIES

	2006 actual	2007 est.	2008 est.
States and Commonwealths with cooperative agreements	52	52	52
Percentage of noncomplying shell egg lots that are reprocessed or diverted	100%	100%	100%

STANDARDIZATION ACTIVITIES

	2006 actual	2007 est.	2008 est.
International and U.S. standards in effect, end of fiscal year	494	496	507
Number of commodities covered	226	227	237

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

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

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

LIMITATION ON ADMINISTRATIVE EXPENSES—Continued

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

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

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

MARKET PROTECTION AND PROMOTION ACTIVITIES

	2006 actual	2007 est.	2008 est.
Pesticide data program:			
Number of analyses performed	151,633	131,500	131,500
Percentage of sampling and analysis goal	127%	100%	100%
Pesticide recordkeeping:			
Number of State/Federal Inspections conducted	4,662	4,000	4,000
Percentage of sampling goal attained	122%	100%	100%
Seed Act:			
Interstate investigations:			
Completed	390	370	370
Pending	374	350	350
Seed samples tested	1,911	2,000	2,000
Percentage of cases submitted that are completed	104%	100%	100%
Plant Variety Protection Act:			
Number of applications received	304	280	300
Certificates of protection issued	233	300	300
Research and promotion collections (dollars in millions)	487	500	500
Percentage of board budgets and marketing plans approved within time frame goal	100%	92%	92%

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

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

WHOLESALE MARKET DEVELOPMENT ACTIVITIES

	2006 actual	2007 est.	2008 est.
Number of projects completed	14	10	11

TRANSPORTATION SERVICES ACTIVITIES

	2006 actual	2007 est.	2008 est.
Number of projects completed	8	10	11

Object Classification (in millions of dollars)

Identification code 12-2500-0-1-352	2006 actual	2007 est.	2008 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	29	36	37
11.3 Other than full-time permanent	3	3	3
11.9 Total personnel compensation	32	39	40
12.1 Civilian personnel benefits	9	10	10
21.0 Travel and transportation of persons	2	1	1
23.2 Rental payments to others	1	1	1
23.3 Communications, utilities, and miscellaneous charges	2	1	1
24.0 Printing and reproduction	1	1	1
25.2 Other services	18	14	13
25.3 Other purchases of goods and services from Government accounts	6	5	6
26.0 Supplies and materials	1	1	1
31.0 Equipment	2	2	2
99.0 Direct obligations	74	75	75
99.0 Reimbursable obligations	57	70	64

99.9 Total new obligations	131	145	139
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Employment Summary

Identification code 12-2500-0-1-352	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	450	450	454
Reimbursable:			
2001 Civilian full-time equivalent employment	597	595	586

PAYMENTS TO STATES AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), \$1,334,000.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-2501-0-1-352	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Payments to States and possessions	4	8	1
10.00 Total new obligations (object class 41.0)	4	8	1
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		7	
22.00 New budget authority (gross)	11	1	1
23.90 Total budgetary resources available for obligation	11	8	1
23.95 Total new obligations	-4	-8	-1
24.40 Unobligated balance carried forward, end of year	7		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	11	1	1
Change in obligated balances:			
72.40 Obligated balance, start of year	8	7	14
73.10 Total new obligations	4	8	1
73.20 Total outlays (gross)	-5	-1	-1
74.40 Obligated balance, end of year	7	14	14
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	5		
86.93 Outlays from discretionary balances		1	1
87.00 Total outlays (gross)	5	1	1
Net budget authority and outlays:			
89.00 Budget authority	11	1	1
90.00 Outlays	5	1	1

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

PERISHABLE AGRICULTURAL COMMODITIES ACT FUND

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-5070-0-2-352	2006 actual	2007 est.	2008 est.
01.99 Balance, start of year			
Receipts:			
02.60 Deposits, Perishable Agricultural Commodities Act fund	7	7	7
04.00 Total: Balances and collections	7	7	7

Appropriations:				
05.00	Perishable Agricultural Commodities Act fund	-7	-7	-7
07.99	Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 12-5070-0-2-352	2006 actual	2007 est.	2008 est.	
Obligations by program activity:				
00.01	Perishable Agricultural Commodities Act	10	10	10
10.00	Total new obligations	10	10	10
Budgetary resources available for obligation:				
21.00	Unobligated balance carried forward, start of year	21	18	15
22.00	New budget authority (gross)	7	7	7
23.90	Total budgetary resources available for obligation	28	25	22
23.95	Total new obligations	-10	-10	-10
24.40	Unobligated balance carried forward, end of year	18	15	12
New budget authority (gross), detail:				
Mandatory:				
60.20	Appropriation (special fund)	7	7	7
Change in obligated balances:				
72.40	Obligated balance, start of year	2	1	4
73.10	Total new obligations	10	10	10
73.20	Total outlays (gross)	-11	-7	-7
74.40	Obligated balance, end of year	1	4	7
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	7	7	7
86.98	Outlays from mandatory balances	4		
87.00	Total outlays (gross)	11	7	7
Net budget authority and outlays:				
89.00	Budget authority	7	7	7
90.00	Outlays	11	7	7

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

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

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

PERISHABLE AGRICULTURAL COMMODITIES ACT ACTIVITIES

	2006 actual	2007 est.	2008 est.
Percentage of informal reparation complaints completed within time frame goal	92%	85%	85%

Object Classification (in millions of dollars)

Identification code 12-5070-0-2-352	2006 actual	2007 est.	2008 est.	
Direct obligations:				
11.1	Personnel compensation: Full-time permanent	5	6	6
12.1	Civilian personnel benefits	1	1	1
23.3	Communications, utilities, and miscellaneous charges	1	1	1
25.3	Other purchases of goods and services from Government accounts	3	2	2
99.9	Total new obligations	10	10	10

Employment Summary

Identification code 12-5070-0-2-352	2006 actual	2007 est.	2008 est.	
Direct:				
1001	Civilian full-time equivalent employment	82	80	80

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

(INCLUDING TRANSFERS OF FUNDS)

Funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), shall be used only for commodity program expenses as authorized therein, and other related operating expenses, including not less than \$20,000,000 for replacement of a system to support commodity purchases, except for: (1) transfers to the Department of Commerce as authorized by the Fish and Wildlife Act of August 8, 1956; (2) transfers otherwise provided in this Act; and (3) not more than \$16,798,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937 and the Agricultural Act of 1961.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-5209-0-2-605	2006 actual	2007 est.	2008 est.	
01.00	Balance, start of year	11,618	12,485	13,487
01.99	Balance, start of year	11,618	12,485	13,487
Receipts:				
02.40	General fund payment, Funds for strengthening markets, income, and supply (section 32)		1	1
02.60	30 percent of customs duties, funds for strengthening markets, income and supply (section 32)	7,349	8,030	8,864
02.99	Total receipts and collections	7,349	8,031	8,865
04.00	Total: Balances and collections	18,967	20,516	22,352
Appropriations:				
05.00	Funds for strengthening markets, income, and supply (section 32)			-37
05.01	Funds for strengthening markets, income, and supply (section 32)	-6,482	-7,029	-7,552
05.99	Total appropriations	-6,482	-7,029	-7,589
07.99	Balance, end of year	12,485	13,487	14,763

Program and Financing (in millions of dollars)

Identification code 12-5209-0-2-605	2006 actual	2007 est.	2008 est.	
Obligations by program activity:				
00.01	Child nutrition program purchases	550	615	665
00.02	Emergency surplus removal	81	302	416
00.03	Direct payments	450	100	
00.04	State option contract		5	5
00.05	Removal of defective commodities		1	1
00.06	Disaster Relief	2		
00.07	Direct payments, Hurricane relief	250		
00.91	Subtotal, Commodity program payments	1,333	1,023	1,087
01.01	Administrative expenses	44	38	49
01.92	Total direct program	1,377	1,061	1,136
09.11	Reimbursable program	1	1	1

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

(INCLUDING TRANSFERS OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-5209-0-2-605	2006 actual	2007 est.	2008 est.
10.00 Total new obligations	1,378	1,062	1,137
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	286	146	300
22.00 New budget authority (gross)	1,178	1,216	1,138
22.10 Resources available from recoveries of prior year obligations	60		
23.90 Total budgetary resources available for obligation	1,524	1,362	1,438
23.95 Total new obligations	-1,378	-1,062	-1,137
24.40 Unobligated balance carried forward, end of year	146	300	301
New budget authority (gross), detail:			
Discretionary:			
40.20 Appropriation (special fund) (Replacement of computer system)			37
40.36 Unobligated balance permanently reduced			-65
43.00 Appropriation (total discretionary)			-28
Mandatory:			
60.20 Appropriation (special fund)	6,482	7,029	7,552
60.36 Unobligated balance permanently reduced	-38		
61.00 Transferred to other accounts	-5,267	-5,814	-6,387
62.50 Appropriation (total mandatory)	1,177	1,215	1,165
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	1	1	1
70.00 Total new budget authority (gross)	1,178	1,216	1,138
Change in obligated balances:			
72.40 Obligated balance, start of year	64	56	55
73.10 Total new obligations	1,378	1,062	1,137
73.20 Total outlays (gross)	-1,326	-1,063	-1,138
73.45 Recoveries of prior year obligations	-60		
74.40 Obligated balance, end of year	56	55	54
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			-28
86.97 Outlays from new mandatory authority	976	862	866
86.98 Outlays from mandatory balances	350	201	300
87.00 Total outlays (gross)	1,326	1,063	1,138
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-1	-1	-1
Net budget authority and outlays:			
89.00 Budget authority	1,177	1,215	1,137
90.00 Outlays	1,325	1,062	1,137

The Agriculture Appropriations Act of 1935 established the Section 32 program (7 U.S.C. 612c) which provides that 30 percent of U.S. Customs receipts for each calendar year are transferred to this account within the Department of Agriculture (USDA). The purpose of the Section 32 program is three-fold: to encourage the exportation of agricultural commodities and products, to encourage domestic consumption of agricultural products by diverting them, and to reestablish farmers' purchasing power by making payments in connection with the normal production of any agricultural commodity for domestic consumption. There is also a requirement that the funds available under Section 32 shall be principally devoted to perishable agricultural commodities (e.g., fruits and vegetables). Program funds are used for a variety of purposes in support of the three primary purposes specified in the program's authorizing legislation. Funds may be used to stabilize market conditions through purchasing surplus commodities which are in turn, distributed to nutrition assistance programs. Program funds are also used to purchase commod-

ities that are distributed to schools as part of child nutrition program entitlements. Furthermore, funds are transferred to the Food and Nutrition Service for commodity purchases under section 6 of the National School Lunch Act and other authorities specified in the child nutrition appropriation. In recent years, program funds have also been used to provide specialty crop, livestock, sheep and lamb producers with disaster assistance in the form of direct payments and commodities.

Object Classification (in millions of dollars)

Identification code 12-5209-0-2-605	2006 actual	2007 est.	2008 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	12	12	12
12.1 Civilian personnel benefits	3	3	3
21.0 Travel and transportation of persons	1	1	1
22.0 Transportation of things	1	1	1
23.3 Communications, utilities, and miscellaneous charges	1	2	2
24.0 Printing and reproduction	2	2	2
25.2 Other services	157	58	15
25.3 Other purchases of goods and services from Government accounts	80	81	2
25.7 Operation and maintenance of equipment	1	1	1
26.0 Supplies and materials: Grants of commodities to States	1,118	899	1,096
31.0 Equipment	1	1	1
99.0 Direct obligations	1,377	1,061	1,136
99.0 Reimbursable obligations	1	1	1
99.9 Total new obligations	1,378	1,062	1,137

Employment Summary

Identification code 12-5209-0-2-605	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	111	111	111
Reimbursable:			
2001 Civilian full-time equivalent employment	8	8	8

Trust Funds

EXPENSES AND REFUNDS, INSPECTION AND GRADING OF FARM PRODUCTS

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-8015-0-7-352	2006 actual	2007 est.	2008 est.
01.00 Balance, start of year	2	3	4
01.99 Balance, start of year	2	3	4
Receipts:			
02.00 Interest on investments in public debt securities, AMS	1		
02.01 Payments from general fund, Wool research, development, and promotion trust fund	2	2	2
02.20 Deposits of fees, inspection and grading of farm products, AMS	141	123	127
02.99 Total receipts and collections	144	125	129
04.00 Total: Balances and collections	146	128	133
Appropriations:			
05.00 Expenses and refunds, inspection and grading of farm products	-143	-124	-126
07.99 Balance, end of year	3	4	7

Program and Financing (in millions of dollars)

Identification code 12-8015-0-7-352	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Dairy products	5	6	6
00.02 Fruits and vegetables	60	55	57
00.03 Meat grading	24	23	23
00.04 Poultry products	36	28	29
00.05 Miscellaneous agricultural commodities	17	14	14

10.00	Total new obligations	142	126	129
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	35	38	38
22.00	New budget authority (gross)	145	126	128
23.90	Total budgetary resources available for obligation	180	164	166
23.95	Total new obligations	-142	-126	-129
24.40	Unobligated balance carried forward, end of year	38	38	37
New budget authority (gross), detail:				
Mandatory:				
60.26	Appropriation (trust fund)	143	124	126
62.00	Transferred from other accounts	2	2	2
62.50	Appropriation (total mandatory)	145	126	128
Change in obligated balances:				
72.40	Obligated balance, start of year	25	18	18
73.10	Total new obligations	142	126	129
73.20	Total outlays (gross)	-149	-126	-128
74.40	Obligated balance, end of year	18	18	19
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	87	121	123
86.98	Outlays from mandatory balances	62	5	5
87.00	Total outlays (gross)	149	126	128
Net budget authority and outlays:				
89.00	Budget authority	145	126	128
90.00	Outlays	149	126	128

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

WORKLOAD INDICATORS

	2006 actual	2007 est.	2008 est.
Weighted average cost per cwt. (1990 index)	\$0.23	\$0.21	\$0.21

Object Classification (in millions of dollars)

Identification code 12-8015-0-7-352	2006 actual	2007 est.	2008 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	69	58	59
11.3	Other than full-time permanent	6	6	6
11.5	Other personnel compensation	10	15	15
11.9	Total personnel compensation	85	79	80
12.1	Civilian personnel benefits	25	19	20
13.0	Benefits for former personnel	1	1	1
21.0	Travel and transportation of persons	7	7	7
22.0	Transportation of things	1		
23.2	Rental payments to others	2	2	2
23.3	Communications, utilities, and miscellaneous charges	3	2	2
25.2	Other services	9	10	11
25.3	Other purchases of goods and services from Government accounts	4		
26.0	Supplies and materials	2	2	2
31.0	Equipment	1	2	2
41.0	Grants, subsidies, and contributions	2	2	2
99.9	Total new obligations	142	126	129

Employment Summary

Identification code 12-8015-0-7-352	2006 actual	2007 est.	2008 est.	
Direct:				
1001	Civilian full-time equivalent employment	1,527	1,602	1,602

MILK MARKET ORDERS ASSESSMENT FUND

Program and Financing (in millions of dollars)

Identification code 12-8412-0-8-351	2006 actual	2007 est.	2008 est.	
Obligations by program activity:				
09.01	Administration	43	47	48
09.02	Marketing service	5	6	7
09.03	Purchase of non-Federal securities	24		
10.00	Total new obligations	72	53	55
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	26		
22.00	New budget authority (gross)	46	53	55
23.90	Total budgetary resources available for obligation	72	53	55
23.95	Total new obligations	-72	-53	-55
24.40	Unobligated balance carried forward, end of year			
New budget authority (gross), detail:				
Mandatory:				
Spending authority from offsetting collections:				
69.00	Offsetting collections (cash)	46	43	43
69.00	Offsetting collections (Proceeds from non-Federal securities not immediately reinvested)		10	12
69.90	Spending authority from offsetting collections (total mandatory)	46	53	55
Change in obligated balances:				
72.40	Obligated balance, start of year	1		
73.10	Total new obligations	72	53	55
73.20	Total outlays (gross)	-73	-53	-55
74.40	Obligated balance, end of year			
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	46	53	55
86.98	Outlays from mandatory balances	27		
87.00	Total outlays (gross)	73	53	55
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.40	Non-Federal sources	-46	-43	-43
88.40	Non-Federal sources (Proceeds from non-Federal securities not immediately reinvested)		-10	-12
88.90	Total, offsetting collections (cash)	-46	-53	-55
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	27		
Memorandum (non-add) entries:				
92.03	Total investments, start of year: non-Federal securities: Market value		24	14
92.04	Total investments, end of year: non-Federal securities: Market value	24	14	2

The Secretary of Agriculture is authorized by the Agricultural Marketing Agreement Act of 1937, as amended under certain conditions to issue Federal milk marketing orders establishing minimum prices which handlers are required to pay for milk purchased from producers. There are currently 10 Federally-sanctioned milk market orders in operation.

Market administrators are appointed by the Secretary and are responsible for carrying out the terms of specific marketing orders. Their operating expenses, partly financed by assessments on regulated handlers and partly by deductions

MILK MARKET ORDERS ASSESSMENT FUND—Continued

from producers, are reported in these schedules. The majority of these funds are collected and deposited in checking and savings accounts in local banks, and disbursed directly by the market administrator. A portion of the funds collected are invested in securities such as certificates of deposit.

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

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

Object Classification (in millions of dollars)			
Identification code 12-8412-0-8-351	2006 actual	2007 est.	2008 est.
Reimbursable obligations:			
11.1 Personnel compensation: Full-time permanent	31	32	33
12.1 Civilian personnel benefits	8	10	11
21.0 Travel and transportation of persons	3	3	3
23.2 Rental payments to others	3	3	3
23.3 Communications, utilities, and miscellaneous charges	1	2	2
25.2 Other services	1	1	1
26.0 Supplies and materials	1	1	1
31.0 Equipment	1	1	1
33.0 Investments and loans	24		
99.9 Total new obligations	72	53	55

Employment Summary			
Identification code 12-8412-0-8-351	2006 actual	2007 est.	2008 est.
Reimbursable:			
2001 Civilian full-time equivalent employment	423	423	423

RISK MANAGEMENT AGENCY

Federal Funds

ADMINISTRATIVE AND OPERATING EXPENSES

For administrative and operating expenses, as authorized by section 226A of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6933), \$79,062,000: Provided, That not to exceed \$1,000 shall be available for official reception and representation expenses, as authorized by 7 U.S.C. 1506(i).

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)			
Identification code 12-2707-0-1-351	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Administrative and operating expenses	76	76	79
10.00 Total new obligations	76	76	79
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	76	76	79
23.95 Total new obligations	-76	-76	-79

New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	77	76	79
40.35 Appropriation permanently reduced	-1		
43.00 Appropriation (total discretionary)	76	76	79
Change in obligated balances:			
72.40 Obligated balance, start of year	21	21	21
73.10 Total new obligations	76	76	79
73.20 Total outlays (gross)	-74	-74	-78
73.40 Adjustments in expired accounts (net)	-2	-2	-1
74.40 Obligated balance, end of year	21	21	21
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	53	53	55
86.93 Outlays from discretionary balances	21	21	23
87.00 Total outlays (gross)	74	74	78
Net budget authority and outlays:			
89.00 Budget authority	76	76	79
90.00 Outlays	74	74	78

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

The Federal Crop Insurance program is delivered through private insurance companies. Certain administrative expenses incurred by the companies are reimbursed through mandatory funding that is reflected in the account for the Federal Crop Insurance Fund. In addition, the data mining project and RMA's portion of the Common Information Management System are proposed to be funded through a general provision that will expand the uses of research and development funding in the Crop Insurance Act to include these purposes, up to \$11.2 million.

Object Classification (in millions of dollars)			
Identification code 12-2707-0-1-351	2006 actual	2007 est.	2008 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	38	39	39
11.3 Other than full-time permanent	1	1	1
11.9 Total personnel compensation	39	40	40
12.1 Civilian personnel benefits	10	9	9
21.0 Travel and transportation of persons	2	2	2
23.2 Rental payments to others	1	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	19	21	24
26.0 Supplies and materials	2	1	1
31.0 Equipment	2	1	1
99.9 Total new obligations	76	76	79

Employment Summary			
Identification code 12-2707-0-1-351	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	477	553	553

CORPORATIONS

The following corporations and agencies are hereby authorized to make expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make contracts and commitments without regard to fiscal

year limitations as provided by section 104 of the Government Corporation Control Act as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

FEDERAL CROP INSURANCE CORPORATION FUND

For payments as authorized by section 516 of the Federal Crop Insurance Act (7 U.S.C. 1516), such sums as may be necessary, to remain available until expended.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-4085-0-3-351	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Indemnities	2,375	3,702	3,671
00.02 A&O reimbursements	962	1,111	1,190
00.03 ARPA obligations	43	70	70
09.01 Reimbursable program—indemnities	1,208	1,184	1,401
10.00 Total new obligations	4,588	6,067	6,332
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1,355	1,266	757
22.00 New budget authority (gross)	4,499	5,558	6,214
23.90 Total budgetary resources available for obligation	5,854	6,824	6,971
23.95 Total new obligations	-4,588	-6,067	-6,332
24.40 Unobligated balance carried forward, end of year	1,266	757	639
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	3,296	4,379	4,818
61.00 Transferred to other accounts	-5	-5	-5
62.50 Appropriation (total mandatory)	3,291	4,374	4,813
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	1,208	1,184	1,401
70.00 Total new budget authority (gross)	4,499	5,558	6,214
Change in obligated balances:			
72.40 Obligated balance, start of year	246	254	1,219
73.10 Total new obligations	4,588	6,067	6,332
73.20 Total outlays (gross)	-4,580	-5,102	-5,943
74.40 Obligated balance, end of year	254	1,219	1,608
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	3,225	3,836	4,458
86.98 Outlays from mandatory balances	1,355	1,266	1,485
87.00 Total outlays (gross)	4,580	5,102	5,943
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-1,208	-1,184	-1,401
Net budget authority and outlays:			
89.00 Budget authority	3,291	4,374	4,813
90.00 Outlays	3,372	3,918	4,542

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

land and forage, livestock, and other educational and risk mitigation initiatives/tools to manage risk.

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

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

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

The Adjusted Gross Revenue-Lite (AGR-Lite) insurance plan, a modification of AGR, was approved in late 2002 and offered for sale in 2003. This product was submitted to FCIC through Section 508(h) of the Act. For 2006, AGR-Lite covers whole farm revenue up to \$1 million, including revenue from animals and animal products. AGR-Lite covers the adjusted gross revenue from the whole farm based on five years of tax forms and a farm plan. AGR-Lite initially began as a pilot in Pennsylvania and recently expanded to cover 28 States starting with the 2007 crop year.

During 2006, RMA continued, as one of its highest priorities, the contracted development of new insurance programs for pasture, rangeland and forage, implementing two new pilot programs effective for the 2007 crop year in 9 states, the Rainfall and Vegetative Index programs. In addition, RMA presented two new alternatives for addressing situations of declining actual production history yields due to successive years of yield loss to the Board of Directors for consideration of expert review. Also, RMA awarded 8 research and development partnership agreements totaling over \$3 million to develop financial and risk management decision support tools, and for funding technical and scientific innovations for better disease management and to increase information on expected yield impacts associated with reduced irrigation water application. Additionally RMA funded approximately \$3 million for improvements and expansion to decision support tools for production practices to manage soybean rust and to help in the establishment of sentinel plots to assist in keeping the nation informed on the movement of the rust disease.

In crop year 2006, 242 million acres were insured, with an estimated \$4,579 million in total premium income, including \$2,681 million in premium subsidy.

ARPA provided RMA with mandatory funding to implement data mining and data warehousing to improve compliance and integrity in the crop insurance program in years 2001-2005. In 2006, \$3.6 million was appropriated in the Administrative and Operating Account for data mining and data

FEDERAL CROP INSURANCE CORPORATION FUND—Continued

warehousing activities. To ensure data mining has annual funding, RMA is requesting authorization to fund data mining costs through ARPA. The 2008 Budget also requests authorization to fund the Common Information Management System through ARPA.

The 2008 Budget includes a proposal to implement a participation fee in the Federal crop insurance program. The proposed participation fee would initially be used to fund modernization of the existing information technology (IT) system and would supplement the annual appropriation provided by Congress. Subsequently, the fee would be shifted to maintenance and would be expected to reduce the annual appropriation. The participation fee would be charged to insurance companies participating in the Federal crop insurance program; based on a rate of about one-half cent per dollar of premium sold, the fee is expected to generate an amount not to exceed \$15 million annually. In recent years, the Administration has included several proposals in the Budget to modernize the IT system used by RMA to administer the Federal crop insurance program. The existing IT system is nearing the end of its useful life and recent years have seen increases in "down-time" resulting from system failures. Over the years, numerous changes have occurred in the Federal crop insurance program; including, the development of revenue, livestock, and pasture/rangeland insurance which have greatly expanded the program and taxed the IT system due to new requirements, such as daily livestock pricing, which were not envisioned when the existing IT system was designed. These new requirements contribute to increased maintenance costs and limit RMA's ability to comply with Congressional mandates pertaining to data reconciliation with the Farm Service Agency.

The following table compares the scope of the insurance operations planned for 2008. Amounts in the 2006 column are as of September 30, 2006, and pertain to the 2006 crop year.

	2006 CY est.	2007 CY est.	2008 CY est.
Number of States	50	50	50
Number of counties	3,066	3,066	3,066
Insurance in force (millions)	49,930	63,004	67,796
Insured acreage (millions)	242	262	288
Producer premium (millions) ¹	\$1,898	\$2,235	\$2,388
Premium subsidy (millions) ¹	\$2,681	\$3,144	\$3,368
Total premium (millions) ¹	\$4,579	\$5,379	\$5,756
Indemnities (millions) ¹	\$4,505	\$5,771	\$6,087
Loss ratio .....	.98	1.075	1.075

¹Includes amounts that will appear on the books of the reinsured companies.

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

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

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

PREMIUM AND SUBSIDY

(In millions of dollars)

	FY 2006 actual	FY 2007 est.	FY 2008 est.
Premiums:			
Additional coverage premium subsidy	2,045	2,510	3,218
Catastrophic coverage—Reinsurance premium subsidy	246	217	248
Subtotal, premium subsidy	2,291	2,727	3,467

Producer premium	1,161	1,141	1,357
Total premiums	3,452	3,868	4,824
Indemnities:			
Additional coverage	3,338	4,801	5,000
Catastrophic coverage—Reinsurance	251	151	253
Total indemnities	3,589	4,952	5,253

The following table summarizes the insurance operations for 2006, 2007, and 2008:

NET INCOME OR LOSS (-) ON INSURANCE OPERATIONS

(In millions of dollars)

	FY 2006 actual	FY 2007 est.	FY 2008 est.
Producer premium less indemnities	-2,428	-3,811	-3,896
Interest expense, net	0	0	0
Delivery expenses ¹	-962	-1,111	-1,190
Other income or expense, net	47	43	44
ARPA costs	-43	-75	-75
Reinsurance underwriting gain (+) or loss (-)	-924	-790	-892
Net income or loss (-)	-4,310	-5,744	-6,009

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

Balance Sheet (in millions of dollars)

Identification code 12-4085-0-3-351	2005 actual	2006 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	1,601	1,431
1206 Non-Federal assets: Receivables, net	1,369	1,713
1803 Other Federal assets: Property, plant and equipment, net	1	1
1999 Total assets	2,971	3,145
LIABILITIES:		
2105 Federal liabilities: Other	1	
Non-Federal liabilities:		
2201 Accounts payable	14	11
2207 Other	3,485	3,916
2999 Total liabilities	3,500	3,927
NET POSITION:		
3100 Appropriated capital	465	510
3300 Cumulative results of operations	-994	-1,292
3999 Total net position	-529	-782
4999 Total liabilities and net position	2,971	3,145

Object Classification (in millions of dollars)

Identification code 12-4085-0-3-351	2006 actual	2007 est.	2008 est.
Direct obligations:			
25.2 Other services-ARPA requirements	43	70	70
25.2 Other services	962	1,111	1,190
42.0 Insurance claims and indemnities (reinsured buyup)	2,375	3,702	3,671
99.0 Direct obligations	3,380	4,883	4,931
42.0 Reimbursable obligations: Insurance claims and indemnities	1,208	1,184	1,401
99.9 Total new obligations	4,588	6,067	6,332

FARM SERVICE AGENCY

Federal Funds

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses for carrying out the administration and implementation of programs administered by the Farm Service Agency, \$1,228,662,000: Provided, That the Secretary is authorized to use the services, facilities, and authorities (but not the funds) of the Commodity Credit Corporation to make program payments for all programs administered by the Agency: Provided further, That other funds

made available to the Agency for authorized activities may be advanced to and merged with this account.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-0600-0-1-351	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Conservation	140	136	191
00.02 Income support	802	770	961
00.05 Commodity operations	61	59	77
03.00 Subtotal, direct program	1,003	965	1,229
09.01 Farm loans	301	302	312
09.02 Other programs	182	102	99
09.99 Subtotal, reimbursable program	483	404	411
10.00 Total new obligations	1,486	1,369	1,640
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	24	77	77
22.00 New budget authority (gross)	1,503	1,369	1,640
22.30 Expired unobligated balance transfer to unexpired account	46		
23.90 Total budgetary resources available for obligation	1,573	1,446	1,717
23.95 Total new obligations	-1,486	-1,369	-1,640
23.98 Unobligated balance expiring or withdrawn	-10		
24.40 Unobligated balance carried forward, end of year	77	77	77
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,030	965	1,229
40.35 Appropriation permanently reduced	-10		
43.00 Appropriation (total discretionary)	1,020	965	1,229
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	473	404	411
58.10 Change in uncollected customer payments from Federal sources (unexpired)	10		
58.90 Spending authority from offsetting collections (total discretionary)	483	404	411
70.00 Total new budget authority (gross)	1,503	1,369	1,640
Change in obligated balances:			
72.40 Obligated balance, start of year	104	159	159
73.10 Total new obligations	1,486	1,369	1,640
73.20 Total outlays (gross)	-1,443	-1,369	-1,613
73.40 Adjustments in expired accounts (net)	-2		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-10		
74.10 Change in uncollected customer payments from Federal sources (expired)	24		
74.40 Obligated balance, end of year	159	159	186
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1,327	1,270	1,514
86.93 Outlays from discretionary balances	116	99	99
87.00 Total outlays (gross)	1,443	1,369	1,613
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-482	-387	-394
88.40 Non-Federal sources	-24	-17	-17
88.90 Total, offsetting collections (cash)	-506	-404	-411
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-10		
88.96 Portion of offsetting collections (cash) credited to expired accounts	33		
Net budget authority and outlays:			
89.00 Budget authority	1,020	965	1,229
90.00 Outlays	937	965	1,202

The Farm Service Agency (FSA) was established October 3, 1994, pursuant to the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, P.L. 103-354. The Department of Agriculture Reorganization Act of 1994 was amended on April 4, 1996, by the Federal Agriculture Improvement and Reform Act of 1996 (1996 Act), P.L. 104-127. The FSA administers a variety of activities, such as farm income support programs through various loans and payments; the Conservation Reserve Program (CRP); the Emergency Conservation Program; the Hazardous Waste Management Program; the Commodity Operation Programs including the warehouse examination function; farm ownership, farm operating, emergency disaster, and other loan programs; and the Noninsured Crop Disaster Assistance Program (NAP), which provides crop loss protection for growers of many crops for which crop insurance is not available. The Agency also assists in the administration of several conservation cost-share programs financed by the Commodity Credit Corporation (CCC), including the Grasslands Reserve Program (GRP). In addition, FSA currently provides certain administrative support services to the Foreign Agricultural Service (FAS) and to the Risk Management Agency (RMA).

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

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

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

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

Farm program activities include the following functions dealing with the administration of programs carried out through the farmer committee system of the FSA: (a) developing program regulations and procedures; (b) collecting and compiling basic data for individual farms; (c) establishing individual farm allotments for farm planting history; (d) notifying producers of established allotments and farm planting histories; (e) conducting referendums and certifying results; (f) accepting farmer certifications and checking compliance

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

for specific purposes; (g) processing commodity loan documents and issuing checks; (h) processing direct and counter-cyclical payments and issuing checks; (i) certifying payment eligibility and monitoring payment limitations; and (j) processing farm storage facility loans and issuing checks.

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

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

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

Other reimbursable activities.—FSA collects a fee or is reimbursed for performing a variety of services for other Federal agencies, CCC, industry, and others, including certain administrative support services for the Risk Management Agency and the Foreign Agricultural Service, and for county office services provided to Federal and non-Federal entities, including a variety of services to producers.

11.3	Other than full-time permanent	3	3	3
11.5	Other personnel compensation	3	3	3
11.9	Total personnel compensation	149	151	160
12.1	Civilian personnel benefits	44	45	47
21.0	Travel and transportation of persons	9		17
22.0	Transportation of things	3		4
23.3	Communications, utilities, and miscellaneous charges	7	17	35
24.0	Printing and reproduction	1		1
25.2	Other services	146	163	273
26.0	Supplies and materials	6		4
31.0	Equipment	3		1
41.0	Grants, subsidies, and contributions	635	589	687
99.0	Direct obligations	1,003	965	1,229
99.0	Reimbursable obligations	483	404	411
99.9	Total new obligations	1,486	1,369	1,640

Employment Summary

Identification code 12-0600-0-1-351	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	2,001	2,023	2,079
Reimbursable:			
2001 Civilian full-time equivalent employment	3,234	3,230	3,174

STATE MEDIATION GRANTS

For grants pursuant to section 502(b) of the Agricultural Credit Act of 1987, as amended (7 U.S.C. 5101-5106), \$4,000,000.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-0170-0-1-351	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 State mediation grants	4	4	4
10.00 Total new obligations (object class 41.0)	4	4	4
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	4	4	4
23.95 Total new obligations	-4	-4	-4
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	4	4	4
Change in obligated balances:			
72.40 Obligated balance, start of year	3	3	3
73.10 Total new obligations	4	4	4
73.20 Total outlays (gross)	-4	-4	-4
74.40 Obligated balance, end of year	3	3	3
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	2	2	2
86.93 Outlays from discretionary balances	2	2	2
87.00 Total outlays (gross)	4	4	4
Net budget authority and outlays:			
89.00 Budget authority	4	4	4
90.00 Outlays	4	4	4

This grant program is authorized by Title V of the Agricultural Credit Act of 1987, P.L. 100-233, as amended. Originally designed to address agricultural credit disputes, the program was expanded by the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (P.L. 103-354) to include other agricultural issues such as wetland determinations, conservation compliance, rural water loan programs, grazing on National Forest System lands, and pesticide use. Grants are made to States whose agricultural

Object Classification (in millions of dollars)

Identification code 12-0600-0-1-351	2006 actual	2007 est.	2008 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	143	145	154

mediation programs have been certified by the Farm Service Agency. A grant will not exceed 70 percent of the total fiscal year funds that a qualifying State requires to operate and administer its agricultural mediation program. In no case will the total amount of a grant exceed \$500,000 annually.

GRANT OBLIGATIONS

	2006 actual	2007 est.	2008 est.
Number of States receiving grants	33	36	36
Amount of grants (in millions of dollars)	4	4	4

TREE ASSISTANCE PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-2701-0-1-351	2006 actual	2007 est.	2008 est.
Change in obligated balances:			
72.40 Obligated balance, start of year	3	2	
73.20 Total outlays (gross)	-1		
73.40 Adjustments in expired accounts (net)		-2	
74.40 Obligated balance, end of year	2		
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	1		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	1		

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

The most recent appropriation for TAP was in 2004, when the Consolidated Appropriations Act, P.L. 108-199, appropriated \$12.5 million for the program in southern California. During the year, \$4 million was obligated, \$6 million was transferred to the USDA Working Capital Fund per Section 704 of P.L. 108-199, and the remaining \$2 million unobligated balance will expire at the end of 2009.

For 2006, no appropriation was provided for TAP. However, funding was provided under the Commodity Credit Corporation. During 2006, \$550,302 was paid to producers in Southern California from 2004 obligations.

No funding is requested for 2008.

AGRICULTURAL CONSERVATION PROGRAM

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

The primary objective of the program was to conserve soil and water resources. Along with annual agreements, cost sharing was authorized for long-term agreements of 3-10 years. In 2006 a transfer of \$100,000 in unobligated funds was made to the USDA Working Capital Fund as authorized in Section 705 of the Agriculture Appropriations Act, 2006, P.L. 109-97. Outlays to States in 2006 totaled \$2,000.

EMERGENCY CONSERVATION PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3316-0-1-453	2006 actual	2007 est.	2008 est.
Obligations by program activity:			

00.01	Emergency conservation program	108	120	30
10.00	Total new obligations (object class 41.0)	108	120	30

Budgetary resources available for obligation:

21.40	Unobligated balance carried forward, start of year	96	150	30
22.00	New budget authority (gross)	162		
23.90	Total budgetary resources available for obligation	258	150	30
23.95	Total new obligations	-108	-120	-30
24.40	Unobligated balance carried forward, end of year	150	30	

New budget authority (gross), detail:

Discretionary:				
40.00	Appropriation	200		
41.00	Transferred to other accounts	-38		
43.00	Appropriation (total discretionary)	162		

Change in obligated balances:

72.40	Obligated balance, start of year	41	61	46
73.10	Total new obligations	108	120	30
73.20	Total outlays (gross)	-88	-135	-50
74.40	Obligated balance, end of year	61	46	26

Outlays (gross), detail:

86.93	Outlays from discretionary balances	72	135	50
86.98	Outlays from mandatory balances	16		
87.00	Total outlays (gross)	88	135	50

Net budget authority and outlays:

89.00	Budget authority	162		
90.00	Outlays	88	135	50

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

For 2006, the Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006, P.L. 109-148, provided \$199.8 million to repair damage caused by hurricanes during the 2005 calendar year, including damage to nursery, oyster, poultry, and nonindustrial forestland operations. In addition, the program continued to operate nationwide using unobligated funds carried forward from 2005 along with recoveries from prior fiscal years. These funds are available until expended. On June 15, 2006, the President approved P.L. 109-234, transferring \$38 million from the ECP to the National Oceanic and Atmospheric Administration. The \$38 million transfer will be used for oyster damage caused by hurricanes during calendar year 2005.

Under the 2006 program, cost-sharing and technical assistance were provided in 38 States to treat farmlands damaged by hurricanes, drought, floods, ice storms, tornadoes, and other natural disasters. Outlays to States in 2006 totaled \$88 million, including \$25,186,086 for damage caused by hurricanes during the 2005 calendar year.

The 2008 Budget proposes no funding for this program.

GRASSROOTS SOURCE WATER PROTECTION PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3304-0-1-302	2006 actual	2007 est.	2008 est.	
Obligations by program activity:				
00.01	Grassroots source water payments	4	4	
10.00	Total new obligations (object class 41.0)	4	4	
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	4	4	
23.95	Total new obligations	-4	-4	

GRASSROOTS SOURCE WATER PROTECTION PROGRAM—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-3304-0-1-302	2006 actual	2007 est.	2008 est.
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	4	4	
Change in obligated balances:			
73.10 Total new obligations	4	4	
73.20 Total outlays (gross)	-4	-4	
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	4	4	
Net budget authority and outlays:			
89.00 Budget authority	4	4	
90.00 Outlays	4	4	

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

For gross obligations for the principal amount of direct and guaranteed farm ownership (7 U.S.C. 1922 et seq.) and operating (7 U.S.C. 1941 et seq.) loans, Indian tribe land acquisition loans (25 U.S.C. 488), and boll weevil loans (7 U.S.C. 1989), to be available from funds in the Agricultural Credit Insurance Fund, as follows: farm ownership loans, \$1,423,857,000, of which \$1,200,000,000 shall be for unsubsidized guaranteed loans and \$223,857,000 shall be for direct loans; operating loans, \$1,879,595,000, of which \$1,000,000,000 shall be for unsubsidized guaranteed loans, \$250,000,000 shall be for subsidized guaranteed loans, and \$629,595,000 shall be for direct loans; Indian tribe land acquisition loans, \$3,960,000; and for boll weevil eradication program loans, \$59,400,000: Provided, That the Secretary shall deem the pink bollworm to be a boll weevil for the purpose of boll weevil eradication program loans.

For the cost of direct and guaranteed loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, as follows: farm ownership loans, \$14,762,000, of which \$4,800,000 shall be for unsubsidized guaranteed loans and \$9,962,000 shall be for direct loans; operating loans, \$137,446,000, of which \$24,200,000 shall be for unsubsidized guaranteed loans, \$33,350,000 shall be for subsidized guaranteed loans, and \$79,896,000 shall be for direct loans; and Indian tribe land acquisition loans, \$125,000.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, \$319,657,000, of which \$311,737,000 shall be paid to the appropriation for "Farm Service Agency, Salaries and Expenses".

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

DAIRY INDEMNITY PROGRAM

(INCLUDING TRANSFER OF FUNDS)

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

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-1140-0-1-351	2006 actual	2007 est.	2008 est.
Obligations by program activity:			

00.01 Direct loan subsidy	83	93	97
00.02 Guaranteed loan subsidy	67	65	62
00.05 Reestimates of direct loan subsidy	143	30	
00.06 Interest on reestimates of direct loan subsidy	31	16	
00.07 Reestimates of guaranteed loan subsidy	4	47	
00.08 Interest on reestimate of guaranteed loan subsidy	3	10	
00.09 Administrative expenses—salaries and expenses	302	301	312
00.10 Administrative expenses—PLCE	6	8	8
10.00 Total new obligations	639	570	479

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	22	16	8
22.00 New budget authority (gross)	640	562	472
23.90 Total budgetary resources available for obligation	662	578	480
23.95 Total new obligations	-639	-570	-479
23.98 Unobligated balance expiring or withdrawn	-7		
24.40 Unobligated balance carried forward, end of year	16	8	1

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	464	459	472
40.35 Appropriation permanently reduced	-5		
43.00 Appropriation (total discretionary)	459	459	472
Mandatory:			
60.00 Appropriation	181	103	
70.00 Total new budget authority (gross)	640	562	472

Change in obligated balances:

72.40 Obligated balance, start of year	15	16	27
73.10 Total new obligations	639	570	479
73.20 Total outlays (gross)	-636	-559	-478
73.40 Adjustments in expired accounts (net)	-2		
74.40 Obligated balance, end of year	16	27	28

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	444	437	449
86.93 Outlays from discretionary balances	11	19	29
86.97 Outlays from new mandatory authority	181	103	
87.00 Total outlays (gross)	636	559	478

Net budget authority and outlays:

89.00 Budget authority	640	562	472
90.00 Outlays	636	559	478

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

Identification code 12-1140-0-1-351	2006 actual	2007 est.	2008 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Farm ownership	275	223	224
115002 Farm operating	641	649	630
115003 Emergency disaster	51	60	60
115004 Indian tribe land acquisition		4	4
115005 Boll weevil eradication	22	59	59
115999 Total direct loan levels	989	995	977
Direct loan subsidy (in percent):			
132001 Farm ownership	5.12	4.19	4.45
132002 Farm operating	9.95	11.69	12.69
132003 Emergency disaster	10.94	11.77	11.15
132004 Indian tribe land acquisition	0.00	21.15	3.15
132005 Boll weevil eradication	-18.09	1.90	-0.27
132999 Weighted average subsidy rate	8.03	9.47	9.88
Direct loan subsidy budget authority:			
133001 Farm ownership	14	9	10
133002 Farm operating	64	76	80
133003 Emergency disaster	6	7	7
133004 Indian tribe land acquisition		1	
133005 Boll weevil eradication	-4	1	
133999 Total subsidy budget authority	80	94	97
Direct loan subsidy outlays:			
134001 Farm ownership	13	9	10
134002 Farm operating	61	70	77
134003 Emergency disaster	5	7	7
134004 Indian tribe land acquisition		1	
134005 Boll weevil eradication	-3		

134999 Total subsidy outlays	76	87	94
Direct loan upward reestimates:			
135001 Farm ownership	37	10	
135002 Farm operating	16		
135003 Emergency disaster	1	14	
135005 Boll weevil eradication	119	20	
135009 Indian Land, Credit Sales, Seed, Soil & Water	1	2	
135999 Total upward reestimate budget authority	174	46	
Direct loan downward reestimates:			
137001 Farm ownership	-70	-40	
137002 Farm operating	-89		
137003 Emergency disaster	-18	-4	
137004 Indian tribe land acquisition	-1	-1	
137005 Boll weevil eradication		-5	
137006 Seed Cotton		-2	
137008 Farm ownership credit sales	-1	-1	
137999 Total downward reestimate budget authority	-179	-53	
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Farm ownership, unsubsidized	934	1,201	1,200
215002 Farm operating, unsubsidized	941	1,151	1,000
215003 Farm operating, subsidized	272	272	250
215999 Total loan guarantee levels	2,147	2,624	2,450
Guaranteed loan subsidy (in percent):			
232001 Farm ownership, unsubsidized	0.48	0.58	0.40
232002 Farm operating, unsubsidized	3.03	2.47	2.42
232003 Farm operating, subsidized	12.50	10.07	13.34
232999 Weighted average subsidy rate	3.12	2.39	2.54
Guaranteed loan subsidy budget authority:			
233001 Farm ownership, unsubsidized	5	7	5
233002 Farm operating, unsubsidized	28	30	24
233003 Farm operating, subsidized	34	28	33
233999 Total subsidy budget authority	67	65	62
Guaranteed loan subsidy outlays:			
234001 Farm ownership, unsubsidized	4	8	5
234002 Farm operating, unsubsidized	28	26	25
234003 Farm operating, subsidized	34	24	32
234999 Total subsidy outlays	66	58	62
Guaranteed loan upward reestimates:			
235001 Farm ownership, unsubsidized	7		
235002 Farm operating, unsubsidized		10	
235003 Farm operating, subsidized		47	
235999 Total upward reestimate budget authority	7	57	
Guaranteed loan downward reestimates:			
237001 Farm ownership, unsubsidized	-6	-15	
237002 Farm operating, unsubsidized	-95	-16	
237003 Farm operating, subsidized	-112	-4	
237999 Total downward reestimate subsidy budget authority	-213	-35	
Administrative expense data:			
3510 Budget authority	301	309	320
3590 Outlays from new authority	301	309	320

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

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

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

Under the Dairy Indemnity Program (DIP), payments are made to farmers and manufacturers of dairy products who are directed to remove their milk or milk products from commercial markets because they contain residues of chemicals

that have been registered and approved by the Federal Government, other chemicals, nuclear radiation, or nuclear fallout. Indemnification may also be paid for cows producing such milk.

In 2006, \$132 thousand was paid to producers who filed claims under the program.

The 2008 Budget requests \$100 thousand for this program.

Object Classification (in millions of dollars)

Identification code 12-1140-0-1-351	2006 actual	2007 est.	2008 est.
Direct obligations:			
25.3 Other purchases of goods and services from Government accounts	307	309	320
41.0 Grants, subsidies, and contributions	332	261	159
99.9 Total new obligations	639	570	479

AGRICULTURAL CREDIT INSURANCE FUND DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4212-0-3-351	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Direct loan obligations	989	995	977
00.02 Payments of interest to Treasury	308	250	250
00.03 Fees, collateral and other	2	4	4
00.04 Advances on behalf of borrowers	5	3	3
00.91 Direct program by activities—subtotal (1 level)	1,304	1,252	1,234
08.01 Negative subsidy	4		
08.02 Downward reestimate	145	44	
08.04 Interest on downward reestimate	34	9	
08.91 Direct program by activities—Subtotal (1 level)	183	53	
10.00 Total new obligations	1,487	1,305	1,234
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1,909	596	1
22.00 New financing authority (gross)	714	710	1,234
22.10 Resources available from recoveries of prior year obligations	14		
22.60 Portion applied to repay debt	-542		
22.70 Balance of authority to borrow withdrawn	-12		
23.90 Total budgetary resources available for obligation	2,083	1,306	1,235
23.95 Total new obligations	-1,487	-1,305	-1,234
24.40 Unobligated balance carried forward, end of year	596	1	1
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	1,259	1,039	1,007
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	1,363	1,261	1,177
69.10 Change in uncollected customer payments from Federal sources (unexpired)	1		
69.47 Portion applied to repay debt	-1,909	-1,590	-950
69.90 Spending authority from offsetting collections (total mandatory)	-545	-329	227
70.00 Total new financing authority (gross)	714	710	1,234
Change in obligated balances:			
72.40 Obligated balance, start of year	170	188	371
73.10 Total new obligations	1,487	1,305	1,234
73.20 Total financing disbursements (gross)	-1,454	-1,122	-1,103
73.45 Recoveries of prior year obligations	-14		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-1		
74.40 Obligated balance, end of year	188	371	502
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	1,454	1,122	1,103
Offsets:			
Against gross financing authority and financing disbursements:			

AGRICULTURAL CREDIT INSURANCE FUND DIRECT LOAN FINANCING
ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-4212-0-3-351	2006 actual	2007 est.	2008 est.
Offsetting collections (cash) from:			
88.00 Federal Sources: Reestimate payment from program account	-174	-46	
88.00 Federal Sources: Subsidy payment from program account	-79	-88	-94
88.25 Federal Sources: Interest on uninvested funds	-127	-115	-115
88.40 Repayments of principal	-807	-815	-762
88.40 Repayments of interest	-169	-197	-206
88.40 Interest and principal repayments—judgements	-3		
88.40 Proceeds from sale of acquired property	-1		
88.40 Fees, shared appreciation, other	-3		
88.90 Total, offsetting collections (cash)	-1,363	-1,261	-1,177
Against gross financing authority only:			
88.95 Change in receivables from program accounts	-1		
Net financing authority and financing disbursements:			
89.00 Financing authority	-650	-551	57
90.00 Financing disbursements	92	-139	-74

Status of Direct Loans (in millions of dollars)

Identification code 12-4212-0-3-351	2006 actual	2007 est.	2008 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	936	933	917
1121 Limitation available from carry-forward	177	124	62
1143 Unobligated limitation carried forward (P.L. 106-113) (-)	-124	-62	-2
1150 Total direct loan obligations	989	995	977
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	4,342	4,434	4,389
1231 Disbursements: Direct loan disbursements	965	820	853
1251 Repayments: Repayments and prepayments	-868	-815	-762
1263 Write-offs for default: Direct loans	-5	-50	-50
1290 Outstanding, end of year	4,434	4,389	4,430

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

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

Balance Sheet (in millions of dollars)

Identification code 12-4212-0-3-351	2005 actual	2006 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	1,909	597
Investments in US securities:		
1106 Receivables, net	149	58
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	4,342	4,434
1402 Interest receivable	190	191
1403 Accounts receivable from foreclosed property	3	4
1405 Allowance for subsidy cost (-)	-687	-627
1499 Net present value of assets related to direct loans	3,848	4,002
1999 Total assets	5,906	4,657
LIABILITIES:		
2104 Federal liabilities: Resources payable to Treasury	5,709	4,489
2207 Non-Federal liabilities: Other	197	168
2999 Total liabilities	5,906	4,657

4999 Total liabilities and net position 5,906 4,657

AGRICULTURAL CREDIT INSURANCE FUND GUARANTEED LOAN
FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4213-0-3-351	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Default claims	36	47	47
00.02 Payment of Interest to Treasury	5	2	2
00.03 Guaranteed debt offset/purchases/settlement expense	1		
00.04 Interest assistance	69	110	110
00.91 Direct program by activities—subtotal (1 level)	111	159	159
08.02 Downward reestimate of subsidy	166	28	
08.04 Downward reestimate of subsidy-interest	46	7	
08.91 Subtotal, reestimates	212	35	
10.00 Total new obligations	323	194	159
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	237	185	212
22.00 New financing authority (gross)	207	221	168
22.10 Resources available from recoveries of prior year obligations	64		
23.90 Total budgetary resources available for obligation	508	406	380
23.95 Total new obligations	-323	-194	-159
24.40 Unobligated balance carried forward, end of year	185	212	221
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	89	53	53
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	118	168	115
70.00 Total new financing authority (gross)	207	221	168
Change in obligated balances:			
72.40 Obligated balance, start of year	313	275	300
73.10 Total new obligations	323	194	159
73.20 Total financing disbursements (gross)	-297	-169	-145
73.45 Recoveries of prior year obligations	-64		
74.40 Obligated balance, end of year	275	300	314
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	297	169	145
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payments from program account upward reestimate	-7	-57	
88.00 Payments from program account subsidy	-66	-58	-62
88.25 Interest on uninvested funds	-23	-25	-25
88.40 Fees and premiums	-17	-22	-22
88.40 Loss recoveries and repayments	-4	-6	-6
88.40 Miscellaneous	-1		
88.90 Total, offsetting collections (cash)	-118	-168	-115
Net financing authority and financing disbursements:			
89.00 Financing authority	89	53	53
90.00 Financing disbursements	178	1	30

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4213-0-3-351	2006 actual	2007 est.	2008 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	2,147	2,622	2,450
2121 Limitation available from carry-forward	83	83	81
2143 Uncommitted limitation carried forward	-83	-81	-81
2150 Total guaranteed loan commitments	2,147	2,624	2,450
2199 Guaranteed amount of guaranteed loan commitments	1,931	2,434	2,238

Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	10,208	10,087	10,442
2231	Disbursements of new guaranteed loans	2,146	2,569	2,125
2251	Repayments and prepayments	-2,231	-2,167	-2,196
Adjustments:				
2261	Terminations for default that result in loans receivable	-18	-18	-18
2263	Terminations for default that result in claim payments	-18	-29	-29
2290	Outstanding, end of year	10,087	10,442	10,324
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	9,046	9,294	9,294
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	25	38	45
2331	Disbursements for guaranteed loan claims	18	18	18
2351	Repayments of loans receivable	-2	-6	-6
2361	Write-offs of loans receivable	-3	-5	-7
2390	Outstanding, end of year	38	45	50

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

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

Balance Sheet (in millions of dollars)

Identification code 12-4213-0-3-351	2005 actual	2006 actual	
ASSETS:			
Federal assets:			
1101	Fund balances with Treasury	550	460
Investments in US securities:			
1106	Receivables, net	7	
1206	Non-Federal assets: Receivables, net	3	57
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:			
1501	Defaulted guaranteed loans receivable, gross	25	36
1502	Interest receivable	-2	1
1505	Allowance for subsidy cost (-)	-18	-22
1599	Net present value of assets related to defaulted guaranteed loans	5	15
1999	Total assets	565	532
LIABILITIES:			
Federal liabilities:			
2104	Resources payable to Treasury	13	102
2105	Other	213	34
Non-Federal liabilities:			
2201	Accounts payable	313	275
2204	Liabilities for loan guarantees	26	121
2999	Total liabilities	565	532
4999	Total liabilities and net position	565	532

AGRICULTURAL CREDIT INSURANCE FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4140-0-3-351	2006 actual	2007 est.	2008 est.	
Obligations by program activity:				
00.08	Loan recoverable costs	2	5	5
00.09	Minor capital improvements	1	1	1
00.91	Direct program by activities—subtotal (1 level)	3	6	6
01.08	Administrative expenses—Department of Justice fees	1	1	1
01.09	Costs incidental to acquisition of real property		2	2
01.13	Interest assistance—guaranteed loans	8	1	1
01.14	Loss settlement expenses guaranteed loans		1	1
01.18	Civil rights settlements		2	2
01.91	Total operating expenses	9	7	7

10.00	Total new obligations	12	13	13
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	51	24	
22.00	New budget authority (gross)	28	13	13
22.10	Resources available from recoveries of prior year obligations	8		
22.40	Capital transfer to general fund	-51	-24	
23.90	Total budgetary resources available for obligation	36	13	13
23.95	Total new obligations	-12	-13	-13
24.40	Unobligated balance carried forward, end of year	24		

New budget authority (gross), detail:

Mandatory:				
Spending authority from offsetting collections:				
69.00	Offsetting collections (cash)	473	469	420
69.27	Capital transfer to general fund	-445	-456	-407
69.90	Spending authority from offsetting collections (total mandatory)	28	13	13

Change in obligated balances:

72.40	Obligated balance, start of year	1	2	2
73.10	Total new obligations	12	13	13
73.20	Total outlays (gross)	-3	-13	-13
73.45	Recoveries of prior year obligations	-8		
74.40	Obligated balance, end of year	2	2	2

Outlays (gross), detail:

86.97	Outlays from new mandatory authority	3	13	13
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Offsets:

Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-1	-1	-1
88.40	Guaranteed loans purchased from holders—principal	-1		
88.40	Interest on loans	-139	-145	-145
88.40	Miscellaneous undistributed receipts		-1	-1
88.40	Interest on judgments	-1	-2	-2
88.40	Repayments on loans—principal	-299	-286	-239
88.40	Judgments—principal	-9	-9	-7
88.40	Shared appreciation recapture	-5	-10	-10
88.40	Sale of acquired property/chattels	-11	-14	-14
88.40	Write-offs	-7	-1	-1
88.90	Total, offsetting collections (cash)	-473	-469	-420

Net budget authority and outlays:

89.00	Budget authority	-445	-456	-407
90.00	Outlays	-470	-456	-407

Status of Direct Loans (in millions of dollars)

Identification code 12-4140-0-3-351	2006 actual	2007 est.	2008 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	2,328	1,989	1,675
1251	Repayments: Repayments and prepayments	-299	-286	-239
1261	Adjustments: Capitalized interest			
1263	Write-offs for default: Direct loans	-40	-28	-20
1290	Outstanding, end of year	1,989	1,675	1,416

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4140-0-3-351	2006 actual	2007 est.	2008 est.	
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	130	86	60
2251	Repayments and prepayments	-43	-25	-20
2263	Adjustments: Terminations for default that result in claim payments	-1	-1	-1
2290	Outstanding, end of year	86	60	39
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	77	54	35
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				

AGRICULTURAL CREDIT INSURANCE FUND LIQUIDATING ACCOUNT—
Continued

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

Identification code 12-4140-0-3-351	2006 actual	2007 est.	2008 est.
2310 Outstanding, start of year	9	8	7
2351 Repayments of loans receivable	-1	-1	-1
2361 Write-offs of loans receivable			
2390 Outstanding, end of year	8	7	6

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

Balance Sheet (in millions of dollars)

Identification code 12-4140-0-3-351	2005 actual	2006 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	52	26
1601 Loans Receivable		1,989
1602 Interest receivable	419	351
1603 Allowance for estimated uncollectible loans and interest (-)	-267	-397
1604 Direct loans and interest receivable, net	152	1,943
1605 Accounts receivable/judgments receivable	82	
1606 Foreclosed property	21	13
1699 Value of assets related to direct loans	255	1,956
1701 Defaulted guaranteed loans, gross	9	8
1999 Total assets	316	1,990
LIABILITIES:		
2104 Federal liabilities: Resources payable to Treasury	313	1,980
Non-Federal liabilities:		
2201 Accounts payable	1	1
2204 Liabilities for loan guarantees	2	1
2207 Other		8
2999 Total liabilities	316	1,990
4999 Total liabilities and net position	316	1,990

Object Classification (in millions of dollars)

Identification code 12-4140-0-3-351	2006 actual	2007 est.	2008 est.
Direct obligations:			
25.2 Other services	12	12	12
43.0 Interest and dividends		1	1
99.9 Total new obligations	12	13	13

COMMODITY CREDIT CORPORATION FUND

REIMBURSEMENT FOR NET REALIZED LOSSES

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

HAZARDOUS WASTE MANAGEMENT

(LIMITATION ON EXPENSES)

For the current fiscal year, the Commodity Credit Corporation shall not expend more than \$5,000,000 for site investigation and cleanup expenses, and operations and maintenance expenses to comply with the requirement of section 107(g) of the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9607(g)), and section 6001 of the Resource Conservation and Recovery Act (42 U.S.C. 6961).

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-4336-0-3-999	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Commodity purchases and related inventory trans- actions	5,891	3,635	3,585
00.02 Storage, transportation and other obligations	290	225	132
00.04 Market access program	157	173	200
00.05 Dairy export incentive program		3	3
00.07 Foreign market development cooperative	36	35	35
00.08 Quality samples program	1	3	3
00.10 Feed grains	9,019	2,330	2,396
00.11 Wheat	1,155	1,076	1,126
00.12 Rice	657	297	439
00.13 Cotton	2,654	1,686	2,347
00.14 Dairy program	440	236	
00.15 Tobacco program	967	960	960
00.16 Peanut program	324	174	209
00.17 Wool and Mohair program	8	9	10
00.19 Lentils	15	3	3
00.21 Dry Peas program	45	10	17
00.23 Non-Insured assistance program	66	328	325
00.24 Oilseeds payment program	635	502	706
00.25 Marketing loan writeoffs	280	68	18
00.27 Crop disaster program	178	152	
00.32 Livestock assistance	194	95	
00.33 Livestock Indemnity		45	
00.34 Tree Assistance Program	4	35	
00.35 American Indian Livestock Assistance	7		
00.36 Conservation reserve program (CRP)	1,801	1,900	1,949
00.47 Reimbursable agreement/transfers to State and Fed- eral Agencies	51	55	53
00.48 Treasury	557	346	321
00.49 Other Interest	5	5	4
00.52 Technical assistance	129	87	64
00.57 BEHT Non-Commodity Costs		140	140
00.58 Section 416b/FFP/ocean transportation	54	61	61
01.92 Total support and related programs	25,620	14,674	15,106
09.01 Commodity loans	12,014	11,347	10,066
09.02 Commodities procured—PL480 Titles II / III Com- modity costs	495	543	463
09.04 P. L. 480 ocean transportation	803	680	653
09.09 Subtotal, reimbursable programs	13,312	12,570	11,182
10.00 Total new obligations	38,932	27,244	26,288
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	964	741	138
22.00 New budget authority (gross)	33,865	27,244	26,201
22.10 Resources available from recoveries of prior year obli- gations	4,851		
22.60 Portion applied to repay debt	-7	-603	-51
23.90 Total budgetary resources available for obligation	39,673	27,382	26,288
23.95 Total new obligations	-38,932	-27,244	-26,288
24.40 Unobligated balance carried forward, end of year	741	138	
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	60		
40.35 Appropriation permanently reduced			-87
41.00 Transferred to other accounts	-60		
43.00 Appropriation (total discretionary)			-87
Mandatory:			
60.00 Appropriation	25,371	23,098	12,983
60.47 Portion applied to repay debt	-23,567	-20,594	-10,676
61.00 Transferred to other accounts	-1,804	-2,504	-2,307

62.50	Appropriation (total mandatory)			
67.10	Authority to borrow	36,924	10,778	10,587
	Spending authority from offsetting collections:			
69.00	Offsetting collections (cash)	14,563	16,460	15,692
69.00	MARAD Cargo Preference Reimbursements	15	6	9
69.10	Change in uncollected customer payments from Federal sources (unexpired)	54		
69.47	Portion applied to repay debt	-17,691		
69.90	Spending authority from offsetting collections (total mandatory)	-3,059	16,466	15,701
70.00	Total new budget authority (gross)	33,865	27,244	26,201
Change in obligated balances:				
72.40	Obligated balance, start of year	7,173	6,492	4,873
73.10	Total new obligations	38,932	27,244	26,288
73.20	Total outlays (gross)	-34,708	-28,863	-26,346
73.45	Recoveries of prior year obligations	-4,851		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-54		
74.40	Obligated balance, end of year	6,492	4,873	4,815
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority			-87
86.97	Outlays from new mandatory authority	33,618	11,758	11,599
86.98	Outlays from mandatory balances	1,090	17,105	14,834
87.00	Total outlays (gross)	34,708	28,863	26,346
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Sales to special activities	-495	-543	-462
88.00	Advances from Foreign Assistance Programs (P.L. 480)	-1,501	-1,223	-1,116
88.00	Other Revenue	-1,490		
88.00	Tobacco Trust Fund	-891	-960	-960
88.00	MARAD Reimbursements	-15	-6	-9
88.40	Sales and other proceeds	-181	-114	-25
88.40	Interest Revenue	-103	-182	-158
88.40	Loans Repaid	-5,848	-11,022	-10,177
88.40	Commodity Certificates Redeemed	-4,048	-2,411	-2,790
88.40	Export Credit Sales Program Repayments	-4	-3	-3
88.40	Interest Revenue	-2	-2	-1
88.90	Total, offsetting collections (cash)	-14,578	-16,466	-15,701
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-54		
Net budget authority and outlays:				
89.00	Budget authority	19,233	10,778	10,500
90.00	Outlays	20,130	12,397	10,645

Summary of Budget Authority and Outlays

(in millions of dollars)

	2006 actual	2007 est.	2008 est.
Enacted/requested:			
Budget Authority	19,233	10,778	10,500
Outlays	20,130	12,397	10,645
Legislative proposal, subject to PAYGO:			
Budget Authority			500
Outlays			500
Total:			
Budget Authority	19,233	10,778	11,000
Outlays	20,130	12,397	11,145

Status of Direct Loans (in millions of dollars)

Identification code 12-4336-0-3-999	2006 actual	2007 est.	2008 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	29	24	21
1251 Repayments: Repayments and prepayments	-5	-3	-3
1290 Outstanding, end of year	24	21	18
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	12,014	11,347	10,066
1150 Total direct loan obligations	12,014	11,347	10,066

	2006 actual	2007 est.	2008 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1,108	1,463	1,721
1231 Disbursements: Direct loan disbursements	11,119	11,347	10,066
1251 Repayments: Repayments and prepayments	-10,636	-11,022	-10,176
Write-offs for default:			
1263 Direct loans			
1264 Other adjustments, net	-128	-67	-302
1290 Outstanding, end of year	1,463	1,721	1,309

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

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

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

Budget assumptions.—The following general assumptions form the basis for the Corporation's 2007 and 2008 budget estimates: (a) national income will rise both in 2007 and 2008 from the present level; (b) 2007 crop production will increase from 2006 crop levels for some commodities; (c) generally, exports of agricultural commodities in 2008 are expected to be higher than 2007 levels; and (d) yields for the 2007 crops are based on recent averages adjusted for trends.

It is difficult to accurately forecast requirements for the year ending September 30, 2008, since the projections are subject to complex and unpredictable factors such as weather, other factors which affect the volume of production of crops not yet planted, feed, food, and energy needs here and overseas, and available dollar exchange.

The 2002 Act re-authorized CRP enrollment through calendar year 2007, increased maximum CRP enrollment at any one time from 36.4 million acres to 39.2 million acres, expanded the Farmable Wetlands Program (FWP) from six states to nationwide with a 1-million-acre cap, and included provisions for managed haying and grazing. Enrollment under competitive general CRP sign-up provisions and under non-competitive continuous CRP (CCRP), Conservation Reserve Enhancement Program (CREP), and the FWP are guided by eligibility and selection criteria rules published in May 2003 and May 2004.

Subsequent to passage of the 2002 Act, USDA initiated several enhancements to CRP continuous signup, including: 1) A goal of enrolling 500,000 acres of bottomland hardwood trees to enhance wildlife habitats and sequester carbon; 2) Setting aside 500,000 and 250,000 acres, respectively, for enrollment of floodplain and non-floodplain wetlands; 3) Setting aside 250,000 acres for enrollment of upland bird habitat buffers; 4) Setting aside 100,000 acres to provide habitat for duck nesting in wetland complexes located outside the recognized 100-year floodplain; and 5) Setting aside 250,000 acres for enrollment of longleaf pine. Also, in August 2004, the Administration announced it was committed to full enrollment of CRP. Recognizing that contracts on 28.6 million acres mature during 2007–2010, the Administration announced it would provide for early re-enrollment and extension.

Total CRP enrollment, about 36.0 million acres at the end of 2006, is projected to increase to 37.1 million acres at the end of 2007. Enrollment is then expected to decline in 2008 and 2009 before steadily increasing to 39.2 million acres by 2016. As for EFCRP, USDA estimates total enrollment during calendar year 2006 to be 215,000 acres.

There are no general sign-ups assumed during 2007 or 2008. Continuous sign-up enrollment is assumed as follows (by sign-up year):

COMMODITY CREDIT CORPORATION FUND—Continued
(LIMITATION ON EXPENSES)—Continued

2007: 556,000 (250,000 acres of new lands and 306,000 acres of re-enrolled lands)

2008: 395,000 (250,000 acres of new lands and 145,000 acres of re-enrolled lands)

To encourage participation in CCRP and CREP, USDA will provide financial incentives including a signing bonus and a payment based on practice installation cost are expected to total about \$63 million in 2007 and \$39 million in 2008.

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

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

USDA has incorporated stochastic price and production variability into its 10-year budget baseline process starting with the 2007 President's Budget. For the 2007-2016 crops, Commodity Credit Corporation outlay projections for counter-cyclical payments, marketing loan benefits, and milk income loss contract payments are based on price probability distributions and flexibilities generated by the Economic Research Service's Food and Agricultural Policy Simulation model. This approach was used for feed grains (corn, barley, sorghum, oats), wheat, rice, upland cotton, soybeans, and dairy.

2008 ESTIMATE

(In millions of dollars)

Program	Gross obligations	Net outlays	Net realized loss for year
Farm income, marketing assistance loans, and price support:			
Commodity loans	10,066	2,848	0
Feed grain payments	2,396	2,396	2,396
Wheat payments	1,126	1,126	1,126
Rice payments	439	439	439
Cotton payments	2,347	2,347	2,347
Other support and related	6,394	-919	4,336
Other items not distributed by program:			
Interest	326	182	166
All other	65	300	65
Total, farm income, marketing assistance loans, and price-support programs	23,159	8,719	10,875
Conservation programs:			
Conservation reserve program	2,013	2,013	2,013
Total, conservation programs	2,013	2,013	2,013
Total, Commodity Credit Corporation	25,172	10,732	12,888

PROGRAMS OF THE CORPORATION

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

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

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

Direct purchases may be made from processors as well as producers, depending on the commodity involved. Also, special

purchases are made under various laws for the removal of surpluses; for example, the Act of August 19, 1958, as amended, and section 416 of the Agricultural Act of 1949, as amended.

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

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

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

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

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

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

The 2002 Farm Bill established marketing assistance loans for the 2002 through 2007 crops, with the loan rate for peanuts of \$355 per ton. The payment rate shall be the amount by which the established loan rate exceeds the rate at which a loan may be repaid. The Farm Bill also requires that for crop years 2002 through 2006 CCC will pay storage, handling,

and other associated costs to ensure proper storage of peanuts for which a loan is made. This authority terminates beginning with the 2007 crop.

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

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

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

Payment Limitations.—In general, the 2002 Farm Bill revised the Food Security Act of 1985 (7 U.S.C. 1308) for payment limitations. The total amount of direct payments made to a person during any crop year for 1 or more covered commodities may not exceed \$40,000. The total amount of counter-cyclical payments made to a person during any crop year for 1 or more covered commodities may not exceed \$65,000. Separate limits apply to direct and counter-cyclical payments for peanuts. The total amount of gains and payments that a person may receive during any crop year under marketing assistance loan and loan deficiency payment provisions may not exceed \$75,000. Notwithstanding any other provision of law, an individual or entity shall not be eligible

to receive any benefit described above if the average adjusted annual gross income of the individual or entity exceeds \$2,500,000, unless not less than 75 percent of the average adjusted gross income of the individual or entity is derived from farming, ranching, or forestry operations, as determined by the Secretary. This shall apply during the 2003 through 2007 crop years.

Disaster Payments.—The Agricultural Disaster Assistance Act of 2006, P.L. 109–234, authorized almost \$500 million in financial relief for farmers, ranchers, foresters, and other agricultural producers who incurred losses due to hurricanes.

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

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

Export Enhancement Program (EEP).—The 2002 Farm Bill authorizes funding up to \$478 million annually for EEP through 2007, which will be available for EEP programming should market conditions warrant. Actual subsidies for EEP are further limited on a product-by-product basis under the Uruguay Round.

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

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

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

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

COMMODITY CREDIT CORPORATION FUND—Continued

(LIMITATION ON EXPENSES)—Continued

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

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

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

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

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

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

increased CCC funding to \$20 million annually through 2007. The Secretary delegated authority to Natural Resources Conservation Service, Risk Management Agency, and the Agricultural Marketing Service. The 2008 Budget assumes the \$10 million authorized for use will not be funded because the assistance AMAP provides is duplicative of other priority conservation programs, such as the Environmental Quality Incentives Program.

Emergency Forestry Conservation Reserve Program.—The Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006, P.L. 109–148, mandates that during calendar year 2006, the Secretary shall carry out an emergency pilot program in States that the Secretary determines have suffered damage to merchantable timber in counties affected by hurricanes during the 2005 calendar year. The Act provides \$404.1 million for this program. The Agricultural Disaster Assistance Act of 2006, P.L. 109–234, authorized another \$100 million for this program. By the end of calendar year 2006, USDA estimates that it will have enrolled about 215,000 acres into EFCRP.

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

Item	[In millions of dollars]		
	2006 actual	2007 est.	2008 est.
Loans outstanding, gross, start of year:			
Commodity Credit Corporation	1,108	1,463	1,721
Additional loans made	12,014	11,347	10,066
Deduct:			
Loans repaid	-11,472	-11,022	-10,176
Acquisition of loan collateral	-128	-67	-302
Write-offs	-59		
Total loans outstanding, gross, end of year	1,463	1,721	1,309

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

AGRICULTURAL COMMODITIES			
Item	[In millions of dollars]		
	2006 actual	2007 est.	2008 est.
On hand, start of year, gross	304	226	149
Acquisitions:			
Forfeiture of loan collateral	128	67	302
Excess of collateral acquired over loans canceled	4	3	0
Purchases	5,885	3,618	3,575
Transfers and exchanges	-1	0	0
Carrying charges:			
Charges to inventory	4	14	10
Storage and handling (non-add)	96	98	20
Transportation (non-add)	4	2	5
Total acquisitions	6,020	3,702	3,887
Dispositions:			
Domestic donations to:			
Families	27	1	17
Institutions	43	40	23
Total domestic donations	70	41	40
Export donations	198	117	117
Sales and transfers:			
Special programs: Title II, Public Law 480	485	543	463
Other sales	4,220	2,510	2,813
Net loss or gain (-) on sales and transfers	1,125	568	158
Total sales and transfers	5,830	3,621	3,434
Total dispositions	6,098	3,779	3,591
On hand, end of year, gross	226	149	445
Allowances for losses	-171	-113	-337
On hand, end of year, net	55	36	108

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

DATA ON SUPPORT AND RELATED PROGRAMS

Item	[In millions of dollars]		
	2006 actual	2007 est.	2008 est.
Loans made	12,014	11,347	10,066
Loans repaid	11,472	11,022	10,177
Loan collateral forfeited	128	67	302
Loans outstanding, end of year	1,463	1,721	1,309
Acquisitions	6,020	3,702	3,887
Cost of commodities sold	5,830	3,621	3,434
Cost of commodities donated	268	158	157
Inventory, end of year	226	149	445
Investment in loans and inventory, end of year	1,689	1,870	1,753
Direct producer payments	17,950	11,093	9,591
Net expenditures	20,146	12,397	10,732
Realized losses	23,098	12,983	12,888

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

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

Section 161 of the 1996 Act amended Section 11 of the CCC Charter Act to limit the use of CCC funds for the transfer and allotment of funds to State and Federal agencies. The Section 11 cap of \$56 million including FSA loan service fees remains at \$56 million in 2006.

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

FINANCING

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

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

Interest on borrowings from the Treasury (and on capital stock) is paid at a rate based upon the average interest rate of all outstanding marketable obligations (of comparable ma-

turity date) of the United States as of the preceding month. Interest is also paid on other notes and obligations at a rate prescribed by the Corporation and approved by the Secretary of the Treasury.

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

POSITION WITH RESPECT TO BORROWING AUTHORITY, END OF YEAR

Item	[In millions of dollars]		
	2006 actual	2007 est.	2008 est.
Statutory borrowing authority	30,000	30,000	30,000
Deduct: Borrowings from Treasury	16,420	8,158	8,186
Net statutory borrowing authority available	13,580	21,842	21,814

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

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

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

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

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

SUPPORT AND RELATED PROGRAMS

[In millions of dollars]		2006 actual
Realized losses, 1933 to 2006, inclusive		441,542
Reimbursements by the Treasury:		
Reimbursements of realized losses:		
Appropriations (67 times)		415,286
Note cancellations (6 times)		2,698
Less dividends paid to Treasury (4 times)		-138
Total reimbursements for net realized losses		417,846
Other reimbursements:		
Appropriations (2 times)		542
Note cancellation (1 time)		56
Total other reimbursements		598
Total		418,444
Realized deficit as of September 30, 2006, support and related programs		23,098

Commodity Certificates.—Subtitle B of the 2000 Act allows for the use of commodity certificates. In making in-kind payments, CCC may (a) "acquire and use commodities that have been pledged to the Commodity Credit Corporation as collateral for loans made by the Corporation"; (b) "use other commodities owned by the Commodity Credit Corporation"; and (c) "redeem negotiable marketing certificates for cash under terms and conditions established". Commodity certificates discourage producers from forfeiting commodities pledged as collateral for CCC commodity loans. Certificates are used to

COMMODITY CREDIT CORPORATION FUND—Continued

(LIMITATION ON EXPENSES)—Continued

repay marketing assistance loans when the adjusted world price (for rice and upland cotton) or the posted county price (for wheat, dry grains, soybeans, wool, mohair, honey, peanuts, dry peas, lentils, small chickpeas, and designated minor oilseeds) is lower than the applicable loan rate. The Budget assumes that commodity certificates may be exchanged for loan collateral through crop year 2016.

Balance Sheet (in millions of dollars)

Identification code 12-4336-0-3-999	2005 actual	2006 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	-975	-1,372
Investments in US securities:		
1106 Receivables, net	1,557	1,689
1107 Advances and prepayments	1	1
Non-Federal assets:		
1206 Receivables, net	357	60
1207 Advances and prepayments	28	32
1601 Direct loans, gross	1,137	1,487
1602 Interest receivable	17	30
1603 Allowance for estimated uncollectible loans and interest (-)	-97	-137
1604 Direct loans and interest receivable, net	1,057	1,380
1699 Value of assets related to direct loans	1,057	1,380
Other Federal assets:		
1801 Cash and other monetary assets	59	33
1802 Inventories and related properties	29	55
1803 Property, plant and equipment, net	52	52
1999 Total assets	2,165	1,930
LIABILITIES:		
Federal liabilities:		
2101 Accounts payable	814	427
2102 Interest payable	323	427
2103 Debt	19,491	16,595
2105 Other	759	1,038
Non-Federal liabilities:		
2201 Accounts payable	466	151
2207 Other	14,695	7,390
2999 Total liabilities	36,548	25,601
NET POSITION:		
3300 Cumulative results of operations	-34,383	-23,671
3999 Total net position	-34,383	-23,671
4999 Total liabilities and net position	2,165	1,930

Object Classification (in millions of dollars)

Identification code 12-4336-0-3-999	2006 actual	2007 est.	2008 est.
Direct obligations:			
22.0 Transportation of things	58	203	206
25.2 Other services	283	102	114
25.2 Other services: Storage and handling	96	98	20
26.0 Supplies and materials: Costs of commodities sold or donated	5,891	3,635	3,585
41.0 Grants, subsidies, and contributions	18,730	10,285	10,856
43.0 Interest and dividends	562	351	325
99.0 Direct obligations	25,620	14,674	15,106
Reimbursable obligations:			
22.0 Transportation of things: P. L. 480 ocean transportation	803	680	653
26.0 Supplies and materials—Cost of Commodities Procured/Donated—PL 480	495	543	463
33.0 Investments and loans	12,014	11,347	10,066
99.0 Reimbursable obligations	13,312	12,570	11,182
99.9 Total new obligations	38,932	27,244	26,288

COMMODITY CREDIT CORPORATION FUND

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12-4336-4-3-999	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.59 Farm bill proposal			500
10.00 Total new obligations (object class 41.0)			500
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			500
23.95 Total new obligations			-500
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation			500
Change in obligated balances:			
73.10 Total new obligations			500
73.20 Total outlays (gross)			-500
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority			500
Net budget authority and outlays:			
89.00 Budget authority			500
90.00 Outlays			500

Status of Direct Loans (in millions of dollars)

Identification code 12-4336-4-3-999	2006 actual	2007 est.	2008 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year			
1251 Repayments: Repayments and prepayments			1
1290 Outstanding, end of year			1
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			1
1131 Direct loan obligations exempt from limitation			1
1150 Total direct loan obligations			2
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year			1
1231 Disbursements: Direct loan disbursements			1
1251 Repayments: Repayments and prepayments			1
Write-offs for default:			
1263 Direct loans			1
1264 Other adjustments, net			1
1290 Outstanding, end of year			5

COMMODITY CREDIT CORPORATION EXPORT LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For administrative expenses to carry out the Commodity Credit Corporation's export guarantee program, GSM 102 and GSM 103, \$5,344,000; to cover common overhead expenses as permitted by section 11 of the Commodity Credit Corporation Charter Act and in conformity with the Federal Credit Reform Act of 1990, of which \$4,985,000 may be transferred to and merged with the appropriation for "Foreign Agricultural Service, Salaries and Expenses", including \$775,000 to be made available for debt recovery, and of which \$359,000 may be paid to the appropriation for "Farm Service Agency, Salaries and Expenses".

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-1336-0-1-351	2006 actual	2007 est.	2008 est.	
Obligations by program activity:				
00.02	Guaranteed loan subsidy	71	61	64
00.03	Adjustment to the prior year	1		
00.07	Reestimates of subsidy	64	77	
00.08	Interest on reestimates	4	6	
00.09	Administrative expenses	5	5	5
10.00	Total new obligations	145	149	69
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	104	161	161
22.00	New budget authority (gross)	202	149	69
23.90	Total budgetary resources available for obligation	306	310	230
23.95	Total new obligations	-145	-149	-69
24.40	Unobligated balance carried forward, end of year	161	161	161
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	5	5	5
Mandatory:				
60.00	Appropriation	129	61	64
60.00	Appropriation—upward reestimate	68	83	
62.50	Appropriation (total mandatory)	197	144	64
70.00	Total new budget authority (gross)	202	149	69
Change in obligated balances:				
72.40	Obligated balance, start of year	166	169	118
73.10	Total new obligations	145	149	69
73.20	Total outlays (gross)	-142	-200	-68
74.40	Obligated balance, end of year	169	118	119
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	5	5	5
86.97	Outlays from new mandatory authority	68	126	45
86.98	Outlays from mandatory balances	69	69	18
87.00	Total outlays (gross)	142	200	68
Net budget authority and outlays:				
89.00	Budget authority	202	149	69
90.00	Outlays	142	200	68

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

Identification code 12-1336-0-1-351	2006 actual	2007 est.	2008 est.	
Guaranteed loan levels supportable by subsidy budget authority:				
215001	GSM 102	1,453	1,964	2,214
215002	Supplier Credit			200
215003	Export guarantee program—Facilities		26	26
215999	Total loan guarantee levels	1,453	1,990	2,440
Guaranteed loan subsidy (in percent):				
232001	GSM 102	4.88	3.04	2.39
232002	Supplier Credit	0.00	4.55	5.60
232003	Export guarantee program—Facilities	0.00	0.34	-0.05
232999	Weighted average subsidy rate	4.88	3.00	2.63
Guaranteed loan subsidy budget authority:				
233001	GSM 102	71	60	53
233002	Supplier Credit			11
233003	Export guarantee program—Facilities		1	-1
233999	Total subsidy budget authority	71	61	63
Guaranteed loan subsidy outlays:				
234001	GSM 102	69	112	63
234999	Total subsidy outlays	69	112	63
Guaranteed loan upward reestimates:				
235001	GSM 102		2	
235002	Supplier Credit	63	81	
235003	Export guarantee program—Facilities	5		
235999	Total upward reestimate budget authority	68	83	
Guaranteed loan downward reestimates:				
237001	GSM 102	-541	-379	

237002	Supplier Credit	-6	-2	
237003	Export guarantee program—Facilities	-4		
237004	GSM 103		-9	
237999	Total downward reestimate subsidy budget authority	-551	-390	
Administrative expense data:				
3510	Budget authority	5	5	5
3590	Outlays from new authority	5	5	5

This is the program account for the GSM-102 CCC Export Credit Guarantee Program. The GSM-102 Export Credit Guarantee Program covers credit terms of up to 3 years. Under this program, CCC does not provide financing, but guarantees payments due from foreign banks and buyers. Because payment is guaranteed, financial institutions in the United States can offer competitive credit terms to foreign banks, usually with interest rates based on the London Inter-Bank Offered Rate (LIBOR). If the foreign bank fails to make any payment as agreed, the exporter or assignee must submit a notice of default to the CCC. A claim for loss must be filed, and the CCC will promptly pay claims found to be in good order. CCC usually guarantees 98 percent of the principal payment due and interest based on a percentage of the one-year Treasury rate.

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

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

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

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the credit guarantees committed in 1992 and beyond (including modifications of credit guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis. The 2008 Budget displays the GSM loan guarantee volume and the subsidy level that can be justified by forecast economic conditions, the expected supply/demand conditions of countries requesting GSM loan guarantees.

Object Classification (in millions of dollars)

Identification code 12-1336-0-1-351	2006 actual	2007 est.	2008 est.	
Direct obligations:				
25.3	Other purchases of goods and services from Government accounts	5	5	5
41.0	Grants, subsidies, and contributions	140	144	64
99.9	Total new obligations	145	149	69

COMMODITY CREDIT CORPORATION EXPORT GUARANTEE FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4337-0-3-351	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Default claims	24	52	61
00.02 Interest on debt to Treasury	65	155	163
00.03 Modification savings		20	
00.91 Subtotal, new loans	89	227	224
08.02 Reestimates of guaranteed loan subsidy	430	308	
08.04 Interest on reestimates of guaranteed loan subsidy	121	82	
08.91 Subtotal, reestimates	551	390	
10.00 Total new obligations	640	617	224
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1,159	895	1,080
22.00 New financing authority (gross)	913	802	259
22.60 Portion applied to repay debt	-537		
23.90 Total budgetary resources available for obligation	1,535	1,697	1,339
23.95 Total new obligations	-640	-617	-224
24.40 Unobligated balance carried forward, end of year	895	1,080	1,115
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	233		
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	709	341	259
69.00 Offsetting collections—Prepayments		461	
69.10 Receivable from Federal sources	-29		
69.90 Spending authority from offsetting collections (total mandatory)	680	802	259
70.00 Total new financing authority (gross)	913	802	259
Change in obligated balances:			
72.40 Obligated balance, start of year	-160	-130	-130
73.10 Total new obligations	640	617	224
73.20 Total financing disbursements (gross)	-639	-617	-224
74.00 Change in uncollected customer payments from Federal sources (unexpired)	29		
74.40 Obligated balance, end of year	-130	-130	-130
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	639	617	224
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payments from program account	-137	-195	-63
88.25 Interest on uninvested funds	-42	-54	-54
88.40 Loan origination fee	-10	-15	-15
88.40 Principal collections	-432	-487	-81
88.40 Interest collections	-91	-51	-46
88.40 Other actual collections Non-Federal sources	3		
88.90 Total, offsetting collections (cash)	-709	-802	-259
Against gross financing authority only:			
88.95 Change in receivables from program accounts	29		
Net financing authority and financing disbursements:			
89.00 Financing authority	233		
90.00 Financing disbursements	-70	-185	-35

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4337-0-3-351	2006 actual	2007 est.	2008 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders			
2131 Guaranteed loan commitments exempt from limitation	1,453	1,990	2,440
2150 Total guaranteed loan commitments	1,453	1,990	2,440
2199 Guaranteed amount of guaranteed loan commitments	1,366	1,890	2,324

Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	2,461	3,022	3,180
2231 Disbursements of new guaranteed loans	1,030	1,899	1,952
2251 Repayments and prepayments	-432	-1,689	-2,074
Adjustments:			
2263 Terminations for default that result in claim payments	-24	-52	-61
2264 Other adjustments, net	-13		
2290 Outstanding, end of year	3,022	3,180	2,997
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	2,925		
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	1,604	1,189	1,199
2331 Disbursements for guaranteed loan claims	20	52	61
2351 Repayments of loans receivable	-533	-42	-49
2364 Other adjustments, net	98		
2390 Outstanding, end of year	1,189	1,199	1,211

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

Balance Sheet (in millions of dollars)

Identification code 12-4337-0-3-351	2005 actual	2006 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	997	765
1101 Accounts Receivable, net	233	214
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:		
1501 Defaulted guaranteed loans receivable, gross	1,605	1,189
1502 Interest receivable	24	20
1505 Allowance for subsidy cost (-)	-691	-406
1599 Net present value of assets related to defaulted guaranteed loans	938	803
1999 Total assets	2,168	1,782
LIABILITIES:		
Federal liabilities:		
2101 Accounts payable	398	394
2104 Resources payable to Treasury	1,342	1,038
2105 Liability Subsidy for Unidsbursed Loans	161	131
2204 Non-Federal liabilities: Liabilities for loan guarantees	267	219
2999 Total liabilities	2,168	1,782
4999 Total liabilities and net position	2,168	1,782

COMMODITY CREDIT CORPORATION GUARANTEED LOANS LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4337-0-3-351	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Operating expenses	6	5	4
10.00 Total new obligations (object class 25.3)	6	5	4
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	5	74	
22.00 New budget authority (gross)	80	5	4
22.40 Capital transfer to general fund	-5	-74	
23.90 Total budgetary resources available for obligation	80	5	4
23.95 Total new obligations	-6	-5	-4
24.40 Unobligated balance carried forward, end of year	74		
New budget authority (gross), detail:			
Mandatory:			

Spending authority from offsetting collections:				
69.00	Offsetting collections (cash)	980	196	45
69.27	Capital transfer to general fund	-900	-191	-41
69.90	Spending authority from offsetting collections (total mandatory)	80	5	4
Change in obligated balances:				
72.40	Obligated balance, start of year	3	3	3
73.10	Total new obligations	6	5	4
73.20	Total outlays (gross)	-6	-5	-4
74.40	Obligated balance, end of year	3	3	3
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	6	5	4
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.40	Repayments of principal	-885	-174	-30
88.40	Interest received on loans	-86	-22	-15
88.40	Other Interest	-9		
88.90	Total, offsetting collections (cash)	-980	-196	-45
Net budget authority and outlays:				
89.00	Budget authority	-900	-191	-41
90.00	Outlays	-974	-191	-41

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4338-0-3-351	2006 actual	2007 est.	2008 est.	
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	1,401	516	342
2351	Repayments of loans receivable	-885	-174	-30
2390	Outstanding, end of year	516	342	312

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

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

Balance Sheet (in millions of dollars)

Identification code 12-4338-0-3-351	2005 actual	2006 actual	
ASSETS:			
1101	Federal assets: Fund balances with Treasury	8	77
1701	Defaulted guaranteed loans, gross	1,401	516
1702	Interest receivable	15	7
1703	Allowance for estimated uncollectible loans and interest (-)	-122	-137
1799	Value of assets related to loan guarantees	1,294	386
1999	Total assets	1,302	463
LIABILITIES:			
Federal liabilities:			
2101	Accounts payable	3	3
2104	Resources payable to Treasury	1,294	452
2207	Non-Federal liabilities: Other	5	8
2999	Total liabilities	1,302	463
4999	Total liabilities and net position	1,302	463

FARM STORAGE FACILITY LOANS PROGRAM ACCOUNT

For administrative expenses necessary to carry out the Farm Storage and Sugar Storage Facility Loan Programs, \$4,660,000, shall be paid to the appropriation for "Farm Service Agency, Salaries and Expenses".

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution

(P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-3301-0-1-351	2006 actual	2007 est.	2008 est.	
Obligations by program activity:				
00.01	Direct loan subsidy		1	
00.05	Upward reestimate	3		
00.09	Administrative expenses		5	
10.00	Total new obligations (object class 41.0)	3	6	
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	1	1	
22.00	New budget authority (gross)	4	6	
22.40	Capital transfer to general fund	-1		
23.90	Total budgetary resources available for obligation	4	7	
23.95	Total new obligations	-3	-6	
24.40	Unobligated balance carried forward, end of year	1	1	
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation		5	
Mandatory:				
60.00	Appropriation	4	1	
70.00	Total new budget authority (gross)	4	6	
Change in obligated balances:				
73.10	Total new obligations	3	6	
73.20	Total outlays (gross)	-3	-6	
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority		5	
86.97	Outlays from new mandatory authority	3	1	
87.00	Total outlays (gross)	3	6	
Net budget authority and outlays:				
89.00	Budget authority	4	6	
90.00	Outlays	3	6	
Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)				
Identification code 12-3301-0-1-351	2006 actual	2007 est.	2008 est.	
Direct loan levels supportable by subsidy budget authority:				
115001	Farm Storage facility loans	111	71	90
115002	Sugar Storage facility Loans		3	3
115999	Total direct loan levels	111	74	93
Direct loan subsidy (in percent):				
132001	Farm Storage facility loans	-0.62	0.38	1.12
132002	Sugar Storage facility Loans	0.00	-2.71	0.98
132999	Weighted average subsidy rate	-0.62	0.25	1.12
Direct loan subsidy budget authority:				
133001	Farm Storage facility loans	-1		1
133999	Total subsidy budget authority	-1		1
Direct loan subsidy outlays:				
134001	Farm Storage facility loans	-1		1
134999	Total subsidy outlays	-1		1
Direct loan upward reestimates:				
135001	Farm Storage facility loans	3		
135999	Total upward reestimate budget authority	3		
Direct loan downward reestimates:				
137001	Farm Storage facility loans	-4		
137999	Total downward reestimate budget authority	-4		
Administrative expense data:				
3510	Budget authority		5	
3590	Outlays from new authority		5	

Farm Storage Facility Loan (FSFL) Program. The FSFL program was established by CCC in 1949 to offer low-cost financing to producers for the construction or upgrade of on-farm

FARM STORAGE FACILITY LOANS PROGRAM ACCOUNT—Continued

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

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

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

73.45	Recoveries of prior year obligations	-4		
74.40	Obligated balance, end of year	72	74	81
Outlays (gross), detail:				
87.00	Total financing disbursements (gross)	102	84	99
Offsets:				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Payments from Program Account	-3		-1
88.25	Interest on uninvested funds	-7	-6	-6
88.40	Principal collections	-43	-52	-62
88.40	Interest collections	-9	-11	-13
88.90	Total, offsetting collections (cash)	-62	-69	-82
Net financing authority and financing disbursements:				
89.00	Financing authority	85	36	106
90.00	Financing disbursements	40	15	17

Status of Direct Loans (in millions of dollars)

Identification code 12-4158-0-3-351	2006 actual	2007 est.	2008 est.	
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans			
1131	Direct loan obligations exempt from limitation	111	74	93
1150	Total direct loan obligations	111	74	93
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	210	248	280
1231	Disbursements: Direct loan disbursements	81	84	82
1251	Repayments: Repayments and prepayments	-43	-52	-62
1290	Outstanding, end of year	248	280	300

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

Balance Sheet (in millions of dollars)

Identification code 12-4158-0-3-351	2005 actual	2006 actual	
ASSETS:			
Federal assets:			
1101	Fund balances with Treasury	76	95
Investments in US securities:			
1106	Receivables, net	3	47
Net value of assets related to post-1991 direct loans receivable:			
1401	Direct loans receivable, gross	210	248
1402	Interest receivable	22	25
1405	Allowance for subsidy cost (-)	-21	-70
1499	Net present value of assets related to direct loans	211	203
1999	Total assets	290	345
LIABILITIES:			
Federal liabilities:			
2103	Debt payable to Treasury	286	344
2105	Other Federal Liabilities	4	1
2999	Total liabilities	290	345
4999	Total liabilities and net position	290	345

APPLE LOANS PROGRAM ACCOUNT

The Agricultural Risk Protection Act of 2000 authorized up to \$5 million for the cost to provide loans to producers of apples for economic losses as the result of low prices. Although the program is funded through CCC, program man-

FARM STORAGE FACILITY DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4158-0-3-351	2006 actual	2007 est.	2008 est.	
Obligations by program activity:				
00.01	Direct loans	111	74	93
00.02	Payment of interest to Treasury	15	12	13
00.91	Obligations associated with loans	126	86	106
08.01	Negative subsidies paid to receipt account	1		
08.02	Downward reestimates paid to receipt accounts	4		
08.91	Other obligations by program activities	5		
10.00	Total new obligations	131	86	106
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	29	22	19
22.00	New financing authority (gross)	147	105	188
22.10	Resources available from recoveries of prior year obligations	4		
22.60	Portion applied to repay debt	-18	-22	-18
22.75	Other authority withdrawn	-9		
23.90	Total budgetary resources available for obligation	153	105	189
23.95	Total new obligations	-131	-86	-106
24.40	Unobligated balance carried forward, end of year	22	19	83
New financing authority (gross), detail:				
Mandatory:				
67.10	Authority to borrow	134	86	106
Spending authority from offsetting collections:				
69.00	Payments from program account	3		1
69.00	Principal	52	52	62
69.00	Interest collections (cash)		11	13
69.00	Interest on Uninvested Funds	7	6	6
69.47	Portion applied to repay debt	-49	-50	
69.90	Spending authority from offsetting collections (total mandatory)	13	19	82
70.00	Total new financing authority (gross)	147	105	188
Change in obligated balances:				
72.40	Obligated balance, start of year	47	72	74
73.10	Total new obligations	131	86	106
73.20	Total financing disbursements (gross)	-102	-84	-99

agement is performed through farm loan programs. No further funding is requested for this program.

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

EMERGENCY BOLL WEEVIL LOAN PROGRAM ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-3303-0-1-351	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.05 Upward reestimate	3		
10.00 Total new obligations (object class 41.0)	3		
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	3		
23.95 Total new obligations	-3		
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	3		
Change in obligated balances:			
73.10 Total new obligations	3		
73.20 Total outlays (gross)	-3		
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	3		
Net budget authority and outlays:			
89.00 Budget authority	3		
90.00 Outlays	3		

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

Identification code 12-3303-0-1-351	2006 actual	2007 est.	2008 est.
Direct loan upward reestimates:			
135001 Emergency boll weevil loans	3		
135999 Total upward reestimate budget authority	3		

EMERGENCY BOLL WEEVIL DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4221-0-3-351	2006 actual	2007 est.	2008 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	5	5
22.00 New financing authority (gross)	4		
23.90 Total budgetary resources available for obligation	5	5	5
24.40 Unobligated balance carried forward, end of year	5	5	5
New financing authority (gross), detail:			
Mandatory:			
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	4		
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-3		
88.45 Offsetting governmental collections (from non-Federal sources)	-1		

88.90	Total, offsetting collections (cash)	-4		
Net financing authority and financing disbursements:				
89.00	Financing authority			
90.00	Financing disbursements	-3		

Status of Direct Loans (in millions of dollars)

Identification code 12-4221-0-3-351	2006 actual	2007 est.	2008 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	10	10	10
1290 Outstanding, end of year	10	10	10

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

Balance Sheet (in millions of dollars)

Identification code 12-4221-0-3-351	2005 actual	2006 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	1	1
Investments in US securities:		
1106 Receivables, net	3	3
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	10	10
1405 Allowance for subsidy cost (-)	-10	-10
1499 Net present value of assets related to direct loans		
1999 Total assets	4	4
LIABILITIES:		
2103 Federal liabilities: Debt	4	4
2999 Total liabilities	4	4
4999 Total liabilities and net position	4	4

Trust Funds

TOBACCO TRUST FUND

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-8161-0-7-351	2006 actual	2007 est.	2008 est.
01.99 Balance, start of year			
Receipts:			
02.60 Excise taxes for tobacco assessments, Tobacco trust fund	891	960	960
04.00 Total: Balances and collections	891	960	960
Appropriations:			
05.00 Tobacco trust fund	-891	-960	-960
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 12-8161-0-7-351	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
09.01 Tobacco buyout cost reimbursement to CCC	891	960	960
10.00 Total new obligations (object class 41.0)	891	960	960
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	891	960	960
23.95 Total new obligations	-891	-960	-960
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)	891	960	960

TOBACCO TRUST FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-8161-0-7-351	2006 actual	2007 est.	2008 est.
Change in obligated balances:			
73.10 Total new obligations	891	960	960
73.20 Total outlays (gross)	-891	-960	-960
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	891	960	960
Net budget authority and outlays:			
89.00 Budget authority	891	960	960
90.00 Outlays	891	960	960

NATURAL RESOURCES CONSERVATION SERVICE

Federal Funds

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures for soil and water management as may be necessary to prevent floods and the siltation of reservoirs and to control agricultural related pollutants); operation of conservation plant materials centers; classification and mapping of soil; dissemination of information; acquisition of lands, water, and interests therein for use in the plant materials program by donation, exchange, or purchase at a nominal cost not to exceed \$100 pursuant to the Act of August 3, 1956 (7 U.S.C. 428a); purchase and erection or alteration or improvement of permanent and temporary buildings; and operation and maintenance of aircraft, \$801,825,000, to remain available until June 30, 2009, of which not less than \$10,760,000 is for snow survey and water forecasting, and not less than \$10,858,000 is for operation and establishment of the plant materials centers, and not less than \$10,000,000 shall be for the grazing lands conservation initiative: Provided, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for construction and improvement of buildings and public improvements at plant materials centers, except that the cost of alterations and improvements to other buildings and other public improvements shall not exceed \$250,000: Provided further, That when buildings or other structures are erected on non-Federal land, that the right to use such land is obtained as provided in 7 U.S.C. 2250a: Provided further, That this appropriation shall be available for technical assistance and related expenses to carry out programs authorized by section 202(c) of title II of the Colorado River Basin Salinity Control Act of 1974 (43 U.S.C. 1592(c)): Provided further, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the Service. (7 U.S.C. 2201-02; 16 U.S.C. 1101-5; 33 U.S.C. 7016-11.)

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-1000-0-1-302	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Technical assistance	727	708	689
00.02 Soil surveys	88	89	91
00.03 Snow survey and water forecasting	11	11	11
00.04 Plant materials centers	11	12	11
09.00 Reimbursable program	37	44	44
10.00 Total new obligations	874	864	846
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	32	29	
22.00 New budget authority (gross)	853	835	846
22.10 Resources available from recoveries of prior year obligations	20		

23.90 Total budgetary resources available for obligation	905	864	846
23.95 Total new obligations	-874	-864	-846
23.98 Unobligated balance expiring or withdrawn	-2		
24.40 Unobligated balance carried forward, end of year	29		

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	840	791	802
40.35 Appropriation permanently reduced	-8		
40.36 Unobligated balance permanently reduced	-10		
43.00 Appropriation (total discretionary)	822	791	802
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	51	44	44
58.10 Change in uncollected customer payments from Federal sources (unexpired)	-20		
58.90 Spending authority from offsetting collections (total discretionary)	31	44	44
70.00 Total new budget authority (gross)	853	835	846

Change in obligated balances:

72.40 Obligated balance, start of year	312	297	213
73.10 Total new obligations	874	864	846
73.20 Total outlays (gross)	-889	-948	-861
73.45 Recoveries of prior year obligations	-20		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	20		
74.40 Obligated balance, end of year	297	213	198

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	704	685	694
86.93 Outlays from discretionary balances	185	263	167
87.00 Total outlays (gross)	889	948	861

Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-42	-30	-39
88.40 Non-Federal sources	-9	-14	-5
88.90 Total, offsetting collections (cash)	-51	-44	-44
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	20		

Net budget authority and outlays:

89.00 Budget authority	822	791	802
90.00 Outlays	838	904	817

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

MAIN WORKLOAD FACTORS

	2006 actual	2007 est.	2008 est.
Customers receiving technical assistance for planning & application, number	132,400	125,000	120,000
Conservation systems planned, acres	45.7	42.0	40.5
Cropland with conservation applied to improve soil quality, acres	6.4	6.0	5.7
Grazing and forest land with conservation applied to protect and improve the resource base, acres	11.7	8.0	7.7

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

the Soil and Water Resources Conservation Act of 1977 as amended.

The 2008 Budget specifically targets invasive species conservation priorities by including \$10 million for the Grazing Lands Conservation Initiative. This funding will help ranchers and range managers fight and control priority invasive species by funding a competitive grants program that funds cooperative and cost-effective strategies to address invasive species on private grazing lands.

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

MAIN WORKLOAD FACTORS

	2006 actual	2007 est.	2008 est.
Acres mapped annually (millions)	35.5	32.5	35.0
New or updated Web Soil Surveys published, number	126	80	60

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

Operation of plant materials centers.—The selection, evaluation and release of plant materials are made at 27 plant materials centers through field trials to determine their suitability for erosion control, water quality and quantity, range and pasture management, biofuel and biomass, air quality, wildlife management, and other environmental improvements. Plant science technology is also documented in fact sheets, technical notes, and the Field Office Technical Guide.

Object Classification (in millions of dollars)

Identification code 12-1000-0-1-302	2006 actual	2007 est.	2008 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	416	408	395
11.3 Other than full-time permanent	7	7	7
11.5 Other personnel compensation	5	5	5
11.9 Total personnel compensation	428	420	407
12.1 Civilian personnel benefits	119	116	113
21.0 Travel and transportation of persons	13	13	12
22.0 Transportation of things	5	5	4
23.2 Rental payments to others	22	22	20
23.3 Communications, utilities, and miscellaneous charges	13	13	12
24.0 Printing and reproduction	3	3	2
25.2 Other services	203	198	184
26.0 Supplies and materials	13	13	12
31.0 Equipment	17	16	35
42.0 Insurance claims and indemnities	1	1	1
99.0 Direct obligations	837	820	802
99.0 Reimbursable obligations	37	44	44
99.9 Total new obligations	874	864	846

Employment Summary

Identification code 12-1000-0-1-302	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	7,115	6,855	6,458
Reimbursable:			
2001 Civilian full-time equivalent employment	204	221	201

FARM SECURITY AND RURAL INVESTMENT PROGRAMS

Program and Financing (in millions of dollars)

Identification code 12-1004-0-1-302	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Wetlands Reserve program	191	264	455
00.02 Environmental Quality Incentives program	992	1,017	1,000
00.03 Ground and Surface Water Conservation	70	51	60
00.04 Klamath Basin	11	6	.....
00.05 Wildlife Habitat Incentives program	43	43	.....
00.06 Farm and Ranch Lands Protection program	74	50	97
00.07 Conservation Security program	257	259	316
00.08 Grassland Reserve program	35	16	.....
00.10 Agricultural Management Assistance program	5	6	.....
09.00 Reimbursable program-CRP	78	80	58
09.01 Reimbursable program—Other	1	.....	.....
10.00 Total new obligations	1,757	1,792	1,986
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	1,848	1,792	1,986
23.95 Total new obligations	-1,757	-1,792	-1,986
23.98 Unobligated balance expiring or withdrawn	-91	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.35 Appropriation permanently reduced .....	.....	-639	-360
Mandatory:			
62.00 Transferred from other accounts	1,768	2,351	2,288
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	51	80	58
69.10 Change in uncollected customer payments from Federal sources (unexpired)	29	.....	.....
69.90 Spending authority from offsetting collections (total mandatory)	80	80	58
70.00 Total new budget authority (gross)	1,848	1,792	1,986
Change in obligated balances:			
72.40 Obligated balance, start of year	2,702	2,706	2,945
73.10 Total new obligations	1,757	1,792	1,986
73.20 Total outlays (gross)	-1,591	-1,553	-1,506
73.40 Adjustments in expired accounts (net)	-161	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-29	.....	.....
74.10 Change in uncollected customer payments from Federal sources (expired)	28	.....	.....
74.40 Obligated balance, end of year	2,706	2,945	3,425
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority .....	.....	-204	-115
86.93 Outlays from discretionary balances .....	.....	.....	-153
86.97 Outlays from new mandatory authority	707	816	785
86.98 Outlays from mandatory balances	884	941	989
87.00 Total outlays (gross)	1,591	1,553	1,506
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-78	-80	-58
88.40 Non-Federal sources	-1	.....	.....
88.90 Total, offsetting collections (cash)	-79	-80	-58
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-29	.....	.....
88.96 Portion of offsetting collections (cash) credited to expired accounts	28	.....	.....
Net budget authority and outlays:			
89.00 Budget authority	1,768	1,712	1,928
90.00 Outlays	1,512	1,473	1,448

The Farm Security and Rural Investment Act of 2002 (P.L. 107-171) reauthorizes a number of USDA's conservation programs. NRCS is responsible for implementing many of these programs. All of the assistance for programs where NRCS is the lead implementation agency is transferred from the Commodity Credit Corporation (CCC) to the Farm Security and Rural Investment Programs account. This account funds

FARM SECURITY AND RURAL INVESTMENT PROGRAMS—Continued

the cost-share, monitoring, easement, and other financial assistance activities associated with the programs under title II of the 2002 Farm Bill. In addition, this account funds the technical assistance costs necessary for delivering the Environmental Quality Incentives Program, Ground and Surface Water Conservation, Klamath Basin, Wildlife Habitat Incentives Program, Farm and Ranch Land Protection Program, Conservation Security Program, Grassland Reserve Program, and Wetlands Reserve Program.

The following programs are funded in this account. Wetlands Reserve Program (WRP) is authorized under Section 1237 of the Food Security Act of 1985, as amended. The authority provides for a total acreage enrollment cap of 2,275,000 acres. The purpose of the WRP is to preserve, protect, and restore valuable wetlands. Because the program's authority to use CCC funds to enroll new contracts expires at the end of 2007, the 2008 Budget includes a general provision to extend WRP's authority to enroll acres through 2008. USDA estimates that extending WRP's enrollment authority through 2008 will allow NRCS to reach the program's total acreage cap.

Environmental Quality Incentives Program (EQIP) was reauthorized in the Deficit Reduction Act of 2005. The purpose of the program is to promote agricultural production and environmental quality as compatible national goals. The 2008 Budget proposes canceling mandatory funds in excess of \$1 billion for this program in 2008.

Ground and Surface Water Program (GSW) is authorized by Section 1240I of Title XII of the Food Security Act of 1985. Funding is authorized at \$310 million over six years. The purpose of the program is to promote ground and surface water conservation by providing cost-share payments and incentive payments to producers to carry out eligible water conservation activities. Authorization for mandatory funding for this program expires at the end of 2007.

Klamath Basin is authorized by Section 1240I of Title XII of the Food Security Act of 1985. Funding is authorized at \$50 million over 6 years. The purpose of the Klamath Basin program is to carry out water conservation activities in the Klamath Basin located in California and Oregon. This program will reach its authorized funding level by the end of 2007.

Farm and Ranch Lands Protection Program (FRPP). The Farm Security and Rural Investment Act of 2002 repealed the Farmland Protection Program authorized by the Federal Agriculture Improvement and Reform Act of 1996 and authorized a new Farmland Protection Program. Funding is authorized at \$597 million over 6 years. The purpose of the program is to protect soil by limiting nonagricultural use of prime and unique farm and ranch land. Authorization for mandatory funding for this program expires at the end of 2007.

Wildlife Habitat Incentives Program (WHIP) is authorized by Section 1240N of the Food Security Act of 1985. Funding is authorized at \$360 million over 6 years. The purpose of the program is to develop habitat for upland wildlife, wetlands wildlife, threatened and endangered species, fish, and other types of wildlife. Authorization for mandatory funding for this program expires at the end of 2007.

Conservation Security Program (CSP) was reauthorized in the Deficit Reduction Act of 2005. The purpose of the program is to provide financial and technical assistance for the conservation, protection, and improvement of natural resources on Tribal and private working lands. The program provides assistance to producers who have already implemented high levels of conservation in order to reward and maintain their model stewardship. CSP also pays qualified producers to do further environmental enhancements to improve natural resource conditions on their agricultural operations. The 2008 Budget proposes to both block spending authority in excess

of \$316.2 million in 2008 and to reduce the program's ten-year (2006 through 2015) budget authority limit by \$80 million.

Grassland Reserve Program (GRP) is authorized by Section 1238N of Title XII, of Food Security Act of 1985. Funding is authorized at \$254 million over 5 years. The purpose of the program is to assist landowners in restoring and protecting grassland. This program will reach its authorized level by the end of 2007.

Agricultural Management Assistance Program (AMA) is authorized by Section 211 of the Agriculture Risk Protection Act of 2000. Subtitle F, Section 2501(1)(4)(ii) of the Farm Security and Rural Investment Act of 2002 provides \$20 million annually for financial assistance in 15 states, as determined by the Secretary, in which participation in the Federal Crop Insurance Program is historically low. The program provides assistance to producers to mitigate financial risk by using conservation measures to reduce soil erosion and improve water quality. The Budget proposes canceling funds in the amount of \$10 million in 2008.

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

Object Classification (in millions of dollars)

Identification code 12-1004-0-1-302	2006 actual	2007 est.	2008 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	179	213	220
11.3 Other than full-time permanent	2	3	3
11.5 Other personnel compensation	2	3	2
11.9 Total personnel compensation	183	219	225
12.1 Civilian personnel benefits	54	63	65
21.0 Travel and transportation of persons	5	6	7
22.0 Transportation of things	1	1	1
23.2 Rental payments to others	10	11	13
23.3 Communications, utilities, and miscellaneous charges	6	7	8
24.0 Printing and reproduction	1	1	1
25.2 Other services	74	93	94
26.0 Supplies and materials	7	8	8
31.0 Equipment	7	7	8
32.0 Land and structures	164	231	429
41.0 Grants, subsidies, and contributions	1,165	1,065	1,069
99.0 Direct obligations	1,677	1,712	1,928
99.0 Reimbursable obligations	79	80	58
99.5 Below reporting threshold	1		
99.9 Total new obligations	1,757	1,792	1,986

Employment Summary

Identification code 12-1004-0-1-302	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	3,055	3,571	3,307
Reimbursable:			
2001 Civilian full-time equivalent employment	755	691	478

WATERSHED SURVEYS AND PLANNING

Program and Financing (in millions of dollars)

Identification code 12-1066-0-1-301	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Watershed surveys and planning	6	6	
10.00 Total new obligations	6	6	

Budgetary resources available for obligation:				
22.00	New budget authority (gross)	6	6	
23.95	Total new obligations	- 6	- 6	
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	6	6	
Change in obligated balances:				
72.40	Obligated balance, start of year	3	2	2
73.10	Total new obligations	6	6	
73.20	Total outlays (gross)	- 7	- 6	- 1
74.40	Obligated balance, end of year	2	2	1
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	5	5	
86.93	Outlays from discretionary balances	2	1	1
87.00	Total outlays (gross)	7	6	1
Net budget authority and outlays:				
89.00	Budget authority	6	6	
90.00	Outlays	7	6	1

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

Watershed work plans are prepared by sponsoring local organizations with the Department's assistance or through State and local resources. The 2008 Budget does not request funding for this program because the Budget is also not proposing to fund additional watershed operations projects.

Object Classification (in millions of dollars)

Identification code 12-1066-0-1-301	2006 actual	2007 est.	2008 est.
Direct obligations:			
11.1	Personnel compensation: Full-time permanent	3	3
12.1	Civilian personnel benefits	1	1
25.2	Other services	1	1
99.0	Direct obligations	5	5
99.5	Below reporting threshold	1	1
99.9	Total new obligations	6	6

Employment Summary

Identification code 12-1066-0-1-301	2006 actual	2007 est.	2008 est.
Direct:			
1001	Civilian full-time equivalent employment	44	43
Reimbursable:			
2001	Civilian full-time equivalent employment	3	2

WATERSHED AND FLOOD PREVENTION OPERATIONS

Program and Financing (in millions of dollars)

Identification code 12-1072-0-1-301	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01	Watershed operations (P.L. 534)	7	7
00.03	Emergency watershed protection operations	234	311
00.04	Small watershed operations (P.L. 566)	96	47
09.01	Reimbursable program	25	26
10.00	Total new obligations	362	391
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	178	323
22.00	New budget authority (gross)	446	68

22.10	Resources available from recoveries of prior year obligations	61	
23.90	Total budgetary resources available for obligation	685	391
23.95	Total new obligations	- 362	- 391
24.40	Unobligated balance carried forward, end of year	323	
New budget authority (gross), detail:			
Discretionary:			
40.00	Appropriation	426	40
40.35	Appropriation permanently reduced	- 1	
43.00	Appropriation (total discretionary)	425	40
Spending authority from offsetting collections:			
58.00	Offsetting collections (cash)	20	28
58.10	Change in uncollected customer payments from Federal sources (unexpired)	1	
58.90	Spending authority from offsetting collections (total discretionary)	21	28
70.00	Total new budget authority (gross)	446	68

Change in obligated balances:				
72.40	Obligated balance, start of year	461	405	412
73.10	Total new obligations	362	391	
73.20	Total outlays (gross)	- 356	- 384	- 205
73.45	Recoveries of prior year obligations	- 61		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	- 1		
74.40	Obligated balance, end of year	405	412	207

Outlays (gross), detail:			
86.90	Outlays from new discretionary authority	87	48
86.93	Outlays from discretionary balances	269	336
87.00	Total outlays (gross)	356	384

Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00	Federal sources	- 13	- 28
88.40	Non-Federal sources	- 7	
88.90	Total, offsetting collections (cash)	- 20	- 28
Against gross budget authority only:			
88.95	Change in uncollected customer payments from Federal sources (unexpired)	- 1	

Net budget authority and outlays:			
89.00	Budget authority	425	40
90.00	Outlays	336	356

These programs provide for cooperative actions between the Federal Government and States and their political subdivisions to reduce damage from floodwater, sediment, and erosion, for the conservation, development, utilization, and disposal of water, and for the conservation and proper utilization of land. Funds in Watershed and Flood Prevention Operations can be used for either flood prevention projects or flood damage rehabilitation efforts, depending upon the needs and opportunities. In order to improve the environmental and economic benefits of these projects, NRCS intends to focus on developing and funding non-structural flood prevention measures.

Emergency watershed protection.—This program authorizes the Secretary of Agriculture to undertake such emergency measures for runoff retardation and soil erosion prevention as may be needed to safeguard life and property from floods and the products of erosion on any watershed whenever natural elements or forces cause a sudden impairment of that watershed. An emergency is considered to exist when a watershed is suddenly impaired by flood, fire, wind, earthquake, drought or other natural causes and consequently life and property are endangered by floodwater, erosion, or sediment discharge. The emergency area need not be declared a national disaster area to be eligible for emergency watershed protection. Emergency watershed protection is applicable to

WATERSHED AND FLOOD PREVENTION OPERATIONS—Continued

small scale, localized disasters as well as large scale disasters. State environmental, natural resource, fish and game, and other agencies participate in planning and coordinating emergency work. Funding for the emergency watershed protection program is typically provided through emergency supplemental appropriations.

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

Small watershed operations authorized by Public Law 83-566.—The Department provides technical and financial assistance to local organizations to install measures for watershed protection, flood prevention, agricultural water management, recreation, and fish and wildlife enhancement. At least 60 percent of the funding provided is used for financial assistance.

Loans through the Agricultural Credit Insurance Fund have been made in previous years to the local sponsors in order to fund the local cost of Public Law 83-566 or 78-534 projects. No funding for these loans is assumed in 2008.

The 2008 Budget does not request funding for the watershed operations programs and instead redirects their resources to other priority programs within the Agency.

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

MAIN WORKLOAD FACTORS

	2006 actual	2007 est.	2008 est.
Status of operational projects:			
Projects receiving land treatment	104	100	.....
Structural projects	196	197	.....
Land treatment and structural	65	65	.....
Subtotal active projects	365	362	.....
Projects continuing post-installation assistance	1006	1006	.....
Inactive projects	187	187	.....
Project life completed	41	49	.....
Deauthorized projects	157	157	.....
Total operational projects	1756	1761	.....
New projects approved during year	0	5	.....

Object Classification (in millions of dollars)

Identification code 12-1072-0-1-301	2006 actual	2007 est.	2008 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	26	38	.....
11.3 Other than full-time permanent .....	.....	1	.....
11.5 Other personnel compensation	3	7	.....
11.9 Total personnel compensation	29	46	.....
12.1 Civilian personnel benefits	7	11	.....
21.0 Travel and transportation of persons	3	4	.....
23.2 Rental payments to others	1	2	.....
23.3 Communications, utilities, and miscellaneous charges	1	2	.....
25.2 Other services	19	34	.....
25.2 Other services	134	124	.....
26.0 Supplies and materials	1	1	.....
31.0 Equipment	1	2	.....
41.0 Grants, subsidies, and contributions	140	138	.....
99.0 Direct obligations	336	364	.....
99.0 Reimbursable obligations	24	24	.....
99.5 Below reporting threshold	2	3	.....
99.9 Total new obligations	362	391	.....

Employment Summary

Identification code 12-1072-0-1-301	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	425	620	.....
Reimbursable:			
2001 Civilian full-time equivalent employment	29	28	.....

WATERSHED REHABILITATION PROGRAM

For necessary expenses to carry out rehabilitation of structural measures, in accordance with section 14 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012), and in accordance with the provisions of laws relating to the activities of the Department, \$5,807,000, to remain available until expended. (16 U.S.C. 1001 et seq.)

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-1002-0-1-301	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Watershed rehabilitation program	30	32	6
10.00 Total new obligations	30	32	6
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	3	.....
22.00 New budget authority (gross)	31	29	6
22.10 Resources available from recoveries of prior year obligations	1	.....	.....
23.90 Total budgetary resources available for obligation	33	32	6
23.95 Total new obligations	-30	-32	-6
24.40 Unobligated balance carried forward, end of year	3	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	31	29	6
40.35 Appropriation permanently reduced .....	.....	-65	.....
43.00 Appropriation (total discretionary)	31	-36	6
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	1	.....	.....
58.10 Change in uncollected customer payments from Federal sources (unexpired)	-1	.....	.....
58.90 Spending authority from offsetting collections (total discretionary) .....	.....	.....	.....
Mandatory:			
62.00 Transferred from other accounts .....	.....	65	.....
70.00 Total new budget authority (gross)	31	29	6
Change in obligated balances:			
72.40 Obligated balance, start of year	40	48	58
73.10 Total new obligations	30	32	6
73.20 Total outlays (gross)	-22	-22	-21
73.45 Recoveries of prior year obligations	-1	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired)	1	.....	.....
74.40 Obligated balance, end of year	48	58	43
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	10	-11	2
86.93 Outlays from discretionary balances	12	12	-4
86.97 Outlays from new mandatory authority .....	.....	21	.....
86.98 Outlays from mandatory balances .....	.....	.....	23
87.00 Total outlays (gross)	22	22	21
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-1	.....	.....
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	1	.....	.....

Net budget authority and outlays:				
89.00	Budget authority	31	29	6
90.00	Outlays	21	22	21

Under the authorities of section 14 of the Watershed Protection and Flood Prevention Act assistance is provided to communities to address concerns about local aging dams. The 2008 Budget request will support rehabilitation of the highest priority dam projects that have reached the end of their design life. NRCS may provide technical and financial assistance for the planning, design, and implementation of rehabilitation projects that may include upgrading or removing the dams.

Object Classification (in millions of dollars)

Identification code 12-1002-0-1-301	2006 actual	2007 est.	2008 est.	
Direct obligations:				
11.1	Personnel compensation: Full-time permanent	6	7	3
12.1	Civilian personnel benefits	2	2	1
25.2	Other services	4	4	2
25.2	Other services	5	6	.....
41.0	Grants, subsidies, and contributions	11	11	.....
99.0	Direct obligations	28	30	6
99.5	Below reporting threshold	2	2	.....
99.9	Total new obligations	30	32	6

Employment Summary

Identification code 12-1002-0-1-301	2006 actual	2007 est.	2008 est.	
Direct:				
1001	Civilian full-time equivalent employment	92	96	35

RESOURCE CONSERVATION AND DEVELOPMENT

For necessary expenses in planning and carrying out projects for resource conservation and development and for sound land use pursuant to the provisions of sections 31 and 32 of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1010-1011; 76 Stat. 607); the Act of April 27, 1935 (16 U.S.C. 590a-f); and subtitle H of title XV of the Agriculture and Food Act of 1981 (16 U.S.C. 3451-3461), \$14,653,000, to remain available until expended. (7 U.S.C. 2225.)

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-1010-0-1-302	2006 actual	2007 est.	2008 est.	
Obligations by program activity:				
00.02	Technical assistance	51	52	15
09.01	Reimbursable program	1	1	1
10.00	Total new obligations	52	53	16
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	1	1	.....
22.00	New budget authority (gross)	51	52	16
22.10	Resources available from recoveries of prior year obligations	1	.....	.....
23.90	Total budgetary resources available for obligation	53	53	16
23.95	Total new obligations	-52	-53	-16
24.40	Unobligated balance carried forward, end of year	1	.....	.....
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	51	51	15
40.35	Appropriation permanently reduced	-1	.....	.....
43.00	Appropriation (total discretionary)	50	51	15
Spending authority from offsetting collections:				
58.00	Offsetting collections (cash) .....	.....	2	1
58.10	Change in uncollected customer payments from Federal sources (unexpired)	1	-1	.....

58.90	Spending authority from offsetting collections (total discretionary)	1	1	1
70.00	Total new budget authority (gross)	51	52	16

Change in obligated balances:

72.40	Obligated balance, start of year	10	9	6
73.10	Total new obligations	52	53	16
73.20	Total outlays (gross)	-51	-57	-18
73.45	Recoveries of prior year obligations	-1	.....	.....
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-1	1	.....
74.40	Obligated balance, end of year	9	6	4

Outlays (gross), detail:

86.90	Outlays from new discretionary authority	44	47	15
86.93	Outlays from discretionary balances	7	10	3
87.00	Total outlays (gross)	51	57	18

Offsets:

Against gross budget authority and outlays:				
88.40	Offsetting collections (cash) from: Non-Federal sources .....	.....	-2	-1
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-1	1	.....

Net budget authority and outlays:

89.00	Budget authority	50	51	15
90.00	Outlays	51	55	17

The Resource Conservation and Development (RC&D) Program was developed under the Soil Conservation and Domestic Allotment Act, (16 U.S.C 590a-590f), the Bankhead-Jones Farm Tenant Act, (16 U.S.C. 1010 and 1011), and the Food and Agricultural Act of 1962 (P.L. 87-703) and is authorized under subtitle H, title XV of the Agricultural and Food Act of 1981, (16 U.S.C. 3451-3461), as amended. The Food Security and Rural Investment Act of 2002 (2002 Act) permanently authorized the program. The Natural Resources Conservation Service (NRCS) administers the program. In 1981, sections 1528-1538 of the Agriculture and Food Act authorized a program to encourage and improve the capability of State and local units of government and local nonprofit organizations in rural areas to plan, develop, and implement programs for resource conservation and development. Through the program, RC&D areas establish or improve coordination systems in rural communities and build rural community leadership skills to effectively use Federal, State and local programs for the communities' benefit. The 2002 Act further strengthened the relationship between the Department of Agriculture (USDA) and the RC&D areas.

The NRCS provides program administration and assistance to RC&D areas through volunteer non-profit RC&D Councils. Other USDA agencies with conservation or development activities are involved in the development of program policy and guidance and are members of the USDA RC&D Policy Advisory Board and Working Group. These agencies provide limited technical and financial assistance to RC&D Councils. Councils also obtain the assistance from other local, State, and Federal agencies, private organizations, and foundations to carry out their specific projects.

The RC&D program provides assistance to local communities to develop strategic plans that address their locally identified natural resource and economic development concerns.

The budget proposes to consolidate the RC&D Coordinator functions at the State level, reducing the number of coordinator positions from 375 to about 50. Additionally, it will support RC&D assistance as collateral duties for field staff. The request would maintain the current number of authorized RC&D areas nationwide without any increases, decreases, substitutions, or consolidations. The responsibilities and duties of the RC&D Coordinator position would be modified

RESOURCE CONSERVATION AND DEVELOPMENT—Continued

to provide more programmatic oversight instead of hands-on day-to-day activities. RC&D Councils would be responsible for operation of their non-profit corporations without an NRCS employee being involved in day-to-day activities.

The program's long-term goal is to improve the capability of local communities to plan and deliver improvement projects. This reduction in funding for the RC&D program will require that coordinators' activities be more focused on multi-county/parish planning, intergovernmental relations, serving as the Federal Government Representative on any Federal contracts with RC&D Councils, and coordinating USDA assistance available toward implementation of RC&D Area Plans.

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

MAIN WORKLOAD FACTORS

	2006 actual	2007 est.	2008 est.
Areas funded at beginning of year	375	375	375
Areas funded at end of year	375	375	375
Project plans adopted	4,362	4,000	520
Projects completed	3,350	3,000	390

Object Classification (in millions of dollars)

Identification code 12-1010-0-1-302	2006 actual	2007 est.	2008 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	29	30	9
11.3 Other than full-time permanent	1	1	
11.9 Total personnel compensation	30	31	9
12.1 Civilian personnel benefits	8	8	2
21.0 Travel and transportation of persons	1	2	1
23.2 Rental payments to others	2	2	
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	7	6	2
26.0 Supplies and materials	1	1	
31.0 Equipment	1	1	
99.0 Direct obligations	51	52	15
99.0 Reimbursable obligations	1	1	1
99.9 Total new obligations	52	53	16

Employment Summary

Identification code 12-1010-0-1-302	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	456	454	123
Reimbursable:			
2001 Civilian full-time equivalent employment	1	1	1

HEALTHY FORESTS RESERVE PROGRAM

For necessary expenses to carry out the Healthy Forests Reserve Program authorized under Title V of Public Law 108-148 (16 U.S.C. 6571-6578), \$2,476,000.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-1090-0-1-302	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Healthy forests reserve program	2	2	2
10.00 Total new obligations (object class 32.0)	2	2	2
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	2	2	2

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

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

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

Employment Summary

Identification code 12-1090-0-1-302	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	1	1	1

GREAT PLAINS CONSERVATION PROGRAM

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

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

MAIN WORKLOAD FACTORS

	2006 actual	2007 est.
Program participants:		
Number of contracts serviced during year	31	—
Number of acres under contracts	148,900	—

Co-landowners or operators finance the entire cost of installing recurring management-type practices and pay a speci-

fied part of the cost-shared practices installed on their land. Program regulations provide that cost-share rates offered in any contract cannot exceed 80 percent of the cost of installing eligible practices within the designated county. There is a cost-sharing limitation of \$35,000 for any contract.

FORESTRY INCENTIVES PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3336-0-1-302	2006 actual	2007 est.	2008 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	4	4	4
24.40 Unobligated balance carried forward, end of year	4	4	4
Change in obligated balances:			
72.40 Obligated balance, start of year	2	2	3
73.20 Total outlays (gross)		1	
74.40 Obligated balance, end of year	2	3	3
Outlays (gross), detail:			
86.93 Outlays from discretionary balances		-1	
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays		-1	

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

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

WATER BANK PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3320-0-1-302	2006 actual	2007 est.	2008 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	1
24.40 Unobligated balance carried forward, end of year	1	1	1
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

The objectives of the Water Bank Program are to conserve water; preserve, maintain, and improve the Nation's wetlands; increase waterfowl habitat in migratory waterfowl nesting, breeding, and feeding areas in the United States; and secure recreational and environmental benefits for the Nation. The program was authorized by the Water Bank Act of 1970, as amended by Public Law 96-182, approved January 2, 1980. Funding for the expiring 1985 Water Bank agreements were transferred from the Wetlands Reserve Program 1995 appropriation to this account as authorized under the Water Bank Extension Act of 1994. The 2008 Budget does not request program funding.

COLORADO RIVER BASIN SALINITY CONTROL PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3318-0-1-304	2006 actual	2007 est.	2008 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	1
24.40 Unobligated balance carried forward, end of year	1	1	1
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

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

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

WETLANDS RESERVE PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-1080-0-1-302	2006 actual	2007 est.	2008 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	1
24.40 Unobligated balance carried forward, end of year	1	1	1
Change in obligated balances:			
72.40 Obligated balance, start of year	3	3	3
74.40 Obligated balance, end of year	3	3	3
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

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

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

WILDLIFE HABITAT INCENTIVES PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3322-0-1-302	2006 actual	2007 est.	2008 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3	5	5
22.10 Resources available from recoveries of prior year obligations	2		
23.90 Total budgetary resources available for obligation	5	5	5
24.40 Unobligated balance carried forward, end of year	5	5	5

WILDLIFE HABITAT INCENTIVES PROGRAM—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-3322-0-1-302	2006 actual	2007 est.	2008 est.
Change in obligated balances:			
72.40 Obligated balance, start of year	13	10	8
73.20 Total outlays (gross)	-1	-2	-3
73.45 Recoveries of prior year obligations	-2		
74.40 Obligated balance, end of year	10	8	5
Outlays (gross), detail:			
86.98 Outlays from mandatory balances	1	2	3
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	1	2	3

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

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

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

AGRICULTURAL RESOURCE CONSERVATION DEMONSTRATION PROGRAM ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-2086-0-1-351	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.07 Reestimate of loan guarantee subsidy	1		
10.00 Total new obligations (object class 41.0)	1		
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	1		
23.95 Total new obligations	-1		
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	1		
Change in obligated balances:			
73.10 Total new obligations	1		
73.20 Total outlays (gross)	-1		
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	1		
Net budget authority and outlays:			
89.00 Budget authority	1		
90.00 Outlays	1		

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

Identification code 12-2086-0-1-351	2006 actual	2007 est.	2008 est.
Guaranteed loan upward reestimates:			
235001 Agricultural resource conservation demo	1		

235999 Total upward reestimate budget authority	1		
Guaranteed loan downward reestimates:			
237001 Agricultural resource conservation demo	-1		
237999 Total downward reestimate subsidy budget authority	-1		

AGRICULTURAL RESOURCE CONSERVATION DEMONSTRATION GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4177-0-3-351	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
08.02 Downward reestimate payment to receipt account	1		
10.00 Total new obligations	1		
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1		
22.00 New financing authority (gross)	1		
22.60 Portion applied to repay debt	-1		
23.90 Total budgetary resources available for obligation	1		
23.95 Total new obligations	-1		
24.40 Unobligated balance carried forward, end of year			
New financing authority (gross), detail:			
Mandatory:			
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	1		
Change in obligated balances:			
73.10 Total new obligations	1		
73.20 Total financing disbursements (gross)	1		
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	-1		
Offsets:			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources	-1		
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements			

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

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

Balance Sheet (in millions of dollars)

Identification code 12-4177-0-3-351	2005 actual	2006 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	1	
Investments in US securities:		
1106 Receivables, net	1	
1999 Total assets	2	
LIABILITIES:		
Federal liabilities:		
2104 Resources payable to Treasury	1	
2105 Other	1	
2999 Total liabilities	2	
4999 Negative subsidy BA total [12-2086]	2	

Trust Funds

MISCELLANEOUS CONTRIBUTED FUNDS

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-8210-0-7-302	2006 actual	2007 est.	2008 est.
01.00 Balance, start of year	5	4	5
01.99 Balance, start of year	5	4	5
Receipts:			
02.20 Miscellaneous contributed funds	1	1	1
04.00 Total: Balances and collections	6	5	6
Appropriations:			
05.00 National Agricultural Statistics Service	-1		
05.01 Miscellaneous contributed funds	-1		
05.99 Total appropriations	-2		
07.99 Balance, end of year	4	5	6

Program and Financing (in millions of dollars)

Identification code 12-8210-0-7-302	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Miscellaneous contributed funds	2		
10.00 Total new obligations (object class 25.2)	2		
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	4	3	3
22.00 New budget authority (gross)	1		
23.90 Total budgetary resources available for obligation	5	3	3
23.95 Total new obligations	-2		
24.40 Unobligated balance carried forward, end of year	3	3	3
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)	1		
Change in obligated balances:			
72.40 Obligated balance, start of year	1	3	1
73.10 Total new obligations	2		
73.20 Total outlays (gross)		-2	
74.40 Obligated balance, end of year	3	1	1
Outlays (gross), detail:			
86.98 Outlays from mandatory balances		2	
Net budget authority and outlays:			
89.00 Budget authority	1		
90.00 Outlays		2	

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

Employment Summary

Identification code 12-8210-0-7-302	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	1	1	1

RURAL DEVELOPMENT

Federal Funds

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses for carrying out the administration and implementation of programs in the Rural Development mission area, including activities with institutions concerning the development and operation of agricultural cooperatives; and for cooperative agreements;

\$208,194,000: Provided, That notwithstanding any other provision of law, funds appropriated under this section may be used for advertising and promotional activities that support the Rural Development mission area: Provided further, That not more than \$10,000 may be expended to provide modest nonmonetary awards to non-USDA employees: Provided further, That any balances available from prior years for the Rural Utilities Service, Rural Housing Service, and the Rural Business-Cooperative Service salaries and expenses accounts shall be transferred to and merged with this appropriation.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-0403-0-1-452	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Salaries and expenses	166	157	208
09.01 Reimbursable program	503	453	476
10.00 Total new obligations	669	610	684
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		6	
22.00 New budget authority (gross)	678	610	684
23.90 Total budgetary resources available for obligation	678	616	684
23.95 Total new obligations	-669	-610	-684
23.98 Unobligated balance expiring or withdrawn	-3	-6	
24.40 Unobligated balance carried forward, end of year	6		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	166	157	208
40.35 Appropriation permanently reduced	-2		
43.00 Appropriation (total discretionary)	164	157	208
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	513	453	476
58.10 Change in uncollected customer payments from Federal sources (unexpired)	1		
58.90 Spending authority from offsetting collections (total discretionary)	514	453	476
70.00 Total new budget authority (gross)	678	610	684
Change in obligated balances:			
72.40 Obligated balance, start of year	132	118	135
73.10 Total new obligations	669	610	684
73.20 Total outlays (gross)	-670	-593	-675
73.40 Adjustments in expired accounts (net)	-14		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-1		
74.10 Change in uncollected customer payments from Federal sources (expired)	2		
74.40 Obligated balance, end of year	118	135	144
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	588	518	582
86.93 Outlays from discretionary balances	82	75	93
87.00 Total outlays (gross)	670	593	675
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-514	-453	-476
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-1		
88.96 Portion of offsetting collections (cash) credited to expired accounts	1		
Net budget authority and outlays:			
89.00 Budget authority	164	157	208
90.00 Outlays	156	140	199

Since 2001, Rural Development has had a consolidated Salaries and Expenses account to administer all Rural Development programs, including programs administered by the

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

Rural Utilities Service (RUS), the Rural Housing Service (RHS), and the Rural Business-Cooperative Service (RBS).

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

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

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

Object Classification (in millions of dollars)

Identification code 12-0403-0-1-452	2006 actual	2007 est.	2008 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	96	96	126
11.3 Other than full-time permanent	1	1	2
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	98	98	129
12.1 Civilian personnel benefits	26	26	33
21.0 Travel and transportation of persons	4	4	4
23.1 Rental payments to GSA	5	6	8
23.2 Rental payments to others	1		2
23.3 Communications, utilities, and miscellaneous charges	1	1	2
24.0 Printing and reproduction	1	1	2
25.2 Other services	14	7	10
25.3 Other purchases of goods and services from Government accounts	1	1	2
25.4 Operation and maintenance of facilities	1	4	6
25.5 Research and development contracts	6	6	6
25.7 Operation and maintenance of equipment	4	1	2
26.0 Supplies and materials	2	1	1
31.0 Equipment	2	1	1
99.0 Direct obligations	166	157	208
99.0 Reimbursable obligations	503	453	476
99.9 Total new obligations	669	610	684

Employment Summary

Identification code 12-0403-0-1-452	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	1,520	1,490	1,512
Reimbursable:			
2001 Civilian full-time equivalent employment	4,955	4,810	4,788

RURAL COMMUNITY ADVANCEMENT PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-0400-0-1-452	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Direct loan subsidy	83	91	
00.02 Guaranteed loan subsidy	38	49	
00.05 Reestimate of Direct Loan Subsidy	2		
00.06 Interest on Reestimates of Direct Loan Subsidy	1		

00.07 Reestimates of Guaranteed Loan Subsidy	74		
00.08 Interest on Reestimate of Guaranteed Loan Subsidy	14		
00.11 Water and waste disposal systems grants	437	464	
00.12 Water and waste disposal systems emergency supplemental grants	26	30	
00.13 Emergency and imminent community water assistance grants	7	14	
00.14 Solid waste management grants	3	4	
00.15 Community facility grants	26	25	
00.16 Community facility emergency supplemental grants	3	19	
00.18 Economic impact initiative grants	18	19	
00.20 Rural business enterprise grants	44	42	
00.21 Rural business opportunity grants	3	3	
00.26 Rural Community Development Initiative Grants	8	15	
10.00 Total new obligations (object class 41.0)	787	775	

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	60	146	
22.00 New budget authority (gross)	834	629	
22.10 Resources available from recoveries of prior year obligations	39		
23.90 Total budgetary resources available for obligation	933	775	
23.95 Total new obligations	-787	-775	
24.40 Unobligated balance carried forward, end of year	146		

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	776	655	
40.35 Appropriation permanently reduced	-7		
41.00 Transferred to other accounts	-26	-26	
43.00 Appropriation (total discretionary)	743	629	
Mandatory:			
60.00 Appropriation	91		
70.00 Total new budget authority (gross)	834	629	

Change in obligated balances:

72.40 Obligated balance, start of year	2,519	2,390	2,340
73.10 Total new obligations	787	775	
73.20 Total outlays (gross)	-877	-825	
73.31 Obligated balance transferred to other accounts			-2,340
73.45 Recoveries of prior year obligations	-39		
74.40 Obligated balance, end of year	2,390	2,340	

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	67	45	-159
86.93 Outlays from discretionary balances	719	780	159
86.97 Outlays from new mandatory authority	91		
87.00 Total outlays (gross)	877	825	

Net budget authority and outlays:

89.00 Budget authority	834	629	
90.00 Outlays	877	825	

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

Identification code 12-0400-0-1-452	2006 actual	2007 est.	2008 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Direct water and waste disposal	1,008	737	
115002 Direct community facility	398	272	
115999 Total direct loan levels	1,406	1,009	
Direct loan subsidy (in percent):			
132001 Direct water and waste disposal	6.91	9.96	
132002 Direct community facility	3.35	6.41	
132999 Weighted average subsidy rate	5.90	9.00	
Direct loan subsidy budget authority:			
133001 Direct water and waste disposal	70	73	
133002 Direct community facility	13	17	
133999 Total subsidy budget authority	83	90	
Direct loan subsidy outlays:			
134001 Direct water and waste disposal	51	84	
134002 Direct community facility	13	18	
134999 Total subsidy outlays	64	102	
Direct loan upward reestimates:			

135001 Direct water and waste disposal	2		
135002 Direct community facility	1		
135999 Total upward reestimate budget authority	3		
Direct loan downward reestimates:			
137001 Direct water and waste disposal	-78		
137002 Direct community facility	-24		
137999 Total downward reestimate budget authority	-102		
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Waste and waste disposal loan guarantees	3	75	
215002 Community facility loan guarantees	164	20	
215003 Business and industry loan guarantees	766	1,102	
215999 Total loan guarantee levels	933	1,197	
Guaranteed loan subsidy (in percent):			
232001 Waste and waste disposal loan guarantees	-0.90	-0.90	0.00
232002 Community facility loan guarantees	0.36	3.66	0.00
232003 Business and industry loan guarantees	4.79	4.36	0.00
232999 Weighted average subsidy rate	3.99	4.02	0.00
Guaranteed loan subsidy budget authority:			
233001 Waste and waste disposal loan guarantees		-1	
233002 Community facility loan guarantees	1	1	
233003 Business and industry loan guarantees	37	48	
233999 Total subsidy budget authority	38	48	
Guaranteed loan subsidy outlays:			
234003 Business and industry loan guarantees	31	34	
234999 Total subsidy outlays	31	34	
Guaranteed loan upward reestimates:			
235002 Community facility loan guarantees	28		
235003 Business and industry loan guarantees	59		
235999 Total upward reestimate budget authority	87		
Guaranteed loan downward reestimates:			
237003 Business and industry loan guarantees	-14		
237999 Total downward reestimate subsidy budget authority	-14		

This account consolidates under the Rural Community Advancement Program (RCAP) funding for the direct and guaranteed water and waste disposal loans, water and waste disposal grants, emergency community water assistance grants, solid waste management grants, direct and guaranteed community facility loans, community facility grants, direct and guaranteed business and industry loans, rural business enterprise grants, and rural business opportunity grants. This is in accordance with the provisions set forth in the Federal Agriculture Improvement and Reform Act of 1996, as amended, Public Law 104-127 (the 1996 Act).

RCAP is composed of the following three funding streams: Rural Community Facilities, Rural Utilities, and Rural Business. Funds for Native American Communities are provided as part of the whole amount appropriated for these streams, but are earmarked to the Rural Utilities funding streams.

For 2008, funding for the three streams will no longer be combined in RCAP. Instead, each stream will be funded separately, with separate appropriations language. The new accounts and appropriations language appear in each stream's respective Service. The Water and Wastewater funding stream is in the Rural Utilities Service, the Community Facilities funding stream is in the Rural Housing Service, and the Business stream is in the Rural Business Service. Specific descriptions of each program funded in the streams appear with new accounts.

NORTHERN GREAT PLAINS REGIONAL AUTHORITY

Program and Financing (in millions of dollars)

Identification code 12-0404-0-1-452	2006 actual	2007 est.	2008 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1		
23.98 Unobligated balance expiring or withdrawn	-1		

24.40 Unobligated balance carried forward, end of year			
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

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

RURAL HOUSING SERVICE

Federal Funds

RURAL HOUSING ASSISTANCE GRANTS

For grants and contracts for very low-income housing repair, supervisory and technical assistance, compensation for construction defects, and rural housing preservation made by the Rural Housing Service, as authorized by 42 U.S.C. 1474, 1479(c), 1490e, and 1490m, \$39,000,000, to remain available until expended: Provided, That of the total amount appropriated, \$1,188,000 shall be available through June 30, 2008, for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones: Provided further, That any balances to carry out a housing demonstration program to provide revolving loans for the preservation of low-income multi-family housing projects as authorized in Public Law 108-447 and Public Law 109-97 shall be transferred to and merged with "Rural Housing Service, Multifamily Housing Revitalization Program Account".

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-1953-0-1-604	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Multi-Family Housing Preservation Demo Revolving Fund Direct Subsidy	2	4	
00.11 Farm Labor Grants Natural Disaster		1	
00.12 Very Low-Income Housing Repair Grants	30	28	30
00.13 Very Low-Income Housing Repair Natural Disaster Grants	1	7	
00.14 Supervisory and Technical Assistance Grants	1	1	
00.15 Processing Workers Housing Grants	1	7	
00.16 Rural Housing Preservation Grants	10	9	9
00.17 Domestic Farm Labor Housing Grants 2005 Hurricanes Emerg. Supp.	16		
10.00 Total new obligations (object class 41.0)	61	57	39
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	12	16	
22.00 New budget authority (gross)	64	41	39
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	77	57	39
23.95 Total new obligations	-61	-57	-39
24.40 Unobligated balance carried forward, end of year	16		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	64	41	39
Change in obligated balances:			
72.40 Obligated balance, start of year	35	39	47
73.10 Total new obligations	61	57	39
73.20 Total outlays (gross)	-56	-49	-51
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	39	47	35
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	41	25	27
86.93 Outlays from discretionary balances	15	24	24

RURAL HOUSING ASSISTANCE GRANTS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1953-0-1-604	2006 actual	2007 est.	2008 est.
87.00 Total outlays (gross)	56	49	51
Net budget authority and outlays:			
89.00 Budget authority	64	41	39
90.00 Outlays	56	49	51

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

Identification code 12-1953-0-1-604	2006 actual	2007 est.	2008 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Multi-family housing revitalization	4	8	
115999 Total direct loan levels	4	8	
Direct loan subsidy (in percent):			
132001 Multi-family housing revitalization	46.76	47.82	
132999 Weighted average subsidy rate	46.76	47.82	
Direct loan subsidy budget authority:			
133001 Multi-family housing revitalization	2	4	
133999 Total subsidy budget authority	2	4	
Direct loan subsidy outlays:			
134001 Multi-family housing revitalization		3	4
134999 Total subsidy outlays		3	4

The rural housing for domestic farm labor grant program is authorized under section 516 of the Housing Act of 1949. The very low-income housing repair grant program is authorized under section 504 of the Housing Act of 1949, as amended. This grant program enables very low-income elderly residents in rural areas to improve or modernize their dwellings, to make the dwelling safer or more sanitary, or to remove health and safety hazards. The Budget provides \$30 million for this program in 2008.

The supervisory and technical assistance grant program is carried out under the provisions of section 509(f) and 525 of the Housing Act of 1949, as amended. Under section 509, grants are made to public and private nonprofit organizations for packaging loan applications for housing under sections 502, 504, 514/516, 515, and 533 of the Housing Act of 1949, as amended. The assistance is to be directed to underserved areas where at least 20 percent or more of the population is at or below the poverty level, and at least 10 percent or more of the population resides in substandard housing. Under section 525, grants are made to public and private nonprofit organizations and other associations for the developing, conducting, administering or coordinating of technical and supervisory assistance programs to demonstrate the benefits of Federal, State, and local housing programs for low-income families in rural areas. Funding for this activity should be through the use of carryover balances or redirection of funding from housing preservation or housing repair grants since no allocation of funds are provided specifically for this activity in 2008.

The rural housing preservation grant program is authorized under section 533 of the Housing Act of 1949, as amended. Grants are made to eligible nonprofit groups, Indian tribes, or government agencies for rehabilitation of single family housing owned by low- and very low-income families and the rehabilitation of rental and cooperative housing for low- and very low-income families. \$9 million is provided for this program in 2008.

MULTIFAMILY HOUSING REVITALIZATION DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4269-0-3-604	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Direct loan obligations	10	11	
08.03 Adjusting payments to liquidating accounts	48	40	
10.00 Total new obligations	58	51	
Budgetary resources available for obligation:			
22.00 New financing authority (gross)	59	51	3
22.70 Balance of authority to borrow withdrawn	-1		
23.90 Total budgetary resources available for obligation	58	51	3
23.95 Total new obligations	-58	-51	
24.40 Unobligated balance carried forward, end of year			3
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	45	45	
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)		5	3
69.10 Change in uncollected customer payments from Federal sources (unexpired)	14	1	
69.90 Spending authority from offsetting collections (total mandatory)	14	6	3
70.00 Total new financing authority (gross)	59	51	3
Change in obligated balances:			
72.40 Obligated balance, start of year	3	46	90
73.10 Total new obligations	58	51	
73.20 Total financing disbursements (gross)	-1	-6	
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-14	-1	
74.40 Obligated balance, end of year	46	90	90
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	1	6	
Offsets:			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources		-5	-3
Against gross financing authority only:			
88.95 Change in receivables from program accounts	-14	-1	
Net financing authority and financing disbursements:			
89.00 Financing authority	45	45	
90.00 Financing disbursements		1	-3

Status of Direct Loans (in millions of dollars)

Identification code 12-4269-0-3-604	2006 actual	2007 est.	2008 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	10	11	
1150 Total direct loan obligations	10	11	
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year		1	91
Disbursements:			
1231 Direct loan disbursements		3	
1233 Purchase of loans assets from a liquidating account	1	87	
1251 Repayments: Repayments and prepayments			
1290 Outstanding, end of year	1	91	91

FARM LABOR PROGRAM ACCOUNT

For the cost of direct loans, grants, and contracts, as authorized by 42 U.S.C. 1484 and 1486, \$9,849,000, to remain available until

expended, for direct farm labor housing loans and domestic farm labor housing grants and contracts.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-1954-0-1-604	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Direct loan subsidy	9	5	6
00.11 Farm labor housing grants	26	26	4
10.00 Total new obligations (object class 41.0)	35	31	10
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		4	
22.00 New budget authority (gross)	31	27	10
22.10 Resources available from recoveries of prior year obligations	8		
23.90 Total budgetary resources available for obligation	39	31	10
23.95 Total new obligations	-35	-31	-10
24.40 Unobligated balance carried forward, end of year	4		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	31	27	10
Change in obligated balances:			
72.40 Obligated balance, start of year	129	141	141
73.10 Total new obligations	35	31	10
73.20 Total outlays (gross)	-15	-31	-38
73.45 Recoveries of prior year obligations	-8		
74.40 Obligated balance, end of year	141	141	113
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	15	31	38
Net budget authority and outlays:			
89.00 Budget authority	31	27	10
90.00 Outlays	15	31	38

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

Identification code 12-1954-0-1-604	2006 actual	2007 est.	2008 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Direct loan levels	20	10	14
115999 Total direct loan levels	20	10	14
Direct loan subsidy (in percent):			
132001 Subsidy rate	44.59	47.95	43.26
132999 Weighted average subsidy rate	44.59	47.95	43.26
Direct loan subsidy budget authority:			
133001 Subsidy budget authority	9	5	6
133999 Total subsidy budget authority	9	5	6
Direct loan subsidy outlays:			
134001 Net subsidy outlays	9	18	16
134999 Total subsidy outlays	9	18	16

The direct farm labor loan program is authorized under section 514 and the rural housing for domestic farm labor grant program is authorized under section 516 of the Housing Act of 1949, as amended. The loans, grants, and contracts are made to public and private nonprofit organizations for low-rent housing and related facilities for domestic farm labor. Grants assistance may not exceed 90 percent of the cost of a project. Loans and grants may be used for construction of new structures, site acquisition and development, rehabilitation of existing structures, and purchase of furnishings and equipment for dwellings, dining halls, community rooms, and infirmaries. Total program level provided in 2008 is \$18 million (\$4 million in grants and \$14 million in loan level).

RENTAL ASSISTANCE PROGRAM

For rental assistance agreements entered into or renewed pursuant to the authority under section 521(a)(2) or agreements entered into in lieu of debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Housing Act of 1949, \$567,000,000 to remain available until September 30, 2009; and, in addition, such sums as may be necessary, as authorized by section 521(c) of the Act, to liquidate debt incurred prior to fiscal year 1992 to carry out the rental assistance program under section 521(a)(2) of the Act: Provided, That agreements entered into or renewed during the current fiscal year shall be funded for a one-year period: Provided further, That the life of any such agreement may be extended to fully utilize amounts obligated.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-0137-0-1-604	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Rental assistance program	647	335	567
10.00 Total new obligations (object class 41.0)	647	335	567
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	647	335	567
23.95 Total new obligations	-647	-335	-567
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	708	335	567
40.00 Appropriation		56	56
40.35 Appropriation permanently reduced	-6		
40.47 Portion applied to repay debt		-56	-56
40.53 Portion substituted for borrowing authority	-55		
43.00 Appropriation (total discretionary)	647	335	567
Change in obligated balances:			
72.40 Unpaid obligations, appropriation, start of year	2,363	2,153	1,419
73.10 Total new obligations	647	335	567
73.20 Total outlays (gross)	-857	-1,069	-1,120
74.40 Obligated balance, appropriation, end of year	2,153	1,419	866
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	50	221	340
86.93 Outlays from discretionary balances	807	848	780
87.00 Total outlays (gross)	857	1,069	1,120
Net budget authority and outlays:			
89.00 Budget authority	647	335	567
90.00 Outlays	857	1,069	1,120

The rental assistance program is authorized under section 521(a)(2) of the Housing Act of 1949, as amended, and is designed to reduce rents paid by very low-income and low-income families living in RHS-financed rural rental and farm labor housing projects. Funding under this account is provided for renewals of existing rental assistance contracts, assistance for newly constructed units financed by the section 515 rural rental and cooperative housing program or the 514/516 farm labor housing loan and grant programs, and for additional servicing assistance for existing projects.

For 2008, the request for rental assistance grants is for one year contracts with two-year availability, with a total funding level of \$567 million.

From 1978 through 1991, the rental assistance program was funded under the Rural Housing Insurance Fund. Beginning in 1992, pursuant to Credit Reform, a separate grant account was established for this program.

MULTIFAMILY HOUSING REVITALIZATION PROGRAM ACCOUNT

For the rural housing voucher program as authorized under section 542 of the Housing Act of 1949, but notwithstanding subsection (b) of such section, \$27,800,000, to remain available until expended: Provided, That such vouchers shall be available to any low-income household (including those not receiving rental assistance) residing in a property financed with a section 515 loan which has been prepaid after September 30, 2005: Provided further, That the amount of the voucher shall be the difference between comparable market rent for the section 515 unit and the tenant paid rent for such unit: Provided further, That funds made available for such vouchers, shall be subject to the availability of annual appropriations: Provided further, That the Secretary shall, to the maximum extent practicable, administer such vouchers with current regulations and administrative guidance applicable for section 8 housing vouchers administered by the Secretary of the Department of Housing and Urban Development (including the ability to pay administrative costs related to delivery of the voucher funds): Provided further, That funds made available under this paragraph may also be used for preservation and revitalization of the section 515 multifamily rental housing properties including debt restructuring, subject to authorization.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-2002-0-1-604	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Choctaw Indians housing relending loan program direct subsidy	1	1	
00.03 Administrative expenses	1	1	3
00.11 Vouchers	1	2	25
10.00 Total new obligations	3	4	28
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		14	14
22.00 New budget authority (gross)	17	4	28
23.90 Total budgetary resources available for obligation	17	18	42
23.95 Total new obligations	-3	-4	-28
24.40 Unobligated balance carried forward, end of year	14	14	14
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	17	4	28
Change in obligated balances:			
72.40 Obligated balance, start of year	1	4	6
73.10 Total new obligations	3	4	28
73.20 Total outlays (gross)		-2	-12
74.40 Obligated balance, end of year	4	6	22
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			8
86.93 Outlays from discretionary balances		2	4
87.00 Total outlays (gross)		2	12
Net budget authority and outlays:			
89.00 Budget authority	17	4	28
90.00 Outlays		2	12

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

Identification code 12-2002-0-1-604	2006 actual	2007 est.	2008 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Direct loan levels	2	2	
115999 Total direct loan levels	2	2	
Direct loan subsidy (in percent):			
132001 Subsidy rate	46.76	47.82	0.00
132999 Weighted average subsidy rate	46.76	47.82	0.00
Direct loan subsidy budget authority:			
133001 Subsidy budget authority	1	1	

133999 Total subsidy budget authority	1	1	
Direct loan subsidy outlays:			
134001 Net subsidy outlays			1
134999 Total subsidy outlays			1

USDA's portfolio of multifamily housing projects provides housing for nearly half a million low-income families, many of whom are elderly. Recent Federal court rulings allow projects that received their financing prior to 1989 to prepay and leave the program. A recent assessment of the capital and operating needs of the projects indicated that about 10 percent of the projects have economically viable prepayment potential and that about 46,000 tenants of these projects risk substantial rent increases and possible loss of their housing if these projects are prepaid. Current law allows USDA to assist these families by providing them with letters of priority and vouchers, which were newly funded in 2006, but have been minimally used. The 2008 Budget includes \$28 million to continue the multifamily housing revitalization proposal that was initially proposed in the 2006 Budget. The funding may be used for housing vouchers for residents of projects whose sponsors prepay their outstanding indebtedness on USDA loans and leave the program. The appropriation language for this funding is consistent with the 2006 appropriation language that requires such vouchers to be administered, to the maximum extent possible, under current regulations and administrative guidance applicable to section 8 vouchers, including delivery costs; and allows the number of such vouchers to exceed 5,000, and allows the vouchers to all low-income residents who are affected by prepayment, regardless of whether they were receiving rental assistance payments. In addition, the 2008 appropriation language provides the flexibility to use the \$28 million for debt restructuring and other revitalization incentives when they are authorized. Draft legislation will be resubmitted to Congress to authorize this revitalization effort. We expect this authorization to be passed before or during 2008.

Prior year obligated balances reflect funding for rental assistance for newly constructed units provided in limited amounts in 1984 and 1985. From 1986 through 1991 rental assistance for newly constructed units, as well as existing rental assistance contract renewals and additional servicing assistance for existing projects, had been funded under the Rural Housing Insurance Fund. Beginning in 1992, pursuant to Credit Reform, a separate grant account was established for the rental assistance program.

Object Classification (in millions of dollars)

Identification code 12-2002-0-1-604	2006 actual	2007 est.	2008 est.
Direct obligations:			
25.1 Advisory and assistance services	1	2	3
41.0 Grants, subsidies, and contributions	2	2	25
99.9 Total new obligations	3	4	28

MUTUAL AND SELF-HELP HOUSING GRANTS

For grants and contracts pursuant to section 523(b)(1)(A) of the Housing Act of 1949 (42 U.S.C. 1490c), \$9,500,000, to remain available until expended.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-2006-0-1-604	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Mutual and self-help housing grants	34	35	10

10.00	Total new obligations (object class 41.0)	34	35	10
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	1	2	1
22.00	New budget authority (gross)	34	34	10
22.10	Resources available from recoveries of prior year obligations	1		
23.90	Total budgetary resources available for obligation	36	36	11
23.95	Total new obligations	-34	-35	-10
24.40	Unobligated balance carried forward, end of year	2	1	1
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	34	34	10
Change in obligated balances:				
72.40	Obligated balance, start of year	58	55	54
73.10	Total new obligations	34	35	10
73.20	Total outlays (gross)	-36	-36	-33
73.45	Recoveries of prior year obligations	-1		
74.40	Obligated balance, end of year	55	54	31
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	7	6	2
86.93	Outlays from discretionary balances	29	30	31
87.00	Total outlays (gross)	36	36	33
Net budget authority and outlays:				
89.00	Budget authority	34	34	10
90.00	Outlays	36	36	33

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

RURAL COMMUNITY GRANTS

Rural firefighters and emergency personnel grants are authorized under 7 U.S.C. 2655. Grants are provided to local government and Indian tribes to pay the cost of training firefighters and emergency personnel in firefighting, emergency medical practices, and responding to hazardous materials and bioagents in rural areas. Not less than 60 percent of the amounts made available for training grants shall be used to provide grants to fund partial scholarships for training of individuals at training centers. The remaining funding may be made available for grants to provide financial assistance to State and regional centers that provide training for firefighters and emergency medical personnel for improvements to the training facility, equipment, curricula, and personnel. No funds are provided in the Budget because this type of program activity is redundant with other programs in Forest Service, Federal Emergency Management Agency, and the Bureau of Land Management, which provide significant funding for this purpose.

RURAL COMMUNITY FACILITY PROGRAM ACCOUNT

(INCLUDING TRANSFER OF BALANCES)

For the costs of direct loans, loan guarantees, and grants for rural community programs as authorized by 7 U.S.C. 1926 and 1932 and described in section 381E(d)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 note), \$24,512,000, to remain available until expended: Provided, That of the amount appropriated under this heading, not to exceed \$100,000 shall be available through June 30, 2008, for authorized empowerment zones and enterprise communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones for the rural community programs described in section 381E(d)(1) of such Act: Provided further, That any prior

year balances for high cost energy grants authorized by section 19 of the Rural Electrification Act of 1936 (7 U.S.C. 901(19)) shall be transferred to and merged with the "Rural Utilities Service, High Energy Costs Grants" account: Provided further, That sections 381E-H and 381N of the Consolidated Farm and Rural Development Act, are not applicable to funds made available under this heading: Provided further, That any prior year balances in the "Rural Development, Rural Community Advancement Program" account for programs authorized by 7 U.S.C. 1926 and 1932 and described in section 381E(d)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 note) shall be transferred and merged with this account: Provided further, That the Secretary shall transfer and merge with this account any other prior balances from the "Rural Development, Rural Community Advancement Program" account that the Secretary determines is appropriate to transfer.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-1951-0-1-452	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01	Direct Loan Subsidy		17
00.02	Guaranteed Loan Subsidy		8
10.00	Total new obligations (object class 41.0)		25
Budgetary resources available for obligation:			
22.00	New budget authority (gross)		25
23.95	Total new obligations		-25
New budget authority (gross), detail:			
Discretionary:			
40.00	Appropriation		25
Change in obligated balances:			
73.10	Total new obligations		25
73.20	Total outlays (gross)		-86
73.32	Obligated balance transferred from other accounts		174
74.40	Obligated balance, end of year		113
Outlays (gross), detail:			
86.90	Outlays from new discretionary authority		3
86.93	Outlays from discretionary balances		83
87.00	Total outlays (gross)		86
Net budget authority and outlays:			
89.00	Budget authority		25
90.00	Outlays		86

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

Identification code 12-1951-0-1-452	2006 actual	2007 est.	2008 est.
Direct loan levels supportable by subsidy budget authority:			
115002	Direct community facility		302
115999	Total direct loan levels		302
Direct loan subsidy (in percent):			
132002	Direct community facility		5.55
132999	Weighted average subsidy rate		5.55
Direct loan subsidy budget authority:			
133002	Direct community facility		17
133999	Total subsidy budget authority		17
Direct loan subsidy outlays:			
134002	Direct community facility		18
134999	Total subsidy outlays		18
Guaranteed loan levels supportable by subsidy budget authority:			
215002	Community facility loan guarantees		210
215999	Total loan guarantee levels		210
Guaranteed loan subsidy (in percent):			
232002	Community facility loan guarantees		3.68

RURAL COMMUNITY FACILITY PROGRAM ACCOUNT—Continued
(INCLUDING TRANSFER OF BALANCES)—Continued

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

Identification code 12-1951-0-1-452	2006 actual	2007 est.	2008 est.
232999 Weighted average subsidy rate			3.68
Guaranteed loan subsidy budget authority:			
233002 Community facility loan guarantees			8
233999 Total subsidy budget authority			8
Guaranteed loan subsidy outlays:			
234002 Community facility loan guarantees			2
234999 Total subsidy outlays			2

This account funds the direct and guaranteed community facility loans and community facility grants. Since the passage of the Federal Agriculture Improvement and Reform Act of 1996 through 2007, the funding for these programs was provided as part of the Rural Community Advancement Program (RCAP). For 2008, no funding is proposed in the RCAP account and instead, each funding stream is being appropriated separately in a new account. This is the new account for the Community programs funding stream.

Community facility loans and grants are authorized under sections 306(a)(1) and 306(a)(19) of the Consolidated Farm and Rural Development Act, as amended. Loans are provided to local governments and nonprofit organizations for the construction and improvement of community facilities providing essential services in rural areas of not more than 20,000 population, such as hospitals and fire stations. Total program level in 2008 is projected to be \$512 million.

RURAL COMMUNITY FACILITY DIRECT LOANS FINANCING ACCOUNT
Program and Financing (in millions of dollars)

Identification code 12-4225-0-3-452	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Direct loans	397	272	302
00.02 Interest on Treasury borrowing	111	137	146
00.91 Direct Program by Activities—Subtotal (1 level)	508	409	448
08.01 Negative subsidy	1	1	
08.02 Downward reestimate paid to receipt account	18		
08.04 Interest paid on downward reestimates paid to receipt account	6		
08.91 Direct Program by Activities—Subtotal (1 level)	25	1	
10.00 Total new obligations	533	410	448
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	4	7	
22.00 New financing authority (gross)	609	403	448
22.10 Resources available from recoveries of prior year obligations	63		
22.60 Portion applied to repay debt	-76		
22.70 Balance of authority to borrow withdrawn	-60		
23.90 Total budgetary resources available for obligation	540	410	448
23.95 Total new obligations	-533	-410	-448
24.40 Unobligated balance carried forward, end of year	7		
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	421	146	176
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	191	258	273
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-3	-1	-1
69.90 Spending authority from offsetting collections (total mandatory)	188	257	272

70.00 Total new financing authority (gross)	609	403	448
Change in obligated balances:			
72.40 Obligated balance, start of year	1,226	1,158	935
73.10 Total new obligations	533	410	448
73.20 Total financing disbursements (gross)	-541	-634	-574
73.45 Recoveries of prior year obligations	-63		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	3	1	1
74.40 Obligated balance, end of year	1,158	935	810
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	541	634	574
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-15	-19	-18
88.25 Interest on uninvested funds	-16	-29	-31
88.40 Repayment of principal	-80	-122	-145
88.40 Interest received on loans	-80	-88	-79
88.90 Total, offsetting collections (cash)	-191	-258	-273
Against gross financing authority only:			
88.95 Change in receivables from program accounts	3	1	1
Net financing authority and financing disbursements:			
89.00 Financing authority	421	146	176
90.00 Financing disbursements	350	376	301

Status of Direct Loans (in millions of dollars)			
Identification code 12-4225-0-3-452	2006 actual	2007 est.	2008 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	397	272	302
1150 Total direct loan obligations	397	272	302
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1,662	1,982	2,356
1231 Disbursements: Direct loan disbursements	405	496	428
1251 Repayments: Repayments and prepayments	-80	-122	-145
1261 Adjustments: Capitalized interest	1		
Write-offs for default:			
1263 Direct loans	-5		
1264 Other adjustments, net	-1		
1290 Outstanding, end of year	1,982	2,356	2,639

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

This account provides funding to non-profit organizations and local governments for the construction and improvement of community facilities providing essential services in rural areas, such as hospitals, telecommunications applications, child care centers and fire stations.

Balance Sheet (in millions of dollars)			
Identification code 12-4225-0-3-452	2005 actual	2006 actual	
ASSETS:			
Federal assets:			
1101 Fund balances with Treasury	13	7	
Investments in US securities:			
1106 Receivables, net	-3	1	
Net value of assets related to post-1991 direct loans receivable:			
1401 Direct loans receivable, gross	1,663	1,982	
1402 Interest receivable	22	29	
1404 Foreclosed property	1		
1405 Allowance for subsidy cost (-)	-74	-63	

1499	Net present value of assets related to direct loans	1,612	1,948
1999	Total assets	1,622	1,956
LIABILITIES:			
Federal liabilities:			
2101	Accounts payable	1,606	1,949
2105	Other	16	7
2999	Total liabilities	1,622	1,956
4999	Total liabilities and net position	1,622	1,956

2131	Guaranteed loan commitments exempt from limitation	164	20	210
2150	Total guaranteed loan commitments	164	20	210
2199	Guaranteed amount of guaranteed loan commitments	131	16	168
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	488	564	607
2231	Disbursements of new guaranteed loans	132	142	150
2251	Repayments and prepayments	-56	-97	-105
Adjustments:				
2263	Terminations for default that result in claim payments	-2	-2	-2
2264	Other adjustments, net	2		
2290	Outstanding, end of year	564	607	650

RURAL COMMUNITY FACILITY GUARANTEED LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4228-0-3-452	2006 actual	2007 est.	2008 est.	
Obligations by program activity:				
00.01	Default claims	1	2	2
00.02	Interest to Treasury	1	1	1
10.00	Total new obligations	2	3	3
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	9	33	
22.00	New financing authority (gross)	26	6	16
22.60	Portion applied to repay debt		-36	-13
23.90	Total budgetary resources available for obligation	35	3	3
23.95	Total new obligations	-2	-3	-3
24.40	Unobligated balance carried forward, end of year	33		
New financing authority (gross), detail:				
Mandatory:				
67.10	Authority to borrow	1	3	3
Spending authority from offsetting collections:				
69.00	Offsetting collections (cash)	37	1	4
69.10	Change in uncollected customer payments from Federal sources (unexpired)		2	9
69.47	Portion applied to repay debt	-12		
69.90	Spending authority from offsetting collections (total mandatory)	25	3	13
70.00	Total new financing authority (gross)	26	6	16
Change in obligated balances:				
72.40	Obligated balance, start of year	1	1	2
73.10	Total new obligations	2	3	3
73.20	Total financing disbursements (gross)	-2		
74.00	Change in uncollected customer payments from Federal sources (unexpired)		-2	-9
74.40	Obligated balance, end of year	1	2	-4
Outlays (gross), detail:				
87.00	Total financing disbursements (gross)	2		
Offsets:				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Federal sources	-29		-2
88.25	Interest on uninvested funds	-1		-1
88.40	Non-Federal sources, Guarantee Fees	-7	-1	-1
88.90	Total, offsetting collections (cash)	-37	-1	-4
Against gross financing authority only:				
88.95	Change in receivables from program accounts		-2	-9
Net financing authority and financing disbursements:				
89.00	Financing authority	-11	3	3
90.00	Financing disbursements	-34	-1	-4

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4228-0-3-452	2006 actual	2007 est.	2008 est.	
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders			

Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	496	492	528

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

This account finances loan guarantee commitments for essential community facilities in rural areas.

Balance Sheet (in millions of dollars)

Identification code 12-4228-0-3-452	2005 actual	2006 actual	
ASSETS:			
Federal assets:			
1101	Fund balances with Treasury	10	33
Investments in US securities:			
1106	Receivables, net	15	7
1999	Total assets	25	40
LIABILITIES:			
2104	Federal liabilities: Resources payable to Treasury	13	8
2204	Non-Federal liabilities: Liabilities for loan guarantees	12	32
2999	Total liabilities	25	40
4999	Total liabilities and net position	25	40

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

For gross obligations for the principal amount of direct and guaranteed loans as authorized by title V of the Housing Act of 1949, to be available from funds in the rural housing insurance fund, as follows: \$4,848,611,000 for loans to section 502 unsubsidized guaranteed loans; \$22,855,000 for section 504 housing repair loans; \$200,000,000 for section 538 guaranteed multi-family housing loans; \$5,045,000 for section 524 site loans; and \$11,408,000 for credit sales of acquired property, of which up to \$1,408,000 may be for multi-family credit sales.

For the cost of direct and guaranteed loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, as follows: section 502 loans, \$10,070,000, to remain available until expended, shall be for unsubsidized guaranteed loans; section 504 housing repair loans, \$6,461,000; section 538 multi-family housing guaranteed loans, \$18,800,000; and credit sales of acquired property, \$523,000: Provided, That of the total amount appropriated in this paragraph, \$180,000 shall be available through June 30, 2008, for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones: Provided further, That any balances for a demonstration program for the preservation and revitalization of the section 515 multi-family rental housing properties as authorized in Public Law 109-97 shall be transferred to and merged with the "Rural Housing Service, Multifamily Housing Revitalization Program Account".

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, \$434,890,000, which shall be

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

paid to the appropriation for "Rural Development, Salaries and Expenses".

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-2081-0-1-371	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Direct loan subsidy	199	195	7
00.02 Guaranteed loan subsidy	41	63	29
00.03 Modifications of direct loans	5	8	
00.04 Modification of guaranteed loans		1	
00.05 Reestimates of direct loan subsidy	240		
00.06 Interest on reestimates of direct loan subsidy	131		
00.07 Reestimates of loan guarantee subsidy	48		
00.08 Interest on reestimates of loan guarantee subsidy	7		
00.09 Administrative expenses	450	409	435
10.00 Total new obligations	1,121	676	471
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	8	49	
22.00 New budget authority (gross)	1,162	627	471
22.10 Resources available from recoveries of prior year obligations	1		
22.21 Unobligated balance transferred to other accounts	-1		
23.90 Total budgetary resources available for obligation	1,170	676	471
23.95 Total new obligations	-1,121	-676	-471
24.40 Unobligated balance carried forward, end of year	49		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	742	627	471
40.35 Appropriation permanently reduced	-7		
43.00 Appropriation (total discretionary)	735	627	471
Mandatory:			
60.00 Appropriation	427		
70.00 Total new budget authority (gross)	1,162	627	471
Change in obligated balances:			
72.40 Obligated balance, start of year	170	175	230
73.10 Total new obligations	1,121	676	471
73.20 Total outlays (gross)	-1,105	-621	-547
73.40 Adjustments in expired accounts (net)	-10		
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	175	230	154
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	610	539	460
86.93 Outlays from discretionary balances	68	82	87
86.97 Outlays from new mandatory authority	427		
87.00 Total outlays (gross)	1,105	621	547
Net budget authority and outlays:			
89.00 Budget authority	1,162	627	471
90.00 Outlays	1,105	621	547

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

Identification code 12-2081-0-1-371	2006 actual	2007 est.	2008 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Direct 502 single family housing	1,129	1,165	
115003 Direct 502 natural disaster		2	
115004 Direct 515 multi-family housing	98	90	
115007 Direct 504 housing repair	33	31	23
115008 Direct 504 natural disaster		3	
115009 Direct 504, Katrina hurricane supplemental	3	46	
115011 Direct Farm Labor Housing Supp.		1	
115012 Direct 524 site development	3	5	5
115013 Direct 523 self-help housing	4	2	

115014 Single family credit sales		10	10
115015 Multi-family credit sales	2	1	1
115016 502 ND Katrina hurricane supplemental	81	107	
115017 Multi-family housing revitalization seconds	4		
115999 Total direct loan levels	1,357	1,463	39
Direct loan subsidy (in percent):			
132001 Direct 502 single family housing	11.39	10.03	0.00
132003 Direct 502 natural disaster	0.00	10.03	0.00
132004 Direct 515 multi-family housing	45.88	45.67	0.00
132007 Direct 504 housing repair	29.25	29.55	28.27
132008 Direct 504 natural disaster	0.00	29.55	0.00
132009 Direct 504, Katrina hurricane supplemental	29.25	29.55	0.00
132011 Direct Farm Labor Housing Supp.	0.00	47.95	0.00
132012 Direct 524 site development	-3.51	-1.66	-0.79
132013 Direct 523 self-help housing	1.03	2.47	0.00
132014 Single family credit sales	-14.53	0.48	-1.15
132015 Multi-family credit sales	45.40	45.33	37.14
132016 502 ND Katrina hurricane supplemental	11.39	10.03	0.00
132017 Multi-family housing revitalization seconds	87.52	0.00	0.00
132999 Weighted average subsidy rate	14.57	13.22	17.23
Direct loan subsidy budget authority:			
133001 Direct 502 single family housing	129	117	
133004 Direct 515 multi-family housing	45	41	
133007 Direct 504 housing repair	10	9	6
133008 Direct 504 natural disaster		1	
133009 Direct 504, Katrina hurricane supplemental	1	14	
133011 Direct Farm Labor Housing Supp.		1	
133015 Multi-family credit sales	1	1	1
133016 502 ND Katrina hurricane supplemental	9	11	
133017 Multi-family housing revitalization seconds	4		
133999 Total subsidy budget authority	199	195	7
Direct loan subsidy outlays:			
134001 Direct 502 single family housing	131	111	29
134004 Direct 515 multi-family housing	38	53	43
134007 Direct 504 housing repair	10	8	7
134009 Direct 504, Katrina hurricane supplemental	1		
134010 Direct Farm Labor Housing	1		
134015 Multi-family credit sales	1	1	1
134016 502 ND Katrina hurricane supplemental	6	3	
134017 Multi-family housing revitalization seconds		1	1
134999 Total subsidy outlays	188	177	81
Direct loan upward reestimates:			
135001 Direct 502 single family housing	357		
135007 Direct 504 housing repair	1		
135010 Direct Farm Labor Housing	3		
135014 Single family credit sales	10		
135999 Total upward reestimate budget authority	371		
Direct loan downward reestimates:			
137001 Direct 502 single family housing	-86		
137004 Direct 515 multi-family housing	-60		
137007 Direct 504 housing repair	-16		
137014 Single family credit sales	-20		
137999 Total downward reestimate budget authority	-182		
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Guaranteed 502 single family housing, purchase	2,891	3,662	798
215002 Guaranteed 502 refinance	4	247	61
215003 Guaranteed 538 multi-family housing	98	63	200
215004 Guaranteed 502 Katrina hurricane supplemental	180	1,026	
215999 Total loan guarantee levels	3,173	4,998	1,059
Guaranteed loan subsidy (in percent):			
232001 Guaranteed 502 single family housing, purchase	1.16	1.21	1.20
232002 Guaranteed 502 refinance	0.29	0.50	0.81
232003 Guaranteed 538 multi-family housing	5.42	7.74	9.40
232004 Guaranteed 502 Katrina hurricane supplemental	1.16	1.21	0.00
232999 Weighted average subsidy rate	1.29	1.26	2.73
Guaranteed loan subsidy budget authority:			
233001 Guaranteed 502 single family housing, purchase	34	44	10
233002 Guaranteed 502 refinance		1	
233003 Guaranteed 538 multi-family housing	5	5	19
233004 Guaranteed 502 Katrina hurricane supplemental	2	12	
233999 Total subsidy budget authority	41	62	29
Guaranteed loan subsidy outlays:			
234001 Guaranteed 502 single family housing, purchase	33	28	14
234002 Guaranteed 502 refinance		1	
234003 Guaranteed 538 multi-family housing	5	3	13
234004 Guaranteed 502 Katrina hurricane supplemental	2		
234999 Total subsidy outlays	40	32	27

Guaranteed loan upward reestimates:			
235001	Guaranteed 502 single family housing, purchase	39	
235003	Guaranteed 538 multi-family housing	17	
235999	Total upward reestimate budget authority	56	
Guaranteed loan downward reestimates:			
237001	Guaranteed 502 single family housing, purchase	-5	
237999	Total downward reestimate subsidy budget authority	-5	
Administrative expense data:			
3510	Budget authority	450	409 435
3590	Outlays from new authority	450	409 435

Rural Housing Insurance Fund.—This fund was established in 1965 (Public Law 89-117) pursuant to section 517 of title V of the Housing Act of 1949, as amended.

The programs funded through the Rural Housing Insurance Fund Program account are: section 502 very low and low to moderate income homeownership loans and guarantees; section 504 very low-income housing repair loans; section 515 rural rental housing loans; section 524 housing site loans, single family and multi-family housing credit sales of acquired property, and section 538 multi-family housing guarantees. Starting in 2001, section 514 domestic farm labor housing loans and grants are funded under the new Farm Labor Program Account in order to provide flexibility between loans and the farm labor housing grants. The section 523 self-help housing land development loan program is funded in this account as of 1997, but no funds are provided for 2008, due to expected lack of demand.

Loan programs are limited to rural areas that include towns, villages, and other places which are not part of an urban area and that have a population not in excess of 2,500 inhabitants, or is in excess of 2,500 but not in excess of 10,000 if rural in character, or has a population in excess of 10,000 but not more than 20,000 and is not within a standard metropolitan statistical area and has a serious lack of mortgage credit for low- and moderate-income borrowers.

No funds are requested in 2008 for section 515 rural rental housing loans. However, RHS will continue to revitalize the existing 515 portfolio by providing a voucher program to assist tenants that have been displaced due to property owners prepaying their loans. Additional authorizations are anticipated to assist in revitalizing the portfolio.

Guaranteed lending is the direction of Federal assistance for mortgage credit. With improvements and innovations in the banking industry, utilizing the private sector with guarantees is a more efficient way to deliver homeownership assistance. With that in mind, no funds are requested for 502 direct single family housing loans for 2008. A separate legislative proposal that goes along with the move to guaranteed loans within single family housing programs will be proposed to authorize subsidized guaranteed single family housing loans for very-low and low income rural residents. Funding requests for these new loans will follow authorization. Meanwhile the 502 guaranteed single family housing loan program has been increased to \$4.8 billion, replacing the lost lending level from the 502 direct loans.

For 502 guaranteed single family housing loans in 2008, the Budget reflects a 3.0 percent fee on new loans. This fee will enable the program to make more loans available to serve lower income rural Americans. In 2002, RHS approved separate risk categories for the guarantee refinancing and guarantees of new loans. The guarantee fee for the refinancing will remain at 0.5 percent. This change reflects the lower risk on refinancing as compared to an unseasoned borrower receiving a new loan. It is consistent with the rate that HUD and the VA charge on similar loans.

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

quired property), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Object Classification (in millions of dollars)

Identification code 12-2081-0-1-371	2006 actual	2007 est.	2008 est.
Direct obligations:			
25.3	Other purchases of goods and services from Government accounts	450	409 435
41.0	Grants, subsidies, and contributions	671	267 36
99.9	Total new obligations	1,121	676 471

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT
(Legislative proposal, not subject to PAYGO)

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

Identification code 12-2081-2-1-371	2006 actual	2007 est.	2008 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001	Guaranteed 502 single family housing, purchase		3,990
215999	Total loan guarantee levels		3,990
Guaranteed loan subsidy (in percent):			
232001	Guaranteed 502 single family housing, purchase		-1.00
232999	Weighted average subsidy rate		-2.16

For the 502 guarantee program, the Budget includes a general provision that allows for the guarantee fee on new 502 guaranteed loans to be increased to 3 percent from 2 percent. This causes the loans to be less costly for the Government without a significant additional burden to the borrowers, given that they can finance the fee as part of the loan. This proposal will allow funding in 2008 to be at an increased amount of \$4.8 billion for purchase loans. The increase is meant to compensate for no funding for direct single family housing loans.

RURAL HOUSING INSURANCE FUND DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4215-0-3-371	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01	Direct loans including upward adjustments of prior year obligations	1,373	1,473 53
00.02	Interest on Treasury Borrowing	692	730 748
00.05	Advances on behalf of borrowers	32	45 45
00.06	Other expenses	41	98 35
00.91	Subtotal, Operating program	2,138	2,301 881
08.02	Downward subsidy reestimates paid to receipt account	131	
08.04	Interest on downward reestimates paid to receipt account	51	
08.91	Subtotal, Reestimates	182	
10.00	Total new obligations	2,320	2,301 881
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	572	80
22.00	New financing authority (gross)	2,030	2,221 881
22.10	Resources available from recoveries of prior year obligations	95	
22.60	Portion applied to repay debt	-224	
22.70	Balance of authority to borrow withdrawn	-73	
23.90	Total budgetary resources available for obligation	2,400	2,301 881
23.95	Total new obligations	-2,320	-2,301 -881
24.40	Unobligated balance carried forward, end of year	80	

RURAL HOUSING INSURANCE FUND DIRECT LOAN FINANCING
ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-4215-0-3-371	2006 actual	2007 est.	2008 est.
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	1,075	373	314
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	2,152	1,971	1,710
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-8	-15	-30
69.47 Portion applied to repay debt	-1,189	-108	-1,113
69.90 Spending authority from offsetting collections (total mandatory)	955	1,848	567
70.00 Total new financing authority (gross)	2,030	2,221	881
Change in obligated balances:			
72.40 Unpaid obligations, fund balance with Treasury, start of year	570	535	969
73.10 Total new obligations	2,320	2,301	881
73.20 Total financing disbursements (gross)	-2,268	-1,882	-2,191
73.45 Recoveries of prior year obligations	-95		
74.00 Change in uncollected customer payments from Fed- eral sources (unexpired)	8	15	30
74.40 Obligated balance, end of year	535	969	-311
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	2,268	1,882	2,191
Offsets:			
Against gross financing authority and financing dis- bursements:			
Offsetting collections (cash) from:			
88.00 Federal sources: payments from program ac- count	-569	-195	-97
88.25 Interest on uninvested funds	-102	-206	-190
88.40 Non-Federal sources: Repayments of principal Interest received on loans	-737	-920	-837
88.40 Interest received on loans	-636	-563	-491
88.40 Payments on judgments	-12	-13	-14
88.40 Proceeds on sale of acquired property	-17	-25	-31
88.40 Recaptured income	-2	-10	-36
88.40 Fees	-2	-5	-7
88.40 Miscellaneous collections	-75	-34	-7
88.90 Total, offsetting collections (cash)	-2,152	-1,971	-1,710
Against gross financing authority only:			
88.95 Change in receivables from program accounts	8	15	30
Net financing authority and financing disbursements:			
89.00 Financing authority	-114	265	-799
90.00 Financing disbursements	116	-89	481

Status of Direct Loans (in millions of dollars)

Identification code 12-4215-0-3-371	2006 actual	2007 est.	2008 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	1,373	1,473	53
1150 Total direct loan obligations	1,373	1,473	53
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	12,761	13,162	13,625
1231 Disbursements: Direct loan disbursements	1,390	1,472	1,464
1251 Repayments: Repayments and prepayments	-919	-937	-1,078
1261 Adjustments: Capitalized interest	20	23	25
Write-offs for default:			
1263 Direct loans	-50	-65	-83
1264 Other adjustments, net	-40	-30	-25
1290 Outstanding, end of year	13,162	13,625	13,928

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond including credit sales of acquired property. The

amounts in this account are a means of financing and are not included in the budget totals.

This account finances direct rural housing loans for section 502 very low- and low-to-moderate-income home ownership loan program; section 504 very low income housing repair loan program; section 514 domestic farm labor housing loan program; section 515 rural rental housing loan program; sections 523 self-help housing loans, and 524 site development loans; and single family and multi-family housing credit sales of acquired property.

Loan programs are limited to rural areas that include towns, villages and other places which are not part of an urban area and that have a population not in excess of 2,500 inhabitants, or is in excess of 2,500 but not in excess of 10,000 if rural in character, or has a population in excess of 10,000 but not more than 20,000 and is not within a standard metropolitan statistical area and has a serious lack of mortgage credit for low and moderate-income borrowers.

Balance Sheet (in millions of dollars)

Identification code 12-4215-0-3-371	2005 actual	2006 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	224	80
Investments in US securities:		
1106 Receivables, net	-77	192
Net value of assets related to post-1991 direct loans receiv- able:		
1401 Direct loans receivable, gross	12,761	13,162
1402 Interest receivable	132	63
1404 Foreclosed property	18	16
1405 Allowance for subsidy cost (-)	-1,040	-2,036
1499 Net present value of assets related to direct loans	11,871	11,205
1999 Total assets	12,018	11,477
LIABILITIES:		
Federal liabilities:		
2103 Debt	10,989	10,960
2105 Other	1,021	503
2207 Non-Federal liabilities: Other	8	14
2999 Total liabilities	12,018	11,477
4999 Negative subsidy BA total [12-2081]	12,018	11,477

RURAL HOUSING INSURANCE FUND GUARANTEED LOAN FINANCING
ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4216-0-3-371	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Default claims	107	107	140
00.02 Interest assistance paid to lenders		5	7
00.91 Direct Program by Activities—Subtotal (1 level)	107	112	147
08.02 Payments of downward estimates to receipt account	2		
08.04 Payment of interest on downward reestimate to re- ceipt account	3		
08.91 Direct Program by Activities—Subtotal (1 level)	5		
10.00 Total new obligations	112	112	147
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	527	591	588
22.00 New financing authority (gross)	176	109	96
23.90 Total budgetary resources available for obligation	703	700	684
23.95 Total new obligations	-112	-112	-147
24.40 Unobligated balance carried forward, end of year	591	588	537

New financing authority (gross), detail:

Mandatory:			
67.10 Authority to borrow	5	5	8
67.35 Authority to borrow permanently reduced	-14		

67.90	Authority to borrow (total mandatory)	-9	5	8
	Spending authority from offsetting collections:			
69.00	Offsetting collections (cash)	185	104	89
69.10	Change in uncollected customer payments from Federal sources (unexpired)			-1
69.90	Spending authority from offsetting collections (total mandatory)	185	104	88
70.00	Total new financing authority (gross)	176	109	96
Change in obligated balances:				
73.10	Total new obligations	112	112	147
73.20	Total financing disbursements (gross)	-112	-112	-148
74.00	Change in uncollected customer payments from Federal sources (unexpired)			1
Outlays (gross), detail:				
87.00	Total financing disbursements (gross)	112	112	148
Offsets:				
	Against gross financing authority and financing disbursements:			
	Offsetting collections (cash) from:			
88.00	Federal sources	-96	-32	-27
88.25	Interest on uninvested funds	-27	-25	-24
88.40	Non-Federal sources: guarantee fees	-62	-47	-38
88.90	Total, offsetting collections (cash)	-185	-104	-89
	Against gross financing authority only:			
88.95	Change in receivables from program accounts			1
Net financing authority and financing disbursements:				
89.00	Financing authority	-9	5	8
90.00	Financing disbursements	-73	8	59

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4216-0-3-371	2006 actual	2007 est.	2008 est.	
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders			
2131	Guaranteed loan commitments exempt from limitation	3,173	4,998	1,059
2150	Total guaranteed loan commitments	3,173	4,998	1,059
2199	Guaranteed amount of guaranteed loan commitments	2,856	4,498	953
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	14,673	15,579	15,916
2231	Disbursements of new guaranteed loans	3,056	2,463	1,888
2251	Repayments and prepayments	-1,901	-2,019	-2,197
2263	Adjustments: Terminations for default that result in claim payments	-249	-107	-230
2290	Outstanding, end of year	15,579	15,916	15,377
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	14,834	14,176	13,840

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

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

Balance Sheet (in millions of dollars)

Identification code 12-4216-0-3-371	2005 actual	2006 actual	
ASSETS:			
Federal assets:			
1101	Fund balances with Treasury	517	591

	Investments in US securities:		
1106	Receivables, net	29	8
1999	Total assets	546	599
LIABILITIES:			
Non-Federal liabilities:			
2204	Liabilities for loan guarantees	545	8
2207	Other	1	591
2999	Total liabilities	546	599
4999	Negative subsidy BA total [12-2081]	546	599

RURAL HOUSING INSURANCE FUND GUARANTEED LOAN FINANCING ACCOUNT

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12-4216-2-3-371	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01	Default claim payments		12
10.00	Total new obligations		12
Budgetary resources available for obligation:			
22.00	New financing authority (gross)		117
23.95	Total new obligations		-12
24.40	Unobligated balance carried forward, end of year		105
New financing authority (gross), detail:			
Mandatory:			
69.00	Spending authority from offsetting collections: Offsetting collections (cash)		117
Change in obligated balances:			
73.10	Total new obligations		12
73.20	Total financing disbursements (gross)		-12
Outlays (gross), detail:			
87.00	Total financing disbursements (gross)		12
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.25	Interest on uninvested funds		-6
88.40	Non-Federal sources: guarantee fees		-111
88.90	Total, offsetting collections (cash)		-117
Net financing authority and financing disbursements:			
89.00	Financing authority		
90.00	Financing disbursements		-105

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4216-2-3-371	2006 actual	2007 est.	2008 est.
Position with respect to appropriations act limitation on commitments:			
2111	Limitation on guaranteed loans made by private lenders		
2131	Guaranteed loan commitments exempt from limitation		3,990
2150	Total guaranteed loan commitments		3,990
2199	Guaranteed amount of guaranteed loan commitments		3,591
Cumulative balance of guaranteed loans outstanding:			
2210	Outstanding, start of year		
2231	Disbursements of new guaranteed loans		2,993
2251	Repayments and prepayments		-100
2263	Adjustments: Terminations for default that result in claim payments		-12
2290	Outstanding, end of year		2,881
Memorandum:			
2299	Guaranteed amount of guaranteed loans outstanding, end of year		2,582

This financing account data reflects the proposal on 502 guarantees contained in a general provision that allows for

RURAL HOUSING INSURANCE FUND GUARANTEED LOAN FINANCING
ACCOUNT—Continued

the guarantee fee on new 502 guaranteed loans to be increased to 3 percent from 2 percent.

RURAL HOUSING INSURANCE FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4141-0-3-371	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.02 Advances on behalf of borrowers	40	38	35
01.06 Interest credits on loans sold to investors	1		
01.07 Other costs incident to loans	4	4	3
01.91 Total operating expenses	5	4	3
10.00 Total new obligations	45	42	38
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	88	59	
22.00 New budget authority (gross)		41	38
22.10 Resources available from recoveries of prior year obligations	58		
22.40 Capital transfer to general fund	-42	-58	
23.90 Total budgetary resources available for obligation	104	42	38
23.95 Total new obligations	-45	-42	-38
24.40 Unobligated balance carried forward, end of year	59		
New budget authority (gross), detail:			
Mandatory:			
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	1,204	1,132	1,054
69.27 Capital transfer to general fund	-1,204	-1,091	-1,016
69.90 Spending authority from offsetting collections (total mandatory)		41	38
Change in obligated balances:			
72.40 Unpaid fund balance with treasury, end of year	72	29	30
73.10 Total new obligations	45	42	38
73.20 Total outlays (gross)	-30	-41	-38
73.45 Recoveries of prior year obligations	-58		
74.40 Obligated balance, end of year	29	30	30
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority		41	38
86.98 Outlays from mandatory balances	30		
87.00 Total outlays (gross)	30	41	38
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-1		
88.40 Repayments of loans and advances	-629	-588	-556
88.40 Proceeds from sale of acquired property	-9	-12	-13
88.40 Payments on judgments	-5	-8	-9
88.40 Interest payments from borrowers	-423	-356	-311
88.40 Recapture of subsidies	-115	-156	-155
88.40 Income from residual investment in loan asset sale	-14	-12	-10
88.40 Fees and other revenue	-8		
88.90 Total, offsetting collections (cash)	-1,204	-1,132	-1,054
Net budget authority and outlays:			
89.00 Budget authority	-1,204	-1,091	-1,016
90.00 Outlays	-1,174	-1,091	-1,016

Status of Direct Loans (in millions of dollars)

Identification code 12-4141-0-3-371	2006 actual	2007 est.	2008 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	12,149	11,468	10,853
1251 Repayments: Repayments and prepayments	-629	-588	-556
1261 Adjustments: Capitalized interest	8	10	10
Write-offs for default:			

1263 Direct loans	-40	-34	-29
1264 Other adjustments, net	-20	-3	-5
1290 Outstanding, end of year	11,468	10,853	10,273

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4141-0-3-371	2006 actual	2007 est.	2008 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	7	6	5
2251 Repayments and prepayments	-1	-1	-1
2290 Outstanding, end of year	6	5	4
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	5	5	4

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

Balance Sheet (in millions of dollars)

Identification code 12-4141-0-3-371	2005 actual	2006 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	160	89
1601 Direct loans, gross	12,149	11,468
1602 Interest receivable	711	737
1603 Allowance for estimated uncollectible loans and interest (-)	-5,686	-5,735
1604 Direct loans and interest receivable, net	7,174	6,470
1606 Foreclosed property	13	16
1699 Value of assets related to direct loans	7,187	6,486
1901 Other Federal assets: Other assets	94	3
1999 Total assets	7,441	6,578
LIABILITIES:		
Federal liabilities:		
2102 Interest payable	1	1
2103 Debt	1	1
2104 Resources payable to Treasury	7,347	6,477
Non-Federal liabilities:		
2204 Liabilities for loan guarantees	1	1
2207 Other	91	98
2999 Total liabilities	7,441	6,578
4999 Total liabilities and net position	7,441	6,578

Object Classification (in millions of dollars)

Identification code 12-4141-0-3-371	2006 actual	2007 est.	2008 est.
Direct obligations:			
25.2 Other services	3	3	3
33.0 Investments and loans	41	39	35
43.0 Interest and dividends	1		
99.9 Total new obligations	45	42	38

RURAL BUSINESS—COOPERATIVE SERVICE

Federal Funds

BIOMASS RESEARCH AND DEVELOPMENT

Program and Financing (in millions of dollars)

Identification code 12-1003-0-1-271	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Biomass research and development	12	26	
10.00 Total new obligations (object class 41.0)	12	26	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	14	14	

22.00	New budget authority (gross)	12	12	
23.90	Total budgetary resources available for obligation	26	26	
23.95	Total new obligations	-12	-26	
24.40	Unobligated balance carried forward, end of year	14		
New budget authority (gross), detail:				
Discretionary:				
40.35	Appropriation permanently reduced		-4	
Mandatory:				
62.00	Transferred from other accounts	12	16	
70.00	Total new budget authority (gross)	12	12	
Change in obligated balances:				
72.40	Obligated balance, start of year	18	23	47
73.10	Total new obligations	12	26	
73.20	Total outlays (gross)	-7	-2	-4
74.40	Obligated balance, end of year	23	47	43
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority		2	
86.98	Outlays from mandatory balances	7		4
87.00	Total outlays (gross)	7	2	4
Net budget authority and outlays:				
89.00	Budget authority	12	12	
90.00	Outlays	7	2	4

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

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

RURAL EMPOWERMENT ZONES AND ENTERPRISE COMMUNITY GRANTS

Program and Financing (in millions of dollars)

Identification code 12-0402-0-1-452	2006 actual	2007 est.	2008 est.	
Obligations by program activity:				
00.01	Rural empowerment zones and enterprise community grants	12	14	
10.00	Total new obligations (object class 41.0)	12	14	
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	4	3	
22.00	New budget authority (gross)	11	11	
23.90	Total budgetary resources available for obligation	15	14	
23.95	Total new obligations	-12	-14	
24.40	Unobligated balance carried forward, end of year	3		
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	11	11	
Change in obligated balances:				
72.40	Obligated balance, start of year	25	24	25
73.10	Total new obligations	12	14	
73.20	Total outlays (gross)	-13	-13	-12
74.40	Obligated balance, end of year	24	25	13
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	2	2	
86.93	Outlays from discretionary balances	11	11	12

87.00	Total outlays (gross)	13	13	12
Net budget authority and outlays:				
89.00	Budget authority	11	11	
90.00	Outlays	13	13	12

The goal of the Empowerment Zone/Enterprise Community (EZ/EC) initiative is to revitalize rural communities in a manner that attracts private sector investment and thereby provides self-sustaining community and economic development. No funding is provided in 2008 for EZ/EC grants.

RURAL COOPERATIVE DEVELOPMENT GRANTS

For rural cooperative development grants authorized under section 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932), \$20,928,000, of which not to exceed \$1,473,000 shall be for cooperatives or associations of cooperatives whose primary focus is to provide assistance to small, minority producers and whose governing board and/or membership is comprised of at least 75 percent minority; and of which \$15,000,000, to remain available until expended, shall be for value-added agricultural product market development grants, as authorized by section 6401 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1621 note).

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-1900-0-1-452	2006 actual	2007 est.	2008 est.	
Obligations by program activity:				
00.01	Rural Cooperative Development Grants	6	9	6
00.10	Value-added Agricultural Product Marketing (mandatory)	2		
00.11	Value added Agricultural Product Marketing (discretionary)	34	20	15
00.12	Appropriate Technology Transfer for Rural Areas	3		
10.00	Total new obligations (object class 41.0)	45	29	21
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	15	1	
22.00	New budget authority (gross)	29	28	21
22.10	Resources available from recoveries of prior year obligations	2		
23.90	Total budgetary resources available for obligation	46	29	21
23.95	Total new obligations	-45	-29	-21
24.40	Unobligated balance carried forward, end of year	1		
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	30	29	21
40.35	Appropriation permanently reduced		-40	
40.40	Appropriations permanently reduced pursuant to PL xx-xx (-)	-1		
43.00	Appropriation (total discretionary)	29	-11	21
Mandatory:				
60.36	Unobligated balance permanently reduced		-1	
62.00	Transferred from other accounts		40	
62.50	Appropriation (total mandatory)		39	
70.00	Total new budget authority (gross)	29	28	21
Change in obligated balances:				
72.40	Obligated balance, start of year	40	53	74
73.10	Total new obligations	45	29	21
73.20	Total outlays (gross)	-29	-8	-33
73.40	Adjustments in expired accounts (net)	-1		
73.45	Recoveries of prior year obligations	-2		
74.40	Obligated balance, end of year	53	74	62
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	8	-4	5
86.93	Outlays from discretionary balances	17		-4

RURAL COOPERATIVE DEVELOPMENT GRANTS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1900-0-1-452	2006 actual	2007 est.	2008 est.
86.97 Outlays from new mandatory authority		12	
86.98 Outlays from mandatory balances	4		32
87.00 Total outlays (gross)	29	8	33
Net budget authority and outlays:			
89.00 Budget authority	29	28	21
90.00 Outlays	29	8	33

Grants for rural cooperative development were authorized under section 310B(e) of the Consolidated Farm and Rural Development Act by Public Law 104-127, April 4, 1996. These grants are made available to nonprofit corporations and institutions of higher education to fund the establishment and operation of centers for rural cooperative development. The primary purpose of the centers is the improvement of economic conditions of rural areas through the development of new cooperatives and improving operations of existing cooperatives. RBS can fund up to 75 percent of any project and associated administrative costs and requires at least a 25 percent matching share from the applicant which must be from non-Federal sources. In 2006, the Rural Business Service began a separate solicitation for the Small Minority Producer Grant. These grants provide assistance to small, minority producers through cooperatives and associations of cooperatives.

The Appropriate Technology Transfer to Rural Areas (ATTRA) program was first authorized by the Food Security Act of 1985. The program provides information and technical assistance to agricultural producers to adopt sustainable agricultural practices that are environmentally friendly and lower production costs. The 2008 Budget provides no funding for this purpose.

Additionally, USDA provides value added marketing grants for producers of agricultural commodities. These grants can be used for planning activities and for working capital for marketing value-added agricultural products.

RURAL ECONOMIC DEVELOPMENT GRANTS
(INCLUDING CANCELLATION OF FUNDS)

Of the funds derived from interest on the cushion of credit payments, as authorized by section 313 of the Rural Electrification Act of 1936, \$34,000,000 is permanently cancelled.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-3105-0-1-452	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Rural economic development grants	10	10	10
10.00 Total new obligations (object class 41.0)	10	10	10
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	187	82	59
22.00 New budget authority (gross)	-95	-13	15
23.90 Total budgetary resources available for obligation	92	69	74
23.95 Total new obligations	-10	-10	-10
24.40 Unobligated balance carried forward, end of year	82	59	64
New budget authority (gross), detail:			
Discretionary:			
40.36 Unobligated balance permanently reduced		-79	-34
Mandatory:			

60.36 Unobligated balance permanently reduced	-170		
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	90	70	52
69.00 Offsetting collections (cash)	4	7	7
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-19	-11	-10
69.90 Spending authority from offsetting collections (total mandatory)	75	66	49
70.00 Total new budget authority (gross)	-95	-13	15
Change in obligated balances:			
72.40 Obligated balance, start of year	-79	-58	-112
73.10 Total new obligations	10	10	10
73.20 Total outlays (gross)	-8	-75	-58
74.00 Change in uncollected customer payments from Federal sources (unexpired)	19	11	10
74.40 Obligated balance, end of year	-58	-112	-150
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	8	66	49
86.98 Outlays from mandatory balances		9	9
87.00 Total outlays (gross)	8	75	58
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-90	-70	-52
88.40 Non-Federal sources	-4	-7	-7
88.90 Total, offsetting collections (cash)	-94	-77	-59
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	19	11	10
Net budget authority and outlays:			
89.00 Budget authority	-170	-79	-34
90.00 Outlays	-86	-2	-1

This grant program is authorized under section 313 of the Rural Electrification Act, as amended, and provides funds for the purpose of promoting rural economic development and job creation projects, including funding for project feasibility studies, start-up costs, incubator projects and other expenses for the purpose of fostering rural development.

Funding for this program is provided from the interest differential on Rural Utilities Service borrowers' cushion of credit accounts.

NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER

Program and Financing (in millions of dollars)

Identification code 12-1906-0-1-452	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Direct program	6	1	
10.00 Total new obligations (object class 41.0)	6	1	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	6	1	
22.00 New budget authority (gross)	1		
23.90 Total budgetary resources available for obligation	7	1	
23.95 Total new obligations	-6	-1	
24.40 Unobligated balance carried forward, end of year	1		
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	1		
Change in obligated balances:			
72.40 Obligated balance, start of year		5	
73.10 Total new obligations	6	1	
73.20 Total outlays (gross)	-1	-6	-1
74.40 Obligated balance, end of year	5		-1

Outlays (gross), detail:			
86.97	Outlays from new mandatory authority	1	
86.98	Outlays from mandatory balances		6
			1
87.00	Total outlays (gross)	1	6
			1
Net budget authority and outlays:			
89.00	Budget authority	1	
90.00	Outlays	1	6
			1

The Federal Agriculture Improvement Act of 1996 established the National Sheep Industry Improvement Center to promote activities to strengthen and enhance production or marketing of sheep and goat products in the United States. This Program was privatized in September 2006, as required by statute, and is now the American Sheep and Goat Center.

RURAL STRATEGIC INVESTMENT PROGRAM GRANTS

The Rural Strategic Investment Program is authorized under 7 U.S.C. 2009dd. The Rural Strategic Investment Program provides rural communities with flexible resources to develop comprehensive, collaborative, and locally-based strategic planning processes; and implemented innovative community and economic development strategies that optimize regional competitive advantages. The program was authorized and funded in section 6030 of the Farm Security and Rural Investment Act of 2002, Public Law 107-171. The Deficit Reduction Act canceled the funding and no funds are provided in the Budget.

**RURAL BUSINESS PROGRAM ACCOUNT
(INCLUDING TRANSFER OF BALANCES)**

For the costs of loan guarantees and grants, for the rural business and cooperative development programs as authorized by 7 U.S.C. 1926 and 1932 and described in sections 381E(d)(3) and 310B(f) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 note), \$43,200,000, to remain available until expended: Provided, That of the amount appropriated under this heading, not to exceed \$236,000 shall be available through June 30, 2008, for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones for the rural business and cooperative development programs described in section 381E(d)(3) of such Act: Provided further, That sections 381E-H and 381N of the Consolidated Farm and Rural Development Act, are not applicable to funds made available under this heading: Provided further, That any prior year balances in the "Rural Development, Rural Community Advancement Program" account for programs authorized by 7 U.S.C. 1926 and 1932 and described in sections 381E(d)(3) and 310B(f) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 note) shall be transferred to and merged with this account: Provided further, That the Secretary shall transfer and merge with this account any other prior balances from the "Rural Development, Rural Community Advancement Program" account that the Secretary determines is appropriate to transfer.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-1902-0-1-452	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.02	Guaranteed loan subsidy		43
10.00	Total new obligations (object class 41.0)		43
Budgetary resources available for obligation:			
22.00	New budget authority (gross)		43
23.95	Total new obligations		-43
24.40	Unobligated balance carried forward, end of year		

New budget authority (gross), detail:			
Discretionary:			
40.00	Appropriation		43
Change in obligated balances:			
73.10	Total new obligations		43
73.20	Total outlays (gross)		-79
73.32	Obligated balance transferred from other accounts		118
74.40	Obligated balance, end of year		82

Outlays (gross), detail:			
86.90	Outlays from new discretionary authority		17
86.93	Outlays from discretionary balances		62
87.00	Total outlays (gross)		79
Net budget authority and outlays:			
89.00	Budget authority		43
90.00	Outlays		79

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

Identification code 12-1902-0-1-452	2006 actual	2007 est.	2008 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215003	Business and industry loan guarantees		1,000
215999	Total loan guarantee levels		1,000
Guaranteed loan subsidy (in percent):			
232003	Business and industry loan guarantees		4.32
232999	Weighted average subsidy rate		4.32
Guaranteed loan subsidy budget authority:			
233003	Business and industry loan guarantees		43
233999	Total subsidy budget authority		43
Guaranteed loan subsidy outlays:			
234003	Business and industry loan guarantees		42
234999	Total subsidy outlays		42

This account funds direct and guaranteed business and industry loans, rural business enterprise grants, and rural business opportunity grants. Since the passage of the Federal Agriculture Improvement and Reform Act of 1996 through 2007, the funding for these programs was provided as part of the Rural Community Advancement Program (RCAP). For 2008, no funding is proposed in the RCAP account and instead, each funding stream is being appropriated separately in a new account. This is the new account for the Business funding stream.

Business and industry guaranteed and direct loans are authorized under section 310B(a)(1) of the Consolidated Farm and Rural Development, as amended. These loans are made to public, private or cooperative organizations, Indian tribes or tribal groups, corporate entities, or individuals for the purpose of improving the economic climate in rural areas. For direct loans no funds were requested or provided since 2002, and no funds are requested in 2008. 2008 projections for loan guarantees are \$1 billion. No funding is provided in this account for the rural business enterprise grants or the rural business opportunity grants.

RURAL BUSINESS AND INDUSTRY DIRECT LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4223-0-3-452	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.02	Interest on Treasury borrowings	1	1
10.00	Total new obligations	1	1
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	19	9

RURAL BUSINESS AND INDUSTRY DIRECT LOANS FINANCING
ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-4223-0-3-452	2006 actual	2007 est.	2008 est.
22.00 New financing authority (gross)	3	9	7
22.60 Portion applied to repay debt		-17	-6
22.70 Balance of authority to borrow withdrawn	-12		
23.90 Total budgetary resources available for obligation	10	1	1
23.95 Total new obligations	-1	-1	-1
24.40 Unobligated balance carried forward, end of year	9		

New financing authority (gross), detail:

Mandatory:			
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	13	9	7
69.47 Portion applied to repay debt	-10		
69.90 Spending authority from offsetting collections (total mandatory)	3	9	7

Change in obligated balances:

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

Outlays (gross), detail:

87.00 Total financing disbursements (gross)	1	1	1
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Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.25 Interest on uninvested funds	-1	-3	-2
88.40 Repayments of principal	-12	-6	-5
88.90 Total, offsetting collections (cash)	-13	-9	-7

Net financing authority and financing disbursements:

89.00 Financing authority	-10		
90.00 Financing disbursements	-12	-8	-6

Status of Direct Loans (in millions of dollars)

Identification code 12-4223-0-3-452	2006 actual	2007 est.	2008 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	81	69	59
1251 Repayments: Repayments and prepayments	-8	-6	-5
1263 Write-offs for default: Direct loans	-4	-4	-4
1290 Outstanding, end of year	69	59	50

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

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

Balance Sheet (in millions of dollars)

Identification code 12-4223-0-3-452	2005 actual	2006 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	7	9
Investments in US securities:		
1106 Receivables, net	-6	

Net value of assets related to post-1991 direct loans receivable:

1401 Direct loans receivable, gross	83	70
1402 Interest receivable	7	7
1405 Allowance for subsidy cost (-)	-75	-66
1499 Net present value of assets related to direct loans	15	11
1999 Total assets	16	20
LIABILITIES:		
Federal liabilities:		
2104 Resources payable to Treasury	15	5
2105 Other	1	15
2999 Total liabilities	16	20
4999 Total liabilities and net position	16	20

RURAL BUSINESS AND INDUSTRY GUARANTEED LOANS FINANCING
ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4227-0-3-452	2006 actual	2007 est.	2008 est.
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Obligations by program activity:

00.01 Default claims	26	29	32
00.02 Interest to Treasury	8	6	6
00.05 Purchase from Secondary Market	57	63	69
00.06 Other	2		
00.91 Direct Program by Activities—Subtotal (1 level)	93	98	107
08.02 Subsidy reestimates paid to receipt account	10		
08.04 Interest on downward reestimates	4		
08.91 Direct Program by Activities—Subtotal (1 level)	14		
10.00 Total new obligations	107	98	107

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	300	331	295
22.00 New financing authority (gross)	152	89	106
22.60 Portion applied to repay debt	-14	-27	-27
23.90 Total budgetary resources available for obligation	438	393	374
23.95 Total new obligations	-107	-98	-107
24.40 Unobligated balance carried forward, end of year	331	295	267

New financing authority (gross), detail:

Mandatory:			
67.10 Authority to borrow	23	14	16
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	129	75	90
70.00 Total new financing authority (gross)	152	89	106

Change in obligated balances:

73.10 Total new obligations	107	98	107
73.20 Total financing disbursements (gross)	-107	-98	-107

Outlays (gross), detail:

87.00 Total financing disbursements (gross)	107	98	107
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Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-90	-34	-42
88.25 Interest on uninvested funds	-12	-8	-9
88.40 Interest and principal on purchased loans from secondary market	-27	-25	-30
88.40 Guarantee fees	-8		-9
88.90 Total, offsetting collections (cash)	-129	-75	-90

Net financing authority and financing disbursements:

89.00 Financing authority	23	14	16
90.00 Financing disbursements	-22	23	17

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4227-0-3-452	2006 actual	2007 est.	2008 est.
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Position with respect to appropriations act limitation on commitments:

2111	Limitation on guaranteed loans made by private lenders			
2131	Guaranteed loan commitments exempt from limitation	766	1,102	1,000
2150	Total guaranteed loan commitments	766	1,102	1,000
2199	Guaranteed amount of guaranteed loan commitments	613	881	800
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	4,183	3,884	3,978
2231	Disbursements of new guaranteed loans	489	889	1,018
2251	Repayments and prepayments	-674	-662	-698
Adjustments:				
2263	Terminations for default that result in claim payments	-113	-133	-156
2264	Other adjustments, net	-1		
2290	Outstanding, end of year	3,884	3,978	4,142
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	3,110	3,189	3,320

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

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

Balance Sheet (in millions of dollars)

Identification code 12-4227-0-3-452	2005 actual	2006 actual	
ASSETS:			
Federal assets:			
1101	Fund balances with Treasury	300	332
1106	Investments in US securities:		
	Receivables, net	216	162
1999	Total assets	516	494
LIABILITIES:			
Federal liabilities:			
2104	Resources payable to Treasury	141	150
2105	Other	8	17
2204	Non-Federal liabilities: Liabilities for loan guarantees	367	327
2999	Total liabilities	516	494
4999	Total liabilities and net position	516	494

**RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT
(INCLUDING TRANSFER OF FUNDS)**

For the principal amount of direct loans, as authorized by the Rural Development Loan Fund (42 U.S.C. 9812(a)), \$33,772,000.

For the cost of direct loans, \$14,485,000, as authorized by the Rural Development Loan Fund (42 U.S.C. 9812(a)): Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That of the total amount appropriated, \$880,000 shall be available through June 30, 2008, for the cost of direct loans for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones.

In addition, for administrative expenses to carry out the direct loan programs, \$4,576,000 shall be paid to the appropriation for "Rural Development, Salaries and Expenses".

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-2069-0-1-452	2006 actual	2007 est.	2008 est.	
Obligations by program activity:				
00.01	Direct loan subsidy	15	15	14

00.09	Administrative expense	5	5	5
10.00	Total new obligations	20	20	19

Budgetary resources available for obligation:

22.00	New budget authority (gross)	20	20	19
23.95	Total new obligations	-20	-20	-19

New budget authority (gross), detail:

Discretionary:				
40.00	Appropriation	20	20	19

Change in obligated balances:

72.40	Obligated balance, start of year	49	43	41
73.10	Total new obligations	20	20	19
73.20	Total outlays (gross)	-22	-22	-22
73.40	Adjustments in expired accounts (net)	-4		
74.40	Obligated balance, end of year	43	41	38

Outlays (gross), detail:

86.90	Outlays from new discretionary authority	7	6	6
86.93	Outlays from discretionary balances	15	16	16
87.00	Total outlays (gross)	22	22	22

Net budget authority and outlays:

89.00	Budget authority	20	20	19
90.00	Outlays	22	22	22

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

Identification code 12-2069-0-1-452	2006 actual	2007 est.	2008 est.	
Direct loan levels supportable by subsidy budget authority:				
115001	Rural development loan fund program	34	33	34
115999	Total direct loan levels	34	33	34
Direct loan subsidy (in percent):				
132001	Rural development loan fund program	43.02	44.07	42.89
132999	Weighted average subsidy rate	43.02	44.07	42.89
Direct loan subsidy budget authority:				
133001	Rural development loan fund program	15	15	14
133999	Total subsidy budget authority	15	15	14
Direct loan subsidy outlays:				
134001	Rural development loan fund program	17	17	17
134999	Total subsidy outlays	17	17	17
Direct loan downward reestimates:				
137001	Rural development loan fund program	-3		
137999	Total downward reestimate budget authority	-3		
Administrative expense data:				
3510	Budget authority	5	5	5
3590	Outlays from new authority		5	5

This account finances loans to intermediary borrowers, who, in turn, re-lend the funds to small rural businesses, community development corporations, and other organizations for the purpose of improving economic opportunities in rural areas. Through the use of local intermediaries, this program serves small-scale enterprises and gives preference to those communities with the greatest need.

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

Object Classification (in millions of dollars)

Identification code 12-2069-0-1-452	2006 actual	2007 est.	2008 est.	
Direct obligations:				
25.3	Other purchases of goods and services from Government accounts	5	5	5

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT—Continued
(INCLUDING TRANSFER OF FUNDS)—Continued

Object Classification (in millions of dollars)—Continued

Identification code 12-2069-0-1-452	2006 actual	2007 est.	2008 est.
41.0 Grants, subsidies, and contributions	15	15	14
99.9 Total new obligations	20	20	19

RURAL DEVELOPMENT LOAN FUND DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4219-0-3-452	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Direct loans	34	33	34
00.02 Interest on Treasury Borrowing	15	16	16
00.91 Direct Program by Activities—Subtotal	49	49	50
08.02 Downward subsidy reestimate paid to receipt account	2		
08.04 Interest on downward subsidy reestimate paid to receipt account	1		
08.91 Direct Program by Activities—Subtotal	3		
10.00 Total new obligations	52	49	50
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		1	
22.00 New financing authority (gross)	49	66	59
22.10 Resources available from recoveries of prior year obligations	9		
22.60 Portion applied to repay debt		-18	-9
22.70 Balance of authority to borrow withdrawn	-5		
23.90 Total budgetary resources available for obligation	53	49	50
23.95 Total new obligations	-52	-49	-50
24.40 Unobligated balance carried forward, end of year	1		
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	29	24	24
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	38	42	35
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-6		
69.47 Portion applied to repay debt	-12		
69.90 Spending authority from offsetting collections (total mandatory)	20	42	35
70.00 Total new financing authority (gross)	49	66	59
Change in obligated balances:			
72.40 Obligated balance, start of year	57	52	22
73.10 Total new obligations	52	49	50
73.20 Total financing disbursements (gross)	-54	-79	-62
73.45 Recoveries of prior year obligations	-9		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	6		
74.40 Obligated balance, end of year	52	22	10
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	54	79	62
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payments from program account	-17	-17	-17
88.25 Interest on uninvested funds	-2	-3	-4
88.40 Non-Federal sources—repayment of principal	-19	-17	-12
88.40 Non-Federal sources—interest on loans	-5	-5	-2
88.90 Total, offsetting collections (cash)	-38	-42	-35
Against gross financing authority only:			
88.95 Change in receivables from program accounts	6		

Net financing authority and financing disbursements:			
89.00 Financing authority	17	24	24
90.00 Financing disbursements	17	37	27

Status of Direct Loans (in millions of dollars)

Identification code 12-4219-0-3-452	2006 actual	2007 est.	2008 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	34	33	34
1150 Total direct loan obligations	34	33	34
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	379	399	418
1231 Disbursements: Direct loan disbursements	36	37	27
1251 Repayments: Repayments and prepayments	-16	-18	-14
1290 Outstanding, end of year	399	418	431

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

This account finances loans to intermediary borrowers, who in turn relend the funds to small rural businesses, community development corporations, or other organizations for the purpose of improving economic opportunities in rural areas. Through the use of local intermediaries, this program serves small-scale enterprises and gives preference to those communities with the greatest need.

Balance Sheet (in millions of dollars)

Identification code 12-4219-0-3-452	2005 actual	2006 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	13	
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	379	399
1402 Interest receivable	2	2
1405 Allowance for subsidy cost (-)	-151	-154
1499 Net present value of assets related to direct loans	230	247
1999 Total assets	243	247
LIABILITIES:		
2104 Federal liabilities: Resources payable to Treasury	243	247
2999 Total liabilities	243	247
4999 Total liabilities and net position	243	247

RURAL DEVELOPMENT LOAN FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4233-0-3-452	2006 actual	2007 est.	2008 est.
New budget authority (gross), detail:			
Mandatory:			
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	6	6	5
69.27 Capital transfer to general fund	-6	-6	-5
69.90 Spending authority from offsetting collections (total mandatory)			
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.40 Loan repayments	-5	-5	-4
88.40 Borrower interest payments	-1	-1	-1
88.90 Total, offsetting collections (cash)	-6	-6	-5
Net budget authority and outlays:			
89.00 Budget authority	-6	-6	-5

90.00	Outlays	-6	-6	-5
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Status of Direct Loans (in millions of dollars)

Identification code 12-4233-0-3-452	2006 actual	2007 est.	2008 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	52	44	37
1251 Repayments: Repayments and prepayments	-5	-5	-4
1263 Write-offs for default: Direct loans	-3	-2	-1
1290 Outstanding, end of year	44	37	32

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

Balance Sheet (in millions of dollars)

Identification code 12-4233-0-3-452	2005 actual	2006 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	1	
1601 Direct loans, gross	52	44
1602 Interest receivable		1
1603 Allowance for estimated uncollectible loans and interest (-)	-25	-22
1604 Direct loans and interest receivable, net	27	23
1699 Value of assets related to direct loans	27	23
1999 Total assets	28	23
LIABILITIES:		
2104 Federal liabilities: Resources payable to Treasury	28	23
2999 Total liabilities	28	23
4999 Total liabilities and net position	28	23

RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-3108-0-1-452	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Direct loan subsidy	5	5	7
00.05 Reestimates of Direct Loan Subsidies	1		
10.00 Total new obligations (object class 41.0)	6	5	7
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	6	5	7
23.95 Total new obligations	-6	-5	-7
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	5	5	
Mandatory:			
60.00 Appropriation	1		
69.00 Spending authority from offsetting collections: Offsetting collections (cash)			7
70.00 Total new budget authority (gross)	6	5	7
Change in obligated balances:			
72.40 Obligated balance, start of year	5	5	5
73.10 Total new obligations	6	5	7
73.20 Total outlays (gross)	-6	-5	-5
74.40 Obligated balance, end of year	5	5	7
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	2	1	
86.93 Outlays from discretionary balances	3	4	3
86.97 Outlays from new mandatory authority	1		2
87.00 Total outlays (gross)	6	5	5

Offsets:

Against gross budget authority and outlays:

88.40	Offsetting collections (cash) from: Non-Federal sources			-7
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Net budget authority and outlays:

89.00	Budget authority	6	5	
90.00	Outlays	6	5	-2

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

Identification code 12-3108-0-1-452	2006 actual	2007 est.	2008 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Rural economic development loans program	25	23	33
115999 Total direct loan levels	25	23	33
Direct loan subsidy (in percent):			
132001 Rural economic development loans program	19.97	21.84	22.59
132999 Weighted average subsidy rate	19.97	21.84	22.59
Direct loan subsidy budget authority:			
133001 Rural economic development loans program	5	5	7
133999 Total subsidy budget authority	5	5	7
Direct loan subsidy outlays:			
134001 Rural economic development loans program	5	5	5
134999 Total subsidy outlays	5	5	5
Direct loan upward reestimates:			
135001 Rural economic development loans program	1		
135999 Total upward reestimate budget authority	1		
Direct loan downward reestimates:			
137001 Rural economic development loans program	-1		
137999 Total downward reestimate budget authority	-1		

Rural economic development loans are made for the purpose of promoting rural economic development and job creation projects. Loans are made to electric and telecommunication borrowers, who, in turn, finance rural development projects in their service areas. Program costs are derived from interest earnings on borrowers' "cushion of credit" loan prepayments.

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

RURAL ECONOMIC DEVELOPMENT DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4176-0-3-452	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Direct loans	25	23	33
00.02 Interest expense	5	5	5
00.91 Direct Program by Activities—Subtotal (1 level)	30	28	38
08.02 Downward subsidy reestimate paid to receipt account	1		
10.00 Total new obligations	31	28	38
Budgetary resources available for obligation:			
22.00 New financing authority (gross)	34	27	40
22.10 Resources available from recoveries of prior year obligations	2		
22.60 Portion applied to repay debt			-2
22.70 Balance of authority to borrow withdrawn	-6		
23.90 Total budgetary resources available for obligation	30	27	38
23.95 Total new obligations	-31	-28	-38
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	29	21	28
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	21	27	40
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-1		
69.47 Portion applied to repay debt	-15	-21	-28

RURAL ECONOMIC DEVELOPMENT DIRECT LOAN FINANCING
ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-4176-0-3-452	2006 actual	2007 est.	2008 est.
69.90 Spending authority from offsetting collections (total mandatory)	5	6	12
70.00 Total new financing authority (gross)	34	27	40
Change in obligated balances:			
72.40 Obligated balance, start of year	20	15	16
73.10 Total new obligations	31	28	38
73.20 Total financing disbursements (gross)	-35	-27	-40
73.45 Recoveries of prior year obligations	-2		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	1		
74.40 Obligated balance, end of year	15	16	14
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	35	27	40
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal Funds: Program Account	-6	-5	-5
88.25 Interest on uninvested funds	-1	-2	-4
88.40 Non-Federal sources: Repayment of Principal	-14	-20	-31
88.90 Total, offsetting collections (cash)	-21	-27	-40
Against gross financing authority only:			
88.95 Change in receivables from program accounts	1		
Net financing authority and financing disbursements:			
89.00 Financing authority	14		
90.00 Financing disbursements	14		

Status of Direct Loans (in millions of dollars)

Identification code 12-4176-0-3-452	2006 actual	2007 est.	2008 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	25	23	33
1150 Total direct loan obligations	25	23	33
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	73	83	82
1231 Disbursements: Direct loan disbursements	24	19	24
1251 Repayments: Repayments and prepayments	-14	-20	-23
1290 Outstanding, end of year	83	82	83

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

Balance Sheet (in millions of dollars)

Identification code 12-4176-0-3-452	2005 actual	2006 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	2	2
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	73	83
1405 Allowance for subsidy cost (-)	-5	-2
1499 Net present value of assets related to direct loans	68	81
1999 Total assets	70	83
LIABILITIES:		
Federal liabilities:		
2104 Resources payable to Treasury	69	82
2105 Other	1	1
2999 Total liabilities	70	83

4999 Total liabilities and net position	70	83
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RURAL BUSINESS INVESTMENT PROGRAMS ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-1907-0-1-452	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.02 Debenture subsidy	2		
00.09 Administrative expense	2		
00.10 Grants	1		
10.00 Total new obligations	5		
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	99	94	
22.00 New budget authority (gross)		-94	
23.90 Total budgetary resources available for obligation	99		
23.95 Total new obligations	-5		
24.40 Unobligated balance carried forward, end of year	94		
New budget authority (gross), detail:			
Mandatory:			
60.36 Unobligated balance permanently reduced		-94	
Change in obligated balances:			
72.40 Obligated balance, start of year		5	2
73.10 Total new obligations	5		
73.20 Total outlays (gross) (-)		-3	
74.40 Obligated balance, end of year	5	2	2
Outlays (gross), detail:			
86.98 Outlays from mandatory balances		3	
Net budget authority and outlays:			
89.00 Budget authority		-94	
90.00 Outlays		3	

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

Identification code 12-1907-0-1-452	2006 actual	2007 est.	2008 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Rural Business Investment Program	24		
215999 Total loan guarantee levels	24		
Guaranteed loan subsidy (in percent):			
232001 Rural Business Investment Program	7.72	0.00	0.00
232999 Weighted average subsidy rate	7.72	0.00	0.00
Guaranteed loan subsidy budget authority:			
233001 Rural Business Investment Program	2		
233999 Total subsidy budget authority	2		
Guaranteed loan subsidy outlays:			
234001 Rural Business Investment Program		2	
234999 Total subsidy outlays		2	
Administrative expense data:			
3510 Budget authority	2		
3580 Outlays from balances		2	

The Rural Business Investment Program is authorized under 7 U.S.C. 2009cc. The purpose of this program is to promote economic development and the creation of wealth and job opportunities in rural areas and among individuals living in those areas by encouraging developmental capital investments in smaller enterprises primarily located in rural areas. RBS may enter into participation agreements with rural business investment companies and may guarantee debentures of rural business investment companies to enable each rural business investment company to make developmental venture capital investments in smaller enterprises in rural areas. Grants will be made to rural business investment

companies and other entities for the purpose of providing operational assistance to smaller enterprises financed by rural business investment companies. The Rural Business Investment Program was authorized and provided mandatory funding by section 6029 of the Farm Security and Rural Investment Act of 2002, Public Law 107-171.

The Deficit Reduction Act cancelled the unobligated balance and no funds are requested in the Budget.

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

Object Classification (in millions of dollars)			
Identification code 12-1907-0-1-452	2006 actual	2007 est.	2008 est.
Direct obligations:			
25.2 Administrative Expenses	2		
41.0 Grants, subsidies, and contributions	3		
99.9 Total new obligations	5		

RURAL BUSINESS INVESTMENT PROGRAM GUARANTEE FINANCING ACCOUNT

Program and Financing (in millions of dollars)			
Identification code 12-4033-0-3-452	2006 actual	2007 est.	2008 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		2	2
22.00 New financing authority (gross)	2		
23.90 Total budgetary resources available for obligation	2	2	2
24.40 Unobligated balance carried forward, end of year	2	2	2
New financing authority (gross), detail:			
Mandatory:			
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)		2	
69.10 Change in uncollected customer payments from Federal sources (unexpired)	2	-2	
69.90 Spending authority from offsetting collections (total mandatory)	2		
Change in obligated balances:			
72.40 Obligated balance, start of year		-2	
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-2	2	
74.40 Obligated balance, end of year	-2		
Offsets:			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources		-2	
88.95 Change in receivables from program accounts	-2	2	
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements		-2	

Status of Guaranteed Loans (in millions of dollars)			
Identification code 12-4033-0-3-452	2006 actual	2007 est.	2008 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders			
2131 Guaranteed loan commitments exempt from limitation	24		
2150 Total guaranteed loan commitments	24		
2199 Guaranteed amount of guaranteed loan commitments	24		

Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year			24
2231 Disbursements of new guaranteed loans	24		
2251 Repayments and prepayments			-1
2290 Outstanding, end of year	24		23
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	24		23

Balance Sheet (in millions of dollars)

Identification code 12-4033-0-3-452	2005 actual	2006 actual
ASSETS:		
Federal assets: Investments in US securities:		
1106 Receivables, net		2
LIABILITIES:		
2204 Non-Federal liabilities: Liabilities for loan guarantees		2

RENEWABLE ENERGY PROGRAM

For the cost of a program of direct loans, loan guarantees, and grants, under the same terms and conditions as authorized by section 9006 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8106), \$33,941,000 for direct and guaranteed renewable energy loans and grants: Provided, That the cost of direct loans and loan guarantees, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)			
Identification code 12-1908-0-1-451	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.02 Guaranteed loan subsidy	2	10	19
00.10 Renewable energy grants	21	13	15
10.00 Total new obligations (object class 41.0)	23	23	34
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	23	23	34
23.95 Total new obligations	-23	-23	-34
24.40 Unobligated balance carried forward, end of year			
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	23	20	34
Mandatory:			
62.00 Transferred from other accounts		3	
70.00 Total new budget authority (gross)	23	23	34
Change in obligated balances:			
72.40 Obligated balance, start of year	55	67	74
73.10 Total new obligations	23	23	34
73.20 Total outlays (gross)	-9	-16	-25
73.40 Adjustments in expired accounts (net)	-2		
74.40 Obligated balance, end of year	67	74	83
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	9	16	27
86.98 Outlays from mandatory balances			-2
87.00 Total outlays (gross)	9	16	25
Net budget authority and outlays:			
89.00 Budget authority	23	23	34
90.00 Outlays	9	16	25

RENEWABLE ENERGY PROGRAM—Continued

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

Identification code 12-1908-0-1-451	2006 actual	2007 est.	2008 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Renewable energy program	24	154	195
215999 Total loan guarantee levels	24	154	195
Guaranteed loan subsidy (in percent):			
232001 Renewable energy program	6.45	6.49	9.69
232999 Weighted average subsidy rate	6.45	6.49	9.69
Guaranteed loan subsidy budget authority:			
233001 Renewable energy program	2	10	19
233999 Total subsidy budget authority	2	10	19
Guaranteed loan subsidy outlays:			
234001 Renewable energy program	2	2	2
234999 Total subsidy outlays	2	2	2

Renewable Energy Systems and Energy Efficiency Improvements are authorized under 7 U.S.C. 8106. This program provides direct loans, loan guarantees, and grants to farmers, ranchers, and small rural businesses to purchase renewable energy systems and make energy efficiency improvements. The Farm Security and Rural Investment Act of 2002, Public Law 107-171, dated May 13, 2002, as amended by the Deficit Reduction Act of 2005, Public Law 109-171, dated February 8, 2006, provides \$3 million in mandatory funding in 2007 from the Commodity Credit Corporation, canceling \$20 million.

RENEWABLE ENERGY GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4267-0-3-451	2006 actual	2007 est.	2008 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	3	5
22.00 New financing authority (gross)	2	2	2
23.90 Total budgetary resources available for obligation	3	5	7
24.40 Unobligated balance carried forward, end of year	3	5	7
New financing authority (gross), detail:			
Mandatory:			
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	2	2	2
Offsets:			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources	-2	-2	-2
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements	-2	-2	-2

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4267-0-3-451	2006 actual	2007 est.	2008 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders			
2131 Guaranteed loan commitments exempt from limitation	24	154	195
2150 Total guaranteed loan commitments	24	154	195
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year			5
2231 Disbursements of new guaranteed loans		5	38
2251 Repayments and prepayments			-2

2263 Adjustments: Terminations for default that result in claim payments			
2290 Outstanding, end of year		5	41

Memorandum:

2299 Guaranteed amount of guaranteed loans outstanding, end of year		4	33
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Balance Sheet (in millions of dollars)

Identification code 12-4267-0-3-451	2005 actual	2006 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury		2
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross		1
1405 Allowance for subsidy cost (-)		-1
1499 Net present value of assets related to direct loans		
1999 Total assets		2
LIABILITIES:		
2104 Federal liabilities: Resources payable to Treasury		2
2999 Total liabilities		2
4999 Negative subsidy BA total [12-1908]		2

ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION CORPORATION REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 12-4144-0-3-352	2006 actual	2007 est.	2008 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		1	1
22.00 New budget authority (gross)	1		
23.90 Total budgetary resources available for obligation	1	1	1
24.40 Unobligated balance carried forward, end of year	1	1	1
New budget authority (gross), detail:			
Discretionary:			
58.00 Spending authority from offsetting collections: Offsetting collections (cash)	1		
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-1		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-1		

RURAL UTILITIES SERVICE

Federal Funds

HIGH ENERGY COST GRANTS

Program and Financing (in millions of dollars)

Identification code 12-2042-0-1-452	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 High energy cost grants	39		
10.00 Total new obligations (object class 41.0)	39		
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	30	17	
22.00 New budget authority (gross)	26	-17	
23.90 Total budgetary resources available for obligation	56		
23.95 Total new obligations	-39		

24.40	Unobligated balance carried forward, end of year	17		
New budget authority (gross), detail:				
Discretionary:				
40.36	Unobligated balance permanently reduced		-17	
42.00	Transferred from other accounts	26		
43.00	Appropriation (total discretionary)	26	-17	
Change in obligated balances:				
72.40	Obligated balance, start of year	10	28	12
73.10	Total new obligations	39		
73.20	Total outlays (gross)	-21	-16	4
74.40	Obligated balance, end of year	28	12	16
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	18	-8	
86.93	Outlays from discretionary balances	3	24	-4
87.00	Total outlays (gross)	21	16	-4
Net budget authority and outlays:				
89.00	Budget authority	26	-17	
90.00	Outlays	21	16	-4

Funding has been provided since 2001 to support grants for areas that have high energy costs. These grants can be made to eligible entities or the Denali Commission to construct, extend, upgrade, and otherwise improve energy generation, transmission, or distribution facilities serving communities in which the average residential expenditure for home energy is at least 275 percent of the national average residential expenditure for home energy (as determined by the Energy Information Agency using the most recent data available). Grants are also available to establish and support a revolving fund to provide a more cost-effective means of purchasing fuel where the fuel cannot be shipped by means of surface transportation.

RURAL WATER AND WASTE DISPOSAL PROGRAM ACCOUNT
(INCLUDING TRANSFER OF BALANCES)

For the costs of direct loans, loan guarantees, and grants for the rural utilities programs as authorized by 7 U.S.C. 1926, 1926a, 1926c, 1926d, and 1932 and described in sections 381E(d)(2), 360C(a)(2), and 306D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 note), \$502,779,000, to remain available until expended: Provided, That of the total amount appropriated in this account, not to exceed \$1,000,000 shall be available for the rural utilities program described in section 306E of such Act: Provided further, That not to exceed \$9,000,000 of the amounts appropriated in this account shall be for loans and grants to benefit Federally Recognized Native American Tribes, including grants for drinking water and waste disposal systems pursuant to section 306C of such Act: Provided further, That not to exceed \$10,000,000 of the amounts appropriated in this account shall be for water and waste disposal systems to benefit the Colonias along the United States/Mexico border, including grants pursuant to section 306C of such Act: Provided further, That not to exceed \$16,215,000 of the amount appropriated in this account shall be for technical assistance grants for rural water and waste systems pursuant to section 306(a)(14) of such Act: Provided further, That not to exceed \$9,500,000 of the amount appropriated in this account shall be for contracting with qualified national organizations for a circuit rider program to provide technical assistance for rural water systems: Provided further, That not to exceed \$13,400,000 of the amounts appropriated in this account shall be available through June 30, 2008, for authorized empowerment zones and enterprise communities and communities designated by Secretary of Agriculture as Rural Economic Area Partnership Zones for the rural utilities programs described in section 381E(d)(2) of such Act: Provided further, That sections 381E-H and 381N of such Act, are not applicable to funds made available under this heading: Provided further, That any prior year balances in the "Rural Development, Rural Community Advancement Program" account for programs authorized by 7 U.S.C. 1926, 1926a, 1926c, 1926d, and 1932 and described in sections 381E(d)(2), 360C(a)(2), and 306D of the Consolidated Farm and Rural

Development Act (7 U.S.C. 1921 note) shall be transferred and merged with this account: Provided further, That the Secretary shall transfer and merge with this account any other prior balances from the "Rural Development, Rural Community Advancement Program" account that the Secretary determines is appropriate to transfer.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-1980-0-1-452	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01	Direct Loan Subsidy		153
00.10	Water and waste disposal systems grants		346
00.11	Solid waste management grants		4
10.00	Total new obligations (object class 41.0)		503
Budgetary resources available for obligation:			
22.00	New budget authority (gross)		503
23.95	Total new obligations		-503
New budget authority (gross), detail:			
Discretionary:			
40.00	Appropriation		503
Change in obligated balances:			
73.10	Total new obligations		503
73.20	Total outlays (gross)		-486
73.32	Obligated balance transferred from other accounts		2,048
74.40	Obligated balance, end of year		2,065
Outlays (gross), detail:			
86.90	Outlays from new discretionary authority		22
86.93	Outlays from discretionary balances		464
87.00	Total outlays (gross)		486
Net budget authority and outlays:			
89.00	Budget authority		503
90.00	Outlays		486

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

Identification code 12-1980-0-1-452	2006 actual	2007 est.	2008 est.
Direct loan levels supportable by subsidy budget authority:			
115001	Direct water and waste disposal		1,080
115999	Total direct loan levels		1,080
Direct loan subsidy (in percent):			
132001	Direct water and waste disposal		14.20
132999	Weighted average subsidy rate		14.20
Direct loan subsidy budget authority:			
133001	Direct water and waste disposal		153
133999	Total subsidy budget authority		153
Direct loan subsidy outlays:			
134001	Direct water and waste disposal		82
134999	Total subsidy outlays		82
Guaranteed loan levels supportable by subsidy budget authority:			
215001	Water and waste disposal loan guarantees		75
215999	Total loan guarantee levels		75
Guaranteed loan subsidy (in percent):			
232001	Water and waste disposal loan guarantees		-0.82
232999	Weighted average subsidy rate		-0.82
Guaranteed loan subsidy budget authority:			
233001	Water and waste disposal loan guarantees		-1
233999	Total subsidy budget authority		-1

This account funds the direct and guaranteed water and waste disposal loans, water and waste disposal grants, emer-

RURAL WATER AND WASTE DISPOSAL PROGRAM ACCOUNT—
Continued

(INCLUDING TRANSFER OF BALANCES)—Continued

gency community water assistance grants, and solid waste management grants. Since the passage of the Federal Agriculture Improvement and Reform Act of 1996 through 2007, the funding for these programs was provided as part of the Rural Community Advancement Program (RCAP). For 2008, no funding is proposed in the RCAP account and instead, each funding stream is being appropriated separately in a new account. This is the new account for the Water and Wastewater funding stream.

Water and waste disposal loans are authorized under 7 U.S.C. 1926. The program provides direct loans to municipalities, counties, special purpose districts, certain Indian Tribes, and non-profit corporations to develop water and waste disposal systems in rural areas and towns with populations of less than 10,000. The program also guarantees water and waste disposal loans made by banks and other eligible lenders. The projected loan level for direct loans is \$1.08 billion in 2008 and for guarantees it is \$75 million. The 2008 direct loan subsidy rate reflects a reduction in the borrower's interest rate for the direct loans, making them more affordable to qualifying rural communities.

Water and waste disposal grants are authorized under Section 306(a)(2) of the Consolidated Farm and Rural Development Act, as amended. Grants are authorized to be made to associations, including nonprofit corporations, municipalities, counties, public and quasi-public agencies, and certain Indian tribes. The grants can be used to finance development, storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas and cities or towns with populations of less than 10,000. The amount of any development grant may not exceed 75 percent of the eligible development cost of the project. \$346 million is projected for this program in 2008.

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

Solid waste management grants are authorized under Section 310B(b) of the Consolidated Farm and Rural Development Act, as amended. Grants are made to non-profit organizations to provide regional technical assistance to local and regional governments and related agencies for the purpose of reducing or eliminating pollution of water resources, and for improving the planning and management of solid waste disposal facilities. \$3.5 million is projected for this program in 2008.

RURAL WATER AND WASTE DISPOSAL DIRECT LOANS FINANCING
ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4226-0-3-452	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
Operating program:			
00.01 Direct loans	1,008	737	1,080
00.02 Interest on Treasury borrowing	391	421	452
00.06 Other	7		
00.91 Direct Program by Activities—Subtotal	1,406	1,158	1,532
08.02 Subsidy reestimate paid to receipt account	58		
08.04 Interest on reestimate paid to receipt account	20		
08.91 Direct Program by Activities—Subtotal (1 level)	78		

10.00	Total new obligations	1,484	1,158	1,532
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	187	17	
22.00	New financing authority (gross)	1,416	1,365	1,757
22.10	Resources available from recoveries of prior year obligations	62		
22.60	Portion applied to repay debt		-224	-225
22.70	Balance of authority to borrow withdrawn	-164		
23.90	Total budgetary resources available for obligation	1,501	1,158	1,532
23.95	Total new obligations	-1,484	-1,158	-1,532
24.40	Unobligated balance carried forward, end of year	17		
New financing authority (gross), detail:				
Mandatory:				
67.10	Authority to borrow	1,017	753	1,042
Spending authority from offsetting collections:				
69.00	Offsetting collections (cash)	605	623	645
69.10	Change in uncollected customer payments from Federal sources (unexpired)	13	-11	70
69.47	Portion applied to repay debt	-219		
69.90	Spending authority from offsetting collections (total mandatory)	399	612	715
70.00	Total new financing authority (gross)	1,416	1,365	1,757
Change in obligated balances:				
72.40	Obligated balance, start of year	2,461	2,726	2,448
73.10	Total new obligations	1,484	1,158	1,532
73.20	Total financing disbursements (gross)	-1,144	-1,447	-1,443
73.45	Recoveries of prior year obligations	-62		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-13	11	-70
74.40	Obligated balance, end of year	2,726	2,448	2,467
Outlays (gross), detail:				
87.00	Total financing disbursements (gross)	1,144	1,447	1,443
Offsets:				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Federal sources	-53	-84	-82
88.25	Interest on uninvested funds	-37	-40	-41
88.40	Repayment of principal	-219	-244	-252
88.40	Interest Received on Loans	-308	-255	-264
88.40	Non-Federal sources	12		-6
88.90	Total, offsetting collections (cash)	-605	-623	-645
Against gross financing authority only:				
88.95	Change in receivables from program accounts	-13	11	-70
Net financing authority and financing disbursements:				
89.00	Financing authority	798	753	1,042
90.00	Financing disbursements	539	824	798

Status of Direct Loans (in millions of dollars)

Identification code 12-4226-0-3-452	2006 actual	2007 est.	2008 est.	
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans			
1131	Direct loan obligations exempt from limitation	1,008	737	1,080
1150	Total direct loan obligations	1,008	737	1,080
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	6,639	7,105	7,887
1231	Disbursements: Direct loan disbursements	675	1,026	984
1251	Repayments: Repayments and prepayments	-213	-244	-252
1264	Write-offs for default: Other adjustments, net	4		
1290	Outstanding, end of year	7,105	7,887	8,619

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

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

The water and waste disposal program makes loans and grants to finance water systems and waste disposal facilities in rural areas.

Balance Sheet (in millions of dollars)

Identification code 12-4226-0-3-452	2005 actual	2006 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	72	16
Investments in US securities:		
1106 Receivables, net	-1	4
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	6,639	7,104
1402 Interest receivable	67	76
1405 Allowance for subsidy cost (-)	-705	-663
1499 Net present value of assets related to direct loans	6,001	6,517
1999 Total assets	6,072	6,537
LIABILITIES:		
Federal liabilities:		
2103 Debt	6,022	6,506
2105 Other	50	31
2999 Total liabilities	6,072	6,537
4999 Total liabilities and net position	6,072	6,537

RURAL WATER AND WASTE WATER DISPOSAL GUARANTEED LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4218-0-3-452	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
08.01 Negative subsidy		1	1
10.00 Total new obligations		1	1
Budgetary resources available for obligation:			
22.00 New financing authority (gross)		1	1
23.95 Total new obligations		-1	-1
New financing authority (gross), detail:			
Mandatory:			
69.00 Spending authority from offsetting collections: Offsetting collections (cash)		1	1
Change in obligated balances:			
73.10 Total new obligations		1	1
Offsets:			
Against gross financing authority and financing disbursements:			
88.40 Offsetting collections (cash) from: Non-Federal sources		-1	-1
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements		-1	-1

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4218-0-3-452	2006 actual	2007 est.	2008 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders			
2131 Guaranteed loan commitments exempt from limitation	3	75	75
2150 Total guaranteed loan commitments	3	75	75
2199 Guaranteed amount of guaranteed loan commitments	2	60	60

Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	33	33	45
2231 Disbursements of new guaranteed loans	1	16	62
2251 Repayments and prepayments	-1	-4	-6
2290 Outstanding, end of year	33	45	101
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	27	38	81

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

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

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

Insured loans pursuant to the authority of section 305 of the Rural Electrification Act of 1936 (7 U.S.C. 935) shall be made as follows: 5 percent rural electrification loans, \$100,000,000; loans made pursuant to section 306 of that Act, rural electric, \$4,000,000,000; 5 percent rural telecommunications loans, \$145,000,000; cost of money rural telecommunications loans, \$250,000,000; and for loans made pursuant to section 306 of that Act, rural telecommunications loans, \$295,000,000.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the cost of modifying loans, of direct and guaranteed loans authorized by sections 305 and 306 of the Rural Electrification Act of 1936 (7 U.S.C. 935 and 936), as follows: cost of rural electric loans, \$120,000, and the cost of telecommunications loans, \$3,620,000: Provided, That notwithstanding section 305(d)(2) of the Rural Electrification Act of 1936, borrower interest rates may exceed 7 percent per year.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, \$37,009,000 which shall be paid to the appropriation for "Rural Development, Salaries and Expenses".

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-1230-0-1-271	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Direct loan subsidy	6	4	4
00.03 Subsidy for modifications of direct loans	1		
00.05 Reestimate of direct loan subsidy	25		
00.06 Interest on reestimates of direct loan subsidy	8		
00.09 Administrative expenses subject to limitation	38	39	37
10.00 Total new obligations	78	43	41
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		8	8
22.00 New budget authority (gross)	86	43	41
23.90 Total budgetary resources available for obligation	86	51	49
23.95 Total new obligations	-78	-43	-41
24.40 Unobligated balance carried forward, end of year	8	8	8
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	53	43	41
Mandatory:			
60.00 Appropriation	33		
70.00 Total new budget authority (gross)	86	43	41

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS
PROGRAM ACCOUNT—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1230-0-1-271	2006 actual	2007 est.	2008 est.
Change in obligated balances:			
72.40 Obligated balance, start of year	42	39	34
73.10 Total new obligations	78	43	41
73.20 Total outlays (gross)	-79	-48	-44
73.40 Adjustments in expired accounts (net)	-2		
74.40 Obligated balance, end of year	39	34	31
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	40	39	37
86.93 Outlays from discretionary balances	6	9	7
86.97 Outlays from new mandatory authority	33		
87.00 Total outlays (gross)	79	48	44
Net budget authority and outlays:			
89.00 Budget authority	86	43	41
90.00 Outlays	79	48	44

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

Identification code 12-1230-0-1-271	2006 actual	2007 est.	2008 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Hardship electric	99	99	100
115002 Municipal electric	101	99	
115003 Treasury electric	990	990	
115004 FFB electric	2,700	3,000	4,000
115005 Hardship telephone	145	143	145
115006 Treasury telephone	420	247	250
115007 FFB telephone	125	299	295
115008 Electric Underwriter	1,500	500	
115999 Total direct loan levels	6,080	5,377	4,790
Direct loan subsidy (in percent):			
132001 Hardship electric	0.92	2.14	0.12
132002 Municipal electric	5.05	1.51	0.00
132003 Treasury electric	0.01	0.00	0.00
132004 FFB electric	-0.48	-1.19	-0.70
132005 Hardship telephone	-1.80	0.37	0.08
132006 Treasury telephone	0.05	0.03	0.67
132007 FFB telephone	-1.57	-1.49	0.62
132008 Electric Underwriter	-1.26	-0.44	0.00
132999 Weighted average subsidy rate	-0.50	-0.71	-0.51
Direct loan subsidy budget authority:			
133001 Hardship electric	1	2	
133002 Municipal electric	5	1	
133004 FFB electric	-13	-36	-28
133005 Hardship telephone	-3	1	
133006 Treasury telephone			2
133007 FFB telephone	-2	-4	2
133008 Electric Underwriter	-19	-2	
133999 Total subsidy budget authority	-31	-38	-24
Direct loan subsidy outlays:			
134001 Hardship electric	4	1	1
134002 Municipal electric		4	3
134003 Treasury electric	-1		
134004 FFB electric	-38	-34	-36
134005 Hardship telephone	1	4	3
134007 FFB telephone	-1	-2	-2
134008 Electric Underwriter	-16	-5	-2
134999 Total subsidy outlays	-51	-32	-33
Direct loan upward reestimates:			
135001 Hardship electric	1		
135002 Municipal electric	13		
135003 Treasury electric	2		
135004 FFB electric	13		
135006 Treasury telephone	1		
135007 FFB telephone	3		
135999 Total upward reestimate budget authority	33		
Direct loan downward reestimates:			
137001 Hardship electric	-12		

137002 Municipal electric	-55		
137003 Treasury electric	-14		
137004 FFB electric	-3		
137005 Hardship telephone	-19		
137006 Treasury telephone	-25		
137007 FFB telephone	-15		
137008 Electric Underwriter	-144		
137999 Total downward reestimate budget authority	-287		

Administrative expense data:

3510 Budget authority	39	38	37
3590 Outlays from new authority	39	38	37

The Rural Utilities Service (RUS) conducts the rural electrification and the rural telecommunications loan programs. The rural electrification loan program is financed through RUS direct and guaranteed loans for the operation of generating plants, electric transmission, and distribution lines or systems. The rural telecommunications loan program is financed through RUS direct loans for construction, expansion, and operation of telecommunications lines and facilities or systems.

Since 1992, RUS electric loans have been used primarily to finance transmission, distribution and upgrades to generation facilities. During this time, generation has been deregulated and has become a more commercial operation. With the increased needs for all aspects of electricity provision, and to ensure adequate funding for rural areas, RUS loans will continue to focus on transmission, distribution, and upgrading generation facilities. Construction of new generation facilities should be financed through the commercial market.

USDA will propose rule changes to require recertification of rural status for each electric and telecommunications borrower on the first loan request received in or after 2008 and on the first loan request received after each subsequent Census.

USDA will determine if the current method of issuing loans, "first in; first out," provides adequate support to the areas with the highest priority needs. USDA analyzed borrower and community characteristics for loans approved in 2005. The \$3.3 billion in financing, funding 94 distribution loans and 16 generation and transmission loans, supported projects in 1,682 of the 2,500 non-metropolitan counties, including 332 counties classified as persistent poverty counties. In addition, of the over 2 million consumers supported by the 94 distribution loans, 92.5% were in areas classified as rural by the U.S. Census.

RUS will cancel loans obligated, but not disbursed, more than ten years ago. Most electric loans obligated more than ten years ago have either been disbursed or cancelled. However, current law prohibits the cancellation of telecommunications loans in most instances. This has resulted in many outstanding obligations that are older than ten years. Since loans are issued for specific projects, and technology is changing at a very fast pace, it is doubtful that the original project will be accomplished ten years after a loan is approved. Legislation will be proposed to allow the cancellation of all electric and telecommunications loan obligations that are more than ten years old.

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

Object Classification (in millions of dollars)

Identification code 12-1230-0-1-271	2006 actual	2007 est.	2008 est.
Direct obligations:			
25.3 Other purchases of goods and services from Government accounts	38	39	37
41.0 Grants, subsidies, and contributions	40	4	4
99.9 Total new obligations	78	43	41

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4208-0-3-271	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Direct loans	6,080	5,377	4,790
00.02 Interest on Treasury borrowing	1,026	1,300	1,300
00.91 Subtotal, Operating program	7,106	6,677	6,090
08.01 Negative subsidy paid to receipt account	36	42	28
08.02 Downward subsidy amount paid to receipt account	223		
08.03 Adjusting payments to liquidating account	20		
08.04 Interest on downward subsidy reestimate	64		
08.91 Direct Program by Activities—Subtotal (1 level)	343	42	28
10.00 Total new obligations	7,449	6,719	6,118
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	274	227	
22.00 New financing authority (gross)	8,426	6,718	6,118
22.10 Resources available from recoveries of prior year obligations	359		
22.60 Portion applied to repay debt	-664	-226	
22.70 Balance of authority to borrow withdrawn	-719		
23.90 Total budgetary resources available for obligation	7,676	6,719	6,118
23.95 Total new obligations	-7,449	-6,719	-6,118
24.40 Unobligated balance carried forward, end of year	227		
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	6,703	5,709	5,972
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	1,725	1,715	1,731
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-2	-6	-7
69.47 Portion applied to repay debt		-700	-1,578
69.90 Spending authority from offsetting collections (total mandatory)	1,723	1,009	146
70.00 Total new financing authority (gross)	8,426	6,718	6,118
Change in obligated balances:			
72.40 Obligated balance, start of year	11,586	12,137	12,485
73.10 Total new obligations	7,449	6,719	6,118
73.20 Total financing disbursements (gross)	-6,541	-6,377	-5,867
73.45 Recoveries of prior year obligations	-359		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	2	6	7
74.40 Obligated balance, end of year	12,137	12,485	12,743
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	6,541	6,377	5,867
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payment from program account	-40	-10	-7
88.25 Interest on uninvested funds	-86	-88	-78
88.40 Repayment of principal	-681	-694	-706
88.40 Interest received on loans	-906	-923	-940
88.40 Other	-12		
88.90 Total, offsetting collections (cash)	-1,725	-1,715	-1,731
Against gross financing authority only:			
88.95 Change in receivables from program accounts	2	6	7

Net financing authority and financing disbursements:

89.00 Financing authority	6,703	5,009	4,394
90.00 Financing disbursements	4,816	4,662	4,136

Status of Direct Loans (in millions of dollars)

Identification code 12-4208-0-3-271	2006 actual	2007 est.	2008 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	6,080	5,377	4,790
1150 Total direct loan obligations	6,080	5,377	4,790
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	19,845	24,328	28,585
Disbursements:			
1231 Direct loan disbursements	5,130	5,033	4,537
1233 Purchase of loans assets from a liquidating account	20		
1251 Repayments: Repayments and prepayments	-680	-776	-775
1261 Adjustments: Capitalized interest	2		
Write-offs for default:			
1263 Direct loans	-2		
1264 Other adjustments, Reclassified, net	13		
1290 Outstanding, end of year	24,328	28,585	32,347

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

Balance Sheet (in millions of dollars)

Identification code 12-4208-0-3-271	2005 actual	2006 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	245	167
Investments in US securities:		
1106 Receivables, net	17	18
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	17,858	22,226
1402 Interest receivable	2	-22
1405 Allowance for subsidy cost (-)	-600	-204
1499 Net present value of assets related to direct loans	17,260	22,000
1999 Total assets	17,522	22,185
LIABILITIES:		
2103 Federal liabilities: Debt	17,384	21,932
2207 Non-Federal liabilities: Other	138	253
2999 Total liabilities	17,522	22,185
4999 Total liabilities and net position	17,522	22,185
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	99	69
Investments in US securities:		
1106 Receivables, net	6	5
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	1,987	2,102
1402 Interest receivable	1	1
1405 Allowance for subsidy cost (-)	10	70
1499 Net present value of assets related to direct loans	1,998	2,173
1999 Total assets	2,103	2,247
LIABILITIES:		
2103 Federal liabilities: Debt	2,075	2,214
2207 Non-Federal liabilities: Other	28	33
2999 Total liabilities	2,103	2,247
4999 Negative subsidy BA total [12-1230]	2,103	2,247

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS GUARANTEED
LOANS FINANCING ACCOUNT

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4209-0-3-271	2006 actual	2007 est.	2008 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders			
2131 Guaranteed loan commitments exempt from limitation			
2150 Total guaranteed loan commitments			
2199 Guaranteed amount of guaranteed loan commitments			
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	221	218	214
2231 Disbursements of new guaranteed loans	3		
2251 Repayments and prepayments	-9	-4	-4
2264 Adjustments: Other adjustments, net	3		
2290 Outstanding, end of year	218	214	210
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	218	214	210

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

This account finances loan guarantee commitments.

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LIQUIDATING
ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4230-0-3-999	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Interest expense on certificates of beneficial ownership	226	197	197
00.02 Interest expense, FFB direct	346	293	274
00.03 Other interest expense		13	17
00.05 Other: cushion of credit	70	59	49
00.07 Other RTB	1,437		
10.00 Total new obligations	2,079	562	537
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3,784	1,138	792
22.00 New budget authority (gross)	-3	480	495
22.10 Resources available from recoveries of prior year obligations	43		
22.40 Capital transfer to general fund	-540		
22.60 Portion applied to repay debt	-67	-264	-156
23.90 Total budgetary resources available for obligation	3,217	1,354	1,131
23.95 Total new obligations	-2,079	-562	-537
24.40 Unobligated balance carried forward, end of year	1,138	792	594

New budget authority (gross), detail:

Mandatory:			
60.36 Unobligated balance permanently reduced	-3		
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	1,322	1,405	1,295
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-6		
69.27 Capital transfer to general fund	-464		
69.47 Portion applied to repay debt	-852	-925	-800
69.90 Spending authority from offsetting collections (total mandatory)		480	495
70.00 Total new budget authority (gross)	-3	480	495

Change in obligated balances:

72.40 Obligated balance, start of year	269	157	45
73.10 Total new obligations	2,079	562	537

73.20 Total outlays (gross)	-2,154	-674	-582
73.45 Recoveries of prior year obligations	-43		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	6		
74.40 Obligated balance, end of year	157	45	

Outlays (gross), detail:

86.97 Outlays from new mandatory authority		459	439
86.98 Outlays from mandatory balances	2,154	215	143
87.00 Total outlays (gross)	2,154	674	582

Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-21		
88.25 Interest on uninvested funds	-46		
88.40 Loans repaid including Cushion of Credit of 282	-903	-1,021	-968
88.40 Interest repaid including Cushion of Credit of 308	-352	-377	-320
88.40 Fees—Electric Underwriter		-7	-7
88.90 Total, offsetting collections (cash)	-1,322	-1,405	-1,295
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	6		

Net budget authority and outlays:

89.00 Budget authority	-1,319	-925	-800
90.00 Outlays	832	-731	-713

Status of Direct Loans (in millions of dollars)

Identification code 12-4230-0-3-999	2006 actual	2007 est.	2008 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	13,831	12,686	11,505
1231 Disbursements: Direct loan disbursements	6	6	6
1251 Repayments: Repayments and prepayments	-1,185	-1,185	-1,028
1261 Adjustments: Capitalized interest	60		
Write-offs for default:			
1263 Direct loans	-7		
1264 Other adjustments, net	-19	-2	-1
1290 Outstanding, end of year	12,686	11,505	10,482

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4230-0-3-999	2006 actual	2007 est.	2008 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	233	167	149
2251 Repayments and prepayments	-66	-18	-15
2263 Adjustments: Terminations for default that result in claim payments			
2290 Outstanding, end of year	167	149	134
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	167	149	134

STATUS OF AGENCY DEBT

[In millions of dollars]

	2006 actual	2007 est.	2008 est.
Agency debt held by FFB:			
Outstanding FFB direct, start of year	7,902	7,366	6,902
Outstanding Certificate of Beneficial Ownership (CBO's), start of year	4,270	4,270	3,916
New agency borrowing, FFB direct	0	0	0
Repayments and prepayments, FFB Direct	-536	-464	-435
Repayments, CBO's	0	-354	0
Outstanding FFB direct, end of year	7,366	6,902	6,467
Outstanding CBO's, end of year	4,270	3,916	3,916

As required by the Federal Credit Reform Act of 1990, this account records, for rural electrification and telecommunications programs, all cash flows to and from the Government resulting from direct loans obligated and loan guarantees committed prior to 1992. All new activity in RETRF in 1992

and beyond is recorded in corresponding program and financing accounts.

The Rural Telephone Bank has dissolved. To accomplish this, the Rural Telephone Bank liquidating account loans were used to redeem a portion of the Government's stock. The Rural Telephone Bank liquidating account loans were transferred to the Rural Electrification and Telecommunications liquidating account in 2006.

The Rural Utilities Service (RUS) will continue to service all loans in this account providing business management and technical assistance to the borrowers on a regular basis over the life of the loans.

RUS will cancel loans obligated, but not disbursed, more than ten years ago. Most electric loans obligated more than ten years ago have either been disbursed or cancelled. However, current law prohibits the cancellation of telecommunications loans in most instances. This has resulted in many outstanding obligations that are older than ten years. Since loans are issued for specific projects, and technology is changing at a very fast pace, it is doubtful that the original project will be accomplished ten years after a loan is approved. Legislation will be proposed to allow the cancellation of all electric and telecommunications loan obligations that are more than ten years old.

Rural electric.—This program is financed through RUS direct loans for the construction and operation of generating plants, electric transmission, and distribution lines or systems.

The following tables reflect statistics on loans made through the liquidating account only. Since 1992 new electric and telephone loans have been made through a separate program account.

ELECTRIC PROGRAM STATISTICS

(dollars in millions)

	2006 actual	2007 est.	2008 est.
Cumulative RUS financed direct loans	21,851	21,851	21,851
Cumulative FFB financed direct loans	27,084	27,084	27,084
Cumulative RUS funds advanced	21,832	21,832	21,832
Unadvanced RUS funds, end of year	0	0	0
Cumulative RUS principal repaid	17,064	18,294	19,430
Cumulative RUS interest paid	12,485	12,895	13,261
Cumulative loan guarantee commitments	0	0	0
Number of borrowers	705	705	705

Rural telecommunications.—This loan program is financed through RUS direct loans for the construction, expansion, and operation of telecommunications lines and facilities or systems.

TELECOMMUNICATIONS PROGRAM STATISTICS

(dollars in millions)

	2006 actual	2007 est.	2008 est.
Cumulative RUS financed direct loans	6,023	6,023	6,023
Cumulative FFB financed direct loans	562	562	562
Cumulative RUS funds advanced	5,903	5,908	5,918
Unadvanced RUS funds, end of period	105	100	90
Cumulative RUS principal repaid	4,595	4,751	4,882
Cumulative RUS interest paid	3,162	3,188	3,210
Cumulative loan guarantee commitments	0	0	0
Number of borrowers	487	487	487

RURAL TELEPHONE BANK PROGRAM STATISTICS

(dollars in millions)

	2006 actual	2007 est.	2008 est.
Cumulative net loans	2,052	2,487	2,515
Cumulative loan funds, advanced	2,485	2,502	2,502
Unadvanced loan funds, end of year	32	15	15
Cumulative principal repaid	2,471	2,551	2,574
Cumulative interest paid	2,449	2,489	2,500
Number of borrowers	255	253	251

Balance Sheet (in millions of dollars)

Identification code 12-4230-0-3-999	2005 actual	2006 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	1,792	927
1601 Direct loans, gross	12,308	11,969
1602 Interest receivable	26	25
1603 Allowance for estimated uncollectible loans and interest (-)	-1,599	-1,460
1604 Direct loans and interest receivable, net	10,735	10,534
1699 Value of assets related to direct loans	10,735	10,534
1999 Total assets	12,527	11,461
LIABILITIES:		
Federal liabilities:		
2103 Debt	13,936	13,125
2104 Resources payable to Treasury	-1,492	-1,729
2105 Other	83	65
2999 Total liabilities	12,527	11,461
4999 Total liabilities and net position	12,527	11,461
ASSETS:		
1101 Federal assets: Fund balances with Treasury	2,205	371
1201 Non-Federal assets: Investments in non-Federal securities, net	369	
1601 Direct loans, gross	1,523	1,235
1602 Interest receivable	9	42
1603 Allowance for estimated uncollectible loans and interest (-)	-125	-79
1604 Direct loans and interest receivable, net	1,407	1,198
1699 Value of assets related to direct loans	1,407	1,198
1999 Total assets	3,981	1,569
LIABILITIES:		
Federal liabilities:		
2103 Debt	1,343	1,296
2104 Resources payable to Treasury	802	201
2105 Other	1,416	5
2999 Total liabilities	3,561	1,502
NET POSITION:		
3300 Cumulative results of operations	420	67
3999 Total net position	420	67
4999 Total liabilities and net position	3,981	1,569

Object Classification (in millions of dollars)

Identification code 12-4230-0-3-999	2006 actual	2007 est.	2008 est.
Direct obligations:			
25.2 Other services	1,507	59	49
33.0 Investments and loans		13	17
43.0 Interest and dividends	572	490	471
99.9 Total new obligations	2,079	562	537

RURAL TELEPHONE BANK PROGRAM ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-1231-0-1-452	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.09 Administrative expenses subject to limitation	2		
10.00 Total new obligations (object class 25.2)	2		
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	3		
23.95 Total new obligations	-2		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	3		
Change in obligated balances:			
72.40 Obligated balance, start of year	16	13	12
73.10 Total new obligations	2		
73.20 Total outlays (gross)	-3	-1	-1
73.40 Adjustments in expired accounts (net)	-2		

RURAL TELEPHONE BANK PROGRAM ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1231-0-1-452	2006 actual	2007 est.	2008 est.
74.40 Obligated balance, end of year	13	12	11
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	3		
86.93 Outlays from discretionary balances		1	1
87.00 Total outlays (gross)	3	1	1
Net budget authority and outlays:			
89.00 Budget authority	3		
90.00 Outlays	3	1	1

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

Identification code 12-1231-0-1-452	2006 actual	2007 est.	2008 est.
Direct loan subsidy outlays:			
134001 Rural Telephone Bank	-1	1	1
134999 Total subsidy outlays	-1	1	1
Direct loan downward reestimates:			
137001 Rural Telephone Bank	-27		
137999 Total downward reestimate budget authority	-27		
Administrative expense data:			
3510 Budget authority	2		
3590 Outlays from new authority	2		

The Rural Telephone Bank completed dissolution in 2006 so no federally funded RTB loans are proposed.

RUS will cancel loans obligated, but not disbursed, more than ten years ago. Current law prohibits the cancellation of RTB loans in most instances. This has resulted in many outstanding obligations that are older than ten years. Since loans are issued for specific projects, and technology is changing at a very fast pace, it is doubtful that the original project will be accomplished ten years after a loan is approved. Legislation will be proposed to allow the cancellation of all RTB loan obligations that are more than ten years old.

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

RURAL TELEPHONE BANK DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4210-0-3-452	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.02 Interest on Treasury borrowing	24	26	28
08.02 Downward reestimates paid to receipt accounts	17		
08.04 Interest on downward reestimate paid to receipt account	10		
08.91 Direct Program by Activities—Subtotal	27		
10.00 Total new obligations	51	26	28
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	82	3	41
22.00 New financing authority (gross)	38	67	77
22.10 Resources available from recoveries of prior year obligations	258		
22.60 Portion applied to repay debt		-3	
22.70 Balance of authority to borrow withdrawn	-324		
23.90 Total budgetary resources available for obligation	54	67	118
23.95 Total new obligations	-51	-26	-28

24.40 Unobligated balance carried forward, end of year	3	41	90
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New financing authority (gross), detail:

Identification code	2006 actual	2007 est.	2008 est.
Mandatory:			
67.10 Authority to borrow	27	47	63
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	70	172	165
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-3	-2	-1
69.47 Portion applied to repay debt	-56	-150	-150
69.90 Spending authority from offsetting collections (total mandatory)	11	20	14
70.00 Total new financing authority (gross)	38	67	77

Change in obligated balances:

72.40 Obligated balance, start of year	1,218	894	782
73.10 Total new obligations	51	26	28
73.20 Total financing disbursements (gross)	-120	-140	-112
73.45 Recoveries of prior year obligations	-258		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	3	2	1
74.40 Obligated balance, end of year	894	782	699

Outlays (gross), detail:

87.00 Total financing disbursements (gross)	120	140	112
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Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources		-1	-1
88.25 Interest on uninvested funds	-5	-13	-12
88.40 Principal received on loans	-45	-77	-74
88.40 Interest received on loans	-20	-81	-78
88.40 Sale of RTB Stock			
88.90 Total, offsetting collections (cash)	-70	-172	-165
Against gross financing authority only:			
88.95 Change in receivables from program accounts	3	2	1

Net financing authority and financing disbursements:

89.00 Financing authority	-29	-103	-87
90.00 Financing disbursements	49	-32	-53

Status of Direct Loans (in millions of dollars)

Identification code 12-4210-0-3-452	2006 actual	2007 est.	2008 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	356	378	415
1231 Disbursements: Direct loan disbursements	66	114	85
1251 Repayments: Repayments and prepayments	-44	-77	-75
1290 Outstanding, end of year	378	415	425

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

Balance Sheet (in millions of dollars)

Identification code 12-4210-0-3-452	2005 actual	2006 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	13	2
Investments in US securities:		
1106 Receivables, net	1	2
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	356	377
1405 Allowance for subsidy cost (-)	10	6
1499 Net present value of assets related to direct loans	366	383
1999 Total assets	380	387
LIABILITIES:		
Federal liabilities:		
2103 Debt	336	374
2105 Other	44	13

2999	Total liabilities	380	387
4999	Total liabilities and net position	380	387

DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND PROGRAM

For the principal amount of broadband telecommunication loans, \$300,000,000.

For grants for telemedicine and distance learning services in rural areas, as authorized by 7 U.S.C. 950aaa et seq., \$24,750,000, to remain available until expended.

For the cost of broadband loans, as authorized by 7 U.S.C. 901 et seq., \$6,450,000: Provided, That the cost of direct loans shall be as defined in section 502 of the Congressional Budget Act of 1974.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-1232-0-1-452	2006 actual	2007 est.	2008 est.	
Obligations by program activity:				
00.01	Direct loan subsidy	7	22	6
00.05	Reestimate of direct loan subsidy	7		
00.06	Interest of reestimate of direct loan subsidy	1		
00.10	Grants	70	35	25
10.00	Total new obligations (object class 41.0)	85	57	31
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	88	53	2
22.00	New budget authority (gross)	48	6	31
22.10	Resources available from recoveries of prior year obligations	4		
22.21	Unobligated balance transferred to other accounts	-2		
23.90	Total budgetary resources available for obligation	138	59	33
23.95	Total new obligations	-85	-57	-31
24.40	Unobligated balance carried forward, end of year	53	2	2
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	50	44	31
40.35	Appropriation permanently reduced	-1	-10	
40.36	Unobligated balance permanently reduced	-9		
43.00	Appropriation (total discretionary)	40	34	31
Mandatory:				
60.00	Appropriation	8		
60.36	Unobligated balance permanently reduced		-38	
62.00	Transferred from other accounts		10	
62.50	Appropriation (total mandatory)	8	-28	
70.00	Total new budget authority (gross)	48	6	31
Change in obligated balances:				
72.40	Obligated balance, start of year	108	140	151
73.10	Total new obligations	85	57	31
73.20	Total outlays (gross)	-49	-46	-56
73.45	Recoveries of prior year obligations	-4		
74.40	Obligated balance, end of year	140	151	126
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	5	-1	2
86.93	Outlays from discretionary balances	36	56	57
86.97	Outlays from new mandatory authority	8	-10	
86.98	Outlays from mandatory balances		1	-3
87.00	Total outlays (gross)	49	46	56
Net budget authority and outlays:				
89.00	Budget authority	48	6	31
90.00	Outlays	49	46	56

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

Identification code 12-1232-0-1-452	2006 actual	2007 est.	2008 est.	
Direct loan levels supportable by subsidy budget authority:				
115001	Distance Learning and Telemedicine	4	156	
115003	Direct Broadband Treasury Rate loans	329	999	300
115999	Total direct loan levels	333	1,155	300
Direct loan subsidy (in percent):				
132001	Distance Learning and Telemedicine	1.50	0.63	0.00
132003	Direct Broadband Treasury Rate loans	2.15	2.15	2.15
132999	Weighted average subsidy rate	2.14	1.94	2.15
Direct loan subsidy budget authority:				
133001	Distance Learning and Telemedicine		1	
133003	Direct Broadband Treasury Rate loans	7	21	6
133999	Total subsidy budget authority	7	22	6
Direct loan subsidy outlays:				
134001	Distance Learning and Telemedicine		1	1
134003	Direct Broadband Treasury Rate loans	1	18	18
134999	Total subsidy outlays	1	19	19
Direct loan upward reestimates:				
135001	Distance Learning and Telemedicine	4		
135003	Direct Broadband Treasury Rate loans	4		
135999	Total upward reestimate budget authority	8		

The loan and grant program provides access to advanced telecommunications services for improved education and health care in rural areas throughout the country. The loans and grants help education and health care providers bring the most modern technology, level of care, and education to rural America so its citizens can compete regionally, nationally, and globally. The Budget provides discretionary funding for loans to finance installation of broadband transmission capacity.

Since there is little demand for the DLT loans and the loans cost the Government, the Budget proposes to not provide any DLT loans in 2008.

DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4146-0-3-452	2006 actual	2007 est.	2008 est.	
Obligations by program activity:				
00.01	Direct loans	333	1,155	300
00.02	Interest on Treasury borrowing	13	20	25
10.00	Total new obligations	346	1,175	325
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	8	2	
22.00	New financing authority (gross)	345	1,237	395
22.10	Resources available from recoveries of prior year obligations	12		
22.60	Portion applied to repay debt		-64	-70
22.70	Balance of authority to borrow withdrawn	-17		
23.90	Total budgetary resources available for obligation	348	1,175	325
23.95	Total new obligations	-346	-1,175	-325
24.40	Unobligated balance carried forward, end of year	2		
New financing authority (gross), detail:				
Mandatory:				
67.10	Authority to borrow	331	1,171	321
Spending authority from offsetting collections:				
69.00	Offsetting collections (cash)	37	66	65
69.10	Change in uncollected customer payments from Federal sources (unexpired)	6		9
69.47	Portion applied to repay debt	-29		
69.90	Spending authority from offsetting collections (total mandatory)	14	66	74

DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND DIRECT LOAN FINANCING ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-4146-0-3-452	2006 actual	2007 est.	2008 est.
70.00 Total new financing authority (gross)	345	1,237	395
Change in obligated balances:			
72.40 Obligated balance, start of year	730	973	1,934
73.10 Total new obligations	346	1,175	325
73.20 Total financing disbursements (gross)	-85	-214	-425
73.45 Recoveries of prior year obligations	-12		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-6		-9
74.40 Obligated balance, end of year	973	1,934	1,825
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	85	214	425
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-9	-19	-19
88.25 Interest on uninvested funds	-3	-4	-4
88.40 Repayment of principal	-17	-23	-22
88.40 Interest received on loans	-8	-20	-20
88.90 Total, offsetting collections (cash)	-37	-66	-65
Against gross financing authority only:			
88.95 Change in receivables from program accounts	-6		-9
Net financing authority and financing disbursements:			
89.00 Financing authority	302	1,171	321
90.00 Financing disbursements	47	148	360

Status of Direct Loans (in millions of dollars)

Identification code 12-4146-0-3-452	2006 actual	2007 est.	2008 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	333	1,155	300
1150 Total direct loan obligations	333	1,155	300
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	190	239	430
1231 Disbursements: Direct loan disbursements	71	214	400
1251 Repayments: Repayments and prepayments	-17	-23	-22
1264 Write-offs for default: Charge Off—Misc and Assn Loans, net	-5		
1290 Outstanding, end of year	239	430	808

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

Balance Sheet (in millions of dollars)

Identification code 12-4146-0-3-452	2005 actual	2006 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	5	2
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	190	239
1402 Interest receivable	2	3
1405 Allowance for subsidy cost (-)	3	
1499 Net present value of assets related to direct loans	195	242
1999 Total assets	200	244
LIABILITIES:		
Federal liabilities:		
2101 Accounts payable	200	
2103 Debt		244

2999 Total liabilities	200	244
4999 Total liabilities and net position	200	244

RURAL DEVELOPMENT INSURANCE FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4155-0-3-452	2006 actual	2007 est.	2008 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	24	22	
22.40 Capital transfer to general fund	-2	-22	
23.90 Total budgetary resources available for obligation	22		
24.40 Unobligated balance carried forward, end of year	22		
New budget authority (gross), detail:			
Mandatory:			
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	271	375	336
69.27 Capital transfer to general fund	-271	-375	-336
69.90 Spending authority from offsetting collections (total mandatory)			
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.40 Non-Federal sources	-165	-234	-203
88.40 Repayments of guaranteed loans purchased from investors	1		-1
88.40 Interest revenue	-102	-141	-132
88.40 Other	-5		
88.90 Total, offsetting collections (cash)	-271	-375	-336
Net budget authority and outlays:			
89.00 Budget authority	-271	-375	-336
90.00 Outlays	-271	-375	-336

Status of Direct Loans (in millions of dollars)

Identification code 12-4155-0-3-452	2006 actual	2007 est.	2008 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1,931	1,767	1,532
1251 Repayments: Repayments and prepayments	-165	-234	-203
Write-offs for default:			
1263 Direct loans	-1	-1	-1
1264 Other adjustments aje #1 Allocation, net	2		
1290 Outstanding, end of year	1,767	1,532	1,328

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4155-0-3-452	2006 actual	2007 est.	2008 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	36	29	25
2251 Repayments and prepayments	-7	-4	-3
2290 Outstanding, end of year	29	25	22
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	21	18	15

The Rural Development Insurance Fund (RDIF) was established on October 1, 1972, pursuant to section 116 of the Rural Development Act of 1972 (Public Law 92-419).

The fund is used to insure or guarantee loans for water systems and waste disposal facilities, community facilities, and industrial development in rural areas. Communities unable to afford low interest loans for water and waste disposal facilities are also able to obtain water and waste disposal grants.

As required by the Federal Credit Reform Act of 1990, this account records, for these loan programs, all cash flows to and from the Government resulting from direct loans obli-

gated and loan guarantees committed prior to 1992. All new activity in these programs is recorded in corresponding program accounts and financing accounts.

The water and waste direct and guaranteed loan programs are administered by the Rural Utilities Service, the community facility direct and guaranteed loan programs are administered by the Rural Housing Service, and the business and industry direct and guaranteed loan programs are administered by the Rural Business-Cooperative Service.

Balance Sheet (in millions of dollars)

Identification code 12-4155-0-3-452	2005 actual	2006 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	24	22
1201 Non-Federal assets: Investments in non-Federal securities, net	34	34
1601 Direct loans, gross	1,931	1,769
1602 Interest receivable	29	26
1603 Allowance for estimated uncollectible loans and interest (-)	-283	-240
1604 Direct loans and interest receivable, net	1,677	1,555
1699 Value of assets related to direct loans	1,677	1,555
1901 Other Federal assets: Other assets	3	4
1999 Total assets	1,738	1,615
LIABILITIES:		
2104 Federal liabilities: Resources payable to Treasury	1,736	1,609
Non-Federal liabilities:		
2204 Liabilities for loan guarantees	2	1
2207 Other .....	.....	5
2999 Total liabilities	1,738	1,615
4999 Total liabilities and net position	1,738	1,615

RURAL COMMUNICATION DEVELOPMENT FUND LIQUIDATING ACCOUNT

Status of Direct Loans (in millions of dollars)

Identification code 12-4142-0-3-452	2006 actual	2007 est.	2008 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	4	4	4
1251 Repayments: Repayments and prepayments .....	.....	.....	.....
1290 Outstanding, end of year	4	4	4

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4142-0-3-452	2006 actual	2007 est.	2008 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	4	4	4
2251 Repayments and prepayments .....	.....	.....	.....
2264 Adjustments: Other adjustments, net .....	.....	.....	.....
2290 Outstanding, end of year	4	4	4
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	4	4	4

The Rural Communication Development Fund was established pursuant to the Secretary's Memorandum No. 1988, approved May 22, 1979. No loans have been made through this account since 1992.

Balance Sheet (in millions of dollars)

Identification code 12-4142-0-3-452	2005 actual	2006 actual
ASSETS:		
1601 Direct loans, gross	3	3
1602 Interest receivable	1	1
1603 Allowance for estimated uncollectible loans and interest (-)	-1	-1
1604 Direct loans and interest receivable, net	3	3
1699 Value of assets related to direct loans	3	3

1999 Total assets	3	3
LIABILITIES:		
2104 Federal liabilities: Resources payable to Treasury	3	3
2999 Total liabilities	3	3
4999 Total liabilities and net position	3	3

FOREIGN AGRICULTURAL SERVICE

Federal Funds

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U.S.C. 1761-1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed \$158,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), \$168,209,000: Provided, That the Service may utilize advances of funds, or reimburse this appropriation for expenditures made on behalf of Federal agencies, public and private organizations and institutions under agreements executed pursuant to the agricultural food production assistance programs (7 U.S.C. 1737) and the foreign assistance programs of the United States Agency for International Development.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-2900-0-1-352	2006 actual	2007 est.	2008 est.
01.99 Balance, start of year
Receipts:			
02.20 Deposits of miscellaneous contributed funds, International cooperation and development	4	4
04.00 Total: Balances and collections	4	4
Appropriations:			
05.00 Salaries and expenses	-4	-4
07.99 Balance, end of year

Program and Financing (in millions of dollars)

Identification code 12-2900-0-1-352	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Market Access	51	52	61
00.02 Trade Development	51	49	52
00.03 Trade Related Technical Assistance	29	29	33
00.04 SPS Issues Resolution	20	21	27
09.00 Reimbursable program	97	97	97
10.00 Total new obligations	248	248	270
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	22	24	23
22.00 New budget authority (gross)	254	247	269
23.90 Total budgetary resources available for obligation	276	271	292
23.95 Total new obligations	-248	-248	-270
23.98 Unobligated balance expiring or withdrawn	-4	.....	.....
24.40 Unobligated balance carried forward, end of year	24	23	22

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	148	146	168
40.35 Appropriation permanently reduced	-1	.....	.....
42.00 Transferred from other accounts	13	.....	.....
43.00 Appropriation (total discretionary)	160	146	168
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	59	97	97
58.10 Change in uncollected customer payments from Federal sources (unexpired)	35	.....	.....

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

Program and Financing (in millions of dollars)—Continued

Identification code 12-2900-0-1-352	2006 actual	2007 est.	2008 est.
58.90 Spending authority from offsetting collections (total discretionary)	94	97	97
Mandatory:			
60.26 Appropriation (trust fund)		4	4
70.00 Total new budget authority (gross)	254	247	269
Change in obligated balances:			
72.40 Obligated balance, start of year	38	30	31
73.10 Total new obligations	248	248	270
73.20 Total outlays (gross)	-248	-247	-268
73.40 Adjustments in expired accounts (net)	1		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-35		
74.10 Change in uncollected customer payments from Federal sources (expired)	26		
74.40 Obligated balance, end of year	30	31	33
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	241	231	252
86.93 Outlays from discretionary balances	7	12	12
86.97 Outlays from new mandatory authority		4	4
87.00 Total outlays (gross)	248	247	268
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-104	-97	-97
88.40 Non-Federal sources	23		
88.90 Total, offsetting collections (cash)	-81	-97	-97
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-35		
88.96 Portion of offsetting collections (cash) credited to expired accounts	22		
Net budget authority and outlays:			
89.00 Budget authority	160	150	172
90.00 Outlays	167	150	171

FAS' mission is to create economic opportunity for American agriculture by expanding global markets. FAS serves U.S. agriculture's interests by expanding and maintaining international export opportunities for U.S. agricultural, fish, and forest products, supporting international economic development and trade capacity building, and improving the Sanitary and Phytosanitary (SPS) system to facilitate agricultural trade. FAS' goals are three-fold: to level the playing field for U.S. agricultural producers and exporters in the global marketplace, to help developing and transitioning countries to expand their ability to sustain economic growth and trade capacity, and to make a concerted effort to reduce technical trade barriers and restrictive SPS measures. The outcomes envisioned are increased access to global markets for U.S. agricultural producers and exporters, improved ability in developing countries to sustain economic growth and benefit from international trade, and an improved global SPS system for facilitating agricultural trade. In addition to its Washington-based staff, the agency maintains a network of overseas offices that serve as first responders in cases of market disruption. The overseas offices also provide critical market and policy intelligence to support their strategic goals, and represent U.S. agriculture in consultations with foreign governments.

Market Access—Agricultural trade is important to America's agricultural and food sector and contributes to the overall growth in the U.S. economy. As the global economy changes, expansion and creation of new foreign market opportunities is critical, as is maintaining existing market access for agri-

cultural products. FAS monitors the enforcement of agricultural trade agreements to ensure that U.S. agriculture receives the full economic benefit of international trade agreements and trade rules. FAS also analyzes tariff and non-tariff barriers that continue to restrict trade, and works with other government agencies to open markets through the negotiation of trade agreements. FAS programs that contribute to market access include the: Market Access Program (MAP), Technical Assistance for Specialty Crops (TASC) Program, Emerging Markets Program (EMP), and the Cochran Fellowship Program (CFP).

Trade Development—FAS supports U.S. private sector efforts to develop and expand commercial markets through trade-related programs which help U.S. producers and exporters realize the benefits that will flow from trade reform and the resulting global market expansion. FAS programs that contribute to trade development include the: MAP, TASC Program, EMP, Foreign Market Development (FMD) Program, and Quality Samples Program which are carried out chiefly in cooperation with non-profit agricultural trade associations and private firms. These programs provide matching funds to U.S. organizations to conduct a wide range of activities including market research, consumer promotion, trade servicing, capacity building, and market access support. The TASC Program provides grants to address sanitary, phytosanitary, or technical barriers that prohibit or threaten exports of U.S. specialty crops. Also, FAS administers price/credit and risk-mitigation assistance programs designed to leverage overseas market expansion for U.S. exporters. These programs include the CCC Export Credit Guarantee Program, the Export Enhancement Program and the Dairy Export Incentive Program. These programs give U.S. exporters the ability to counter export subsidies of foreign competitors and allow U.S. exporters to compete with sales terms offered by foreign competitors.

Trade Related Technical Assistance—U.S. agriculture benefits from growth in global trade and a trading system that adheres to international rules and norms. Two-thirds of World Trade Organization members are developing countries, many of which lack the knowledge, expertise, and regulatory and policy frameworks to participate in the global trading system. FAS provides trade-related technical assistance or trade capacity building focused on developing capacity within governments to implement open, market-based trade policies and to regulate trade in agricultural and food products on the basis of transparent, science-based requirements. Trade capacity building supports the President's 2002 National Security Strategy (NSS) by promoting free trade and open markets as a way to spread economic prosperity. Food assistance programs such as the P.L. 480 Title I Program, McGovern Dole Food for Education (FFE) and Child Nutrition Program, Section 416(b) Program, and Food for Progress (FFP) Program help developing countries with humanitarian crises, economic development, or transitioning from being food aid recipients to commercial markets. Programs that contribute to trade related technical assistance includes the: MAP, TASC Program, EMP, CFP, Borlaug Fellowship Program (BFP), FFE Program, FFP Program, and the Section 416(b) Program. The CFP provides short-term training in the United States for international participants who meet with U.S. agribusiness, attend food safety seminars, and receive technical training related to short- and long-term market development and trade capacity building. The BFP helps developing countries strengthen their agricultural practices through the transfer of new science and agricultural technologies, including those related to production, processing, and marketing. The program also addresses obstacles to the adoption of technology, such as ineffectual policies and regulations.

SPS Issues Resolution—Agricultural trade is unique with respect to the risks associated with the transfer of pests and

disease. Unnecessarily restrictive regulations to address human and animal health (sanitary) and plant health (phytosanitary) risks are major impediments to U.S. market access and the expansion of global agricultural trade. As tariff barriers have been reduced, there has been a dramatic increase in non-tariff barriers to trade, particularly in the SPS area. In spite of the SPS Agreement within the WTO, countries have relied increasingly on erecting SPS barriers as a means to protect domestic industries in the face of quickly growing global trade. Given the increasingly global interdependence in the flow of food and agricultural products, the ability and willingness of foreign countries to develop and implement sound science-based regulatory systems is also vital to the long-term safety of U.S. agriculture and our food supply. U.S. agriculture benefits greatly from the development of regulatory frameworks in other countries that can address SPS issues and technical barriers to trade in a transparent and scientifically based manner. FAS works on several fronts to reduce technical barriers to trade and restrictive SPS and TBT measures. These include enforcing international SPS rules, promoting two-way trade, encouraging adoption of international standards, and strengthening the global SPS regulatory framework. Programs that contribute to SPS issues resolution include the: MAP, TASC Program, and EMP.

23.98	Unobligated balance expiring or withdrawn	-84	-84	.....
New budget authority (gross), detail:				
Mandatory:				
60.00	Appropriation	90	90	.....
Change in obligated balances:				
72.40	Obligated balance, start of year	38	8	-38
73.10	Total new obligations	6	6	.....
73.20	Total outlays (gross)	-3	-45	.....
73.40	Adjustments in expired accounts (net)	-33	-7	.....
74.40	Obligated balance, end of year	8	-38	-38
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	3	45	.....
Net budget authority and outlays:				
89.00	Budget authority	90	90	.....
90.00	Outlays	3	45	.....

Trade Adjustment Assistance for farmers (TAA) is authorized by Title II of the Trade Act of 1974 as amended by Subtitle C of Title I of the Trade Act of 2002. The statute authorizes appropriations to the Department of Agriculture not to exceed \$90 million for 2003 through 2007 to carry out the program. No funding is available in 2008, because the program authority will have expired.

The statute requires the Secretary of Agriculture to provide funds to eligible agricultural producers when: (a) the current year's price of an agricultural commodity is less than 80 percent of the national average price for such commodity for the five marketing years preceding the most recent market year; and (b) increases in imports contributed importantly to the decline in the price, as determined by the Secretary.

TAA provides producers of raw commodities, who have been adversely affected by import competition, free technical assistance and cash benefits of up to \$10,000 per year.

TAA covers farmers, ranchers, fish farmers, and fishermen competing with imported aquaculture products. It does not cover the forest products industry.

Object Classification (in millions of dollars)				
Identification code 12-2900-0-1-352	2006 actual	2007 est.	2008 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	64	66	68
11.3	Other than full-time permanent	4	4	4
11.5	Other personnel compensation	1	1	1
11.8	Special personal services payments	3	3	3
11.9	Total personnel compensation	72	74	76
12.1	Civilian personnel benefits	24	24	25
21.0	Travel and transportation of persons	8	8	8
22.0	Transportation of things	1	1	1
23.2	Rental payments to others	6	6	6
23.3	Communications, utilities, and miscellaneous charges	1	1	1
24.0	Printing and reproduction	1	1	1
25.2	Other services	32	32	51
25.8	Subsistence and support of persons	1	1	1
26.0	Supplies and materials	1	1	1
31.0	Equipment	3	1	1
41.0	Grants, subsidies, and contributions	1	1	1
99.0	Direct obligations	151	151	173
99.0	Reimbursable obligations	97	97	97
99.9	Total new obligations	248	248	270

Employment Summary				
Identification code 12-2900-0-1-352	2006 actual	2007 est.	2008 est.	
Direct:				
1001	Civilian full-time equivalent employment	738	784	784
Reimbursable:				
2001	Civilian full-time equivalent employment	220	220	220

TRADE ADJUSTMENT ASSISTANCE FOR FARMERS

Program and Financing (in millions of dollars)

Identification code 12-1406-0-1-351	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01	Payment to liquidating account	3	3
00.02	Trade adjustment assistance for farmers	3	3
10.00	Total new obligations (object class 25.2)	6	6
Budgetary resources available for obligation:			
22.00	New budget authority (gross)	90	90
23.95	Total new obligations	-6	-6

FOREIGN ASSISTANCE PROGRAMS

USDA has multiple food aid programs that provide U.S. commodities, technical and financial assistance to address hunger and malnutrition needs worldwide. USDA, working with USAID, delivers food aid programs to meet emergency needs and fosters economic development activities to alleviate global food insecurity.

Included in this category are the following activities carried out under the Agricultural Trade Development and Assistance Act of 1954, Public Law 480, 83rd Congress, as amended (P.L. 480): Financing sales of agricultural commodities to developing countries for dollars on credit terms, or for local currencies (including for local currencies on credit terms) for use under sec. 104 (title I); for dispositions abroad (titles II and III); and for furnishing commodities to carry out the Food for Progress Act of 1985, as amended. Agreements may provide for commodities to be made available on a multi-year basis. During 2003, USDA began implementation of the McGovern-Dole International Food for Education and Child Nutrition Program authorized by the 2002 Farm Bill. USDA also has a commodity reserve in the Bill Emerson Humanitarian Trust for unanticipated, emergency food aid needs.

SUMMARY OF FOOD ASSISTANCE PROGRAMMING

(In millions of dollars)

	2006 actual	2007 est.	2008 est.
McGovern-Dole International Food for Education and Child Nutrition (budget authority)	97	98	100
Public Law 480			
Title I Credit (budget authority)	50	0	0

SUMMARY OF FOOD ASSISTANCE PROGRAMMING—Continued

[In millions of dollars]

	2006 actual	2007 est.	2008 est.
Title II Grants (budget authority)	1,489	1,223	1,219
Food for Progress			
CCC Funded	131	151	163
P.L. 480 Title I Funded (budget authority)	73	39	0
CCC Surplus Commodity Donations (416)	3	0	0
Bill Emerson Humanitarian Trust	0	*	*

*Up to 500,000 metric tons are available annually for unanticipated emergency food assistance.

Miscellaneous funds are received from other Federal agencies, international organizations, and developing countries, for USDA development assistance and international research projects (22 U.S.C. 2392).

McGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM GRANTS

For necessary expenses to carry out the provisions of section 3107 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736o-1), \$100,000,000, to remain available until expended: Provided, That the Commodity Credit Corporation is authorized to provide the services, facilities, and authorities for the purpose of implementing such section, subject to reimbursement from amounts provided herein.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-2903-0-1-151	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 McGovern-Dole International Food for Education & Child Nutrition Program	99	98	100
09.00 Reimbursable program	5	5	5
10.00 Total new obligations	99	103	105
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	1
22.00 New budget authority (gross)	99	103	105
23.90 Total budgetary resources available for obligation	100	104	106
23.95 Total new obligations	-99	-103	-105
24.40 Unobligated balance carried forward, end of year	1	1	1
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	100	98	100
40.35 Appropriation permanently reduced	-1		
43.00 Appropriation (total discretionary)	99	98	100
Mandatory:			
69.00 Spending authority from offsetting collections: Offsetting collections (cash)		5	5
70.00 Total new budget authority (gross)	99	103	105
Change in obligated balances:			
72.40 Obligated balance, start of year	1	2	2
73.10 Total new obligations	99	103	105
73.20 Total outlays (gross)	-98	-103	-105
74.40 Obligated balance, end of year	2	2	2
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	98	98	100
86.97 Outlays from new mandatory authority		5	5
87.00 Total outlays (gross)	98	103	105
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources		-5	-5
Net budget authority and outlays:			
89.00 Budget authority	99	98	100

90.00 Outlays	98	98	100
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The Farm Security and Rural Investment Act of 2002 (Public Law 107-171) authorizes the McGovern-Dole International Food for Education and Child Nutrition Program. The program provides for the donation of U.S. agricultural commodities and associated technical and financial assistance to carry out preschool and school feeding programs in foreign countries in order to improve food security, reduce the incidence of hunger and malnutrition, and improve literacy and primary education. Maternal, infant, and child nutrition programs also are authorized.

Object Classification (in millions of dollars)

Identification code 12-2903-0-1-151	2006 actual	2007 est.	2008 est.
41.0 Direct obligations: Grants, subsidies, and contributions	99	98	100
99.0 Reimbursable obligations: reimbursable obligations		5	5
99.9 Total new obligations	99	103	105

PUBLIC LAW 480 TITLE I OCEAN FREIGHT DIFFERENTIAL GRANTS

Program and Financing (in millions of dollars)

Identification code 12-2271-0-1-351	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 P.L. 480 grant—Title I: Ocean freight differential (OFD)	7		
09.01 Reimbursable program	11	10	10
10.00 Total new obligations	18	10	10
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	37	17	26
22.00 New budget authority (gross)	-2	19	19
23.90 Total budgetary resources available for obligation	35	36	45
23.95 Total new obligations	-18	-10	-10
24.40 Unobligated balance carried forward, end of year	17	26	35
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	12		
40.36 Unobligated balance permanently reduced	-35		
43.00 Appropriation (total discretionary)	-23		
Mandatory:			
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	21	19	19
70.00 Total new budget authority (gross)	-2	19	19
Change in obligated balances:			
72.40 Obligated balance, start of year	13	15	23
73.10 Total new obligations	18	10	10
73.20 Total outlays (gross)	-16	-2	-17
74.40 Obligated balance, end of year	15	23	16
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	7	-9	-1
86.97 Outlays from new mandatory authority	9	11	11
86.98 Outlays from mandatory balances			7
87.00 Total outlays (gross)	16	2	17
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-21	-19	-19
Net budget authority and outlays:			
89.00 Budget authority	-23		
90.00 Outlays	-5	-17	-2

This account funds the title I ocean freight differential program. No funding is requested for 2008.

Object Classification (in millions of dollars)

Identification code 12-2271-0-1-351	2006 actual	2007 est.	2008 est.
41.0 Direct obligations: Grants, subsidies, and contributions	7		
99.0 Reimbursable obligations: reimbursable obligations	11	10	10
99.9 Total new obligations	18	10	10

PUBLIC LAW 480 TITLE II GRANTS

For expenses during the current fiscal year, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, for commodities supplied in connection with dispositions abroad under title II of said Act, \$1,219,400,000, to remain available until expended: Provided, That if the Administrator of the United States Agency for International Development determines it to be appropriate, up to 25 percent of the funds appropriated under this heading may be used, notwithstanding any other provision of law, for the local or regional purchase and distribution of food to assist people threatened by a food security crisis. (7 U.S.C. 1691, 1721-26a, 1727-27e, 1731-36g-3, 1737, 2209b.)

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-2278-0-1-151	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.02 Title II	1,632	1,223	1,219
09.01 Reimbursable program	141	82	124
10.00 Total new obligations	1,773	1,305	1,343
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	51	81	81
22.00 New budget authority (gross)	1,710	1,305	1,343
22.10 Resources available from recoveries of prior year obligations	93		
23.90 Total budgetary resources available for obligation	1,854	1,386	1,424
23.95 Total new obligations	-1,773	-1,305	-1,343
24.40 Unobligated balance carried forward, end of year	81	81	81
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,500	1,223	1,219
40.35 Appropriation permanently reduced	-11		
43.00 Appropriation (total discretionary)	1,489	1,223	1,219
Mandatory:			
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	221	82	124
70.00 Total new budget authority (gross)	1,710	1,305	1,343
Change in obligated balances:			
72.40 Obligated balance, start of year	1,042	1,207	1,179
73.10 Total new obligations	1,773	1,305	1,343
73.20 Total outlays (gross)	-1,515	-1,333	-1,296
73.45 Recoveries of prior year obligations	-93		
74.40 Obligated balance, end of year	1,207	1,179	1,226
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	517	642	640
86.93 Outlays from discretionary balances	858	571	550
86.97 Outlays from new mandatory authority	79	79	92
86.98 Outlays from mandatory balances	61	41	14
87.00 Total outlays (gross)	1,515	1,333	1,296
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-221	-82	-124
Net budget authority and outlays:			
89.00 Budget authority	1,489	1,223	1,219

90.00 Outlays	1,294	1,251	1,172
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Summary of Budget Authority and Outlays

(in millions of dollars)	2006 actual	2007 est.	2008 est.
Enacted/requested:			
Budget Authority	1,489	1,223	1,219
Outlays	1,294	1,251	1,172
Supplemental proposal:			
Budget Authority		350	
Outlays		184	107
Total:			
Budget Authority	1,489	1,573	1,219
Outlays	1,294	1,435	1,279

This account funds the non-credit components of Public Law 480. Under Title II, agricultural commodities are furnished to meet famine or other emergency relief needs, combat malnutrition, carry out activities to alleviate the causes of hunger, mortality and morbidity, promote economic and community development, promote sound environmental practices, and carry out feeding programs. Agricultural commodities are provided through governments for emergencies only, and for non-emergencies through public and private agencies, including intergovernmental organizations.

The Commodity Credit Corporation (Corporation) is authorized to pay the costs of acquisition, packaging, processing, enrichment, preservation, fortification, transportation, handling, and other incidental costs incurred up to the time of delivery at U.S. ports. The Corporation also pays ocean freight charges, and pays transportation costs to points of entry other than ports in the case of landlocked countries, where carriers to a specific country are not available, where ports cannot be used effectively, or where a substantial savings in costs or time can be effected, and pays general average contributions arising from ocean transport. In addition, transportation costs from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs may be paid for commodities made available under this title for non-emergency assistance for least-developed countries and for urgent and extraordinary relief.

The program is administered by the U.S. Agency for International Development.

In addition, the request includes language that would authorize the use of up to 25 percent of the P.L. 480 Title II funds for the local or regional purchase and distribution of food to assist people threatened by a food security crisis. In particular, the language is intended to authorize the Administrator of USAID, when deemed appropriate, to procure food locally or regionally from developing countries (in accordance with the OECD Development Assistance Committee List of ODA Recipients) and to distribute such food in response to a food security crisis. This would permit USAID to provide food assistance in the most timely and efficient manner to the most critical emergency food crises. This authority would be used in those instances where the rapid use of cash assistance is critical to saving lives.

Object Classification (in millions of dollars)

Identification code 12-2278-0-1-151	2006 actual	2007 est.	2008 est.
41.0 Direct obligations: Grants, subsidies, and contributions	1,632	1,223	1,219
99.0 Reimbursable obligations: reimbursable obligations	141	82	124
99.9 Total new obligations	1,773	1,305	1,343

PUBLIC LAW 480 TITLE I DIRECT CREDIT AND FOOD FOR PROGRESS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For administrative expenses to carry out the credit program of title I, Public Law 83-480 \$2,761,000, to be transferred to and merged with the appropriation for "Farm Service Agency, Salaries and Expenses".

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-2277-0-1-351	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Direct credit subsidy	27		
00.05 Re-estimates of subsidy		8	
00.06 Interest on re-estimates		5	
00.09 Administrative expenses	3	3	3
00.10 Food for Progress Grants	97	39	
10.00 Total new obligations	127	55	3
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	88	39	
22.00 New budget authority (gross)	78	16	3
23.90 Total budgetary resources available for obligation	166	55	3
23.95 Total new obligations	-127	-55	-3
24.40 Unobligated balance carried forward, end of year	39		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	65		
40.00 Appropriation	3	3	3
40.35 Appropriation permanently reduced	-1		
43.00 Appropriation (total discretionary)	67	3	3
58.00 Spending authority from offsetting collections: Offsetting collections (cash)	11		
Mandatory:			
60.00 Appropriation		13	
70.00 Total new budget authority (gross)	78	16	3
Change in obligated balances:			
72.40 Obligated balance, start of year	76	118	79
73.10 Total new obligations	127	55	3
73.20 Total outlays (gross)	-85	-94	-39
74.40 Obligated balance, end of year	118	79	43
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	2	3	3
86.93 Outlays from discretionary balances	83	78	36
86.97 Outlays from new mandatory authority		13	
87.00 Total outlays (gross)	85	94	39
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-11		
Net budget authority and outlays:			
89.00 Budget authority	67	16	3
90.00 Outlays	74	94	39

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

Identification code 12-2277-0-1-351	2006 actual	2007 est.	2008 est.
Direct loan levels supportable by subsidy budget authority:			
115001 P. L. 480 title I loans	39		
115999 Total direct loan levels	39		
Direct loan subsidy (in percent):			
132001 P. L. 480 title I loans	67.92	0.00	0.00
132999 Weighted average subsidy rate	67.92	0.00	0.00
Direct loan subsidy budget authority:			

133001 P. L. 480 title I loans	27		
133999 Total subsidy budget authority	27		
Direct loan subsidy outlays:			
134001 P. L. 480 title I loans	21		
134999 Total subsidy outlays	21		
Direct loan upward reestimates:			
135001 P. L. 480 title I loans		13	
135999 Total upward reestimate budget authority		13	
Direct loan downward reestimates:			
137001 P. L. 480 title I loans	-415	-66	
137999 Total downward reestimate budget authority	-415	-66	

Administrative expense data:

3510 Budget authority	3	3	3
3590 Outlays from new authority	3	3	3

As required by the Federal Credit Reform Act of 1990, this account records, for the P.L. 480 Program, the subsidy costs associated with the direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligation in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses and grants are estimated on a cash basis. The current balance of Title I debt owed to USDA is \$8.1 billion. No additional funding is requested for new Title I loans in 2008. Food for Progress grants will continue to be funded from the Commodity Credit Corporation.

Object Classification (in millions of dollars)

Identification code 12-2277-0-1-351	2006 actual	2007 est.	2008 est.
Direct obligations:			
25.3 Other purchases of goods and services from Government accounts	3	3	3
41.0 Grants, subsidies, and contributions	124	52	
99.9 Total new obligations	127	55	3

P.L. 480 DIRECT CREDIT FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4049-0-3-351	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Direct loans	39		
00.02 Interest on Treasury borrowing	103	55	50
00.91 Direct Program by Activities—Subtotal (1 level)	142	55	50
08.02 Payment of downward reestimate to receipt account	239	34	
08.04 Payment of interest on downward reestimate to receipt account	176	32	
08.91 Direct Program by Activities—Subtotal (1 level)	415	66	
10.00 Total new obligations	557	121	50
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1,458	625	540
22.00 New financing authority (gross)	702	286	263
22.60 Portion applied to repay debt	-978	-250	-250
23.90 Total budgetary resources available for obligation	1,182	661	553
23.95 Total new obligations	-557	-121	-50
24.40 Unobligated balance carried forward, end of year	625	540	503
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	437	55	50
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	265	231	213
70.00 Total new financing authority (gross)	702	286	263

Change in obligated balances:				
72.40	Obligated balance, start of year	-41	-41	-87
73.10	Total new obligations	557	121	50
73.20	Total financing disbursements (gross)	-557	-167	-156
74.40	Obligated balance, end of year	-41	-87	-193
Outlays (gross), detail:				
87.00	Total financing disbursements (gross)	557	167	156
Offsets:				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Payments from program account	-21	-13	.....
88.25	Interest on uninvested funds	-38	-37	-37
88.40	Interest received on loans	-206	-42	-37
88.40	Principal received on loans .....	.....	-139	-139
88.90	Total, offsetting collections (cash)	-265	-231	-213
Net financing authority and financing disbursements:				
89.00	Financing authority	437	55	50
90.00	Financing disbursements	292	-64	-57

Status of Direct Loans (in millions of dollars)

Identification code 12-4049-0-3-351	2006 actual	2007 est.	2008 est.	
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans	39	.....	.....
1150	Total direct loan obligations	39	.....	.....
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	2,273	2,166	2,027
1231	Disbursements: Direct loan disbursements	39	.....	.....
Repayments:				
1251	Repayments and prepayments	-154	-139	-139
1251	Loans transferred to debt reduction financing fund .....	.....	.....	.....
Write-offs for default:				
1263	Direct loans .....	.....	.....	.....
1264	Other adjustments, net	8	.....	.....
1290	Outstanding, end of year	2,166	2,027	1,888

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

Balance Sheet (in millions of dollars)

Identification code 12-4049-0-3-351	2005 actual	2006 actual	
ASSETS:			
Federal assets:			
1101	Fund balances with Treasury	865	32
Investments in US securities:			
1106	Receivables, net	43	50
Net value of assets related to post-1991 direct loans receivable:			
1401	Direct loans receivable, gross	2,273	2,166
1402	Interest receivable	78	33
1405	Allowance for subsidy cost (-)	-1,028	-1,003
1499	Net present value of assets related to direct loans	1,323	1,196
1999	Total assets	2,231	1,278
LIABILITIES:			
Federal liabilities:			
2101	Accounts payable	413	43
2102	Interest payable	43	43
2103	Debt	42	.....
2104	Resources payable to Treasury	1,733	1,192
2999	Total liabilities	2,231	1,278
4999	Total liabilities and net position	2,231	1,278

DEBT REDUCTION—FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4143-0-3-351	2006 actual	2007 est.	2008 est.	
Obligations by program activity:				
00.02	Interest to Treasury	11	18	18
08.02	Payment of downward reestimate to receipt account	17	4	.....
08.03	Payments to financing and liquidating account for debt reduction .....	.....	10	35
08.04	Payment of interest on downward reestimate to receipt account	1	3	.....
08.91	Direct Program by Activities—Subtotal (1 level)	18	17	35
10.00	Total new obligations	29	35	53
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	54	80	89
22.00	New financing authority (gross)	108	44	53
22.60	Portion applied to repay debt	-53	.....	.....
23.90	Total budgetary resources available for obligation	109	124	142
23.95	Total new obligations	-29	-35	-53
24.40	Unobligated balance carried forward, end of year	80	89	89
New financing authority (gross), detail:				
Mandatory:				
67.10	Authority to borrow	19	18	18
Spending authority from offsetting collections:				
69.00	Offsetting collections (cash)	134	42	51
69.47	Portion applied to repay debt	-45	-16	-16
69.90	Spending authority from offsetting collections (total mandatory)	89	26	35
70.00	Total new financing authority (gross)	108	44	53
Change in obligated balances:				
73.10	Total new obligations	29	35	53
73.20	Total financing disbursements (gross)	-29	-35	-53
74.40	Obligated balance, end of year .....	.....	.....	.....
Outlays (gross), detail:				
87.00	Total financing disbursements (gross)	29	35	53
Offsets:				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Federal sources—Subsidy from Debt account	-117	-26	-35
88.25	Interest on uninvested funds	-2	-2	-2
88.40	Loan Repayments—Principal	-15	-10	-10
88.40	Loan Repayments—Interest .....	.....	-4	-4
88.90	Total, offsetting collections (cash)	-134	-42	-51
Net financing authority and financing disbursements:				
89.00	Financing authority	-26	2	2
90.00	Negative subsidy BA total [11-0091]	-106	-7	2

Status of Direct Loans (in millions of dollars)

Identification code 12-4143-0-3-351	2006 actual	2007 est.	2008 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	521	382	382
1233	Disbursements: Purchase of loans assets from a liquidating account .....	.....	10	35
1251	Repayments: Repayments and prepayments	-9	-10	-10
1261	Adjustments: Capitalized interest .....	.....	.....	.....
1263	Write-offs for default: Direct loans	-130	.....	.....
1290	Outstanding, end of year	382	382	407

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

DEBT REDUCTION—FINANCING ACCOUNT—Continued

Balance Sheet (in millions of dollars)

Identification code 12-4143-0-3-351	2005 actual	2006 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	34	59
Investments in US securities:		
1106 Receivables, net	134	25
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	521	382
1402 Interest receivable	22	1
1405 Allowance for subsidy cost (-)	-363	-246
1499 Net present value of assets related to direct loans	180	137
1999 Total assets	348	221
LIABILITIES:		
Federal liabilities:		
2101 Accounts payable	82	.....
2102 Interest payable	19	35
2104 Resources payable to Treasury	246	166
2105 Other	1	20
2999 Total liabilities	348	221
4999 Total liabilities and net position	348	221

EXPENSES, PUBLIC LAW 480, FOREIGN ASSISTANCE PROGRAMS,
AGRICULTURE LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-2274-0-1-151	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Expenses, Public Law 480, Foreign Assistance Programs	2	2	2
10.00 Total new obligations (object class 41.0)	2	2	2
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	43	53	.....
22.00 New budget authority (gross)	12	67	2
22.40 Capital transfer to general fund .....	.....	-118	.....
23.90 Total budgetary resources available for obligation	55	2	2
23.95 Total new obligations	-2	-2	-2
24.40 Unobligated balance carried forward, end of year	53	.....	.....
New budget authority (gross), detail:			
Mandatory:			
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash) (Principal and interest)	423	461	377
69.27 Capital transfer to general fund	-411	-394	-375
69.90 Spending authority from offsetting collections (total mandatory)	12	67	2
Change in obligated balances:			
73.10 Total new obligations	2	2	2
73.20 Total outlays (gross)	-3	-2	-2
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	3	2	2
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.40 Principal Collections	-423	-323	-267
88.40 Interest Collections .....	.....	-138	-110
88.90 Total, offsetting collections (cash)	-423	-461	-377
Net budget authority and outlays:			
89.00 Budget authority	-411	-394	-375
90.00 Outlays	-420	-459	-375

Status of Direct Loans (in millions of dollars)

Identification code 12-2274-0-1-151	2006 actual	2007 est.	2008 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	5,909	5,600	5,139
1251 Repayments: Repayments and prepayments	-295	-461	-377
1261 Adjustments: Capitalized interest .....	.....	.....	.....
Write-offs for default:			
1263 Direct loans .....	.....	.....	.....
1264 Other adjustments, net	-14	.....	.....
1290 Outstanding, end of year	5,600	5,139	4,762

Financing sales of agricultural commodities to developing countries for dollars on credit terms, or for local currencies (including for local currencies on credit terms) for use under sec. 104; and for furnishing commodities to carry out the Food for Progress Act of 1985, as amended (title I).—Funds appropriated for P.L. 480 are used to finance all sales made pursuant to agreements concluded under the authority of Title I. No 2008 funding is requested for new direct credit under Title I; however, funding for administrative expenses associated with managing the existing loan portfolio is requested. No funding is requested for Title I ocean freight differential for 2008.

Financing sales of agricultural commodities for dollars on credit terms (title I).—Sales are made to developing countries as defined in section 402(4) of P.L. 480 and must not displace expected commercial sales (secs. 403(e) and (h)). Agreements are made with developing countries for delivery in accordance with the terms of the agreement.

Payment by developing countries or private entities may be made over a period of not more than 30 years with a deferral of principal payments for up to 5 years. Interest accrues at a concessional rate as determined appropriate.

Section 411 of P.L. 480 authorizes the President to waive payments of principal and interest under dollar credit sales agreements for countries that meet certain enumerated requirements. Such debt relief may be provided only if the President notifies Congress and may not exceed the amount approved for such purpose in an Act appropriating funds to carry out P.L. 480.

Financing sales of agricultural commodities for local currency, including for local currency on credit terms.—Payment by a recipient country may be made in local currencies for use in carrying out activities under section 104 of P.L. 480.

Foreign currency received in payment for credit extended may be used for payment of U.S. obligations abroad, subject to the appropriation process. The P.L. 480 program is reimbursed for the dollar value of currencies so used.

The financing of sales of agricultural commodities for local currencies on credit terms is subject to the same terms that are applicable to dollar credit financing.

Furnishing commodities to carry out the Food for Progress Act of 1985, as amended (title I).—Funds appropriated to carry out title I may be used to furnish commodities to carry out the Food for Progress Act of 1985. Such commodities may be furnished on credit terms or on a grant basis in order to assist developing countries and countries that are emerging democracies that have made a commitment to introduce and expand free enterprise elements in their agricultural economies.

Commodities supplied in connection with dispositions abroad (title II).—Under title II, agricultural commodities are furnished to meet famine or other emergency relief needs, combat malnutrition, carry out activities to alleviate the causes of hunger, mortality and morbidity, promote economic and community development, promote sound environmental practices, and carry out feeding programs. Agricultural commodities are provided through governments for emergencies only, and for non-emergencies through public and private agencies, including intergovernmental organizations.

The Corporation is authorized to pay the costs of acquisition, packaging, processing, enrichment, preservation, fortification, transportation, handling, and other incidental costs incurred up to the time of delivery at U.S. ports. The Corporation also pays ocean freight charges, and pays transportation costs to points of entry other than ports in the case of landlocked countries, where carriers to a specific country are not available, where ports cannot be used effectively, or where a substantial savings in costs or time can be effected, and pays general average contributions arising from ocean transport. In addition, transportation costs from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs may be paid for commodities made available to meet urgent and extraordinary relief requirements. P.L. 480 funds reimburse the Corporation for all of the cost items authorized above.

Balance Sheet (in millions of dollars)

Identification code 12-2274-0-1-151	2005 actual	2006 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	43	52
1601 Direct loans, gross	5,909	5,600
1602 Interest receivable	715	68
1603 Allowance for estimated uncollectible loans and interest (-)	-2,588	-2,567
1699 Value of assets related to direct loans	4,036	3,101
1999 Total assets	4,079	3,153
LIABILITIES:		
2104 Federal liabilities: Resources payable to Treasury	3,387	3,146
2207 Non-Federal liabilities: Other	692	7
2999 Total liabilities	4,079	3,153
4999 Total liabilities and net position	4,079	3,153

FOOD AND NUTRITION SERVICE

Federal Funds

NUTRITION PROGRAMS ADMINISTRATION

For necessary administrative expenses of the domestic nutrition assistance programs funded under this Act, \$148,926,000.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-3508-0-1-605	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
Direct program:			
00.01 Nutrition programs administration	140	140	149
00.03 Congressional hunger center fellowships	2	2	
09.01 Reimbursable administrative services provided to Federal agencies	1	1	1
10.00 Total new obligations	143	143	150
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	143	143	150
23.95 Total new obligations	-143	-143	-150
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	143	142	149
40.35 Appropriation permanently reduced	-1		
43.00 Appropriation (total discretionary)	142	142	149
58.00 Spending authority from offsetting collections: Offsetting collections (cash)	1	1	1
70.00 Total new budget authority (gross)	143	143	150
Change in obligated balances:			
72.40 Obligated balance, start of year	29	29	22
73.10 Total new obligations	143	143	150

73.20 Total outlays (gross)	-142	-150	-149
73.40 Adjustments in expired accounts (net)	-1		
74.40 Obligated balance, end of year	29	22	23
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	121	121	127
86.93 Outlays from discretionary balances	21	29	22
87.00 Total outlays (gross)	142	150	149
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-1	-1	-1
Net budget authority and outlays:			
89.00 Budget authority	142	142	149
90.00 Outlays	141	149	148

This account funds the majority of the Federal operating expenses of the Food and Nutrition Service and the Center for Nutrition Policy and Promotion.

Object Classification (in millions of dollars)

Identification code 12-3508-0-1-605	2006 actual	2007 est.	2008 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	91	91	96
11.3 Other than full-time permanent	1	1	1
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	93	93	98
12.1 Civilian personnel benefits	22	22	23
21.0 Travel and transportation of persons	2	2	2
23.3 Communications, utilities, and miscellaneous charges	2	2	2
25.2 Other services	19	19	23
26.0 Supplies and materials	2	2	1
41.0 Grants, subsidies, and contributions	2	2	
99.0 Direct obligations	142	142	149
99.0 Reimbursable obligations	1	1	1
99.9 Total new obligations	143	143	150

Employment Summary

Identification code 12-3508-0-1-605	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	1,194	1,141	1,141

FOOD STAMP PROGRAM

For necessary expenses to carry out the Food Stamp Act (7 U.S.C. 2011 et seq.), \$39,838,223,000, of which \$3,000,000,000 to remain available through September 30, 2009, shall be placed in reserve for use only in such amounts and at such times as may become necessary to carry out program operations: Provided, That funds provided herein shall be expended in accordance with section 16 of the Food Stamp Act: Provided further, That this appropriation shall be subject to any work registration or workfare requirements as may be required by law: Provided further, That funds made available for Employment and Training under this heading shall remain available until expended, as authorized by section 16(h)(1) of the Food Stamp Act: Provided further, That immediately upon termination of the Commodity Supplemental Food Program (CSFP), notwithstanding section 5 of the Food Stamp Act, CSFP participants who are 60 years of age or older and not already receiving food stamp benefits, shall be eligible to receive food stamp benefits equaling \$20 per month either for six months or until they are determined eligible under section 5 of the Act and begin to participate in the Food Stamp Program, whichever occurs first.

For making after May 31 of the current fiscal year, benefit payments to individuals and payments to States or other non-Federal entities for the necessary current year expenses of carrying out the Food Stamp Act above the anticipated level, such sums as may be necessary.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution

FOOD STAMP PROGRAM—Continued

(P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-3505-0-1-605	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Benefits issued	30,123	30,444	31,909
00.02 State administration	2,455	2,551	2,662
00.03 Employment and training program	323	316	324
00.04 Other program costs	58	60	66
00.05 Nutrition Assistance for Puerto Rico	1,518	1,551	1,615
00.06 Food distribution program on Indian reservations (Commodities in lieu of food stamps)	54	51	51
00.07 Food distribution program on Indian reservations (Co- operator administrative expense)	25	27	29
00.08 The emergency food assistance program (commod- ities)	140	140	140
00.09 Modified food stamp program in American Samoa	6	6	6
00.10 Community food project	5	5	5
00.11 Commonwealth of the Northern Mariana Islands	8	9	9
00.13 Program access	5	5	5
00.14 Disregard special military pays for deployed	1	1	.....
00.15 CSFP transitional benefit .....	.....	.....	22
09.01 Reimbursable program	24	35	35
10.00 Total new obligations	34,745	35,201	36,878
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2,042	3,033	3,018
22.00 New budget authority (gross)	40,748	38,186	39,873
22.10 Resources available from recoveries of prior year obli- gations	11	.....	.....
23.90 Total budgetary resources available for obligation	42,801	41,219	42,891
23.95 Total new obligations	-34,745	-35,201	-36,878
23.98 Unobligated balance expiring or withdrawn	-5,023	-3,000	-3,000
24.40 Unobligated balance carried forward, end of year	3,033	3,018	3,013
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	17	10	45
Mandatory:			
60.00 Appropriation	40,694	38,141	39,793
60.36 Unobligated balance permanently reduced	-11	.....	.....
62.50 Appropriation (total mandatory)	40,683	38,141	39,793
69.00 Spending authority from offsetting collections: Off- setting collections (cash)	48	35	35
70.00 Total new budget authority (gross)	40,748	38,186	39,873
Change in obligated balances:			
72.40 Obligated balance, start of year	1,629	1,491	1,093
73.10 Total new obligations	34,745	35,201	36,878
73.20 Total outlays (gross)	-34,677	-35,599	-36,864
73.40 Adjustments in expired accounts (net)	-195	.....	.....
73.45 Recoveries of prior year obligations	-11	.....	.....
74.40 Obligated balance, end of year	1,491	1,093	1,107
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	9	14	35
86.93 Outlays from discretionary balances	9	7	7
86.97 Outlays from new mandatory authority	33,039	34,093	35,699
86.98 Outlays from mandatory balances	1,620	1,485	1,123
87.00 Total outlays (gross)	34,677	35,599	36,864
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-57	-35	-35
Against gross budget authority only:			
88.96 Portion of offsetting collections (cash) credited to expired accounts	9	.....	.....
Net budget authority and outlays:			
89.00 Budget authority	40,700	38,151	39,838
90.00 Outlays	34,620	35,564	36,829

Summary of Budget Authority and Outlays

(in millions of dollars)

	2006 actual	2007 est.	2008 est.
Enacted/requested:			
Budget Authority	40,700	38,151	39,838
Outlays	34,620	35,564	36,829
Legislative proposal, subject to PAYGO:			
Budget Authority .....	.....	.....	-12
Outlays .....	.....	.....	-11
Total:			
Budget Authority	40,700	38,151	39,826
Outlays	34,620	35,564	36,818

The Food Stamp Program is the primary source of nutrition assistance for low-income Americans.

This account also includes funds for a grant to Puerto Rico to administer a low-income nutrition assistance program, in lieu of the Food Stamp Program; funds to carry out the Emergency Food Assistance Act of 1983; and funds for food distribution and administrative expenses for Native Americans under section 4(b) of the Food Stamp Act.

Food Stamp Program costs are not fully predictable. In the event that actual program needs exceed budget estimates, the Budget provides a \$3 billion contingency reserve. The Budget also proposes indefinite funding authority which would make funds available in the last four months of the fiscal year if program needs exceed the anticipated level.

The Budget also provides temporary transitional benefits to help elderly households transition from the Commodity Supplemental Food Program to the Food Stamp Program.

Object Classification (in millions of dollars)

Identification code 12-3505-0-1-605	2006 actual	2007 est.	2008 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	6	6	9
12.1 Civilian personnel benefits	1	1	1
21.0 Travel and transportation of persons	2	2	2
23.3 Communications, utilities, and miscellaneous charges	3	3	3
24.0 Printing and reproduction	1	1	2
25.2 Other services	44	47	49
26.0 Supplies and materials	185	181	181
31.0 Equipment	1	1	1
41.0 Grants, subsidies, and contributions	34,478	34,924	36,595
99.0 Direct obligations	34,721	35,166	36,843
99.0 Reimbursable obligations	24	35	35
99.9 Total new obligations	34,745	35,201	36,878

Employment Summary

Identification code 12-3505-0-1-605	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	67	68	98

FOOD STAMP PROGRAM

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12-3505-4-1-605	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
Direct program:			
00.01 Benefits issued	-12
10.00 Total new obligations (object class 41.0)	-12
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	-12
23.95 Total new obligations	12
24.40 Unobligated balance carried forward, end of year
New budget authority (gross), detail:			
Mandatory:			

60.00	Appropriation	-12
Change in obligated balances:		
73.10	Total new obligations	-12
73.20	Total outlays (gross)	11
74.40	Obligated balance, end of year	-1
Outlays (gross), detail:		
86.97	Outlays from new mandatory authority	-11
Net budget authority and outlays:		
89.00	Budget authority	-12
90.00	Outlays	-11

This schedule shows the net effects of the following legislative proposals. The Budget proposes to exclude all retirement and education savings accounts when determining if a household is eligible for food stamp benefits. It also proposes to limit Food Stamp categorical eligibility status to households which receive Supplemental Security Income or Temporary Assistance for Needy Families cash assistance. Finally, the Budget proposes to exclude combat-related military pay when determining if a household is eligible for food stamp benefits. This policy ensures that the families of the Nation's servicemen and women do not lose food stamp benefits when their family member serves in combat.

CHILD NUTRITION PROGRAMS
(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the National School Lunch Act (42 U.S.C. 1751 et seq.), except section 21, and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), except sections 17 and 21; \$13,897,272,000, to remain available through September 30, 2009, of which \$7,592,797,000 is hereby appropriated and \$6,304,475,000 shall be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c): Provided, That up to \$5,505,000 shall be available for independent verification of school food service claims.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-3539-0-1-605	2006 actual	2007 est.	2008 est.	
Obligations by program activity:				
00.01	Above 185 of poverty	468	489	510
00.02	130-185 of poverty	951	998	1,040
00.03	Below 130 of poverty	6,149	6,368	6,631
00.91	Subtotal, school lunch program	7,568	7,855	8,181
01.01	Above 185 of poverty	71	80	85
01.02	130-185 of poverty	183	199	212
01.03	Below 130 of poverty	1,828	1,962	2,093
01.91	Subtotal, school breakfast program	2,082	2,241	2,390
02.01	Above 185 of poverty	184	184	193
02.02	130-185 of poverty	117	121	128
02.03	Below 130 of poverty	1,803	1,844	1,935
02.04	Audits	22	23	33
02.91	Subtotal, child and adult care feeding program	2,126	2,172	2,289
03.01	Summer food service program	283	294	311
03.02	Special milk program	15	14	15
03.03	State administrative expenses	156	164	176
03.04	Commodity procurement	496	476	508
03.91	Subtotal, Other mandatory activities	950	948	1,010
04.01	Team Nutrition	10	10	10
04.02	Coordinated review and CN pay costs	6	6	6
04.03	Computer support and processing	9	9	9
04.05	Food safety education	1	1	1
04.06	CACFP CRE			2
04.91	Subtotal, discretionary activities	26	26	28
05.01	Food service management institute and information clearinghouse and Reauthorization Activities	44	43	20

10.00	Total new obligations	12,796	13,285	13,918
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	52	84	3
22.00	New budget authority (gross)	12,711	13,204	13,918
22.10	Resources available from recoveries of prior year obligations	119		
23.90	Total budgetary resources available for obligation	12,882	13,288	13,921
23.95	Total new obligations	-12,796	-13,285	-13,918
23.98	Unobligated balance expiring or withdrawn	-2		
24.40	Unobligated balance carried forward, end of year	84	3	3

New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	7	13	9
Mandatory:				
60.00	Appropriation	7,510	7,440	7,585
60.00	Appropriation- Permanent Appropriation		20	20
62.00	Transferred from other accounts	5,188	5,731	6,304
62.50	Appropriation (total mandatory)	12,698	13,191	13,909
69.00	Spending authority from offsetting collections: Offsetting collections (cash)	6		
70.00	Total new budget authority (gross)	12,711	13,204	13,918

Change in obligated balances:				
72.40	Obligated balance, start of year	1,739	1,995	1,624
73.10	Total new obligations	12,796	13,285	13,918
73.20	Total outlays (gross)	-12,449	-13,656	-13,850
73.40	Adjustments in expired accounts (net)	28		
73.45	Recoveries of prior year obligations	-119		
74.40	Obligated balance, end of year	1,995	1,624	1,692

Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	4	7	5
86.93	Outlays from discretionary balances	3	3	6
86.97	Outlays from new mandatory authority	10,520	11,642	12,215
86.98	Outlays from mandatory balances	1,922	2,004	1,624
87.00	Total outlays (gross)	12,449	13,656	13,850

Offsets:				
Against gross budget authority and outlays:				
88.40	Offsetting collections (cash) from: Non-Federal sources	-12		
Against gross budget authority only:				
88.96	Portion of offsetting collections (cash) credited to expired accounts	6		

Net budget authority and outlays:				
89.00	Budget authority	12,705	13,204	13,918
90.00	Outlays	12,437	13,656	13,850

Summary of Budget Authority and Outlays

	(in millions of dollars)		
	2006 actual	2007 est.	2008 est.
Enacted/requested:			
Budget Authority	12,705	13,204	13,918
Outlays	12,437	13,656	13,850
Legislative proposal, subject to PAYGO:			
Budget Authority			-8
Outlays			-7
Total:			
Budget Authority	12,705	13,204	13,910
Outlays	12,437	13,656	13,843

Payments are made for cash and commodity meal subsidies through the School Lunch, School Breakfast, Special Milk, Summer Food Service, and Child and Adult Care Food programs.

Object Classification (in millions of dollars)

Identification code 12-3539-0-1-605	2006 actual	2007 est.	2008 est.	
Direct obligations:				
11.1	Personnel compensation: Full-time permanent	9	11	12
12.1	Civilian personnel benefits	3	3	3
21.0	Travel and transportation of persons	1	1	1

CHILD NUTRITION PROGRAMS—Continued
(INCLUDING TRANSFERS OF FUNDS)—Continued

Object Classification (in millions of dollars)—Continued

Identification code 12-3539-0-1-605	2006 actual	2007 est.	2008 est.
24.0 Printing and reproduction	3	3	7
25.2 Other services	13	13	13
26.0 Supplies and materials (Commodities)	733	733	733
41.0 Grants, subsidies, and contributions	12,034	12,521	13,149
99.9 Total new obligations	12,796	13,285	13,918

Employment Summary

Identification code 12-3539-0-1-605	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	160	155	164

CHILD NUTRITION PROGRAMS
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12-3539-4-1-605	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 School Lunch			-6
00.02 School Breakfast			-2
10.00 Total new obligations (object class 41.0)			-8
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			-8
23.95 Total new obligations			8
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation			-8
Change in obligated balances:			
73.10 Total new obligations			-8
73.20 Total outlays (gross)			7
74.40 Obligated balance, end of year			-1
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority			-7
Net budget authority and outlays:			
89.00 Budget authority			-8
90.00 Outlays			-7

This schedule shows the interactive effects of a legislative proposal to limit Food Stamp Program categorical eligibility to households which receive Supplemental Security Income or Temporary Assistance for Needy Families cash assistance.

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

For necessary expenses to carry out the special supplemental nutrition program as authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), \$5,386,597,000, to remain available through September 30, 2009, of which, such sums as are necessary to restore the contingency reserve to \$200,000,000 shall be placed in reserve, to remain available until expended, to be allocated as the Secretary deems necessary, notwithstanding section 17(i) of such Act, to support participation should cost or participation exceed budget estimates: Provided, That of the total amount available, the Secretary shall obligate not less than \$14,850,000 for a breastfeeding support initiative in addition to the activities specified in section 17(h)(3)(A): Provided further, That notwithstanding section 17(h)(10)(A) of such Act, only the provisions of section 17(h)(10)(B)(i) shall be effective in 2008; including \$13,860,000 for the purposes specified in section 17(h)(10)(B)(i): Provided further, That none of the funds in this Act shall be available to pay administrative expenses of WIC clinics except

those that have an announced policy of prohibiting smoking within the space used to carry out the program: Provided further, That none of the funds provided in this account shall be available for the purchase of infant formula except in accordance with the cost containment and competitive bidding requirements specified in section 17 of such Act: Provided further, That notwithstanding Section 17(h)(1)(B) of the Child Nutrition Act of 1966, the amount of the national average per participant grant shall be not more than \$14.12: Provided further, That none of the funds made available under this heading may be used to provide WIC benefits to an individual who receives medical assistance under title XIX of the Social Security Act, or is a member of a family in which a pregnant woman or an infant receives assistance unless such individual's family income is below 250 percent of the applicable nonfarm income poverty limits: Provided further, That none of the funds provided shall be available for activities that are not fully reimbursed by other Federal Government departments or agencies unless authorized by section 17 of such Act.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-3510-0-1-605	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Base grants	5,363	5,463	5,477
10.00 Total new obligations (object class 41.0)	5,363	5,463	5,477
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	159	162	34
22.00 New budget authority (gross)	5,176	5,169	5,387
22.10 Resources available from recoveries of prior year obligations	192	166	115
23.90 Total budgetary resources available for obligation	5,527	5,497	5,536
23.95 Total new obligations	-5,363	-5,463	-5,477
23.98 Unobligated balance expiring or withdrawn	-2		
24.40 Unobligated balance carried forward, end of year	162	34	59
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	5,257	5,169	5,387
40.35 Appropriation permanently reduced	-53		
40.36 Unobligated balance permanently reduced	-32		
43.00 Appropriation (total discretionary)	5,172	5,169	5,387
58.00 Spending authority from offsetting collections: Offsetting collections (cash)	4		
70.00 Total new budget authority (gross)	5,176	5,169	5,387
Change in obligated balances:			
72.40 Obligated balance, start of year	519	624	749
73.10 Total new obligations	5,363	5,463	5,477
73.20 Total outlays (gross)	-5,060	-5,172	-5,319
73.40 Adjustments in expired accounts (net)	-6		
73.45 Recoveries of prior year obligations	-192	-166	-115
74.40 Obligated balance, end of year	624	749	792
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	4,457	4,737	4,887
86.93 Outlays from discretionary balances	603	435	432
87.00 Total outlays (gross)	5,060	5,172	5,319
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-4		
Net budget authority and outlays:			
89.00 Budget authority	5,172	5,169	5,387
90.00 Outlays	5,056	5,172	5,319

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) provides low-income at-risk pregnant and post-partum women, infants, and children with vouchers for nutritious supplemental food packages, nutrition

education and counseling, and health and immunization referrals. This request limits growth in funding for nutrition services and administration.

COMMODITY ASSISTANCE PROGRAM

For necessary expenses to carry out disaster assistance, as authorized by section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note); the Emergency Food Assistance Act of 1983; special assistance for the nuclear affected islands, as authorized by section 103(f)(2) of the Compact of Free Association Amendments Act of 2003 (Public Law 108-188); and the Farmers' Market Nutrition Program, as authorized by section 17(m) of the Child Nutrition Act of 1966, \$70,370,000, to remain available through September 30, 2009: Provided, That none of these funds shall be available to reimburse the Commodity Credit Corporation for commodities donated to the program: Provided further, That notwithstanding any other provision of law, effective with funds made available in fiscal year 2008 to support the Seniors Farmers' Market Nutrition Program (SFMNP), as authorized by section 4402 of Public Law 107-171, such funds shall remain available through September 30, 2009: Provided further, That no funds available for SFMNP in fiscal year 2008 shall be used to pay State or local sales taxes on food purchased with SFMNP coupons or checks: Provided further, That the value of assistance provided by the SFMNP shall not be considered income or resources for any purposes under any Federal, State or local laws related to taxation, welfare and public assistance programs: Provided further, That of the funds made available under section 27(a) of the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), the Secretary may use up to \$10,000,000 for costs associated with the distribution of commodities.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-3507-0-1-605	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Commodity procurement	84	78	.....
00.02 Administrative costs	28	29	.....
00.91 Subtotal, commodity supplemental food program	112	107	.....
02.01 TEFAP Administrative & Hurricane Assistance	56	50	50
03.01 Senior farmers' market	15	16	15
04.01 Farmers' market nutrition program	24	24	23
05.01 Pacific island and disaster assistance	2	1	1
09.01 Reimbursable program (NSIP)	3	2	.....
10.00 Total new obligations	212	200	89
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	.....
22.00 New budget authority (gross)	207	194	85
22.10 Resources available from recoveries of prior year obligations	5	5	4
23.90 Total budgetary resources available for obligation	213	200	89
23.95 Total new obligations	-212	-200	-89
24.40 Unobligated balance carried forward, end of year	1	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	189	177	70
40.35 Appropriation permanently reduced	-2	.....	.....
43.00 Appropriation (total discretionary)	187	177	70
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	4	.....	.....
58.10 Change in uncollected customer payments from Federal sources (unexpired)	1	2	.....
58.90 Spending authority from offsetting collections (total discretionary)	5	2	.....
Mandatory:			
62.00 Transferred from other accounts	15	15	15

70.00 Total new budget authority (gross)	207	194	85
Change in obligated balances:			
72.40 Obligated balance, start of year	33	35	34
73.10 Total new obligations	212	200	89
73.20 Total outlays (gross)	-209	-194	-92
73.40 Adjustments in expired accounts (net)	5	.....	.....
73.45 Recoveries of prior year obligations	-5	-5	-4
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-1	-2	.....
74.40 Obligated balance, end of year	35	34	27
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	175	149	47
86.93 Outlays from discretionary balances	19	30	30
86.97 Outlays from new mandatory authority	8	8	8
86.98 Outlays from mandatory balances	7	7	7
87.00 Total outlays (gross)	209	194	92
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-10	.....	.....
88.40 Non-Federal sources	-1	.....	.....
88.90 Total, offsetting collections (cash)	-11	.....	.....
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-1	-2	.....
88.96 Portion of offsetting collections (cash) credited to expired accounts	7	.....	.....
Net budget authority and outlays:			
89.00 Budget authority	202	192	85
90.00 Outlays	198	194	92

This account funds the Commodity Supplemental Food Program (CSFP), the Emergency Food Assistance Program (TEFAP), farmers' market nutrition programs, assistance for the nuclear affected islands, and disaster relief.

TEFAP provides cash to support State administrative activities and to maintain the storage and distribution pipeline for USDA and privately-donated commodities. The account also funds two programs which provide low-income participants vouchers to purchase produce at farmers' markets. The Senior Farmers' Market Nutrition Program (SFMNP) is funded by transfer from the Commodity Credit Corporation. The WIC Farmers' Market Program is funded by discretionary appropriation.

The Budget eliminates funding for CSFP which is duplicative of the Food Stamp and WIC programs. Resources are provided, within the Food Stamp and WIC accounts, to help transition CSFP participants to those programs.

The Budget also proposes to prohibit farmers from charging sales tax on food purchased with SFMNP benefits and to ensure that SFMNP benefits are not considered as income for tax purposes or for determining eligibility for any public assistance benefit. These proposals are consistent with the treatment of benefits in other Federal nutrition programs.

Object Classification (in millions of dollars)

Identification code 12-3507-0-1-605	2006 actual	2007 est.	2008 est.
Direct obligations:			
26.0 Supplies and materials (commodities)	89	78	.....
41.0 Grants, subsidies, and contributions	120	120	89
99.0 Direct obligations	209	198	89
99.0 Reimbursable obligations	3	2	.....
99.9 Total new obligations	212	200	89

FOOD DONATIONS PROGRAMS

Program and Financing (in millions of dollars)

Identification code 12-3503-0-1-605	2006 actual	2007 est.	2008 est.
Change in obligated balances:			
72.40 Obligated balance, start of year	1	1	
73.20 Total outlays (gross)		-1	
74.40 Obligated balance, end of year	1		
Outlays (gross), detail:			
86.93 Outlays from discretionary balances		1	
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays		1	

This account includes outlays of prior year funds for the Nutrition Services Incentive Program (NSIP). NSIP was transferred to the Department of Health and Human Services (HHS) in 2003. NSIP grantees traditionally have had the option to receive all or a portion of their grant in the form of USDA-provided commodities. Between 2004 and 2007, USDA was reimbursed by HHS for the cost of these commodities, the amounts for which are reflected in the Commodity Assistance Programs account. Under the reauthorization of the Older Americans Act, the authority for USDA to provide commodities to NSIP grantees ends in 2008.

FOREST SERVICE

Federal Funds

NATIONAL FOREST SYSTEM

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Forest Service, not otherwise provided for, for management, protection, improvement, and utilization of the National Forest System, \$1,344,377,000, to remain available until expended, which shall include 50 percent of all moneys received during prior fiscal years as fees collected under the Land and Water Conservation Fund Act of 1965, as amended, in accordance with section 4 of the Act (16 U.S.C. 460l-6a(i)).

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-1106-0-1-302	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 National forest system	1,469	1,464	1,344
09.01 Reimbursable program	92	90	90
10.00 Total new obligations	1,561	1,554	1,434
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	87	167	152
22.00 New budget authority (gross)	1,634	1,539	1,434
22.10 Resources available from recoveries of prior year obligations	7		
23.90 Total budgetary resources available for obligation	1,728	1,706	1,586
23.95 Total new obligations	-1,561	-1,554	-1,434
24.40 Unobligated balance carried forward, end of year	167	152	152
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,464	1,444	1,344
40.20 Appropriation (special fund)	13		
40.35 Appropriation permanently reduced	-21		
41.00 Transferred to other accounts	-16		
42.00 Transferred from other accounts	18	5	
43.00 Appropriation (total discretionary)	1,458	1,449	1,344
Spending authority from offsetting collections:			

58.00	Offsetting collections (cash)	90	90	90
58.10	Change in uncollected customer payments from Federal sources (unexpired)	86		
58.90	Spending authority from offsetting collections (total discretionary)	176	90	90
70.00	Total new budget authority (gross)	1,634	1,539	1,434

Change in obligated balances:				
72.40	Obligated balance, start of year	193	169	119
73.10	Total new obligations	1,561	1,554	1,434
73.20	Total outlays (gross)	-1,492	-1,604	-1,550
73.45	Recoveries of prior year obligations	-7		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-86		
74.40	Obligated balance, end of year	169	119	3

Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	1,239	1,309	1,219
86.93	Outlays from discretionary balances	253	295	331
87.00	Total outlays (gross)	1,492	1,604	1,550

Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-66	-66	-66
88.40	Non-Federal sources	-24	-24	-24
88.90	Total, offsetting collections (cash)	-90	-90	-90
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-86		

Net budget authority and outlays:				
89.00	Budget authority	1,458	1,449	1,344
90.00	Outlays	1,402	1,514	1,460

The 155 National Forests, 20 National Grasslands, and 6 land utilization projects located in 44 States, Puerto Rico, and the Virgin Islands are managed under multiple-use and sustained-yield principles. The natural resources of timber, minerals, range, wildlife, outdoor recreation, watershed, and soil are used in a planned combination that will best meet the needs of the Nation without impairing productivity of the land or damaging the environment. These management and utilization principles are recognized in the Multiple-Use, Sustained-Yield Act of 1960 (16 U.S.C. 528-531) and use an ecological approach to managing the National Forest System.

National Forest System (NFS) operations and maintenance provide for the planning, assessment, and conservation of ecosystems while delivering multiple public services and uses. These are delivered through the principal NFS programs of land management planning; inventory and monitoring; recreation, heritage, and wilderness; wildlife and fisheries habitat management; grazing management; forest products; vegetation and watershed management; minerals and geology management; landownership management; the Valles Caldera National Preserve; and law enforcement operations. These programs maintain the capability to manage natural resources in a manner consistent with ecological principles and responsibilities.

The Budget provides full funding for the Forest Service component of the Northwest Forest Plan to ensure scientifically sound, ecologically credible, and legally responsible strategies and implementation that produces a predictable and sustainable level of timber sales and non-timber resources. The Budget also reflects continued use of streamlined forest planning and authorities included in the President's Healthy Forests Initiative and the Healthy Forests Restoration Act, particularly stewardship contracting, through which the average number of acres per contract increases by five percent. The Budget provides for the use of an Environmental Monitoring System, a new streamlined process improves forest planning that permits the efficient revision of national

forest plans, and the sustainable production of 3.5 billion board feet of timber offered from national forests.

The Budget reflects a continuing emphasis on Forest Service performance and accountability by continuing use of two performance measures for the National Forest System, consisting of volume sold as an annual output measure for Forest Products and an annual efficiency measure consisting of the ratio of total receipts for each activity that generates receipts to the obligations for each such respective activity necessary to generate those receipts.

The Budget also continues a significant reform of the Forest Service that streamlines its organization, improves accountability, and focuses on measurable results in the management of our national forests. Specifically, the Budget will reduce overhead, business management, and other indirect costs by one-third to improve efficiency and program delivery. Results will improve in two ways. First, national forest operations will continue transformation by making additional “on-the-ground” resources available for resource management projects that meet the objectives of the President’s Healthy Forests Initiative by reducing indirect costs to \$461 million, improving procurement practices, and expanding use of competitive sourcing. Secondly, program administration and execution will continue to be enhanced through improvements in management accountability, reporting relationships, and oversight.

Object Classification (in millions of dollars)

Identification code 12-1106-0-1-302	2006 actual	2007 est.	2008 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	594	625	574
11.3 Other than full-time permanent	38	40	36
11.5 Other personnel compensation	36	38	35
11.9 Total personnel compensation	668	703	645
12.1 Civilian personnel benefits	205	215	198
13.0 Benefits for former personnel	10	10	10
21.0 Travel and transportation of persons	48	51	46
22.0 Transportation of things	11	11	10
23.1 Rental payments to GSA	15	16	14
23.2 Rental payments to others	33	35	32
23.3 Communications, utilities, and miscellaneous charges	26	28	25
24.0 Printing and reproduction	3	3	3
25.1 Advisory and assistance services	4	4	4
25.2 Other services	222	191	175
25.3 Other purchases of goods and services from Government accounts	77	68	61
25.4 Operation and maintenance of facilities	1	1	1
25.5 Research and development contracts	1		1
25.7 Operation and maintenance of equipment	8	8	8
26.0 Supplies and materials	52	46	42
31.0 Equipment	21	18	16
32.0 Land and structures	1	1	1
41.0 Grants, subsidies, and contributions	60	53	48
42.0 Insurance claims and indemnities	4	3	4
44.0 Refunds	-1	-1	
99.0 Direct obligations	1,469	1,464	1,344
99.0 Reimbursable obligations	92	90	90
99.9 Total new obligations	1,561	1,554	1,434

Employment Summary

Identification code 12-1106-0-1-302	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	10,560	10,833	9,680
Reimbursable:			
2001 Civilian full-time equivalent employment	452	452	452
Allocation account:			
3001 Civilian full-time equivalent employment	1,013	824	824

CAPITAL IMPROVEMENT AND MAINTENANCE

For necessary expenses of the Forest Service, not otherwise provided for, \$422,565,000, to remain available until expended, for construction, capital improvement, maintenance, and acquisition of buildings and other facilities and infrastructure; and for construction, capital improvement, decommissioning, and maintenance of forest roads and trails by the Forest Service as authorized by 16 U.S.C. 532-538 and 23 U.S.C. 101 and 205: Provided, That up to \$15,000,000 of the funds provided herein for road maintenance shall be available for the decommissioning of roads, including unauthorized roads not part of the transportation system, which are no longer needed.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-1103-0-1-302	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Capital improvement and maintenance	455	480	423
09.01 Reimbursable program	17	15	15
10.00 Total new obligations	472	495	438
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	100	101	54
22.00 New budget authority (gross)	471	448	438
22.10 Resources available from recoveries of prior year obligations	2		
23.90 Total budgetary resources available for obligation	573	549	492
23.95 Total new obligations	-472	-495	-438
24.40 Unobligated balance carried forward, end of year	101	54	54
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	448	411	423
40.35 Appropriation permanently reduced	-6		
41.00 Transferred to other accounts	-4		
43.00 Appropriation (total discretionary)	438	411	423
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	15	15	15
58.10 Change in uncollected customer payments from Federal sources (unexpired)	18		
58.90 Spending authority from offsetting collections (total discretionary)	33	15	15
Mandatory:			
62.00 Transferred from other accounts		22	
70.00 Total new budget authority (gross)	471	448	438
Change in obligated balances:			
72.40 Obligated balance, start of year	289	194	200
73.10 Total new obligations	472	495	438
73.20 Total outlays (gross)	-547	-489	-441
73.45 Recoveries of prior year obligations	-2		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-18		
74.40 Obligated balance, end of year	194	200	197
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	318	319	328
86.93 Outlays from discretionary balances	229	153	107
86.97 Outlays from new mandatory authority		17	
86.98 Outlays from mandatory balances			6
87.00 Total outlays (gross)	547	489	441
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-7	-7	-7
88.40 Non-Federal sources	-8	-8	-8
88.90 Total, offsetting collections (cash)	-15	-15	-15
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-18		

CAPITAL IMPROVEMENT AND MAINTENANCE—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1103-0-1-302	2006 actual	2007 est.	2008 est.
Net budget authority and outlays:			
89.00 Budget authority	438	433	423
90.00 Outlays	532	474	426

Funding provides for capital improvement and maintenance of facilities, roads, and trails. The program emphasizes: better resource management decisions based on the best scientific information and knowledge; an efficient and effective infrastructure that supports public and administrative uses; and quality recreation experiences with minimal impact to ecosystem stability and conditions.

Facilities.—Provides for capital improvement and maintenance of research, recreation, fire, administrative, and other (FA&O) facilities, including site components such as roads and trails and the acquisition of buildings and other facilities necessary to carry out the mission of the Forest Service. Capital improvement includes: new construction of a facility; alteration of an existing facility to change the function; and expansion of a facility to change the capacity or to serve needs that are different from what was originally intended. Maintenance is divided into four primary areas: annual maintenance, deferred maintenance, decommissioning, and operations. Deferred maintenance work includes the repair, rehabilitation, or replacement of the facility or components of the facility. Maintenance for FA&O projects costing less than \$250,000 are financed separately through a multi-program assessment to Research, National Forest System, Wildland Fire Management and the Capital Improvement and Maintenance appropriations along with eligible Permanent and Trust Funds.

Roads.—Provides for capital improvement and maintenance of roads. The program also focuses on decommissioning unneeded roads and/or roads that are degrading the ecosystem. Capital improvement includes: new road construction; alteration of an existing road to change the function; and expansion of the road to change the capacity or to serve needs that are different from what was originally intended. The agency will continue to address the growing road system maintenance backlog. Funding priorities are health and safety, resource protection, and mission critical needs. Maintenance is divided into four primary areas: annual road maintenance, deferred road maintenance, road operations, and decommissioning.

Trails.—Provides for capital improvement and maintenance of trails. Capital improvement includes: new trail construction; alteration of an existing trail to change the function; and expansion of the trail to change the capacity or to serve needs that are different from what was originally intended. Maintenance funding is used to protect capital investments by keeping trails open for access and protecting vegetation, soil, and water quality. Work includes clearing the pathway of encroaching vegetation and fallen trees, and repairing or improving trail signs, treadways, drainage facilities, and bridges. Maintenance is divided into four primary areas: annual trail maintenance, deferred trail maintenance, trail operations, and trail decommissioning.

Infrastructure Improvement.—Ameliorates the backlog in deferred maintenance of National Forest System roads and trails as well as Forest Service fire, administrative, and recreation facilities. The funds focus on critical maintenance backlogs; i.e., these funds are for repair and rehabilitation of existing facilities and roads; funds may not be used for new and expanded facilities or roads. The Budget reflects Forest Service improvements in addressing the deferred maintenance

backlog based upon agency implementation of PART recommendations.

The Budget reflects the Forest Service's continued use of new authorities that permit the agency to apply proceeds from the sales of excess facilities to replace other deficient facilities or perform needed rehabilitation work on existing facilities. The Forest Service will continue with a facility assessment for the purpose of performing facility maintenance and reducing the deferred maintenance backlog, and to use assessments that include incentives to optimize utilization, reduce costs, and improve facility conditions by reducing facility deferred maintenance at least 25 percent by 2010. The Budget reflects a base rate for buildings plus a graduated rate that recognizes different facility types, which together are limited to 4 percent of the facility replacement value and not to exceed \$7 per square foot.

The Budget provides funding to the Forest Service to make data quality improvements to the Forest Services INFRA database and internal controls. Coupled with completion of a strategy to address the deferred maintenance backlog and to identify goals and objectives for managing deferred maintenance, these reforms allow the Forest Service to focus funds on projects that have the highest priority as measured by the improvement in its Facility Condition Index.

Object Classification (in millions of dollars)

Identification code 12-1103-0-1-302	2006 actual	2007 est.	2008 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	151	138	141
11.3 Other than full-time permanent	13	12	12
11.5 Other personnel compensation	7	7	7
11.9 Total personnel compensation	171	157	160
12.1 Civilian personnel benefits	44	40	41
13.0 Benefits for former personnel	5	5	5
21.0 Travel and transportation of persons	9	8	8
22.0 Transportation of things	3	2	2
23.1 Rental payments to GSA	3	3	3
23.2 Rental payments to others	8	8	8
23.3 Communications, utilities, and miscellaneous charges	8	7	7
25.1 Advisory and assistance services	1	1	1
25.2 Other services	83	110	79
25.3 Other purchases of goods and services from Government accounts	33	42	30
25.4 Operation and maintenance of facilities	6	8	5
25.7 Operation and maintenance of equipment	4	4	4
26.0 Supplies and materials	19	24	17
31.0 Equipment	9	11	8
32.0 Land and structures	31	28	29
41.0 Grants, subsidies, and contributions	18	22	16
99.0 Direct obligations	455	480	423
99.0 Reimbursable obligations	17	15	15
99.9 Total new obligations	472	495	438

Employment Summary

Identification code 12-1103-0-1-302	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	2,485	2,204	2,176
Reimbursable:			
2001 Civilian full-time equivalent employment	85	81	81
Allocation account:			
3001 Civilian full-time equivalent employment	37	41	41

FOREST AND RANGELAND RESEARCH

For necessary expenses of forest and rangeland research as authorized by law, \$263,000,000, to remain available until expended.

GIFTS, DONATIONS AND BEQUESTS FOR FOREST AND RANGELAND RESEARCH

For expenses authorized by 16 U.S.C. 1643(b), \$56,000, to remain available until expended, to be derived from the fund established pursuant to the above Act.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-1104-0-1-302	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.06 Forest and rangeland research	307	329	285
09.01 Reimbursable program	33	49	49
10.00 Total new obligations	340	378	334
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	41	36	10
22.00 New budget authority (gross)	335	352	334
23.90 Total budgetary resources available for obligation	376	388	344
23.95 Total new obligations	-340	-378	-334
24.40 Unobligated balance carried forward, end of year	36	10	10
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	283	280	263
40.35 Appropriation permanently reduced	-4		
41.00 Transferred to other accounts	-1		
42.00 Transferred from other accounts	23	23	22
43.00 Appropriation (total discretionary)	301	303	285
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	49	49	49
58.10 Change in uncollected customer payments from Federal sources (unexpired)	-15		
58.90 Spending authority from offsetting collections (total discretionary)	34	49	49
70.00 Total new budget authority (gross)	335	352	334
Change in obligated balances:			
72.40 Obligated balance, start of year	70	84	137
73.10 Total new obligations	340	378	334
73.20 Total outlays (gross)	-341	-325	-340
74.00 Change in uncollected customer payments from Federal sources (unexpired)	15		
74.40 Obligated balance, end of year	84	137	131
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	256	246	234
86.93 Outlays from discretionary balances	85	79	106
87.00 Total outlays (gross)	341	325	340
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-46	-46	-46
88.40 Non-Federal sources	-3	-3	-3
88.90 Total, offsetting collections (cash)	-49	-49	-49
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	15		
Net budget authority and outlays:			
89.00 Budget authority	301	303	285
90.00 Outlays	292	276	291

Forest Service Research & Development (FS R&D) is one of the world's leading forestry research organizations. It conducts ecological and social science research to understand ecosystems, how humans influence those ecosystems, and how forests can be managed sustainably to enable both environmental conservation and economic expansion. Research is conducted at six Research Stations, the Forest Products Labora-

tory, and the International Institute of Tropical Forestry located in Puerto Rico.

In 2008, FS R&D will continue to improve forest and rangeland managers' abilities to reintroduce fire to its natural role and mitigate losses from native insects and pathogens. FS R&D researchers answer land managers' scientific questions about fire behavior, risk assessment and mitigation for multiple hazards, and utilization opportunities for the biomass that contributes to overcrowded, unhealthy forests. Priority will also be placed on making improvements in woody biomass utilization for energy, alternative fuels, and value-added products to help stimulate removal of hazardous fuels from forests at risk of wildfire. Tools and technologies will be modified, adapted or developed to serve the priorities of land managers dealing with wildland fire, invasive species, and other management challenges.

The Forest Inventory and Analysis program will continue to provide up-to-date information on status and trends in America's forest resources including the distribution and type of forest; growth, harvest, and mortality; forest structure and composition; soils; vegetative diversity; and fuel loads. The momentum to achieve the annualized inventory in all 50 States will be maintained.

Efficient delivery of science is essential to successful implementation of the President's Healthy Forests Initiative. The Budget continues efforts that optimize the delivery of research findings by improving Forest Service management of investments in research, development, and applications. Funds will be targeted to leading-edge technical assistance on a competitive basis with innovative partnerships and science and technology applications. The Budget also emphasizes increasing the amount of research conducted on an extramural basis from 13 percent of the current R&D budget to 20 percent over the next four years.

Object Classification (in millions of dollars)

Identification code 12-1104-0-1-302	2006 actual	2007 est.	2008 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	137	139	131
11.3 Other than full-time permanent	8	8	7
11.5 Other personnel compensation	6	6	6
11.9 Total personnel compensation	151	153	144
12.1 Civilian personnel benefits	42	42	40
13.0 Benefits for former personnel	2	2	2
21.0 Travel and transportation of persons	13	14	13
22.0 Transportation of things	2	2	2
23.1 Rental payments to GSA	4	4	4
23.2 Rental payments to others	3	3	3
23.3 Communications, utilities, and miscellaneous charges	7	7	6
24.0 Printing and reproduction	1	1	1
25.2 Other services	19	25	18
25.3 Other purchases of goods and services from Government accounts	7	8	6
25.4 Operation and maintenance of facilities	1		
25.5 Research and development contracts	26	33	22
25.7 Operation and maintenance of equipment	1	1	1
26.0 Supplies and materials	9	11	7
31.0 Equipment	6	7	5
41.0 Grants, subsidies, and contributions	13	16	11
99.0 Direct obligations	307	329	285
99.0 Reimbursable obligations	33	49	49
99.9 Total new obligations	340	378	334

Employment Summary

Identification code 12-1104-0-1-302	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	2,145	2,122	1,949
Reimbursable:			
2001 Civilian full-time equivalent employment	141	160	160

STATE AND PRIVATE FORESTRY

For necessary expenses of cooperating with and providing technical and financial assistance to States, territories, possessions, and others, and for forest health management, including treatments of pests, pathogens, and invasive or noxious plants and for restoring and rehabilitating forests damaged by pests or invasive plants, cooperative forestry, and education and land conservation activities and conducting an international program as authorized, \$202,458,000, to remain available until expended, as authorized by law, of which \$29,311,000 is to be derived from the Land and Water Conservation Fund.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-1105-0-1-302	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 State and private forestry	341	334	240
00.02 Forest Legacy	57	11	29
09.01 Reimbursable program	16	26	26
10.00 Total new obligations	414	371	295
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	55	58	22
22.00 New budget authority (gross)	416	335	295
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	472	393	317
23.95 Total new obligations	-414	-371	-295
24.40 Unobligated balance carried forward, end of year	58	22	22
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	256	219	173
40.20 Appropriation (LWCF)	57	9	29
40.35 Appropriation permanently reduced	-4		
41.00 Transferred to other accounts	-1		
42.00 Transferred from other accounts	78	81	67
43.00 Appropriation (total discretionary)	386	309	269
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	26	26	26
58.10 Change in uncollected customer payments from Federal sources (unexpired)	-1		
58.90 Spending authority from offsetting collections (total discretionary)	25	26	26
Mandatory:			
62.00 Transferred from other accounts	5		
70.00 Total new budget authority (gross)	416	335	295
Change in obligated balances:			
72.40 Obligated balance, start of year	587	555	482
73.10 Total new obligations	414	371	295
73.20 Total outlays (gross)	-446	-444	-397
73.45 Recoveries of prior year obligations	-1		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	1		
74.40 Obligated balance, end of year	555	482	380
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	143	252	222
86.93 Outlays from discretionary balances	294	182	170
86.98 Outlays from mandatory balances	9	10	5
87.00 Total outlays (gross)	446	444	397
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-20	-20	-20
88.40 Non-Federal sources	-6	-6	-6
88.90 Total, offsetting collections (cash)	-26	-26	-26
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	1		

Net budget authority and outlays:			
89.00 Budget authority	391	309	269
90.00 Outlays	420	418	371

State and private forestry programs provide assistance to manage, use, and protect forest resources on State and private lands, in both rural and urban areas, to meet domestic and international demands for goods and services. Assistance is provided to a wide range of customers including all 50 States, Puerto Rico, U.S. Virgin Islands, Guam, the Northern Mariana Islands, and the Trust Territory of the Pacific.

Forest Health Management.—Includes funding for Federal and cooperative lands to maintain healthy, productive ecosystems by preventing, detecting and suppressing damaging native and invasive forest and tree insects and diseases across all land ownerships and invasive plants on cooperative lands. Through the use of a newly updated science-based forest health risk map, the Budget reflects Forest Service allocations of program funding that address national priorities and reduce risk in the most effective and efficient manner.

Cooperative Fire Protection.—Includes funding to enhance the capacity of States to provide coordinated fire suppression response, reduce hazardous fuels in and adjacent to communities, and to promote safe and effective initial fire attack in wildland/urban interface areas by volunteer fire departments. The Forest Service will change the method of funding allocation to include community-based hazard mitigation practices that are included in community wildfire protection plans or equivalent as a condition of eligibility for grants.

Cooperative Forestry.—Includes the forest stewardship, forest legacy, and urban and community forestry programs. The budget for this suite of complementary programs helps maintain the integrity of our nation's valuable forested landscapes and supports the Federal interest in obtaining social, economic, and environmental benefits from these landscapes. The forest legacy program is a Federal program that partners with States to protect environmentally sensitive forest lands. The forest stewardship program provides professional forestry assistance to non-industrial private forest (NIPF) landowners to encourage sound environmental management of NIPF lands. The urban and community forestry program provides technical, financial, and educational assistance to cities, suburbs and towns nationwide so they can improve the condition and extent of their trees and forests to achieve the full range of benefits and services from these resources. The Forest Service will explore methods that promote cooperative conservation through peer-to-peer, citizen-centric forestry assistance.

International Programs.—The programs will emphasize habitat protection for migratory birds along the length of flyways, preventing the introduction of new invasive species, and sustainable forestry techniques development for other timber exporting nations. The Forest Service will develop performance measures for this program.

Object Classification (in millions of dollars)

Identification code 12-1105-0-1-302	2006 actual	2007 est.	2008 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	48	52	51
11.3 Other than full-time permanent	3	3	3
11.5 Other personnel compensation	2	2	2
11.9 Total personnel compensation	53	57	56
12.1 Civilian personnel benefits	14	15	15
13.0 Benefits for former personnel	1	1	
21.0 Travel and transportation of persons	6	7	7
22.0 Transportation of things	1	1	1
23.1 Rental payments to GSA	1	1	1
23.2 Rental payments to others	2	2	2
23.3 Communications, utilities, and miscellaneous charges	2	2	2
24.0 Printing and reproduction	1	1	1
25.2 Other services	18	15	10

25.3	Other purchases of goods and services from Government accounts	3	2	2
25.5	Research and development contracts	1	1	
26.0	Supplies and materials	2	1	1
31.0	Equipment	2	2	1
41.0	Grants, subsidies, and contributions	291	237	170
99.0	Direct obligations	398	345	269
99.0	Reimbursable obligations	16	26	26
99.9	Total new obligations	414	371	295

Employment Summary

Identification code 12-1105-0-1-302	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	701	734	695
Reimbursable:			
2001 Civilian full-time equivalent employment	43	46	46

Object Classification (in millions of dollars)			
Identification code 12-1119-0-1-302	2006 actual	2007 est.	2008 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	1	1	1
12.1 Civilian personnel benefits	1	1	1
25.2 Other services	2	3	2
25.3 Other purchases of goods and services from Government accounts	1	1	1
99.9 Total new obligations	5	6	5

Employment Summary

Identification code 12-1119-0-1-302	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	23	25	25

**WILDLAND FIRE MANAGEMENT
(INCLUDING TRANSFERS OF FUNDS)**

MANAGEMENT OF NATIONAL FOREST LANDS FOR SUBSISTENCE USES

For necessary expenses of the Forest Service to manage Federal lands in Alaska for subsistence uses under title VIII of the Alaska National Interest Lands Conservation Act (Public Law 96-487), \$5,053,000, to remain available until expended.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-1119-0-1-302	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Management of national forest lands for subsistence uses	5	6	5
10.00 Total new obligations	5	6	5
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	
22.00 New budget authority (gross)	5	5	5
23.90 Total budgetary resources available for obligation	6	6	5
23.95 Total new obligations	-5	-6	-5
24.40 Unobligated balance carried forward, end of year	1		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	5	5	5
Change in obligated balances:			
72.40 Obligated balance, start of year	2	2	1
73.10 Total new obligations	5	6	5
73.20 Total outlays (gross)	-5	-7	-5
74.40 Obligated balance, end of year	2	1	1
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	3	5	5
86.93 Outlays from discretionary balances	2	2	
87.00 Total outlays (gross)	5	7	5
Net budget authority and outlays:			
89.00 Budget authority	5	5	5
90.00 Outlays	5	7	5

For necessary expenses for forest fire presuppression activities on National Forest System lands, for emergency fire suppression on or adjacent to such lands or other lands under fire protection agreement, hazardous fuels reduction on or adjacent to such lands, and for emergency rehabilitation of burned-over National Forest System lands and water, \$1,648,917,000, to remain available until expended: Provided, That such funds including unobligated balances under this heading, are available for repayment of advances from other appropriations accounts previously transferred for such purposes: Provided further, That such funds shall be available to reimburse State and other cooperating entities for services provided in response to wildfire and other emergencies or disasters to the extent such reimbursements by the Forest Service for non-fire emergencies are fully repaid by the responsible emergency management agency: Provided further, That funds provided shall be available for emergency rehabilitation and restoration, hazardous fuels reduction activities in the urban-wildland interface, support to Federal emergency response, and wildfire suppression activities of the Forest Service: Provided further, That amounts in this paragraph may be transferred to the "State and Private Forestry", "National Forest System", and "Forest and Rangeland Research" accounts to fund State fire assistance, volunteer fire assistance, forest health management, forest and rangeland research, vegetation and watershed management, heritage site rehabilitation, and wildlife and fish habitat management and restoration: Provided further, That the costs of implementing any cooperative agreement between the Federal Government and any non-Federal entity may be shared, as mutually agreed on by the affected parties: Provided further, That the Secretary of the Interior and the Secretary of Agriculture may authorize the transfer of funds appropriated for wildland fire management, in an aggregate amount not to exceed \$9,000,000, between the Departments when such transfers would facilitate and expedite jointly funded wildland fire management programs and projects: Provided further, That the Secretary of Agriculture may use the amounts appropriated under this heading for other activities authorized under this heading on lands administered by the Forest Service or on adjacent non-Federal land for activities that benefit resources on lands administered by the Forest Service.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-1115-0-1-302	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Wildland fire management	2,435	1,794	1,559
09.01 Reimbursable program	322	175	175
10.00 Total new obligations	2,757	1,969	1,734
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	769	211	119
22.00 New budget authority (gross)	2,132	1,877	1,735
22.10 Resources available from recoveries of prior year obligations	67		

Funding under this program primarily supports fisheries and wildlife habitat management activities in the areas of population assessment, forecasting, harvest regulations, and law enforcement to ensure that the subsistence needs of qualified rural Alaskans are met under the Alaska National Interest Lands Conservation Act (Public Law 96-487).

WILDLAND FIRE MANAGEMENT—Continued
(INCLUDING TRANSFERS OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1115-0-1-302	2006 actual	2007 est.	2008 est.
23.90 Total budgetary resources available for obligation	2,968	2,088	1,854
23.95 Total new obligations	-2,757	-1,969	-1,734
24.40 Unobligated balance carried forward, end of year	211	119	120
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,879	1,811	1,649
40.35 Appropriation permanently reduced	-26		
41.00 Transferred to other accounts	-115	-109	-89
42.00 Transferred from other accounts	41		
43.00 Appropriation (total discretionary)	1,779	1,702	1,560
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	407	175	175
58.10 Change in uncollected customer payments from Federal sources (unexpired)	-54		
58.90 Spending authority from offsetting collections (total discretionary)	353	175	175
70.00 Total new budget authority (gross)	2,132	1,877	1,735
Change in obligated balances:			
72.40 Obligated balance, start of year	303	757	667
73.10 Total new obligations	2,757	1,969	1,734
73.20 Total outlays (gross)	-2,290	-2,059	-1,750
73.45 Recoveries of prior year obligations	-67		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	54		
74.40 Obligated balance, end of year	757	667	651
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1,834	1,690	1,562
86.93 Outlays from discretionary balances	456	369	188
87.00 Total outlays (gross)	2,290	2,059	1,750
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-368	-136	-136
88.40 Non-Federal sources	-39	-39	-39
88.90 Total, offsetting collections (cash)	-407	-175	-175
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	54		
Net budget authority and outlays:			
89.00 Budget authority	1,779	1,702	1,560
90.00 Outlays	1,883	1,884	1,575

Wildland Fire Management.—This appropriation provides funding for Forest Service fire management, presuppression, and suppression on National Forest System lands, adjacent State and private lands, and other lands under fire protection agreement.

Preparedness.—To protect National Forest System (NFS) lands from damage by wildfires commensurate with the threat to life, values at risk, public values, and management objectives.

Preparedness provides the basic fire organization and capability to prevent forest fires and to take prompt, effective initial attack suppression operations action on wildfires. This funding covers expenses associated with planning, prevention, detection, information, and education; pre-incident training; equipment and supply purchase and replacement; and other preparedness activities, including the base salary and travel of the regular Forest Service firefighting organization. Through this program the Forest Service also assists other Federal agencies and States with training programs, planning

assistance, sharing joint equipment use contracts, and inter-agency fire coordination centers.

Readiness levels reflect improvements in efficiencies, including those gained through a centralized aviation services office similar to that of the Department of the Interior (DOI). The Budget improves the transparency, accountability, and alignment of Forest Service budget execution with priorities and includes establishment of a separate account for wildland firefighters. It also reflects deployment of a system that allocates fire preparedness resources (e.g., firefighters and equipment) effectively across geographic areas.

Fire Operations.—Risk-informed suppression of wildland fires on or threatening NFS lands, Department of the Interior lands, or other lands under fire protection agreement. The Budget provides full funding of the ten-year average of suppression costs, adjusted for inflation and indirect charges. To improve the management of wildland fire resources, the Forest Service will:

- Utilize a Comptroller and support group to provide executive level oversight monitoring of Suppression expenditures.

- Implement key findings from 2006 and prior year large fire cost reviews and the 2007 management efficiency analysis.

- Continue implementation of Program Assessment Rating Tool (PART) performance measures including monitoring and analyzing large fire suppression expenditures with the stratified cost index and reducing the number of human caused ignitions.

- Utilize a risk-informed management response strategy for unplanned ignitions to manage risk, maximize resource utilization, manage loss and contain costs.

- Examine the feasibility of and implement as appropriate, a process to account for wildfires that contribute to attainment of desired ecological and natural resource conditions.

- Expand the use of the Wildland Fire Decision Support System (WFSS) to support managers in analyzing risk relative to strategic suppression decisions which affect suppression costs, firefighter and public safety, and impacts to property and resources.

- Expand use of the suppression allocation model for initial response based on the analysis of a “mock up” allocation model and process under development in 2007.

- Place priority on those projects associated with a community wildfire protection plan, or equivalent.

These actions highlight important refinements within the Forest Services wildland fire management program that strengthen oversight of suppression spending and use risk management principles to guide decision-making at the strategic, program, and operational levels. By identifying and analyzing risk in a systematic fashion, the Forest Service is better equipped to assess wildfire intensity and associated threats posed to lives, improved property, or the environment. This risk-informed fire protection system allows agency administrators the ability to choose from a full spectrum of wildfire management actions and appropriately scale their responses to the risks posed. For example, many backcountry wildfires pose less risk than those that occur near communities and do not always require full-scale suppression efforts. These reforms, in concert with the establishment of wildland firefighter account, improve agency performance while minimizing costs.

Object Classification (in millions of dollars)

Identification code 12-1115-0-1-302	2006 actual	2007 est.	2008 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	372	357	279
11.3 Other than full-time permanent	60	58	45
11.5 Other personnel compensation	266	256	200
11.8 Special personal services payments	47	45	35

11.9	Total personnel compensation	745	716	559
12.1	Civilian personnel benefits	197	189	148
13.0	Benefits for former personnel	24	23	18
21.0	Travel and transportation of persons	72	69	63
22.0	Transportation of things	8	7	7
23.1	Rental payments to GSA	12	12	12
23.2	Rental payments to others	36	35	35
23.3	Communications, utilities, and miscellaneous charges	32	30	30
24.0	Printing and reproduction	1	1	1
25.1	Advisory and assistance services	4	4	4
25.2	Other services	779	420	399
25.3	Other purchases of goods and services from Government accounts	130	70	69
25.4	Operation and maintenance of facilities	1	1	.....
25.5	Research and development contracts	3	1	1
25.7	Operation and maintenance of equipment	9	9	9
26.0	Supplies and materials	67	36	36
31.0	Equipment	33	18	18
41.0	Grants, subsidies, and contributions	280	151	148
42.0	Insurance claims and indemnities	1	1	1
43.0	Interest and dividends	1	1	1
99.0	Direct obligations	2,435	1,794	1,559
99.0	Reimbursable obligations	322	175	175
99.9	Total new obligations	2,757	1,969	1,734

Employment Summary

Identification code 12-1115-0-1-302	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	13,373	12,542	8,950
Reimbursable:			
2001 Civilian full-time equivalent employment	129	33	33

WILDLAND FIREFIGHTERS

For necessary expenses for wildland firefighters on National Forest System lands, for emergency fire suppression on or adjacent to such lands or other lands under fire protection agreement, \$219,710,000, to remain available until expended.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 12-1113-0-1-302	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Wildland firefighters			220
01.00 Direct Program by Activities—Subtotal (running)			220
10.00 Total new obligations			220
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			220
23.95 Total new obligations			-220
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation			220
Change in obligated balances:			
73.10 Total new obligations			220
73.20 Total outlays (gross)			-220
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			220
Net budget authority and outlays:			
89.00 Budget authority			220
90.00 Outlays			220

Wildland Firefighters.— This appropriation provides funding for base salary, training and travel for up to 10,010 firefighters and 67 Type I crews.

The Budget addresses the complexity associated with wildland fire and other hazards by providing funding for pro-

fessional wildland firefighters. It reflects an important refinement in the Forest Services management of wildland fire that improves implementation of the Presidents Healthy Forests Initiative (HFI) and reduces the risk of catastrophic wild-fire to communities and the environment. By establishing a single account for professional wildland firefighters, the Budget enhances performance, improves accountability, and provides the Forest Service greater efficiency and flexibility in managing wildland fires and in supporting all-hazard responses through the National Incident Management System.

Object Classification (in millions of dollars)

Identification code 12-1113-0-1-302	2006 actual	2007 est.	2008 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent			77
11.3 Other than full-time permanent			12
11.5 Other personnel compensation			55
11.8 Special personal services payments			10
11.9 Total personnel compensation			154
12.1 Civilian personnel benefits			41
13.0 Benefits for former personnel			5
21.0 Travel and transportation of persons			5
25.2 Other services			15
99.9 Total new obligations			220

Employment Summary

Identification code 12-1113-0-1-302	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment			3,200

RANGE BETTERMENT FUND

For necessary expenses of range rehabilitation, protection, and improvement, 50 percent of all moneys received during the prior fiscal year, as fees for grazing domestic livestock on lands in National Forests in the 16 Western States, pursuant to section 401(b)(1) of Public Law 94-579, as amended, to remain available until expended, of which not to exceed 6 percent shall be available for administrative expenses associated with on-the-ground range rehabilitation, protection, and improvements.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-5207-0-2-302	2006 actual	2007 est.	2008 est.
01.00 Balance, start of year	5	6	6
01.99 Balance, start of year	5	6	6
Receipts:			
02.20 Receipts, Cooperative range improvements	4	3	4
04.00 Total: Balances and collections	9	9	10
Appropriations:			
05.00 Range betterment fund	-3	-3	-4
07.99 Balance, end of year	6	6	6

Program and Financing (in millions of dollars)

Identification code 12-5207-0-2-302	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Range betterment fund	3	4	4
10.00 Total new obligations	3	4	4
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	.....
22.00 New budget authority (gross)	3	3	4
23.90 Total budgetary resources available for obligation	4	4	4

RANGE BETTERMENT FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-5207-0-2-302	2006 actual	2007 est.	2008 est.
23.95 Total new obligations	-3	-4	-4
24.40 Unobligated balance carried forward, end of year	1		
New budget authority (gross), detail:			
Discretionary:			
40.20 Appropriation (special fund)	3	3	4
Change in obligated balances:			
72.40 Obligated balance, start of year	1	1	2
73.10 Total new obligations	3	4	4
73.20 Total outlays (gross)	-3	-3	-4
74.40 Obligated balance, end of year	1	2	2
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	2	2	3
86.93 Outlays from discretionary balances	1	1	1
87.00 Total outlays (gross)	3	3	4
Net budget authority and outlays:			
89.00 Budget authority	3	3	4
90.00 Outlays	3	3	4

Fifty percent of grazing fees from National Forests in the 16 western States, once appropriated, are used to protect and improve rangeland productivity primarily through revegetation, construction and reconstruction, and maintenance of improvements under authority of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1751), as amended.

Object Classification (in millions of dollars)

Identification code 12-5207-0-2-302	2006 actual	2007 est.	2008 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	1	1	1
26.0 Supplies and materials	2	3	3
99.9 Total new obligations	3	4	4

Employment Summary

Identification code 12-5207-0-2-302	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	15	14	18

STEWARDSHIP CONTRACTING PRODUCT SALES

Program and Financing (in millions of dollars)

Identification code 12-5540-0-2-302	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Stewardship contracting	1	4	5
10.00 Total new obligations (object class 25.2)	1	4	5
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		3	5
22.00 New budget authority (gross)	4	6	6
23.90 Total budgetary resources available for obligation	4	9	11
23.95 Total new obligations	-1	-4	-5
24.40 Unobligated balance carried forward, end of year	3	5	6
New budget authority (gross), detail:			
Mandatory:			
60.20 Appropriation (special fund)	4	6	6
Change in obligated balances:			
72.40 Obligated balance, start of year		1	-1

73.10 Total new obligations	1	4	5
73.20 Total outlays (gross)		-6	-6
74.40 Obligated balance, end of year	1	-1	-2

Outlays (gross), detail:

86.97 Outlays from new mandatory authority		5	5
86.98 Outlays from mandatory balances		1	1
87.00 Total outlays (gross)		6	6

Net budget authority and outlays:

89.00 Budget authority	4	6	6
90.00 Outlays		6	6

Employment Summary

Identification code 12-5540-0-2-302	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	2		

LAND ACQUISITION

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601-4 through 11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the Forest Service, \$15,703,000, to be derived from the Land and Water Conservation Fund and to remain available until expended.

ACQUISITION OF LANDS FOR NATIONAL FORESTS SPECIAL ACTS

For acquisition of lands within the exterior boundaries of the Cache, Uinta, and Wasatch National Forests, Utah; the Toiyabe National Forest, Nevada; and the Angeles, San Bernardino, Sequoia, and Cleveland National Forests, California, as authorized by law, \$1,053,000, to be derived from forest receipts.

ACQUISITION OF LANDS TO COMPLETE LAND EXCHANGES

For acquisition of lands, such sums, to be derived from funds deposited by State, county, or municipal governments, public school districts, or other public school authorities, and for authorized expenditures from funds deposited by non-Federal parties pursuant to Land Sale and Exchange Acts, pursuant to the Act of December 4, 1967, as amended (16 U.S.C. 484a), to remain available until expended. (16 U.S.C. 4601-516-617a, 555a; P.L. 96-586; P.L. 76-589, 76-591; and 78-310.)

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-9923-0-2-302	2006 actual	2007 est.	2008 est.
01.00 Balance, start of year	11	5	6
01.99 Balance, start of year	11	5	6
Receipts:			
02.20 Deposits, Acquisitions of lands for national forests, special acts	1	1	1
02.21 Land acquisition proceeds for exchanges, acquisition of lands to complete land exchanges	29	1	1
02.22 Facility realignment and enhancement receipts, Acquisition of lands to complete land exchanges	4	48	50
02.23 Proceeds of land sales, Forest Service—legislative proposal subject to PAYGO			200
02.99 Total receipts and collections	34	50	252
04.00 Total: Balances and collections	45	55	258
Appropriations:			
05.00 Land acquisition	-1	-1	-1
05.01 Land acquisition	-39	-48	-50
05.99 Total appropriations	-40	-49	-51
07.99 Balance, end of year	5	6	207

Program and Financing (in millions of dollars)

Identification code 12-9923-0-2-302	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Land Acquisitions	89	37	17
00.02 Land and Facility Enhancement Program	22	38	49
09.01 Land Acquisition—Reimbursable Program	1		
10.00 Total new obligations	112	75	66
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	82	48	30
22.00 New budget authority (gross)	78	57	67
23.90 Total budgetary resources available for obligation	160	105	97
23.95 Total new obligations	-112	-75	-66
24.40 Unobligated balance carried forward, end of year	48	30	31
New budget authority (gross), detail:			
Discretionary:			
40.20 Appropriation (LWCF)	43	8	16
40.20 Appropriation (special act)	1	1	1
40.35 Appropriation permanently reduced	-1		
41.00 Transferred to other accounts	-5		
43.00 Appropriation (total discretionary)	38	9	17
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	19		
58.10 Change in uncollected customer payments from Federal sources (unexpired)	-18		
58.90 Spending authority from offsetting collections (total discretionary)	1		
Mandatory:			
60.20 Appropriation (special fund)	39	48	50
70.00 Total new budget authority (gross)	78	57	67
Change in obligated balances:			
72.40 Obligated balance, start of year	-7	29	35
73.10 Total new obligations	112	75	66
73.20 Total outlays (gross)	-94	-69	-73
74.00 Change in uncollected customer payments from Federal sources (unexpired)	18		
74.40 Obligated balance, end of year	29	35	28
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	29	6	11
86.93 Outlays from discretionary balances	56	10	3
86.97 Outlays from new mandatory authority	8	32	33
86.98 Outlays from mandatory balances	1	21	26
87.00 Total outlays (gross)	94	69	73
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-19		
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	18		
Net budget authority and outlays:			
89.00 Budget authority	77	57	67
90.00 Outlays	75	69	73

This appropriation consolidates land acquisition authorities for acquisition of lands, waters, or interest therein, as authorized by law.

Land and Water Conservation Fund.—Lands and other interests are acquired within areas of the National Forest System for public access for outdoor recreation, wilderness management, wildlife and fisheries habitat management areas, conservation of endangered species, and other purposes.

Acquisition of Lands of National Forests, Special Acts.—To acquire lands within critical watersheds to provide soil stabilization and restoration of vegetation. Public Laws 76-589, 76-591 and 78-310 (54 Stat. 297, 298, 299, and 402; and 58 Stat. 227-228) authorize appropriations for the purchase of lands to minimize erosion and flood damage to critical watersheds within the following National Forests: the

Cache, Uinta, and Wasatch, Utah; the Toiyabe, Nevada; and the Angeles, Cleveland, San Bernardino, and Sequoia, California. Appropriations are made from receipts on these national forests.

Acquisition of Lands to Complete Land Exchanges.—Deposits are made by State, county, or municipal governments, public school authorities, or non-Federal parties for cash equalization of certain land exchanges and are used to acquire similar lands suitable for National Forest System purposes in the same State as the national forest lands conveyed in the land exchange or from non-Federal parties for authorized expenditures.

Object Classification (in millions of dollars)

Identification code 12-9923-0-2-302	2006 actual	2007 est.	2008 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	7	5	5
12.1 Civilian personnel benefits	2	2	1
21.0 Travel and transportation of persons	1		
25.2 Other services	10	7	6
25.3 Other purchases of goods and services from Government accounts	6	4	3
32.0 Land and structures	83	55	51
41.0 Grants, subsidies, and contributions	2	2	
99.0 Direct obligations	111	75	66
99.0 Reimbursable obligations	1		
99.9 Total new obligations	112	75	66

Employment Summary

Identification code 12-9923-0-2-302	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	122	82	86

FOREST SERVICE PERMANENT APPROPRIATIONS

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-9921-0-2-999	2006 actual	2007 est.	2008 est.
01.00 Balance, start of year	294	221	244
01.99 Balance, start of year	294	221	244
Receipts:			
02.20 National forests fund	-19		
02.21 National forests fund, Payments to States	273	113	116
02.22 National forests fund, Payments to States—legislative proposal subject to PAYGO			67
02.23 Timber roads, Purchaser elections	7	4	4
02.24 National forests fund, Roads and trails for States	15	15	15
02.25 Timber salvage sales	67	66	67
02.26 Deposits, Brush disposal	12	11	11
02.27 Rents and charges for quarters, Forest Service	8	8	8
02.28 Timber sales pipeline restoration fund	4	7	7
02.29 Recreational fee demonstration program, Forest Service	53	55	55
02.30 Midewin national tallgrass prairie rental fees		1	1
02.31 Charges, user fees, and natural resource utilization, Land between the lakes, Forest Service	4	4	4
02.32 Administration of rights-of-way and other land uses	1	4	5
02.33 Miscellaneous collections, Valles Caldera fund		1	1
02.34 Proceeds from sales, Forest county safety net payments—legislative proposal subject to PAYGO			200
02.35 Funds retained, stewardship contracting product sales	4	6	6
02.36 National grasslands	-41	14	14
02.37 Miscellaneous special funds, Forest Service	3	8	3
02.38 National forest fund		19	20
02.99 Total receipts and collections	391	336	604
04.00 Total: Balances and collections	685	557	848
Appropriations:			
05.00 Stewardship contracting product sales	-4	-6	-6
05.01 Forest Service permanent appropriations	-460	-307	-307
05.99 Total appropriations	-464	-313	-313

FOREST SERVICE PERMANENT APPROPRIATIONS—Continued

Special and Trust Fund Receipts (in millions of dollars)—Continued

Identification code 12–9921–0–2–999	2006 actual	2007 est.	2008 est.
07.99 Balance, end of year	221	244	535

Program and Financing (in millions of dollars)

Identification code 12–9921–0–2–999	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Brush disposal	14	18	15
00.02 Restoration of forest lands and improvements	1	9	1
00.03 Recreation fee demonstration / enhancement programs	50	57	55
00.04 Timber roads—purchaser election program	2	4	4
00.05 Timber salvage sale program	76	75	74
00.06 Timber pipeline restoration fund (includes forest botanical products)	7	6	6
00.07 Roads and trails (10 % Fund)	15	15	15
00.08 Midewin Tallgrass Prairie funds		1	1
00.09 Operation and maintenance of quarters	7	9	8
00.10 Land between the lakes management fund	3	4	4
00.11 Valles Caldera fund		1	1
00.12 Administration of rights-of-way and other land uses	1	2	2
00.13 Payment to states—national forest fund	117	179	111
00.14 Payment to states—transfers from Treasury	296	237	
00.15 Payments to Minnesota	2	2	2
00.16 Payments to counties—national grasslands	14	14	14
09.01 Admin rights of way—Reimbursable program		2	2
10.00 Total new obligations	605	635	315
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	566	707	618
22.00 New budget authority (gross)	746	546	309
23.90 Total budgetary resources available for obligation	1,312	1,253	927
23.95 Total new obligations	–605	–635	–315
24.40 Unobligated balance carried forward, end of year	707	618	612
New budget authority (gross), detail:			
Discretionary:			
41.00 Transferred to other accounts	–10		
Mandatory:			
60.00 Appropriation	296	237	
60.20 Appropriation (special fund)	460	307	307
62.50 Appropriation (total mandatory)	756	544	307
69.00 Spending authority from offsetting collections: Offsetting collections (cash)		2	2
70.00 Total new budget authority (gross)	746	546	309
Change in obligated balances:			
72.40 Obligated balance, start of year	49	59	126
73.10 Total new obligations	605	635	315
73.20 Total outlays (gross)	–595	–568	–310
74.40 Obligated balance, end of year	59	126	131
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	550	510	274
86.98 Outlays from mandatory balances	45	58	36
87.00 Total outlays (gross)	595	568	310
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources		–2	–2
Net budget authority and outlays:			
89.00 Budget authority	746	544	307
90.00 Outlays	595	566	308

Operation and Maintenance of Quarters.—Quarters rental deductions are collected from employees occupying Forest Service facilities. Amounts are deposited into a special fund and are available for the maintenance and operation of employee-occupied quarters. (5 U.S.C. 5911)

Resource Management, Timber Receipts.—Funds in this special account are available for trail maintenance, reconstruction, and construction; wildlife and fisheries habitat management; soil, water, and air management; cultural/heritage resource management; wilderness management; reforestation; and timber sale administration and management.

Recreation Fee Program.—Pursuant to Sec. 8 of Division J—Consolidated Appropriations Act, 2005, Title VII—Federal Lands Recreation Enhancement Act, 2005, Public Law 108–447 of December 8, 2004, the Secretary may establish, modify, charge, and collect recreation fees at Federal recreational lands and waters, including specific recreation sites or areas, for expanded recreation amenities, and special recreation permits. Amounts collected shall be used for repair, maintenance, interpretation, visitor information, limited habitat restoration, and direct operating or capital costs and other identified appropriate expenses.

Midewin National Tallgrass Prairie Rental Fees.—Monies received under a special use authorization (issued under subsection (b) of Public Law 104–106, Title XXIX, Subtitle A, Section 2915, after distribution to the State of Illinois and affected counties pursuant to the Act of May 23, 1908) are available to cover the cost to the United States of prairie improvement work at the Midewin National Tallgrass Prairie.

Midewin National Tallgrass Prairie Restoration Fund.—Monies received from user fees and the salvage value proceeds from sale of any facilities and improvements pursuant to Section 2915(d) and (e) of Public Law 104–106, as amended by Public Law 105–83, are available to cover the costs of restoration and administrative activities.

Payment to Minnesota.—At the close of each fiscal year, the State of Minnesota is paid 0.75 percent of the appraised value of certain Superior National Forest lands in the counties of Cook Lake and St. Louis for distribution to these counties (16 U.S.C. 577g).

Payments to Counties, National Grasslands.—This program provides an annual payment to counties in which Title III—Bankhead-Jones Acquired Lands are located for funding public schools and roads. Of the net revenues for use of Title III—Bankhead-Jones Farm Tenant Act lands, 25 percent is paid to the counties in which such lands are located for public school and road purposes (7 U.S.C. 1012).

Payments to States.—The Secure Rural Schools and Community Self-Determination Act of 2000 (P.L. 106–393 dated October 30, 2000) provides stabilized education and road maintenance funding through predictable payments to counties, job creation in those counties and other opportunities associated with the restoration, maintenance and stewardship of Federal lands. Under P.L. 106–393, counties may elect one of two methods to calculate Payments to States funding they receive. Counties can either choose to continue receiving funds established by the 25 percent fund or they can receive their share of the State’s “full payment amount.” Full payment amount is the average of the highest three years of payments to the State under the 25 percent fund through the years 1986–1999. A county’s share of that amount is generally determined by the State in cooperation with the affected counties.

Since 1908, 25 percent of Forest Service revenues, such as those from timber sales, mineral resources and grazing fees, have been returned to states in which national forest lands are located. The Budget ensures Knutsen-Vandenberg (KV) or Salvage Sales Fund (SSF) collections reflect plans that are funded with due regard for these shared receipts. Reestablishment of this policy will increase receipts into the National Forest Fund and in turn reduce the outlays required from the Treasury.

Expenses, Brush Disposal.—Funds from payments by purchasers of National Forest timber to dispose of or treat slash

and other debris that result from cutting operations (16 U.S.C. 490).

Licensee programs, Forest Service.—Funds from fees for the use of characters by private enterprises are collected under regulations promulgated by the Secretary as follows:

Smokey Bear.—For furthering the nationwide forest fire prevention campaign (16 U.S.C. 580(2)).

Woodsy Owl.—For promoting wise use of the environment and programs which foster maintenance and improvement of environmental quality (16 U.S.C. 580(1)).

Restoration of forestlands and improvements.—Funds from claim settlements involving damage to lands or improvements and from forfeiture of deposits and bonds by permittees and timber purchasers are used for the restoration made necessary by the action which led to the settlement of forfeiture (16 U.S.C. 579c).

Timber Purchaser Roads Constructed by Forest Service.—Funds from timber receipts for Government constructed permanent roads for purchasers of timber who qualify as small businesses and elect to have the Forest Service construct the roads designated under the timber sale contract where costs exceed \$20,000 (16 U.S.C. 472a(i)).

Tongass Timber Supply Fund.—Funds from sales of Alaska timber to maintain the timber supply from the Tongass National Forest at a specified level (16 U.S.C. 539d).

Timber Salvage Sales.—Funds are used for salvage of insect-infested, dead, damaged, or down timber, and to remove associated trees for stand improvement (16 U.S.C. 472a(h)).

Timber Sales Pipeline Restoration Fund.—As authorized under Section 327 of the Omnibus Consolidated Recissions and Appropriations Act of 1996, funds from revenues received from timber sales released under Section 2001(k) of the 1995 Supplemental Appropriations for Disaster Assistance and Recissions Act for the purpose of restoring the timber pipeline and funding the backlog of recreation projects on National Forest System lands.

Valles Caldera Fund.—Funds authorized under the Valles Caldera Preservation Act (Public Law 106–248) are available without further appropriation for any purpose consistent with the purposes of the Act. Notwithstanding sections 1341 and 3302 of title 31 of the United States Code, all monies received from donations under subsection (g) or from the management of the Preserve shall be retained and shall be available, without further appropriation, for the administration, preservation, restoration, operation and maintenance, improvement, repair, and related expenses incurred with respect to properties under its management jurisdiction.

Forest Botanical Products.—This pilot program established by Section 339 of the Consolidated Appropriations Act of FY 2000 (P.L. 106–113) provides for the recovery of fair market value for the sale of forest botanical products; the collection of fees to cover the costs of analyzing, granting, modifying, and monitoring the harvest of these products; the determination of sustainable harvest levels; and the establishment of personal use levels for which fees would not be collected.

Administration of Rights-of-Way and Other Land Uses.—Fees collected from applicants and holders of special use authorizations are available to recover costs for processing applications and monitoring compliance with special use authorizations (31 U.S.C. 9701; 43 U.S.C. 1764(g); 30 U.S.C. 815(1)).

Object Classification (in millions of dollars)				
Identification code 12–9921–0–2–999	2006 actual	2007 est.	2008 est.	
Direct obligations:				
Personnel compensation:				
11.1	60	60	58	Full-time permanent
11.3	13	13	12	Other than full-time permanent
11.5	7	8	7	Other personnel compensation
11.9	80	81	77	Total personnel compensation
12.1	21	22	20	Civilian personnel benefits

13.0	Benefits for former personnel	1	1	1
21.0	Travel and transportation of persons	4	4	3
22.0	Transportation of things	1	1	1
23.1	Rental payments to GSA	1	1	1
23.2	Rental payments to others	2	2	2
23.3	Communications, utilities, and miscellaneous charges	5	5	5
24.0	Printing and reproduction	1	1	1
25.2	Other services	52	53	19
25.3	Other purchases of goods and services from Government accounts	9	9	4
25.7	Operation and maintenance of equipment	1	1	1
26.0	Supplies and materials	11	12	5
31.0	Equipment	3	3	1
32.0	Land and structures	2	2	2
41.0	Grants, subsidies, and contributions	411	435	170
99.0	Direct obligations	605	633	313
99.0	Reimbursable obligations		2	2
99.9	Total new obligations	605	635	315

Employment Summary

Identification code 12–9921–0–2–999	2006 actual	2007 est.	2008 est.
Direct:			
1001	1,489	1,474	1,357
Reimbursable:			
2001		5	5

FOREST SERVICE PERMANENT APPROPRIATIONS

(Legislative proposal, subject to PAYGO)

The Budget includes a legislative proposal that would authorize the Secretary of Agriculture to dispose of certain lands, up to \$800 million, identified in National Forest plans as suitable for exchange since they are isolated or inefficient to manage. This proposal provides \$400 million above the current baseline for a four-year extension of USDA and Department of the Interior forest county safety net payments, which will be targeted to the most affected areas, capped, adjusted downward each year, and eventually phased out. For administrative convenience, USDA will make the payments on behalf of both agencies. In addition, this proposal provides \$400 million for acquisition of land for the NFS system, conservation education, access to public lands, habitat improvement, and to cover administrative costs of disposal. For the 2007 payment (to be made in 2008), the Administration will continue to work with Congress to identify mutually agreeable offsets.

WORKING CAPITAL FUND

Program and Financing (in millions of dollars)

Identification code 12–4605–0–4–302	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
09.01	200	200	196
10.00	200	200	196
Budgetary resources available for obligation:			
21.40	103	94	90
22.00	190	196	194
22.10	1		
23.90	294	290	284
23.95	–200	–200	–196
24.40	94	90	88
New budget authority (gross), detail:			
Discretionary:			
41.00	–10		
Mandatory:			
Spending authority from offsetting collections:			
69.00	201	196	194

WORKING CAPITAL FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-4605-0-4-302	2006 actual	2007 est.	2008 est.
69.10 Change in uncollected customer payments from Federal sources (unexpired)	- 1		
69.90 Spending authority from offsetting collections (total mandatory)	200	196	194
70.00 Total new budget authority (gross)	190	196	194
Change in obligated balances:			
72.40 Obligated balance, start of year	25	29	33
73.10 Total new obligations	200	200	196
73.20 Total outlays (gross)	- 196	- 196	- 195
73.45 Recoveries of prior year obligations	- 1		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	1		
74.40 Obligated balance, end of year	29	33	34
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	163	176	175
86.98 Outlays from mandatory balances	33	20	20
87.00 Total outlays (gross)	196	196	195
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	- 188	- 183	- 181
88.40 Non-Federal sources	- 13	- 13	- 13
88.90 Total, offsetting collections (cash)	- 201	- 196	- 194
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	1		
Net budget authority and outlays:			
89.00 Budget authority	- 10		
90.00 Outlays	- 5		1

The Working Capital Fund is a self-sustaining revolving fund that provides services to national forests, to research experiment stations, to other Federal agencies when necessary, to State and private agencies as provided by law, and to persons who cooperate with the Forest Service in fire control and other authorized programs.

Forestry-related supply and support services include:

Equipment Services.—The fund owns, operates, maintains, replaces, and repairs common-use, motor-driven, and similar equipment. This equipment is rented to administrative units, that is, national forests, research experiment stations, and other units, and, in some cases, to other agencies, at rates which recover the cost of operation, repair and maintenance, management, and depreciation. The rates also include an increment which provides additional cash which, when added to depreciation earnings and the residual value of equipment, provides sufficient funds to replace the equipment.

Aircraft Services.—The fund operates, maintains, and repairs Forest Service owned aircraft used in fire surveillance and suppression and in other Forest Service programs. The aircraft are rented to national forests, research experiment stations, and in some cases to other agencies, at rates which recover the cost of depreciation, operation, maintenance, repair, and improvements in the airworthiness of the aircraft. Aircraft replacement costs are financed from either appropriated funds or the Forest Service Working Capital Fund, or a combination of both.

Supply Services.—The fund operates the following common services, and provides for cost-recovery of Working Capital Fund Program Management:

Photo reproduction laboratories that store, reproduce, and supply aerial photographs, aerial maps, and other photographs of National Forest lands. Photographic reproductions

are sold to National Forests, Experiment Stations, and others at cost.

Sign shops that manufacture and supply special signs for the National Forests for use in regulating traffic and as information to the public and other users of the National Forests. Signs are sold to National Forests and Experiment Stations at cost.

Nurseries.—Seed supply services that provide tree seed for direct seeding or sowing in nurseries for the production of trees. Includes purchase or collection of cones, extraction of seeds, cleaning and testing, and storage and delivery. Operates in conjunction with tree nurseries; that is, forest tree nurseries and cold storage facilities for storage of tree seedlings. Tree seedlings are sold to national forests, State foresters, and other cooperators at cost.

The Budget includes Forest Service implementation, in conjunction with the General Services Administration, of a vehicle allocation methodology that analyzes fleet vehicle effectiveness, cost-to-serve, life cycle costs, vehicle pooling, procurement practices and reduction of operating costs.

Object Classification (in millions of dollars)

Identification code 12-4605-0-4-302	2006 actual	2007 est.	2008 est.
Reimbursable obligations:			
Personnel compensation:			
11.1 Full-time permanent	28	29	29
11.3 Other than full-time permanent	2	2	2
11.5 Other personnel compensation	3	3	2
11.9 Total personnel compensation	33	34	33
12.1 Civilian personnel benefits	9	9	9
13.0 Benefits for former personnel	1	1	1
21.0 Travel and transportation of persons	3	3	3
22.0 Transportation of things	1	1	1
23.2 Rental payments to others	1	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
24.0 Printing and reproduction	1	1	1
25.2 Other services	23	23	22
25.3 Other purchases of goods and services from Government accounts	3	3	3
25.7 Operation and maintenance of equipment	20	20	20
26.0 Supplies and materials	49	49	48
31.0 Equipment	54	53	52
41.0 Grants, subsidies, and contributions	1	1	1
99.9 Total new obligations	200	200	196

Employment Summary

Identification code 12-4605-0-4-302	2006 actual	2007 est.	2008 est.
Reimbursable:			
2001 Civilian full-time equivalent employment	529	525	500

Trust Funds

FOREST SERVICE TRUST FUNDS

Special and Trust Fund Receipts (in millions of dollars)

Identification code 12-9974-0-7-302	2006 actual	2007 est.	2008 est.
01.00 Balance, start of year	156	156	156
01.99 Balance, start of year	156	156	156
Receipts:			
02.20 Forest Service cooperative fund	84	82	83
02.60 Transfers from general fund of amounts equal to certain customs duties, Reforestation trust fund	30	30	30
02.99 Total receipts and collections	114	112	113
04.00 Total: Balances and collections	270	268	269
Appropriations:			
05.00 Forest Service trust funds	- 114	- 112	- 113
07.99 Balance, end of year	156	156	156

Program and Financing (in millions of dollars)

Identification code 12-9974-0-7-302	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Cooperative work trust fund	319	156	102
00.02 Cooperative work advance payments	6	7	7
00.03 Reforestation trust fund	31	30	30
00.04 Land Between the Lakes Trust Fund	1	1	1
09.01 Reimbursable program-coop work other	39	38	45
10.00 Total new obligations	389	231	185
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	611	373	295
22.00 New budget authority (gross)	151	153	160
23.90 Total budgetary resources available for obligation	762	526	455
23.95 Total new obligations	-389	-231	-185
24.40 Unobligated balance carried forward, end of year	373	295	270
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)	114	112	113
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	37	41	47
70.00 Total new budget authority (gross)	151	153	160
Change in obligated balances:			
72.40 Obligated balance, start of year	43	69	107
73.10 Total new obligations	389	231	185
73.20 Total outlays (gross)	-363	-193	-158
74.40 Obligated balance, end of year	69	107	134
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	116	123	128
86.98 Outlays from mandatory balances	247	70	30
87.00 Total outlays (gross)	363	193	158
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-37	-41	-47
Net budget authority and outlays:			
89.00 Budget authority	114	112	113
90.00 Outlays	326	152	111
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities: Par value	5	5	5
92.02 Total investments, end of year: Federal securities: Par value	5	5	5

Reforestation trust fund.—Amounts from this account are used for reforestation as authorized by 16 U.S.C. 1606a (d) and (e).

Cooperative work trust fund.—Funds, including deposits from purchasers of timber, are received and used for specified work in forest investigations, protection, and improvement of the National Forest System, including protection, reforestation, and administration of private lands adjacent to National Forests (7 U.S.C. 2269; 16 U.S.C. 498, 535, 565a, 572, 572a, 576b, 1643; and 31 U.S.C. 1321).

Object Classification (in millions of dollars)

Identification code 12-9974-0-7-302	2006 actual	2007 est.	2008 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	65	53	43
11.3 Other than full-time permanent	7	6	5
11.5 Other personnel compensation	7	6	5
11.9 Total personnel compensation	79	65	53
12.1 Civilian personnel benefits	22	18	15
13.0 Benefits for former personnel	1	1	1
21.0 Travel and transportation of persons	4	3	3

22.0 Transportation of things	1	1	1
23.1 Rental payments to GSA	1	1	1
23.2 Rental payments to others	1	1	1
23.3 Communications, utilities, and miscellaneous charges	2	2	1
25.2 Other services	211	89	57
25.3 Other purchases of goods and services from Government accounts	7	3	2
25.7 Operation and maintenance of equipment	1	1	1
26.0 Supplies and materials	13	5	3
31.0 Equipment	3	1	1
41.0 Grants, subsidies, and contributions	4	2	1
99.0 Direct obligations	350	193	140
99.0 Reimbursable obligations	39	38	45
99.9 Total new obligations	389	231	185

Employment Summary

Identification code 12-9974-0-7-302	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	1,349	1,084	862
Reimbursable:			
2001 Civilian full-time equivalent employment	214	236	251

ADMINISTRATIVE PROVISIONS, FOREST SERVICE

Appropriations to the Forest Service for the current fiscal year shall be available for: (1) purchase of passenger motor vehicles; acquisition of passenger motor vehicles from excess sources, and hire of such vehicles; purchase, lease, operation, maintenance, and acquisition of aircraft from excess sources to maintain the operable fleet for use in Forest Service wildland fire programs and other Forest Service programs; notwithstanding other provisions of law, existing aircraft being replaced may be sold, with proceeds derived or trade-in value used to offset the purchase price for the replacement aircraft; (2) services pursuant to 7 U.S.C. 2225, and not to exceed \$100,000 for employment under 5 U.S.C. 3109; (3) purchase, erection, and alteration of buildings and other public improvements (7 U.S.C. 2250); (4) acquisition of land, waters, and interests therein pursuant to 7 U.S.C. 428a; (5) for expenses pursuant to the Volunteers in the National Forest Act of 1972 (16 U.S.C. 558a, 558d, and 558a note); (6) the cost of uniforms as authorized by 5 U.S.C. 5901-5902; and (7) for debt collection contracts in accordance with 31 U.S.C. 3718(e).

Any appropriations or funds available to the Forest Service may be transferred to the Wildland Fire Management appropriation for forest firefighting, emergency rehabilitation of burned-over or damaged lands or waters under its jurisdiction, and fire preparedness due to severe burning conditions upon notification of the House and Senate Committees on Appropriations.

Funds appropriated to the Forest Service shall be available for assistance to or through the Agency for International Development and the Foreign Agricultural Service in connection with forest and rangeland research, technical information, and assistance in foreign countries, and shall be available to support forestry and related natural resource activities outside the United States and its territories and possessions, including technical assistance, education and training, and cooperation with United States and international organizations.

Funds available to the Forest Service shall be available to conduct a program of up to \$2,500,000 for high priority projects within the scope of the approved budget which shall be carried out by the Youth Conservation Corps.

Of the funds available to the Forest Service, \$4,000 is available to the Chief of the Forest Service for official reception and representation expenses.

Pursuant to sections 405(b) and 410(b) of Public Law 101-593, of the funds available to the Forest Service, up to \$2,500,000 may be advanced in a lump sum to the National Forest Foundation to aid conservation partnership projects in support of the Forest Service mission, without regard to when the Foundation incurs expenses, for administrative expenses or projects on or benefitting National Forest System lands or related to Forest Service programs: Provided, That of the Federal funds made available to the Foundation, no more than \$200,000 shall be available for administrative expenses: Provided further, That the Foundation shall obtain, by the end of the period

of Federal financial assistance, private contributions to match on at least one-for-one basis funds made available by the Forest Service: Provided further, That the Foundation may transfer Federal funds to a non-Federal recipient for a project at the same rate that the recipient has obtained the non-Federal matching funds: Provided further, That authorized investments of Federal funds held by the Foundation may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.

Pursuant to section 2(b)(2) of Public Law 98-244, up to \$2,650,000 of the funds available to the Forest Service shall be advanced to the National Fish and Wildlife Foundation in a lump sum to aid cost-share conservation projects, without regard to when expenses are incurred, on or benefitting National Forest System lands or related to Forest Service programs: Provided, That such funds shall be matched on at least a one-for-one basis by the Foundation or its subrecipients: Provided further, That the Foundation may transfer Federal funds to a Federal or non-Federal recipient for a project at the same rate that the recipient has obtained the non-Federal matching funds.

Funds appropriated to the Forest Service shall be available for interactions with and providing technical assistance to rural communities and natural resource based businesses for sustainable rural development purposes: Provided, That no more than 2 percent of any unit's budget may be used for such purposes: Provided further, That no more than 5 percent of the funds in any budget line item may be used for such purposes.

Funds appropriated to the Forest Service shall be available for payments to counties within the Columbia River Gorge National Scenic Area, pursuant to sections 14(c)(1) and (2), and section 16(a)(2) of Public Law 99-663.

Notwithstanding any other provision of law, any appropriations or funds available to the Forest Service not to exceed \$500,000 may be used to reimburse the Office of the General Counsel (OGC), Department of Agriculture, for travel and related expenses incurred as a result of OGC assistance or participation requested by the Forest Service at meetings, training sessions, management reviews, land purchase negotiations and similar non-litigation related matters. Future budget justifications for both the Forest Service and the Department of Agriculture should clearly display the sums previously transferred and the requested funding transfers.

Any appropriations or funds available to the Forest Service may be used for necessary expenses in the event of law enforcement emergencies as necessary to protect natural resources and public or employee safety: Provided, That such amounts shall not exceed \$500,000.

An eligible individual who is employed in any project funded under title V of the Older American Act of 1965 (42 U.S.C. 3056 et seq.) and administered by the Forest Service shall be considered to be a Federal employee for purposes of chapter 171 of title 28, United States Code.

Any funds appropriated to the Forest Service may be used to meet the non-Federal share requirement in section 502(c) of the Older American Act of 1965 (42 U.S.C. 3056(e)(2)).

Funds available to the Forest Service, not to exceed \$45,000,000, shall be transferred to the Capital Improvement and Maintenance account for the purpose of performing facilities maintenance as authorized by 7 U.S.C. 2250. Such transfers shall occur using a square foot rate charged on the same basis the agency uses to assess programs for payment of rent, utilities, and other support services.

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations or allotments from other accounts are included in the schedule of the parent appropriations, as follows:

- Agriculture:
 - Agricultural Research Service.
 - Animal and Plant Health Inspection Service.
 - Natural Resources Conservation Service.
 - Watershed and flood prevention operations.
 - Resource conservation and development.
 - Conservation Reserve Program.
- Department Administration:
 - Hazardous materials management.
 - Rural Housing; Rural community fire protection grants.
- Transportation: Federal Highway Administration, Highway Trust Fund.
- Labor: Employment and Training Administration, Training and employment services.

GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

	2006 actual	2007 est.	2008 est.
Offsetting receipts from the public:			
12-143500 General fund proprietary interest receipts, not otherwise classified	1	1	1
12-270110 Agriculture credit insurance, Negative subsidies	3	1	
12-270130 Agriculture credit insurance, Downward reestimates of subsidies	392	88	
12-270210 Rural electrification and telephone loans, Negative subsidies	58	42	40
12-270230 Rural electrification and telephone loans, Downward reestimates of subsidies	287		
12-270330 Rural water and waste disposal, Downward reestimates of subsidies	78		
12-270510 Rural community facility, Negative subsidies	1	1	
12-270530 Rural community facility, Downward reestimates of subsidies	24		
12-270630 Rural housing insurance, Downward reestimates of subsidies	188		
12-270730 Rural business and industry, Downward reestimates of subsidies	14		
12-270830 P.L. 480 loan program, Downward reestimates of subsidies	415	66	
12-271030 Rural development loans, Downward reestimates of subsidies	3		
12-271130 Rural telephone bank loans, Downward reestimates of subsidies	27		
12-271330 Economic development loans, Downward reestimates of subsidies	1		
12-271430 Agricultural resource conservation, Downward reestimates of subsidies	1		
12-275610 Negative subsidies, farm storage facility loans	1		
12-275630 Farm storage facility loans, Downward reestimate of subsidies	4		
12-275730 Commodity Credit Corporation export guarantee financing, Downward reestimate of subsidies	551	390	
12-322000 All other general fund proprietary receipts including budget clearing accounts	11	7	7
General Fund Offsetting receipts from the public	2,060	596	48
Intragovernmental payments:			
12-388500 Undistributed intragovernmental payments and receivables from cancelled accounts	-82	1	1
General Fund Intragovernmental payments	-82	1	1

TITLE VII—GENERAL PROVISIONS

(INCLUDING CANCELLATIONS AND TRANSFERS OF FUNDS)

SEC. 701. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department of Agriculture for the current fiscal year under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed 182 passenger motor vehicles, of which 142 shall be for replacement only, and for the hire of such vehicles.

SEC. 702. New obligational authority provided for the following appropriation items in this Act shall remain available until expended: Animal and Plant Health Inspection Service, the contingency fund to meet emergency conditions, information technology infrastructure, fruit fly program, emerging plant pests, boll weevil program, low pathogen avian influenza program, high pathogen avian influenza program, up to \$4,505,000 in the pest and disease management program to control grasshoppers and Mormon cricket, up to \$33,125,000 in animal health monitoring and surveillance for the animal identification system, up to \$1,500,000 in the scrapie program for indemnities, up to \$8,141,000 in the emergency management systems program for the vaccine bank, up to \$1,000,000 for wildlife services methods development, up to \$1,000,000 of the wildlife services operations program for aviation safety, and up to 25 percent of the screwworm program; Food Safety and Inspection Service, field automation and information management project; Cooperative State Research, Education, and Extension Service, funds for the Native American Institutions Endowment Fund; Farm Service Agency, salaries and expenses funds made available to county committees; Foreign Agricultural Serv-

ice, middle-income country training program, and up to \$2,000,000 of the Foreign Agricultural Service appropriation solely for the purpose of offsetting fluctuations in international currency exchange rates, subject to documentation by the Foreign Agricultural Service.

SEC. 703. The Secretary of Agriculture may transfer unobligated balances of discretionary funds appropriated by this Act or other available unobligated discretionary balances of the Department of Agriculture to the Working Capital Fund for the acquisition of plant and capital equipment necessary for the delivery of financial, administrative, and information technology services of primary benefit to the agencies of the Department of Agriculture: Provided, That none of the funds made available by this Act or any other Act shall be transferred to the Working Capital Fund without the prior notification of the agency administrator: Provided further, That none of the funds transferred to the Working Capital Fund pursuant to this section shall be available for obligation without the prior notification of the Committees on Appropriations of both Houses of Congress.

SEC. 704. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 705. No funds appropriated by this Act may be used to pay negotiated indirect cost rates on cooperative agreements or similar arrangements between the United States Department of Agriculture and nonprofit institutions in excess of 10 percent of the total direct cost of the agreement when the purpose of such cooperative arrangements is to carry out programs of mutual interest between the two parties. This does not preclude appropriate payment of indirect costs on grants and contracts with such institutions when such indirect costs are computed on a similar basis for all agencies for which appropriations are provided in this Act.

SEC. 706. Appropriations to the Department of Agriculture for the cost of direct and guaranteed loans made available in the current fiscal year shall remain available until expended to disburse obligations made in the current fiscal year for the following accounts: the Rural Development Loan Fund program account, the Rural Electrification and Telecommunication Loans program account, and the Rural Housing Insurance Fund program account.

SEC. 707. None of the funds appropriated by this Act may be used to carry out section 410 of the Federal Meat Inspection Act (21 U.S.C. 679a) or section 30 of the Poultry Products Inspection Act (21 U.S.C. 471).

SEC. 708. None of the funds made available to the Department of Agriculture by this Act may be used to acquire new information technology systems or significant upgrades, as determined by the Office of the Chief Information Officer, without the notification of the Chief Information Officer and the concurrence of the Executive Information Technology Investment Review Board: Provided, That notwithstanding any other provision of law, none of the funds appropriated or otherwise made available by this Act may be transferred to the Office of the Chief Information Officer unless prior notification has been transmitted to the Committees on Appropriations of both Houses of Congress.

SEC. 709. Notwithstanding any other provision of law, of the funds made available in this Act for competitive research grants (7 U.S.C. 450i(b)), the Secretary may use up to 30 percent of the amount provided to carry out a competitive grants program under the same terms and conditions as those provided in section 401 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621).

SEC. 710. Funds made available under section 1240I and section 1241(a) of the Food Security Act of 1985 in the current fiscal year shall remain available until expended to disburse obligations made in the current fiscal year, and are not available for new obligations. Funds made available under section 524(b) of the Federal Crop Insurance Act, 7 U.S.C. 1524(b), in fiscal years 2004, 2005, 2006, 2007 and 2008 shall remain available until expended to disburse obligations made in fiscal years 2004, 2005, 2006, 2007 and 2008 respec-

tively, and except for fiscal year 2008 funds, are not available for new obligations.

SEC. 711. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to carry out the following:

(a) an Environmental Quality Incentives Program authorized by 16 U.S.C. 3839aa, et seq., in excess of \$1,000,000,000. Funds exceeding this amount for fiscal year 2008 are hereby permanently cancelled;

(b) a Conservation Security Program authorized by 16 U.S.C. 3838 et seq., in excess of \$316,212,000. Funds exceeding this amount for fiscal year 2008 are hereby permanently cancelled. In addition, not withstanding any other provision of law, section 1241(a)(3)(B) of the Food Security Act of 1985 (16 U.S.C. 3841(a)(3)(B)) is amended by striking "\$5,650,000,000" and inserting the following: "\$5,570,000,000";

(c) an Agricultural Management Assistance Program as authorized by section 524 of the Federal Crop Insurance Act (7 U.S.C. 1524). \$10,000,000 of the funds available for fiscal year 2008 are hereby permanently cancelled; and

(d) a Marketing Assistance Loan Program to provide storage credits for upland cotton, implemented by 7 CFR part 1427. Funds otherwise available for fiscal year 2008 are hereby permanently cancelled.

SEC. 712. Section 502(h)(2) of the Housing Act of 1949 is amended to add the following sentence to the end of the paragraph:

"In addition the lender shall certify that—

"(A) the lender would not otherwise provide a loan to the borrower absent the guarantee, and

"(B) the lender either—

"(i) does not provide loans under any other federal housing program, or

"(ii) has determined that the borrower does not qualify for any other federal housing program that the lender offers that would serve the borrower's housing needs."

SEC. 713. Section 442 of Public Law 106-224 is amended by adding the following new subsections at the end:

"(c) PRECONDITIONS FOR A TRANSFER AVAILABILITY.—Funds may be transferred to combat emergencies.

"(d) DEFINITIONS.—For purposes of this subsection, an 'emergency' is an unanticipated event that requires a necessary expenditure that is sudden, urgent and unforeseen."

SEC. 714. Section 10417 of Public Law 107-171 is amended by adding the following new subsections at the end:

"(d) PRECONDITIONS FOR A TRANSFER AVAILABILITY.—Funds may be transferred to combat emergencies.

"(e) DEFINITIONS.—For purposes of this subsection, an 'emergency' is an unanticipated event that requires a necessary expenditure that is sudden, urgent and unforeseen."

SEC. 715. Section 739 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriation Act, 2001 (H.R. 5426 as enacted by Public Law 106-387, 115 Stat. 1549A-34) is amended by striking "2 percent" and inserting "3 percent".

SEC. 716. Of the funds available under section 32 of the Act of August 24, 1935, \$65,452,000 are hereby permanently cancelled.

SEC. 717. Not more than \$11,166,000 of the funds made available under section 522(e) of the Federal Crop Insurance Act (7 U.S.C. 1522(e)) may be used for program compliance and integrity purposes, including the data mining project, and for the Common Information Management System.

SEC. 718. Not withstanding any other provision of law, the time period for the Secretary of Agriculture to enroll not to exceed 2,275,000 acres in the Wetlands Reserve Program shall be extended through fiscal year 2008. For fiscal year 2008, the Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this program.